Empreendimentos Pague Menos S.A.

Report on Review of Quarterly Financial Information – ITR on June 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 June 30, 2024, which comprises the balance sheet on June 30, 2024 and the related statements of income, the comprehensive statements of income for the three and six months period then ended and the statement of changes in shareholders' equity and statements of cash flows for the six 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 six month period ended June 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.

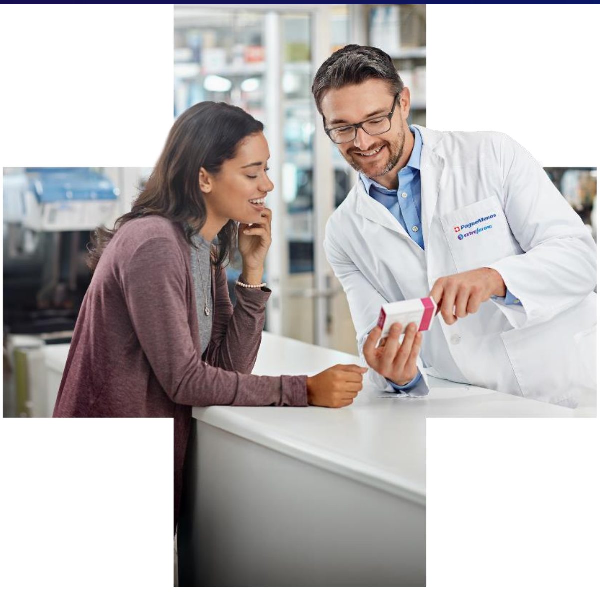
Fortaleza, August 5, 2024
KPMG Auditores Independentes Ltda.
CRC CE-003141/F-5

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

EARNINGS
RELEASE
2Q24

PagueMenos
extrafarma

PagueMenos



extrafarma

PAGUE MENOS ACCELERATES GROWTH, REVERSES LOSSES AND PRESENTS THE BEST CASH CYCLE SINCE 2020

2Q24 HIGHLIGHTS

- **GROSS REVENUE**
  R$ 3.4 billion (+12.2% vs 2Q23) with 11.4% same store sales
- **MARKET SHARE**
  Share gains in all regions of the country
- **ADJ. EBITDA**
  R$ 176.9 million (+15.7% vs 2Q23) with 0.2 p.p. margin expansion
- **ADJ. NET INCOME**
  R$ 44.2 million with a 1.4 p.p. margin expansion vs 2Q23
- **EXTRAFARMA SYNERGIES**
  R$ 203 million on an annual basis (6 months ahead of schedule)
- **INDEBTEDNESS**
  2.5x Net debt / EBITDA (reduction of 0.6x vs 2Q23)
- **CASH CYCLE**
  56 days, reduction of 8 days vs 2Q23
- **FREE CASH FLOW**
  R$ 74.1 million with growth of R$ 114.3 million 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. To better demonstrate the economic reality of the business, the numbers in this report are presented under the old standard, IAS 17. The reconciliation with IFRS 16 can be found in the Appendix 1 of this document.

CONSOLIDATED FINANCIAL HIGHLIGHTS

in R$ million and % of gross revenue	2Q23	2Q24	Δ	1S23	1S24	Δ
Gross Revenue	**3,003.6**	**3,369.0**	**12.2%**	**5,816.9**	**6,464.1**	**11.1%**
Gross Profit	**930.6**	**1,023.2**	**9.9%**	**1,748.1**	**1,926.7**	**10.2%**
% Gross Margin	*31.0%*	*30.4%*	*(0.6 p.p.)*	*30.1%*	*29.8%*	*(0.3 p.p.)*
Contribution Margin	**234.4**	**267.4**	**14.1%**	**377.1**	**453.3**	**20.2%**
% Contribution Margin	*7.8%*	*7.9%*	*0.1 p.p.*	*6.5%*	*7.0%*	*0.5 p.p.*
Adjusted EBITDA	**152.9**	**176.9**	**15.7%**	**207.5**	**273.8**	**31.9%**
% Adjusted EBITDA Margin	*5.1%*	*5.3%*	*0.2 p.p.*	*3.6%*	*4.2%*	*0.6 p.p.*
Adjusted Net Income	**(2.9)**	**44.2**	**-**	**(48.2)**	**21.1**	**-**
% Adjusted Net Margin	*(0.1%)*	*1.3%*	*1.4 p.p.*	*(0.8%)*	*0.3%*	*1.1 p.p.*

OPERATING HIGHLIGHTS

Indicator	2Q23	3Q23	4Q23	1Q24	2Q24	Δ (2Q24 × 2Q23)
# of Stores	1,652	1,648	1,632	1,654	1,653	*0.1%*
Average sale/store/month (R$ thousand)	607	622	622	628	679	*11.9%*
Average ticket (R$)	78.37	81.07	80.46	81.96	83.78	*6.9%*
Same store sales (%)	5.6%	5.9%	5.6%	9.6%	11.4%	*5.8 p.p*
Digital channels (% of Gross Revenue)	11.7%	12.1%	12.5%	13.4%	14.1%	*2.4 p.p*
Private labels (% of Gross Revenue)	6.6%	7.0%	6.9%	6.7%	6.7%	*0.1 p.p*
# of Clinics	1,077	1,077	1,077	1,077	1,077	*0.0%*
Active customers (million)	20.5	20.7	20.7	20.9	20.9	*2.3%*
Total employees	25,375	25,268	25,445	25,822	25,874	*2.0%*
Store employees	20,679	20,599	20,775	21,161	21,381	*3.4%*
Employees/store (quantity)	12.5	12.5	12.7	12.8	12.9	*3.3%*
Operating cash cycle (days)	64	60	55	60	56	*(8)*
Net Debt / Adjusted EBITDA	3.1x	2.4x	2.5x	2.6x	2.5x	*(0.6x)*

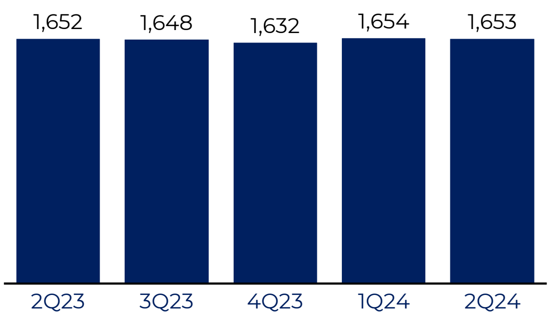
STORE PORTFOLIO

We ended 2Q24 with 1,653 stores, decreasing one unit compared to the previous quarter, with one store opening and two closings. Thus, we completed in the quarter the forecast of opening 30 stores in 2024.

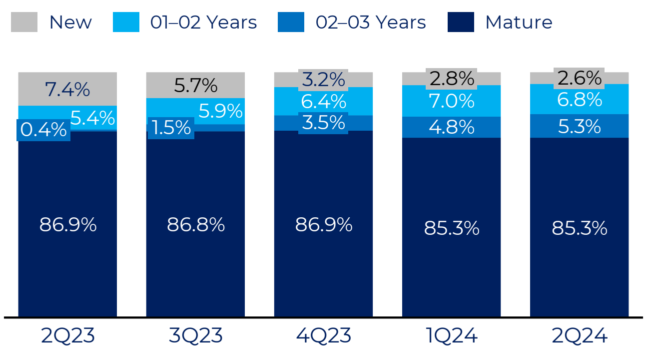
Brand conversions continue to occur within the operational integration plan with Extrafarma, totaling 96 stores converted by the end of 2Q24. Conversions continue delivering relevant sales ramp-up, highlighting the strength of Pague Menos' brand nationwide. Currently, all the stores in the states of SP, BA, PE, PB, RN and TO have already been converted to Pague Menos, so that only the states of PA, AP, MA and CE remain with the Extrafarma brand. In these states, we are running tests to inform our potential decision of new conversions in the future.

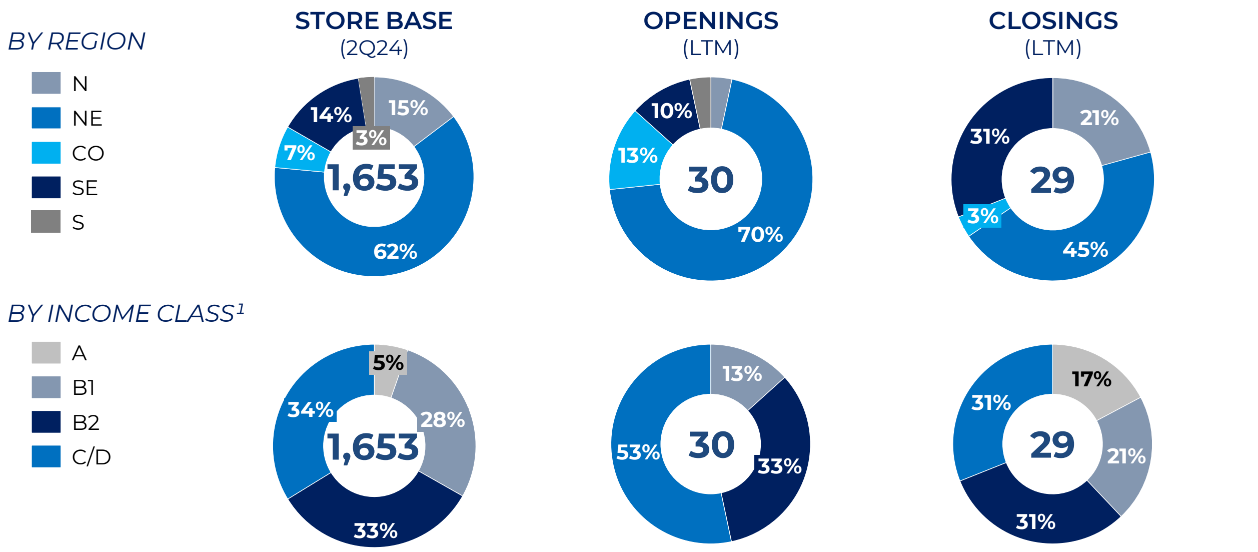
Three years after opening the first stores in the post-IPO expansion cycle, we observe consistent results in the sales maturity curve and, especially, in the economics of the new stores, which indicate a level of profitability above the average of stores from previous cohorts. When segmenting stores by monthly average sales range, we observe that openings since 2021 deliver 4-wall margins approximately 1.5 p.p. above the average of mature stores (considering only the Pague Menos portfolio).

EVOLUTION OF STORE BASE



AGE PROFILE OF STORES





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

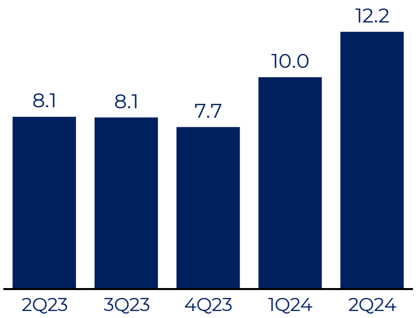
SALES PERFORMANCE

We achieved a significant acceleration in sales growth in 2Q24, even with the lower inflationary component of the readjustment of medicine prices in the quarter. The good performance is a result of the operational efficiency initiatives, with actions in areas such as customer service, store rennovations, and improvement of internal processes, which are already starting to have a positive impact on the perception and behavior of customers. Moreover, we highlight the strong recovery in sales at Extrafarma, as a result of the synergies captured and banner conversions carried out in recent quarters.

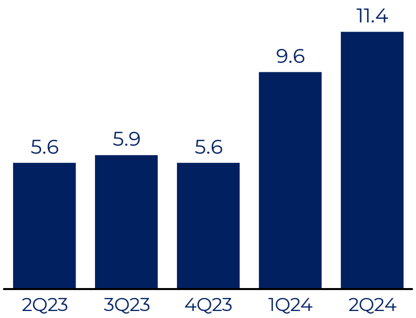
Total sales growth reached 12.2%, driven mainly by mature stores growth of 10.3%, more than double the inflation for the period. Maturing stores contributed positively with 2.8 p.p. to growth, while stores closed in the last 12 months contributed negatively with 0.9 p.p.

The same-store sales (SSS) growth was 11.4% in the quarter, accelerating 1.8 p.p. compared to the previous quarter. We observed a good growth trend in both companies, with Pague Menos recording SSS of 10.5% and Extrafarma recording 15.8%. At Extrafarma, we highlight the strong contribution of converted stores, which presented significant growth of 23.7%, while the others grew 12.7%.

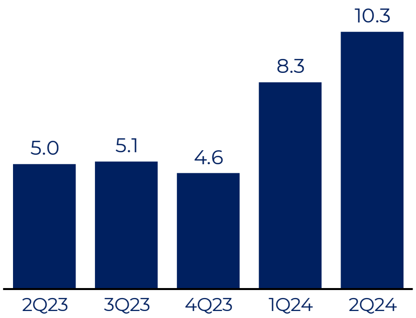
TOTAL GROWTH[2]
(change %)



SAME STORE SALES
(change %)

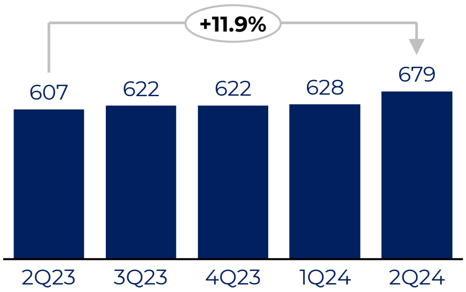


MATURE STORES
(change %)



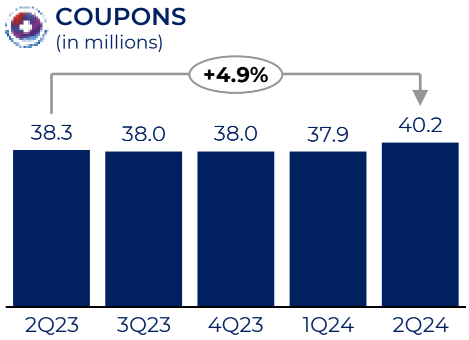
Our store portfolio reached R$ 679 thousand in monthly average sales in 2Q24, representing a 11.9% growth compared to the same period of the previous year. We highlight the consistent improvement in the Extrafarma portfolio, which reached a monthly average sale of R$ 574 thousand in the quarter, accumulating a significant growth of 28% in the last 2 years, almost 3 times the accumulated inflation for the period.

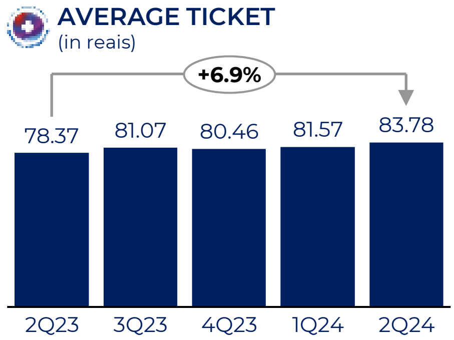
AVERAGE SALE/STORE/MONTH
(R$'000)



[2] Pro forma growth data, considering Extrafarma's historical base and disregarding the wholesale operation, discontinued in October 2022.

The consolidated growth for the quarter can be broken down into a healthy mix of volume (4.9%) and average ticket (6.9%).





The growth in customers served was driven by the Pague Menos brand, which recorded a 5.5% increase in coupons issued compared to 2Q23. We attribute this good performance to: i) store renovation initiatives (more than 250 interventions improving the look-and-feel of points of sale); ii) improvements in service; iii) segmented CRM actions and iv) maturation of the new harvests of stores. At Extrafarma, the volume of services increased 2.5%, negatively impacted by the store closures carried out in the last 12 months. In the "same stores" concept, the volume of services at Extrafarma grew a significant 5.7%.

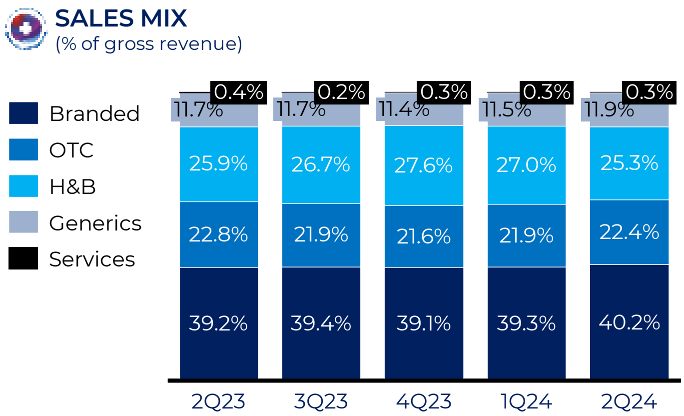
The majority of the traffic growth in the store was due to the retention and activation of new customers, thus contributing our active customer base. We totaled 20.9 million customers with purchases in the last twelve months, accounting for a growth of 2.3% compared to 2Q23 and 0.2% compared to 1Q24. Positive results, especially considering that there was no expansion in the store base during the period.

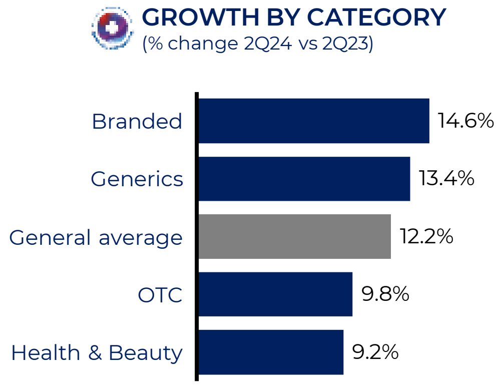
Even with the inflation slowdown, we are observing an acceleration in the average ticket growth, mainly leveraged by the increase in the customers' shopping basket. It is worth highlighting that there was an inflection in this metric in the quarter, which had a persistent downward trend until then. Furthermore, we observed a positive mix effect, due to the increase in the share of branded medicines in total sales.

CATEGORY AND SUPPLY MANAGEMENT

The good sales performance in the quarter was driven by growth in categories of prescription medicines. Private labels recorded growth of 14.6% compared to the same period of the previous year, reaching 40.2% of total sales, the highest share since 3Q22. Among the therapeutic classes, diabetes was the one that recorded the greatest growth. In generic drugs, we recorded a growth of 13.4%, maintaining the structural trend of gaining market share, which reached a record level of 11.9% in the quarter.

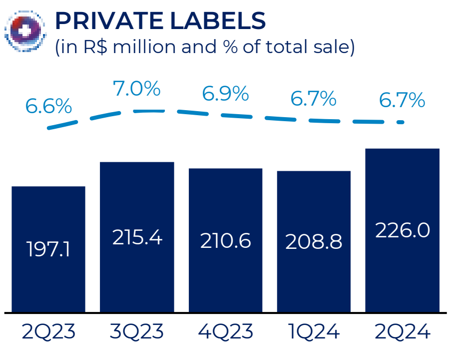
On the other hand, the non-medicine group recorded a slowdown in the quarter, growing slightly below the general average. In the OTC category, we observed growth of 9.8% in the quarter, hampered by the drop in the flu and cold category. Hygiene & Beauty items recorded growth of 9.2%, slowing down compared to previous quarters, especially in the dermocosmetics and diaper categories.

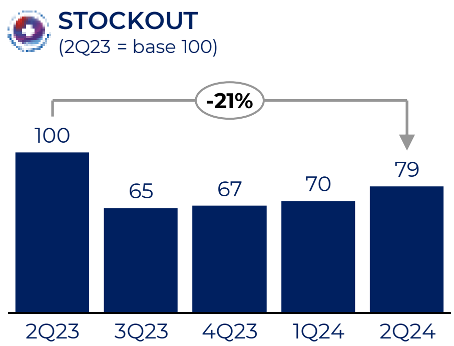




Our private labels continue to be a highlight in our commercial execution, and they continued to gain share in the sales mix in 2Q24. Sales totaled R$ 226.0 million, growing 14.7% compared to the same period of the previous year. The total sales share was 6.7%, accounting for an increase of 0.1 p.p. compared to 2Q23. Considering only self-service sales, where we focus on offering private labels, the market share reached 14.1%, accounting for an increase of 0.7 p.p. compared to 2Q23.

The stockout rate remains under control, decreasing 21% compared to 2Q23 and staying at a similar level to previous quarters.





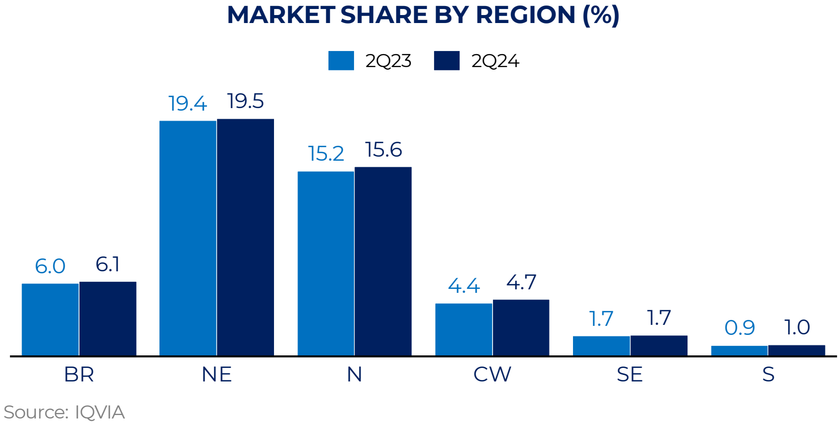
MARKET **SHARE**

Good sales performance allowed us to increase our market share, despite the context of slowdown in the pace of store openings.

In 2Q23, we achieved above-market growth in all regions. The Center-West continues to be the geography where we record the highest sales growth, as well as the highest market share gain. In the quarter, we reached a record 4.7% market share in the region.

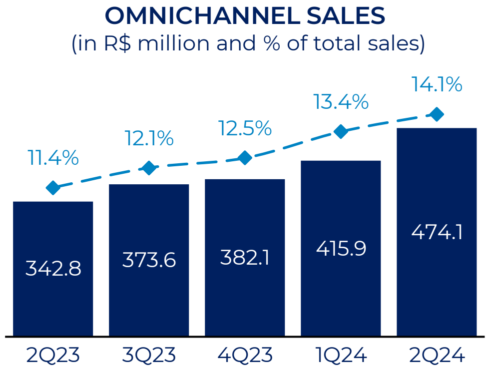
We also highlight the good performance in the Southeast region, where we recorded the best same-store growth rate, driven by the brand conversions carried out in São Paulo. With such initiative, we observed a strong improvement not only in the converted stores, but also in the other stores, due to the increase in density and strengthening of the Pague Menos brand in specific micro-markets in the city of São Paulo.

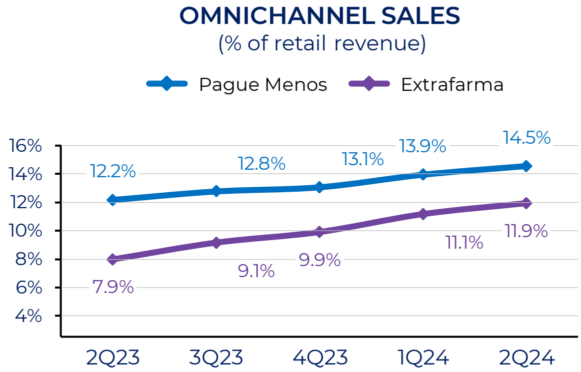
It is important to highlight that the market share gain in the quarter was achieved organically, without opening new stores. Our average sales growth rate per store continues to be well above our main competitors, maintaining a trend observed in previous quarters.



OMNICHANNEL PLATFORM

In 2Q24, we continued to improve the shopping experience on our digital channels, which continue to gain relevance in our business. Sales reached R$ 474 million, growing 38.3% compared to 2Q23 and accounting for 14.1% of total sales. By brand, Pague Menos achieved a penetration of 14.5%, while Extrafarma reached 11.9%. Thus, we continue reducing the gap between brands, ending 2Q24 with a difference of 2.6 p.p., in contrast to the 4.2 p.p. recorded in the previous year.



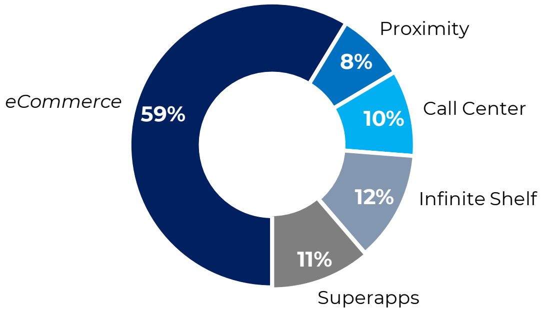


The growth of our omnichannel platform has been sustained by a continuous improvement in the customer's journey across all channels, from reducing website loading time to the checkout process in the app. Accordingly, we continue to grow in a balanced manner, with e-Commerce, Proximity, Superapps and Infinite Shelf growing around 15% in 2Q24 compared to 1Q24, with emphasis on eCommerce, which is approaching a 60% share.

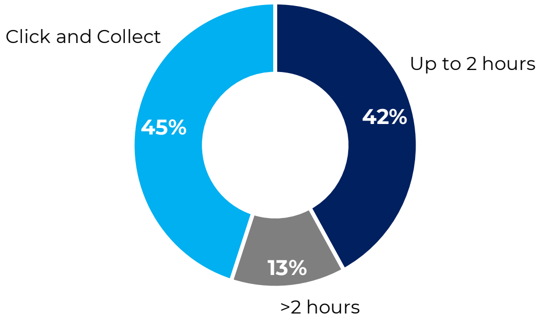
Furthermore, we integrated all channels via WhatsApp this quarter, making it possible to redirect the access flow to other platforms. This initiative allows for greater efficiency in the communication strategy, as we concentrate resources to promote just one access point.

Our omnichannel strategy allows us to continue growing in a healthy and sustained pace, gradually improving the profitability and service level of the channels. In 2Q24, the digital channels contribution margin increased almost 2 p.p. compared to 2Q23. Moreover, we maintained a good level of delivery efficiency, with 87% of orders made available to customers in less than 2 hours.

DIGITAL CHANNELS MIX
(% of omnichannel sales 2Q24)



TYPE OF DELIVERY MIX
(% of omnichannel orders 2Q24)



HEALTH HUB

Our Health Hub continues to evolve, gaining increasing relevance in our strategic planning. The second quarter of 2024 was marked by a positioning review in some important business verticals, as we will discuss below.

Clinic Farma continues to record significant customer traffic. In the quarter, 1.9 million consultations were made in our pharmaceutical clinics, accounting a 49% growth compared to the same period of the previous year. We are gradually converting the volume of data generated by Clinic Farma into the construction of segmented "health journeys". With the support of important partners in the pharmaceutical industry, we already have structured relationship guidelines to encourage treatment adherence in areas such as diabetes and hypertension, thus benefiting thousands of customers with discounts, educational content, and clinical analysis exams.

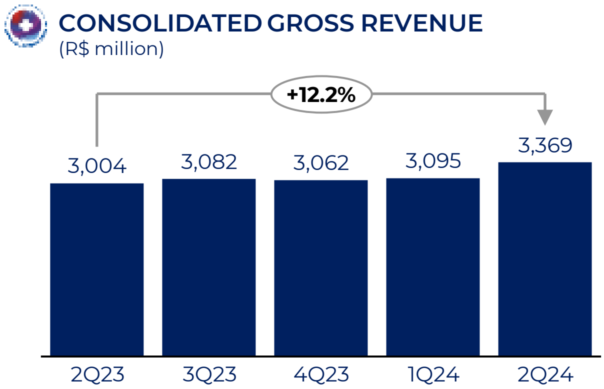
Pague Menos is the drugstore chain with the largest portfolio of rapid tests on the market, with over 25 exams offered at Clinic Farma. In the quarter, we further expanded our offering by including blood counts, with exclusivity in the retail channel. The exam, made available in partnership with the healthtech Hilab, allows for the quick evaluation of several blood components, such as red blood cells, white blood cells, and platelets, effectively assisting in the patient's health monitoring.

In the vaccine sector, the change in application strategy via partnerships to the in-house model is already beginning to generate promising results. With training initiatives, customer awareness, assortment expansion, and inventory reinforcement, our vaccine market share grew 5x since the beginning of the year, even without expanding the number of stores enabled for the service. By the end of the year, we plan to conquer our market share in the category even more, by increasing from 36 to around 100 stores equipped with vaccination rooms.

Within the context of constant evolution of our strategy, we have made the decision to discontinue our operation of compounding pharmacies. Among the multiple components of our Health Hub, this was the most mature initiative, with the lowest level of growth and the highest level of capital employed. Thus, we started a partnership with Miligrama, the largest online compounding pharmacy in the country, to direct all the demand for compounded prescriptions captured in-store, ensuring that our customers continue to be served with this service.

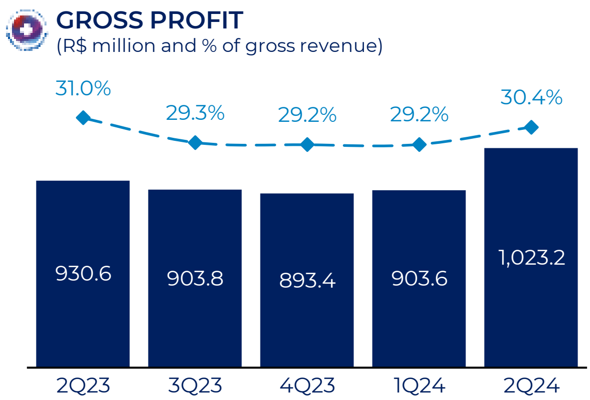
GROSS **REVENUE**

As a result of the good same-store growth, as detailed in the "Sales Performance" section of this release, consolidated gross revenue reached R$ 3.369 billion in 2Q24.



GROSS **PROFIT**

Consolidated gross profit reached R$ 1.023 billion in 2Q24, accounting for a growth of 9.9% compared to the same period of the previous year. On the other hand, the gross margin decreased 0.6 p.p. on an annual basis, closing the quarter at 30.4%.

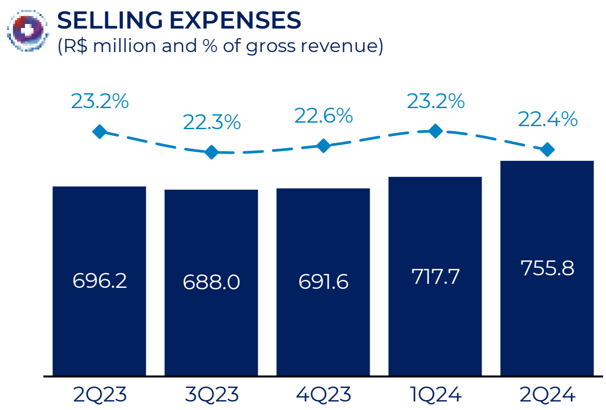


The pressure on gross margin in the quarter is mainly due to lower inflationary gains with inventory, a seasonal characteristic of the second quarter of the year, when the annual readjustment of medicine prices occurs. In addition to the lower readjustment compared to the previous year (4.5% in 2024 vs 5.6% in 2023), we carried this period with a lower inventory level (113 days in 1Q24 vs 129 days in 1Q23), thus capturing lower inflationary gains. The reduction in inventories is justified by different operational contexts: while the operational focus in 1Q23 was on the logistics integration with Extrafarma, requiring working capital contributions, in 1Q24 our efforts were targeted to financial deleveraging, where cash cycle optimization has been one of the key pillars.

On a smaller scale, also contributing negatively to the gross margin, was the inventory loss rate and the Adjustment to Present Value (APV). The gross margin was positively impacted by better commercial conditions, pricing, and mix effect. We consider that the negative components of gross margin change are mainly non-recurring, while the gains are structural.

SELLING EXPENSES

Consolidated selling expenses totaled R$ 755.8 million, equivalent to 22.4% of gross revenue, down 0.8 p.p. compared to the same period of the previous year.

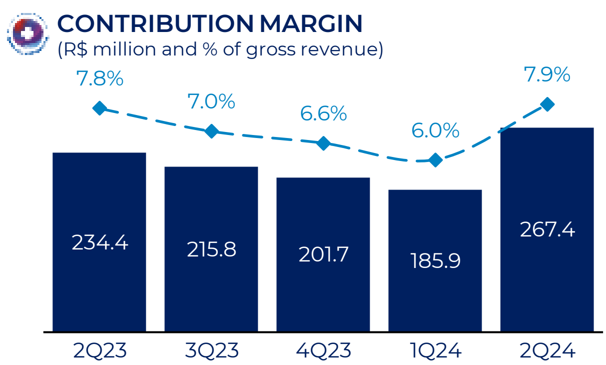


The acceleration in same-store sales growth in a context where expense inflation has slowed down, has generated positive operational leverage, with greater dilution of fixed expenses such as rent and personnel. Moreover, efficiency gains, especially at Extrafarma, have contributed to controlling the growth of operating expenses.

It is worth highlighting that the good performance in diluting sales expenses occurs despite incremental expenses generated in the context of the Company's management transition. The so-called "operational missions", which have prioritized short-term actions in the customer service, processes, maintenance, technology, and store support areas, require resources in the first place, with structural gains that occur gradually. Expense lines such as maintenance and personnel training, for example, increased 30% and 60%, respectively, compared to the previous year. Furthermore, we carried out an organizational restructuring, with changes in operational hierarchies, closure of the compounding pharmacies operation, and reinforcement of the store team, which also impacted personnel expenses with indemnity payments.

CONTRIBUTION MARGIN

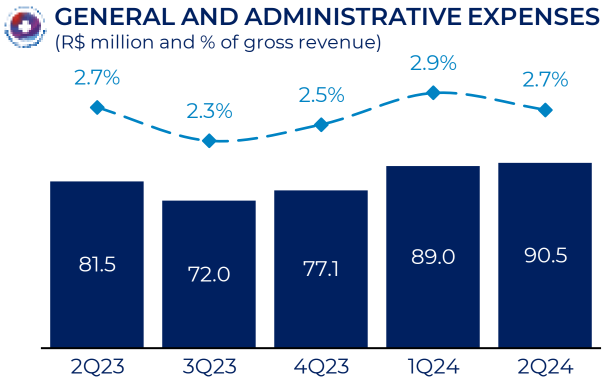
The good expense reduction performance more than offset the pressure on gross margin in the quarter, resulting in a contribution margin of 7.9%, 0.1 p.p. above 2Q23.



We continue reducing the profitability gap between Pague Menos and Extrafarma, as expected in the integration plan. In 2Q24, we recorded a contribution margin of 8.2% in the Pague Menos store portfolio and 6.8% in Extrafarma, thus indicating a gap of 1.4 p.p. between the two operations. In 3Q22, the first quarter after the acquisition, this same gap was 4.6 p.p.

GENERAL AND ADMINISTRATIVE (G&A) EXPENSES

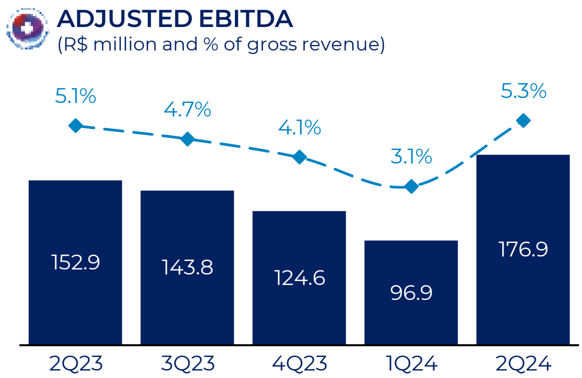
G&A expenses totaled R$ 90.5 million in 2Q24, remaining at a similar level to 1Q24. As a percentage of gross revenue, said group of expenses accounted for 2.7%, a decrease of 0.2 p.p. compared to 1Q24, reflecting the greater dilution of expenses generated by the acceleration in sales growth, and remaining stable compared to 2Q23.



The dilution of G&A expenses was partially offset due to investments made in the management team, which continues to be strengthened in the context of management transition. In 2Q24, we finalized the composition of the C-Level, in addition to making specific changes to the board structure. and significantly reduce our corporate office in São Paulo. Such changes, which can be considered non-recurring, put pressure on G&A for the quarter by 0.1 p.p.

ADJUSTED **EBITDA**

As a result of the effects described above, adjusted EBITDA totaled R$ 176.9 million in 2Q24, growing 15.7% compared to the same period of the previous year. Year-to-date, we have already accumulated an expressive growth of 31.9%, reflecting the good operational momentum.



INTEGRATION OF EXTRAFARMA AND CAPTURE OF SYNERGIES

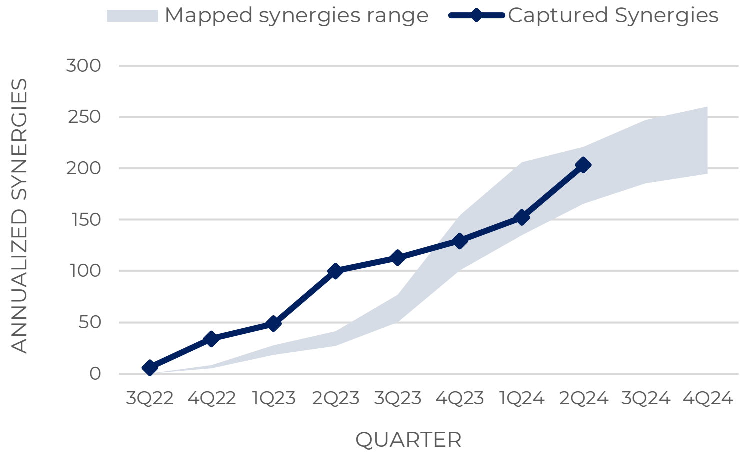
The benefits generated by the integration with Extrafarma are increasingly evident in our results. In 2Q24, we recorded[3] a volume of synergies of R$ 50.9 million, equivalent to R$ 203 million on an annualized basis. Thus, we have already surpassed the floor of the projected synergy range six months ahead of schedule, which demonstrates the success in executing the integration plan.

In addition to the synergies captured up to the previous quarter, the strong performance of converted stores contributed to the result, a lever that already accounts for 10% of the total synergies captured. Moreover, sales synergies continue gaining traction, such as the evolution of active assortment, digital channel penetration, and CRM activations.

The total synergies can be broken down into: footprint optimization levers (16% of the total), sales synergies (23%), gross margin (27%), SG&A (37%), and optimization of the logistics network (11%), which were partially offset by non-synergies (-14%) generated by divestitures and an increase in the loss rate.

During the quarter, we updated the range of our synergy projections by increasing the lower limit to incorporate the accumulated inflation since the original projection, and by reducing the upper limit to account for dis-synergies due to unforeseen inventory losses. With this, the updated projection is that the annual synergy capture will be between R$ 195 million and R$ 260 million by the end of 2024.

SYNERGY CAPTURE CURVE
(R$ million)



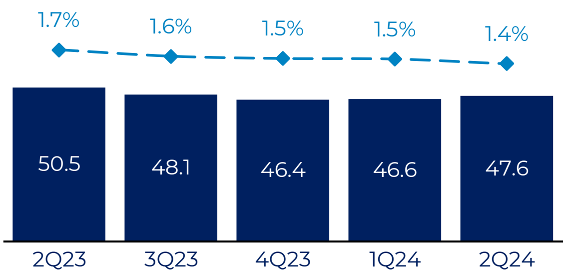
DEPRECIATION, FINANCIAL RESULTS AND INCOME TAX

We recorded depreciation of R$ 47.6 million in 2Q24, accounting for a decrease of 5.7% compared to the same period of the previous year, reflecting the slowdown in the pace of investments and store closures carried out during the period. With the completion of the organic expansion plan and the low Capex volume expected for the second semester of the year, we should continue observing a decreasing trend in this item.

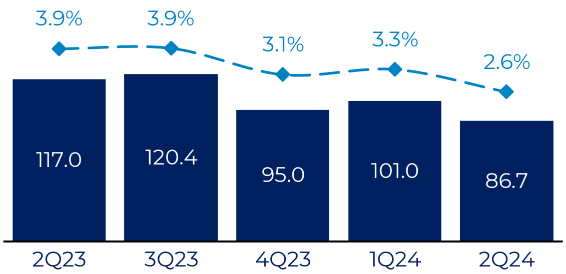
The progressive financial deleveraging carried out over the last quarters continues to generate savings in financial expenses. The financial result totaled R$ 86.7 million in 2Q24, accounting for a decrease of 25.9% compared to the previous year, with a significant reduction in expenses related to prepayment of receivables and provisioned interest. Compared to 1Q24, the financial result decreased 14%, mainly due to the lower debt service and reduction in Adjustment to Present Value (APV).

[3] The calculation of synergies is conducted through management estimates, which may result in values differing from those reported in accounting.

DEPRECIATION
(R$ million and % of gross revenue)

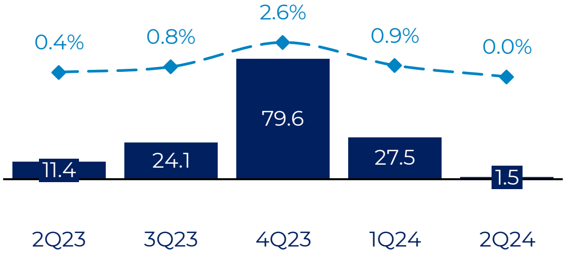


NET FINANCIAL INCOME (LOSS)
(R$ million and % of gross revenue)



Deferred income tax in 2Q24 totaled R$ 1.5 million, decreasing compared to previous quarters due to the improvement in taxable income. Tax shield on investment subventions had a positive impact of R$ 10.9 million on net income in the quarter.

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

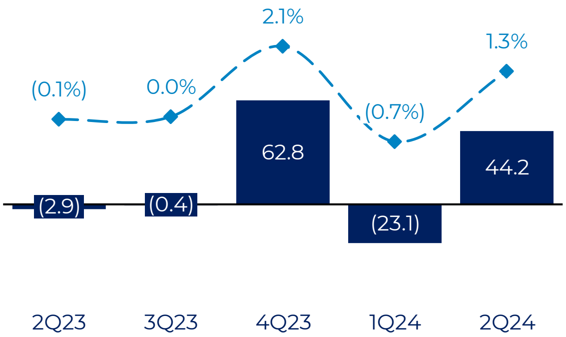


ADJUSTED NET **INCOME**

We achieved a net income of R$ 44.2 million in 2Q24, reversing the loss of R$ 2.9 million recorded in the same period of the previous year. The net margin reached 1.3%, which accounts for a significant increase of 1.4 p.p. in the annual comparison.

The positive result of the quarter highlights the successful execution of the plan outlined after the acquisition of Extrafarma, with progressive operational improvement (sales growth, synergy capture, and margin increase) coupled with gradual financial deleveraging (reduction in indebtedness and optimization of the cash cycle).

ADJUSTED NET INCOME
(in R$ million and % of gross revenue)



ADJUSTED INCOME **RECONCILIATION**

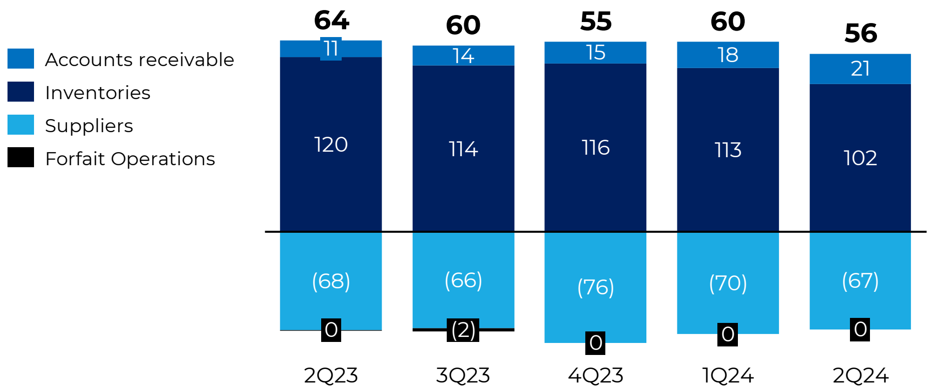
For a better understanding and comparability with previous periods, the results for the year were adjusted in order to exclude non-recurring events. We present below the details of the adjustments made, as well as their respective impacts on earnings. The complete reconciliation of the accounting and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

Description of Adjustment	Net effect on consolidated result	
	2Q23	2Q24
Accounting net income - IFRS 16	**(37.1)**	**32.6**
Exclusion of IFRS 16 effects	7.1	5.3
Total - Management adjustments	27.1	6.3
(+/-) Write-off of property, plant and equipment	0.0	1.4
(+) Extrafarma acquisition extraordinary expenses	0.4	-
(+) Organizational restructuring	2.4	-
(+/-) Business combination	19.8	2.4
(+) Interest on installments payable in acquisitions	12.2	5.7
(+/-) Effect on IRPJ and CSLL taxes of adjustments	(7.6)	(3.2)
Adjusted Net Income	**(2.9)**	**44.2**

CASH CYCLE

The operating cash cycle reached 56 days in 2Q24, decreasing 8 days compared to the same period of the previous year, mainly driven by the increasing efficiency in inventory management.

CONSOLIDATED CASH CYCLE[4]
(in days of COGS and days of Gross Revenue)



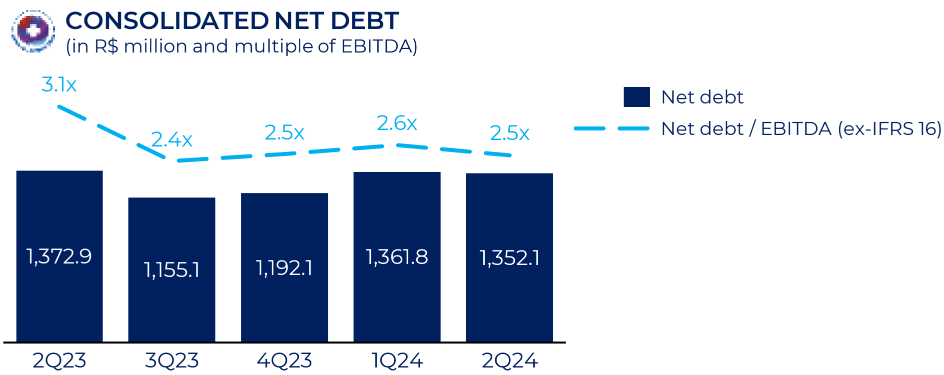
The average inventory term was 102 days in 2Q24, reaching the lowest level since 2020. Gradually, the optimization of the logistics network obtained with the integration of Extrafarma begins to be reflected in an increasingly efficient cash cycle. In addition to the gain generated by logistics synergies, we continue optimizing the volume of inventory used with initiatives focused on reducing excess, greater involvement with suppliers, review of entry policies, and reduction in active assortment per store.

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

With the progressive reduction in inventory levels, we continue rebuilding the balance of accounts receivables, reducing the volume of anticipations and thus contributing to a lower financial burden. The average term of receivables reached 21 days in 2Q24, increasing 3 days compared to 1Q24 and expressive 10 days compared to 2Q23. In the last 12 months, we allocated approximately R$ 300 million from operating cash generation to recompose our receivables balance.

INDEBTEDNESS

The Net Debt / EBITDA ratio reached 2.5x in 2Q24, accumulating a decrease of 0.6x in the last 12 months. The net debt totaled R$ 1.352 billion, remaining relatively stable compared to 1Q24.



We remain committed to the financial deleveraging cycle, which has been ongoing since 2Q23. We plan to finish the year with a Net Debt/EBITDA level below 2.0x. To do this, we will continue allocating the operating cash generation almost entirely to strengthening our balance sheet.

We carried out a significant debt restructuring in 2Q24, improving our indebtedness. Compared to 1Q24, there was an 8% decrease in gross debt, with an increase in duration (from 1.7 to 2.0 years) and a decrease in the average spread of debt cost (from CDI + 1.97% to CDI + 1.70%).

INVESTMENTS

In 2024, Capex totaled R$ 41.7 million, decreasing 38% compared to the previous year and reflecting the Company's current financial deleveraging.

In 2Q24, we carried out an important rennovation of our store portfolio, with over 100 retrofits carried out in the period, in addition to 41 brand conversions of Extrafarma. We believe that such investments directly contributed to the good sales performance in the quarter.

Capex (R$ million)	1S23	%	1S24	%
Expansion	44.8	67%	12.4	30%
Refurbishment of stores	6.8	10%	20.3	49%
Technology	7.9	12%	7.8	19%
Infrastructure of stores, DCs and offices	7.7	11%	1.2	3%
Total	**67.2**	**100%**	**41.7**	**100%**

CASH FLOW

We recorded a free cash flow of R$ 74.1 million in 2Q24, accounting for an increase of over R$ 100 million compared to the same period of last year. The result was not even better due to the accounts receivable recomposition. Excluding the accounts receivable variation, free cash flow would have been over R$ 250 million in the quarter.

In addition to the growth of EBITDA, the main component of operating cash generation was the improvement in the cash cycle, reflecting the good result of the inventory reduction plan. We also highlight the acceleration of the monetization of tax credits, directly related to the logistics optimization generated by the integration with Extrafarma.

Management Cash Flow (R$ million)	2Q23	2Q24	1S23	1S24
Consolidated EBITDA (ex-IFRS 16)	**142.7**	**175.5**	**198.1**	**269.6**
(-) Gain from bargain purchase	7.5	0.0	7.5	1.3
(Δ) Accounts receivable	(118.9)	(184.6)	101.7	(297.8)
(Δ) Inventories	110.4	86.4	95.4	209.2
(Δ) Suppliers	44.7	37.4	45.5	(136.8)
(Δ) Drawee risk operations	(103.7)	-	(234.6)	-
(Δ) Recoverable taxes	33.2	40.5	(10.9)	9.9
(+/-) Change in other assets and liabilities/Non-cash effects	(126.8)	(51.4)	(193.0)	(28.2)
(=) Cash flow from operations	**(11.0)**	**103.7**	**9.8**	**27.3**
(-) Capital investments	(29.2)	(29.6)	(67.2)	(41.7)
(=) Cash flow from investments	**(29.2)**	**(29.6)**	**(67.2)**	**(41.7)**
Free cash flows	**(40.2)**	**74.1**	**(57.4)**	**(14.4)**
(+) Gross debt raised	460.6	388.4	583.7	388.4
(-) Gross debt payment	(164.2)	(511.2)	(222.4)	(558.8)
(-) Debt service	(70.4)	(75.0)	(145.5)	(129.2)
(-) Share repurchases / Payment of capital	0.0	(0.7)	68.6	114.7
(+) Dividends and interest on capital received (paid)	(0.1)	-	(79.1)	(135.9)
(=) Cash flow from financing	**226.0**	**(198.4)**	**205.3**	**(320.7)**
Opening balance of cash, equivalents and interest earning bank deposits	130.2	232.5	168.1	443.3
Closing balance of cash, equivalents and interest earning bank deposits	316.0	108.2	316.0	108.2
Changes in cash and cash equivalents	**185.8**	**(124.3)**	**147.9**	**(335.1)**

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

Statement of income for the year (R$ million)	IAS 17			IFRS16		
	2Q23	2Q24	Δ	2Q23	2Q24	Δ
Gross Revenue	**3,003.6**	**3,369.0**	**12.2%**	**3,003.6**	**3,369.0**	**12.2%**
Deductions	(166.9)	(230.2)	37.9%	(166.9)	(230.2)	37.9%
Net revenue	**2,836.7**	**3,138.8**	**10.7%**	**2,836.7**	**3,138.8**	**10.7%**
Cost of goods sold	(1,906.1)	(2,115.6)	11.0%	(1,906.1)	(2,115.6)	11.0%
Gross Profit	**930.6**	**1,023.2**	**9.9%**	**930.6**	**1,023.2**	**9.9%**
Gross margin	*31.0%*	*30.4%*	*(0,6p.p.)*	*31.0%*	*30.4%*	*(0,6p.p.)*
Sales expenses	(696.2)	(755.8)	8.6%	(577.6)	(636.2)	10.1%
Contribution Margin	**234.4**	**267.4**	**14.1%**	**353.0**	**387.0**	**9.6%**
Contribution margin (%)	*7.8%*	*7.9%*	*0,1p.p.*	*11.8%*	*11.5%*	*(0,3p.p.)*
General and administrative expenses	(81.5)	(90.5)	11.1%	(81.5)	(90.5)	11.1%
Adjusted EBITDA	**152.9**	**176.9**	**15.7%**	**271.5**	**296.4**	**9.2%**
Adjusted EBITDA margin	*5.1%*	*5.3%*	*0,2p.p.*	*9.0%*	*8.8%*	*(0,2p.p.)*
Depreciation and amortization	(50.5)	(47.6)	(5.7%)	(130.1)	(127.2)	(2.3%)
Financial income (loss)	(117.0)	(86.7)	(25.9%)	(166.6)	(134.7)	(19.1%)
Income (loss) before income tax	**(14.5)**	**42.6**	**-**	**(25.3)**	**34.5**	**-**
Income tax and social contribution	11.4	1.5	(86.6%)	15.1	4.3	(71.6%)
Minority interest	0.2	0.1	(54.7%)	0.2	0.1	(54.7%)
Adjusted Net Income	**(2.9)**	**44.2**	**-**	**(10.0)**	**38.9**	**-**
Adjusted net margin	*(0.1%)*	*1.3%*	*1,4p.p.*	*(0.3%)*	*1.2%*	*1,5p.p.*

Statement of income for the year (R$ million)	IAS 17			IFRS16		
	1S23	1S24	Δ	1S23	1S24	Δ
Gross Revenue	**5,816.9**	**6,464.1**	**11.1%**	**5,816.9**	**6,464.1**	**11.1%**
Deductions	(344.1)	(442.8)	28.7%	(344.1)	(442.8)	28.7%
Net revenue	**5,472.8**	**6,021.3**	**10.0%**	**5,472.8**	**6,021.3**	**10.0%**
Cost of goods sold	(3,724.7)	(4,094.6)	9.9%	(3,724.7)	(4,094.6)	9.9%
Gross Profit	**1,748.1**	**1,926.7**	**10.2%**	**1,748.1**	**1,926.7**	**10.2%**
Gross margin	*30.1%*	*29.8%*	*(0,3p.p.)*	*30.1%*	*29.8%*	*(0,3p.p.)*
Sales expenses	(1,371.0)	(1,473.5)	7.5%	(1,138.6)	(1,233.3)	8.3%
Contribution Margin	**377.1**	**453.3**	**20.2%**	**609.5**	**693.5**	**13.8%**
Contribution margin (%)	*6.5%*	*7.0%*	*0,5p.p.*	*10.5%*	*10.7%*	*0,2p.p.*
General and administrative expenses	(169.5)	(179.5)	5.9%	(169.5)	(179.5)	5.9%
Adjusted EBITDA	**207.5**	**273.8**	**31.9%**	**440.0**	**514.0**	**16.8%**
Adjusted EBITDA margin	*3.6%*	*4.2%*	*0,6p.p.*	*7.6%*	*8.0%*	*0,4p.p.*
Depreciation and amortization	(101.1)	(94.2)	(6.9%)	(262.4)	(254.6)	(3.0%)
Financial income (loss)	(232.0)	(187.7)	(19.1%)	(329.1)	(285.3)	(13.3%)
Income (loss) before income tax	**(125.6)**	**(8.1)**	**(93.5%)**	**(151.5)**	**(25.9)**	**(82.9%)**
Income tax and social contribution	77.1	29.0	(62.4%)	86.0	35.1	(59.2%)
Minority interest	0.3	0.2	(33.4%)	0.3	0.2	(33.4%)
Adjusted Net Income	**(48.2)**	**21.1**	**-**	**(65.3)**	**9.3**	**-**
Adjusted net margin	*(0.8%)*	*0.3%*	*1,1p.p.*	*(1.1%)*	*0.1%*	*1,2p.p.*

APPENDIX 2: **BALANCE SHEET**

CONSOLIDATED BALANCE SHEET

Statement of financial position (R$ million)	IFRS16 12/31/2023	06/30/2024	Δ
Total assets	**8,988.6**	**8,583.6**	**(4.5%)**
Current assets	**4,493.6**	**4,191.5**	**(6.7%)**
Cash and cash equivalents	443.3	108.2	(75.6%)
Trade accounts receivable	513.6	792.6	54.3%
Inventories	3,029.7	2,798.3	(7.6%)
Recoverable taxes	239.6	232.3	(3.0%)
Other current assets	267.4	260.1	(2.7%)
Non-current assets	**4,495.0**	**4,392.1**	**(2.3%)**
Non-current receivables	1,358.9	1,373.1	1.0%
Investments	80.0	80.4	0.6%
Property, plant and equipment	949.6	910.2	(4.1%)
Right-of-use in leases	1,912.0	1,849.5	(3.3%)
Intangible assets	194.5	178.9	(8.0%)
Total liabilities	**8,988.6**	**8,583.6**	**(4.5%)**
Current liabilities	**3,242.5**	**2,792.7**	**(13.9%)**
Social and labor charges	163.6	224.3	37.1%
Suppliers	1,936.2	1,775.3	(8.3%)
Tax obligations	0.0	0.0	-
Loans, financing and debentures	111.2	52.8	(52.5%)
Other liabilities	430.3	138.7	(67.8%)
Lease	265.4	258.2	(2.7%)
Non-current liabilities	335.9	343.4	2.2%
Loans, financing and debentures	**3,085.6**	**3,146.1**	**2.0%**
Deferred taxes	1,205.1	1,330.7	10.4%
Lease	3.6	3.3	(6.5%)
Provision	1,786.0	1,737.9	(2.7%)
Other accounts payable	79.1	65.7	(16.9%)
Shareholders' equity	11.8	8.5	(28.3%)
Realized capital	**2,660.5**	**2,644.9**	**(0.6%)**
Capital reserves	1,604.8	1,721.9	7.3%
Profit reserves	383.6	384.4	0.2%
Treasury shares	681.5	536.8	(21.2%)
Retained earnings/losses	(17.0)	(1.2)	(92.7%)
Non-controlling interest	0.0	(4.3)	-

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

Reconciliation of Adjusted Statement of Income (R$ million)	2Q24 Book value (Pague Menos)	2Q24 Book value (Extrafarma)	Eliminations	2Q24 Book value (Consolidated)	IFRS 16 Effects	Mgmt adjust.	2Q24 Adjusted (Consolidated)
Gross Revenue	**2,895.9**	**1,062.4**	**(589.4)**	**3,369.0**	-	-	**3,369.0**
Deductions	(194.2)	(58.2)	22.2	(230.2)	-	-	(230.2)
Net revenue	**2,701.7**	**1,004.3**	**(567.2)**	**3,138.8**	-	-	**3,138.8**
Cost of goods sold	(1,871.2)	(811.6)	567.2	(2,115.6)	-	-	(2,115.6)
Gross Profit	**830.5**	**192.7**	**-**	**1,023.2**	-	-	**1,023.2**
Operating expenses	(579.0)	(150.7)	-	(729.7)	(119.5)	1.4	(847.8)
Equity in net income of subsidiaries	(9.7)	-	11.2	1.5	-	-	1.5
Depreciation and amortization	(96.5)	(30.7)	(1.5)	(128.6)	79.5	1.5	(47.6)
Operating income (loss)	**145.4**	**11.3**	**9.7**	**166.4**	**(40.0)**	**2.9**	**129.3**
Financial income (loss)	(115.9)	(24.5)	(0.9)	(141.4)	48.0	6.6	(86.7)
Income (loss) before income tax	**29.5**	**(13.2)**	**8.8**	**25.0**	**8.1**	**9.5**	**42.6**
Income tax and social contribution	3.2	4.4	-	7.5	(2.7)	(3.2)	1.5
Minority interest	-	-	0.1	0.1	-	0.0	0.1
Net income	**32.6**	**(8.9)**	**8.9**	**32.6**	**5.3**	**6.3**	**44.2**

APPENDIX 4: **RECONCILIATION OF EBITDA**

Reconciliation of EBITDA (R$ million)	*CONSOLIDATED* 2Q23	*CONSOLIDATED* 2Q24
Net income	**(37.1)**	**32.6**
(+) Net financial income	178.8	141.4
(+) Income tax and social contribution	(22.7)	(7.5)
(+) Depreciation and Amortization	142.4	128.6
(+) Minority interest	(0.2)	(0.1)
EBITDA (IFRS 16)	**261.3**	**295.0**
(+/-) IFRS 16 effects	(118.5)	(119.5)
(+/-) Management adjustments	10.2	1.4
Adjusted EBITDA (IAS 17)	**152.9**	**176.9**

APPENDIX 5: **STORE DISTRIBUTION BY STATE**

State / Region (# stores)	2Q23	Openings	Closures	2Q24
Total	**1,652**	**30**	**29**	**1,653**
Northeast	**1,014**	**21**	**13**	**1,022**
Alagoas	37	2	-	39
Bahia	159	2	5	156
Ceará	282	7	5	284
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	**248**	**1**	**6**	**243**
Acre	15	-	-	15
Amapá	18	-	-	18
Amazonas	21	-	-	21
Pará	151	-	6	145
Rondônia	13	-	-	13
Roraima	12	1	-	13
Tocantins	18	-	-	18
Southeast	**239**	**3**	**9**	**233**
Espírito Santo	24	-	-	24
Minas Gerais	69	2	1	70
Rio de Janeiro	16	-	2	14
São Paulo	130	1	6	125
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 VIDEOCONFERENCE
August 06, 2024
10:00 (BRT) | 09:00 (US-EST)
In Portuguese with simultaneous translation into English
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Empreendimentos Pague Menos S.A.

Balance sheet

Statements of financial position at June 30, 2024 and June 30, 2023

(Amounts stated in thousand of Reais)

		Parent Company		Consolidated	
Assets	Note	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Current					
Cash and cash equivalent	4	83,828	384,890	108,208	438,500
Marketable securities		0	4,808	0	4,808
Trade receivable	5	1,012,770	706,540	792,580	513,574
Inventories	6	2,119,803	2,250,727	2,798,282	3,029,712
Commercial agreements		149,417	165,809	187,390	213,505
Recoverable taxes	7	169,167	193,013	232,276	239,559
Prepaid expenses		20,620	7,260	25,615	9,630
Other		29,529	33,548	47,117	44,269
Total current asset		3,585,134	3,746,595	4,191,468	4,493,557
Non-current					
Long term achievable					
Financial investments		809	777	809	777
Recoverable taxes	7	617,250	553,427	742,680	748,573
Deferred taxes	8	405,366	372,928	564,350	522,318
Contingent assets		36,424	57,217	36,424	57,217
Legal deposits		24,503	25,223	28,840	30,038
Investments	10	971,654	996,609	80,446	79,995
Property, plant, and equipment	11	763,717	795,541	910,198	949,597
Intangible	12	85,223	94,835	178,868	194,488
Right of use	15	1,588,207	1,620,417	1,849,521	1,912,038
Total non-current asset		4,493,153	4,516,974	4,392,136	4,495,041
Total asset		8,078,287	8,263,569	8,583,604	8,988,598

Empreendimentos Pague Menos S.A.

Balance sheet

Statements of financial position at June 30, 2024 and June 30, 2023

(Amounts stated in thousand of Reais)

		Parent Company		Consolidated	
Liabilties	Note	06/30/2024	31/12/2023	06/30/2024	31/12/2023
Current					
Trade payable	13	1,647,836	1,631,854	1,775,297	1,936,165
Loans, finance and debentures	14	138,731	430,286	138,731	430,286
Derivatives operations		9,480	5,209	9,480	5,209
Leases liabilities	15	263,620	265,512	343,413	335,946
Taxes and contribuition payables	16	38,774	71,129	52,756	111,180
Salaries and social charges		172,230	121,206	224,289	163,581
Other accounts payable		256,923	249,461	267,274	260,161
Total current liability		2,527,594	2,774,657	2,811,240	3,242,528
Non-current					
Loans, finance and debentures	14	1,330,661	1,205,139	1,330,661	1,205,139
Leases liabilities	15	1,534,613	1,545,330	1,737,875	1,785,975
Taxes and contribuition payables	16	3,339	3,573	3,339	3,573
Contingency provisions	17	20,069	12,876	29,300	21,872
Liability for indemnification		36,424	57,217	36,424	57,217
Other accounts payable		6,613	11,788	8,454	11,788
Total non-current liability		2,913,141	2,835,923	3,127,475	3,085,564
Total liability		5,440,735	5,610,580	5,938,715	6,328,092
Shareholders' equity	18				
Capital stock		1,721,858	1,604,848	1,721,858	1,604,848
Capital reserves		384,366	383,580	384,366	383,580
Profit reserves		536,829	681,529	536,829	681,529
Stocks in treasury		(1,239)	(16,968)	(1,239)	(16,968)
Accumulated earnings (losses)		(4,262)	0	(4,262)	0
Total shareholders' equity		2,637,552	2,652,989	2,637,552	2,652,989
Non-controlling interest		-	-	7,337	7,517
Total liability and shareholders' equity		8,078,287	8,263,569	8,583,604	8,988,598

Empreendimentos Pague Menos S.A.

Income statement

Period ended June 30, 2024

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

		Parent Company				Consolidated			
		04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	04/01/2024 to 06/30/2024	01/01/2024 to 06/30/2024	04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023
Income statement	Note								
Gross sales		2.895.940	5.556.978	2.523.625	4.900.293	3.369.021	6.464.083	3.003.627	5.816.853
Deductions		(194.218)	(371.074)	(152.286)	(307.923)	(230.190)	(442.752)	(166.922)	(359.777)
Net revenue	22	2.701.722	5.185.904	2.371.339	4.592.370	3.138.831	6.021.331	2.836.705	5.457.076
Cost of sales	23	(1.871.235)	(3.619.634)	(1.615.076)	(3.166.736)	(2.115.639)	(4.094.586)	(1.906.101)	(3.709.053)
Gross profit		830.487	1.566.270	756.263	1.425.634	1.023.192	1.926.745	930.604	1.748.023
(Expenses) operating revenues		(685.135)	(1.354.380)	(659.104)	(1.283.738)	(856.807)	(1.674.576)	(811.787)	(1.592.162)
Other operating revenues		1.129	2.401	424	1.419	652	1.231	(6.739)	4.297
Sales expenses	23	(585.602)	(1.166.431)	(560.736)	(1.107.908)	(764.489)	(1.493.030)	(728.299)	(1.426.401)
General and administrative expenses	23	(90.783)	(167.306)	(60.195)	(129.777)	(94.231)	(184.786)	(78.285)	(172.775)
Depreciation and amortization			-	-	-		-	-	-
Equity in the results of investees		(9.711)	(22.135)	(38.452)	(46.782)	1.493	3.271	1.805	3.600
Other operating expenses		(168)	(909)	(145)	(690)	(232)	(1.262)	(269)	(883)
Result before net financial revenues (expenses) and taxes		145.352	211.890	97.159	141.896	166.385	252.169	118.817	155.861
Financial revenues	24	56.478	67.619	38.597	52.812	58.415	71.844	39.203	53.938
Financial expenses	24	(172.366)	(316.209)	(193.349)	(362.404)	(199.772)	(370.487)	(218.016)	(407.484)
Financial, net expenses		(115.888)	(248.590)	(154.752)	(309.592)	(141.357)	(298.643)	(178.813)	(353.546)
Result before taxes		29.464	(36.700)	(57.593)	(167.696)	25.028	(46.474)	(59.996)	(197.685)
Income tax deferred	7	3.150	32.438	20.490	67.751	7.503	42.032	22.701	97.453
Net income		32.614	(4.262)	(37.103)	(99.945)	32.531	(4.442)	(37.295)	(100.232)
Attributable to Non-controlling interest			-	-	-	(83)	(180)	(192)	(287)
Attributable to Controlling shareholders		32.614	(4.262)	(37.103)	(99.945)	32.614	(4.262)	(37.103)	(99.945)
Share result									
Basic Earnings per Share (in R$)	20	0,0561	(0,0076)	(0,0804)	(0,2214)	0,0561	(0,0076)	(0,0804)	(0,2214)

Empreendimentos Pague Menos S.A.

Cash flow statements

Period ended June 30, 2024

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

(Amounts stated in thousand of Reais)

	Parent Company		Consolidated	
Cash flow statements	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Cash flows from operating activities				
Net profit (loss) from the fiscal year	(4,262)	(99,945)	(4,442)	(80,460)
Cash Generated from Operations				
Depreciation and amortization	193,166	191,472	257,641	262,384
Assets and liabilities present value adjustment	17,015	6,201	9,730	3,946
Interests on loans, financing, and debentures	90,006	99,701	90,006	99,701
Derivative financial instruments fair value changes	(14,307)	7,069	(14,307)	7,069
Exchange variation on loans and financing	15,902	(8,696)	15,902	(8,696)
Interests on lease with purchase option	84,772	78,095	99,559	97,127
Establishement (reversal) of contingency provisions	(7,671)	3,609	(4,392)	4,316
Equity accounting	22,135	46,783	(3,271)	(3,599)
Deferred taxes	(32,438)	(67,751)	(42,032)	(97,453)
Appropriation of transaction costs in debts issuance	(2,271)	(5,261)	(2,271)	(5,261)
Provision for closure of shops	(715)	0	(4,058)	
Residual value on write-down of fixed and intangible assets	3,251	796	3,866	5,354
Provision for bad and doubtful debts	3,501	(241)	939	1,491
Provision for losses in inventories	9,180	(4,938)	6,697	(542)
	377,264	246,894	409,567	285,377
Operating assets and liabilities variations				
Accounts receivable	(312,583)	**106,513**	(297,753)	**101,701**
Inventories	120,135	**182,518**	209,172	**95,424**
Recoverable taxes	(43,177)	**(49,365)**	9,925	**(10,876)**
Other credits	20,698	**(14,111)**	26,516	**(56,948)**
Prepaid expenses	(13,360)	**(12,085)**	(15,985)	**(14,448)**
Suppliers	6,313	**(153,754)**	(136,779)	**45,500**
Taxes and contributions recoverable	(32,589)	**(31,041)**	(58,658)	**(65,229)**
Salaries and vacation payable	61,027	**48,296**	70,711	**48,871**
Other accounts payable	20,363	**27,895**	18,811	**(1,061)**
	(173,173)	104,866	(174,040)	142,934
Payment of loans - Interests	(104,825)	**(96,222)**	(104,825)	**(96,222)**
Payment of debentures - Interests	0	**(78,095)**	0	**0**
Payment of leases - Interests	(84,772)	**0**	(97,596)	**(97,127)**
	(189,597)	(174,317)	(202,421)	(193,349)
Net Cash Operating Activities	14,494	177,443	33,106	234,962
Cash flows from investment activities				
Acquisition in other investments	4,776	**(508)**	4,776	**(508)**
Dividends and Interest on Equity received	3,568	**2,782**	3,568	**2,782**
Acquisition of property, plant, and equipment	(27,908)	**(47,848)**	(38,229)	**(57,128)**
Acquisition of intangible	(3,457)	**(9,433)**	(3,483)	**(10,062)**
Net cash generated in investment activities	(23,021)	(55,007)	(33,368)	(64,916)
Cash flows from financing activities				
Loans and Financing	388,428	**583,678**	388,428	**583,678**
Payment of loans and financing	(558,755)	**(222,415)**	(558,755)	**(222,415)**
Payment of lease with purchase option	(101,030)	**(103,026)**	(138,524)	**(135,806)**
Dividends and interests over own capital paid	(21,323)	**(81,901)**	(21,323)	**(81,901)**
Issuance of debentures	0		0	
Payment of debentures	0		0	**0**
Derivative operations settlement	0	**(234,569)**	0	**(234,569)**
Capital increase	2,415	**73,781**	2,415	**73,781**
Funds from stock option granted	0		0	
Stocks in treasury	(2,270)	**(5,159)**	(2,270)	**(5,159)**
Net cash (used in) from financing activities	(292,535)	10,389	(330,029)	(22,391)
Increase (Decrease) of Cash and Equivalents	(301,062)	132,825	(330,291)	147,655
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	83,828	285,964	108,208	311,397
Decrease of Cash and Equivalents	(301,062)	132,825	(330,292)	147,655

Empreendimentos Pague Menos S.A.

Statements of changes in shareholders’ equity

Period ended June 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	73,781	4,288	4,025	-	-	**82,094**	-	**82,094**
					-	**-**		**-**
Stocks in treasury		4,288	4,025			**8,313**	-	**8,313**
Capital increase	73,781		-	-	-	**73,781**	**-**	**73,781**
Addition of non-controlling interests by business combination							(1,148)	**(1,148)**
Total Comprehensive Income	-	-	-	-	(99,945)	**(99,945)**	(287)	**(100,232)**
Net Income in the Period	-	-	-	-	(99,945)	**(99,945)**	(287)	**(100,232)**
Internal Changes of the shareholders' equity	-	(9,845)	-	(61,500)	-	**(71,345)**	-	(71,345)
Stocks granted	-	2,915	-	-	-	**2,915**	**-**	**2,915**
Restricted stocks plan	-	(12,760)	-	-	-	**(12,760)**	**-**	**(12,760)**
Interest on Shareholder's Equity – Additional	-			(61,500)	-	**(61,500)**	**-**	**(61,500)**
Balances on June 30, 2024	**1,273,000**	**386,321**	**(16,968)**	**702,947**	**(99,945)**	**2,245,355**	**7,007**	**2,252,362**
			-					
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**	**786**	**15,729**	**(144,700)**	-	**(11,175)**	**-**	**(11,175)**
Interest on Shareholder's Equity	-	-	-	(135,918)	-	**(135,918)**	-	**(135,918)**
Capital increase	117,010	-	-	-	-	**117,010**	-	**117,010**
Shares Granted	-	-	(2,270)	-	-	**(2,270)**	-	**(2,270)**
Restricted Stock Plan	-	786	9,217	-	-	**10,003**	-	**10,003**
Stocks in treasury	-	-	8,782	(8,782)	-	**-**	**-**	**-**
Total Comprehensive Income	-	-	-	-	(4,262)	**(4,262)**	(180)	**(4,442)**
Net Income in the Period	-	-	-	-	(4,262)	**(4,262)**	**(180)**	**(4,442)**
Balances on June 30, 2024	**1,721,858**	**384,366**	**(1,239)**	**536,829**	**(4,262)**	**2,637,552**	**7,337**	**2,644,889**

Empreendimentos Pague Menos S.A.

Value added statement
Period ended June 30, 2024
(In thousand Reais)

Value added statement	Parent Company 06/30/2024	Parent Company 06/30/2023	Consolidated 06/30/2024	Consolidated 06/30/2023
Revenues				
Sales of merchandises, products and services	5,335,992	4,858,813	6,207,038	5,775,621
Other revenues	22,783	(6,140)	(897)	670
	5,358,775	4,852,673	6,206,141	5,776,291
Inputs acquired from third parties (includes ICMS and IPI)				
Costs of sold merchandises, products and services	(3,142,549)	(2,918,805)	(3,527,083)	(3,366,975)
Third parties' materials, energy, services and others	(566,819)	(502,640)	(675,612)	(623,459)
	(3,709,368)	(3,421,445)	(4,202,695)	(3,990,434)
Gross added value	1,649,407	1,431,228	2,003,446	1,785,857
Depreciation and amortization	(193,168)	(191,472)	(257,643)	(274,689)
Net added value generated by Company	1,456,239	1,239,756	1,745,803	1,511,168
Added value received from transfer				
Equity pick-up	(22,135)	(39,316)	3,271	3,600
Financial income	36,796	21,334	41,021	22,461
Total added value to distribute	1,470,900	1,221,774	1,790,095	1,537,229
Added value distribution				
Personnel	612,685	545,974	770,717	701,028
Direct compensation	519,427	465,045	653,674	597,048
Benefits	55,614	47,730	68,741	61,213
FGTS	37,644	33,199	48,302	42,767
Taxes, Rates and Contributions	635,108	508,773	770,521	645,816
Federal	173,603	17,206	211,741	23,006
State	456,263	486,168	551,669	615,348
Municipal	5,242	5,399	7,111	7,462
Compensation of third parties capital	227,369	266,972	253,299	290,617
Interests	213,265	253,286	234,316	272,832
Rentals	14,104	13,686	18,983	17,785
Compensation of own capital	(4,262)	(99,945)	(4,442)	(100,232)
Profit (loss) of the year	(4,262)	(99,945)	(4,442)	(100,232)
Distributed added value	1,470,900	1,221,774	1,790,095	1,537,229

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 through 1,303 Pague Menos stores in 2024 (1,278 as of December 31, 2023) and 350 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 June 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 August 05, 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 June 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 June 30, 2024.

2.7 Consolidation basis

The consolidated interim financial information comprises the financial information of the Company and its subsidiary as of June 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	
			06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash and banks			30,362	43,581	43,042	52,752
Cash equivalents			53,466	341,309	65,166	385,748
Repurchase and resale agreements	CDI	95%	42,518	230,431	53,238	271,642
CDB	CDI	100%	6,349	108,554	6,349	108,554
Automatic investments			4,599	2,324	5,579	5,552
Total			**83,828**	**384,890**	**108,208**	**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 10.38% 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Credit card companies	645,084	407,542	733,347	476,321
Agreements and partnerships (i)	53,858	30,802	67,208	39,403
Accounts receivable from subsidiary (Note 8.2)	321,784	270,668	-	-
Other accounts receivable	2,734	1,866	3,795	2,945
Subtotal	**1,023,460**	**710,878**	**804,350**	**518,669**
(-) Adjustment to present value	(8,979)	(3,242)	(9,760)	(3,700)
(-) Expected credit losses	(1,711)	(1,096)	(2,010)	(1,395)
	1,012,770	**706,540**	**792,580**	**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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Falling due	1,019,875	708,069	799,417	514,864
Overdue (days):				
01–30	517	250	1,336	1,398
31–90	654	923	994	939
91–180	289	462	421	481
>180	2,125	1,174	2,182	987
Total	**1,023,460**	**710,878**	**804,350**	**518,669**

The average term of accounts receivable is approximately 30 to 44 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.

Changes in expected credit losses:

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Opening balance	(1,096)	(249)	(1,395)	(393)
Additions	(709)	(1,158)	(709)	(1,314)
Reversals	94	311	94	312
Closing balance	**(1,711)**	**(1,096)**	**(2,010)**	**(1,395)**

(Amounts expressed in thousands of Reais)

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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Goods for resale	2,103,615	2,234,511	2,778,332	3,007,339
Materials for use and consumption	16,188	16,216	19,950	22,373
	2,119,803	**2,250,727**	**2,798,282**	**3,029,712**

The changes in expected inventory losses are shown below:

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Opening balance	(34,349)	(28,428)	(48,523)	(38,365)
Additions	(12,021)	(5,921)	(15,518)	(10,158)
Reversals	2,841	-	8,821	-
Closing balance	**(43,529)**	**(34,349)**	**(55,220)**	**(48,523)**

6. RECOVERABLE TAXES

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
ICMS (i)	615,225	578,071	768,247	760,113
PIS and COFINS (ii)	158,733	160,856	193,066	219,397
WITHHOLDING INCOME TAX (IRRF)	4,836	3,624	4,948	3,661
Other	7,623	3,889	8,695	4,961
	786,417	**746,440**	**974,956**	**988,132**
Current	169,167	193,013	232,276	239,559
Non-current	617,250	553,427	742,680	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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Deferred tax assets on tax loss	356,162	344,686	476,572	454,027
Lease - right-of-use	(539,990)	(550,941)	(627,421)	(648,566)
Lease – lease liabilities	611,399	615,686	710,878	725,964
Provision for realization of inventories	14,800	11,679	18,775	16,498
Expected credit losses	6,083	6,190	11,660	12,608
Impairment of goodwill in associated company	6,543	6,543	6,543	6,543
Provision for legal risks	6,823	4,378	9,812	7,287
Adjustment to present value	7,522	1,737	6913	(693)
Profit sharing	3,480	3,539	3,922	3,868
Provision for closing of stores	716	959	1,063	2,443
Interest capitalization	(10,308)	(10,096)	(10,308)	(10,096)
Gain from bargain purchase	(81,658)	(83,791)	(81,658)	(83,791)
Derivative financial instruments	(3,093)	1,771	(3,093)	1,771
Other provisions	26,887	20,588	40,692	34,455
Total	**405,366**	**372,928**	**564,350**	**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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
2024	478	-	1,987	3,111
2025	13,232	9,960	18,061	16,351
2026	26,735	20,682	33,982	29,036
2027	41,504	27,995	50,845	37,472
>2028	323,417	314,291	459,475	436,348
	405,366	**372,928**	**564,350**	**522,318**

(Amounts expressed in thousands of Reais)

7.4 Effective rate reconciliation

	Parent Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Income (loss) before income tax and social contribution	**(36,700)**	**(167,696)**	**(46,473)**	**(197,685)**
Combined tax rate	34%	34%	34%	34%
IR/CSLL at combined statutory rate	**12,478**	**57,017**	**15,801**	**67,213**
Permanent (additions) exclusions:				
Other permanent additions	(438)	(371)	(673)	(456)
Investment grant	21,077	18,310	21,077	18,310
Equity in net income of subsidiaries	(5,394)	(9,184)	1,112	1,224
Inflation adjustment of tax overpayments	4,767	753	4,767	753
Tax loss from prior periods	(52)	1,226	(52)	10,409
IR/CSLL on income (loss)	**32,438**	**67,751**	**42,032**	**97,453**
Effective rate	**88.4%**	**40.4%**	**90.4%**	**49.3%**

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	06/30/2024	12/31/2023
Guarantee/surety and joint debtor (Note 14)	9,349	13,132
Individuals (shareholders)	2,794	4,507
Dupar Participações S.A.	6,555	8,625
Real Estate	52,183	52,183
Dupar Participações S.A.	52,183	52,183

8.2 Balances with related companies

		Parent Company			
		06/30/2024		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	321,784	247,301	277,800	318,949
e-Pharma	Sale of goods	538	3,060	411	6,866
Suppliers					
Biomatika	Purchase of products	(1,412)	(6,089)	(1,622)	(10,269)
L'auto	Freight of goods	(6,302)	(57,094)	(7,022)	(113,386)
Extrafarma (Note 13.1)	Purchases of goods	(485,128)	(879,292)	(320,435)	(1,269,883)
Leases					
Income from interest	Property Rental	(900)	(5,292)	(850)	(10,042)
Dupar Participações	Property Rental	(5,096)	(30,306)	(11,041)	(69,828)
Madajur Investimentos	Property Rental	(1,543)	(9,046)	(494)	(7,599)
Prospar Participações	Property Rental	(158)	(922)	(153)	(1,800)
Total		**(178,217)**	**(737,680)**	**(63,406)**	**(1,156,992)**

		Consolidated			
		06/30/2024		12/31/2023	
Related parties	Nature of the operation	Equity balance	Transacted amount	Equity balance	Transacted amount
Accounts receivable					
e-Pharma	Sale of goods	788	3,419	356	8,320
Other accounts receivable					
L'auto	Sale of property, plant and equipment	3,842	-	6,884	9,741
Suppliers					
Biomatika	Purchase of products	(2,122)	(9,167)	(558)	(14,808)
L'auto	Freight of goods	(8,439)	(68,322)	(8,129)	(132,692)
Leases					
Renda Participações S.A.	Property Rental	(900)	(5,292)	(850)	(10,042)
Dupar Participações S.A.	Property Rental	(5,096)	(30,306)	(11,041)	(69,828)
Madajur Investimentos	Property Rental	(1,543)	(9,046)	(494)	(7,599)
Prospar Participações S.A.	Property Rental	(158)	(922)	(153)	(1,800)
Total		**(13,628)**	**(119,636)**	**(13,985)**	**(218,708)**

(Amounts expressed in thousands of Reais)

8.3 Management remuneration

The management remuneration totaled R$ 11,613 in the semester ended June 30, 2024 (R$ 15,642 as of 06/30/2023). Remuneration paid or payable for rendered service is as follows:

	06/30/2024	06/30/2023
Fixed remuneration	4,914	6,716
Bonuses and restricted shares	6,699	8,926
	11,613	**15,642**

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

9. INVESTMENTS

9.1 Breakdown of balance

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Investment in subsidiary:				
Extrafarma:				
% Interest in investee's shareholders' equity	99.07%	99.07%		
Interest in investee's shareholders' equity	781,644	800,781	-	-
Surplus of acquired assets (net)	109,564	115,834	-	-
	891,208	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	17,851	17,400	17,851	17,400
Goodwill on acquisition of investment (e-Pharma)	81,838	81,838	81,838	81,838
(-) Impairment losses of goodwill	(19,243)	(19,243)	(19,243)	(19,243)
	80,446	79,995	80,446	79,995
	971,654	**996,609**	**80,446**	**79,995**

9.2 Changes in the balance

	12/31/2023	Equity in net income of subsidiaries	Dividends and interest on own capital received	06/30/2024
Extrafarma	916,614	(25,406)	-	891,208
e-Pharma	79,995	3,271	(2,820)	80,446
Total	**996,609**	**(22,135)**	**(2,820)**	**971,654**

	12/31/2022	Equity in net income of subsidiaries	Dividends and interest on own capital received	12/31/2023
Extrafarma	899,223	(10,125)	-	916,614
e-Pharma	76,284	1,795	(2,948)	79,995
Total	**975,507**	**(8,330)**	**(2,948)**	**996,609**

(Amounts expressed in thousands of Reais)

9.3 Investment in subsidiary – Extrafarma's summary financial information

	06/30/2024	12/31/2023
Investee's shareholders' equity	788,982	808,298
Adjustment to fair value of acquired assets/liabilities:		
Brand	80,594	80,594
Surplus of property, plant and equipment	16,176	18,404
Lease	13,823	17,922
Adjusted shareholders' equity at fair value	899,575	925,218
Interest – %	99.07%	99.07%
Investment amount	891,208	916,614

	06/30/2024	12/31/2023
Income (loss) for the period	(19,315)	23,976
% of interest	99.07%	99.07%
Investee's profit sharing	(19,136)	23,753
(-) Depreciation/amortization of surplus of assets	(3,002)	(6,449)
(-) Realization of surplus value of lease expenses (Interest expense)	(1,962)	(18,722)
(-) Adjustment to the value of bargain purchase	-	22,781
(-) Realization of surplus value by write-off of assets	(1,306)	(3,921)
Equity in net income of subsidiaries	(25,406)	17,391

10. PROPERTY, PLANT AND EQUIPMENT

10.1 Book value of property, plant and equipment

		Parent Company					
		06/30/2024			12/31/2023		
	Rate p.a.	Cost	Accumulated depreciation	Net balances	Cost	Accumulated depreciation	Net balance
Works in progress	-	8,493	-	8,493	43,419	-	43,419
Leasehold improvements	(i)	1,145,950	(572,735)	573,215	1,102,439	(535,602)	566,837
Facilities	10%	111,768	(72,602)	39,166	111,281	(67,796)	43,485
Machinery and equipment	10%	137,064	(89,094)	47,970	130,080	(84,290)	45,790
Furniture and fixtures	10%	173,003	(87,583)	85,420	165,885	(80,015)	85,870
IT equipment	20%	74,024	(62,467)	11,557	73,016	(60,055)	12,961
Provision for closing of stores		(2,104)	-	(2,104)	(2,821)	-	(2,821)
		1,648,198	**(884,481)**	**763,717**	**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					
		06/30/2024			12/31/2023		
	Rate p.a.	Cost	Accumulated depreciation	Net balance	Cost	Accumulated depreciation	Net balance
Works in progress	-	8,520	-	8,520	43,419	-	43,419
Leasehold improvements	(i)	1,420,697	(775,528)	645,169	1,375,210	(730,186)	645,024
Facilities	10%	113,480	(72,621)	40,859	111,288	(67,797)	43,491
Machinery and equipment	10%	180,913	(113,223)	67,690	172,204	(107,447)	64,757
Furniture and fixtures	10%	306,282	(170,366)	135,916	298,615	(156,866)	141,749
Vehicles	20%	1,942	(1,576)	366	4,119	(3,172)	947
IT equipment	20%	129,657	(114,855)	14,802	128,833	(111,439)	17,394
Provision for closing of stores	-	(3,124)	-	(3,124)	(7,184)	-	(7,184)
		2,158,367	**(1,248,169)**	**910,198**	**2,126,504**	**(1,176,907)**	**949,597**

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

	Parent Company					
	12/31/2023	Additions	Write-offs	Depreciation	Transfers	06/30/2024
Leasehold improvements	566,837	15,652	(5,362)	(37,628)	33,716	573,215
Facilities	43,485	205	(18)	(4,814)	308	39,166
Machinery and equipment	45,790	6,241	(12)	(4,875)	826	47,970
Furniture and fixtures	85,870	6,789	(1)	(7,575)	337	85,420
IT equipment	12,961	1,030	-	(2,433)	(1)	11,557
Works in progress	43,419	262	-	-	(35,188)	8,493
Provision for closing of stores	(2,821)	1,617	(902)	-	2	(2,104)
Total	**795,541**	**31,796**	**(6,295)**	**(57,325)**	**-**	**763,717**

	Consolidated					
	12/31/2023	Additions	Write-offs	Depreciation	Transfers	06/30/2024
Leasehold improvements	645,024	20,904	(5,958)	(48,517)	33,716	645,169
Facilities	43,491	1,910	(18)	(4,832)	308	40,859
Machinery and equipment	64,757	8,606	(84)	(6,415)	826	67,690
Furniture and fixtures	141,749	7,752	(143)	(13,779)	337	135,916
IT equipment	17,394	1,039	(6)	(3,624)	(1)	14,802
Works in progress	43,419	289	-	-	(35,188)	8,520
Provision for closing of stores	(7,184)	4,960	(902)	-	2	(3,124)
Vehicles	947	-	(551)	(30)	-	366
Total	**949,597**	**45,460**	**(7,662)**	**(77,197)**	**-**	**910,198**

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

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

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

10.4 Provision for closing of store

The Company recognized a provision for closing stores of R$ 2,104 (R$ 2,821 as of December 31, 2023) in the parent company, and of R$ 3,124 (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					
		06/30/2024			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	(18,427)	691	19,118	(18,228)	890
Software	20%	177,111	(98,376)	78,735	173,210	(85,554)	87,656
Websites	10%	262	(77)	185	262	(77)	185
Intangible asset in progress	-	1,323	-	1,323	1,815	-	1,815
		202,103	**(116,880)**	**85,223**	**198,694**	**(103,859)**	**94,835**

		Consolidated					
		06/30/2024			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	(18,427)	691	19,118	(18,228)	890
Software	20%	325,026	(232,490)	92,536	321,099	(213,634)	107,465
Websites	10%	262	(77)	185	262	(77)	185
Intangible asset in progress	-	1,323	-	1,323	1,815	-	1,815
		429,862	**(250,994)**	**178,868**	**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 June 30, 2024

	Parent Company					
	12/31/2023	Additions	Write-offs	Amortization	Transfers	06/30/2024
Brands	4,289	-	-	-	-	4,289
Goodwill	890	-	-	(199)	-	691
Software	87,656	2,134	(43)	(12,827)	1,815	78,735
Websites	185	-	-	-	-	185
Intangible asset in progress	1,815	1,323	-	-	(1,815)	1,323
Total	**94,835**	**3,457**	**(43)**	**(13,026)**	**-**	**85,223**

	Consolidated					
	12/31/2023	Additions	Write-offs	Amortization	Transfers	06/30/2024
Brands	84,133	-	-	-	-	84,133
Goodwill	890	-	-	(199)	-	691
Software	107,465	2,160	(43)	(18,861)	1,815	92,536
Websites	185	-	-	-	-	185
Intangible asset in progress	1,815	1,323	-	-	(1,815)	1,323
Total	**194,488**	**3,483**	**(43)**	**(19,060)**	**-**	**178,868**

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**

(Amounts expressed in thousands of Reais)

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

12. RIGHT-OF-USE

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

12.1 Accounting policy

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

12.2 Breakdown of right-of-use

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Properties	1,489,278	1,558,524	1,750,592	1,850,145
IT equipment	71,507	31,923	71,507	31,923
Machinery and equipment	27,422	29,970	27,422	29,970
	1,588,207	**1,620,417**	**1,849,521**	**1,912,038**

12.3 Changes in the right of use in the quarter ended June 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	53,881	54,155	4,015	112,051
Write-offs	(18,906)	(2,213)	(327)	(21,446)
Depreciation	(104,221)	(12,358)	(6,236)	(122,815)
Balances at June 30, 2024	**1,489,278**	**71,507**	**27,422**	**1,588,207**

	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	70,603	54,155	4,015	128,773
Write-offs	(27,847)	(2,213)	(327)	(30,387)
Depreciation	(142,309)	(12,358)	(6,236)	(160,903)
Balances at June 30, 2024	**1,750,592**	**71,507**	**27,422**	**1,849,521**

(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 1, 2023	1,662,610	62,955	12,434	1,737,999
Additions and remeasurements	120,751	2	28,969	149,722
Write-offs	(15,642)	(3,565)	(125)	(19,332)
Depreciation	(209,195)	(27,469)	(11,308)	(247,972)
Balances at June 30, 2023	**1,558,524**	**31,923**	**29,970**	**1,620,417**

	Consolidated			
	Real estate	IT equipment	Machinery and equipment	Total
Balances at January 1, 2023	1,979,065	62,955	12,434	2,054,454
Additions and remeasurements	221,947	2	28,969	250,918
Write-offs	(66,660)	(3,565)	(125)	(70,350)
Depreciation	(284,207)	(27,469)	(11,308)	(322,984)
Balances at June 30, 2023	**1,850,145**	**31,923**	**29,970**	**1,912,038**

13. SUPPLIERS

13.1 Breakdown

	Parent company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Suppliers	1,190,390	1,348,769	1,819,579	1,995,072
Suppliers – Parent Company (Note 8.2)	485,128	320,435	-	-
Adjustment to present value (i)	(27,682)	(37,350)	(44,282)	(58,907)
Total	**1,647,836**	**1,631,854**	**1,775,297**	**1,936,165**

i) Suppliers' balances are adjusted to present value considering an average payment period of between 73 and 77 days (81 and 92 days on December 31, 2023) and an average funding rate of 10.38% 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 06/30/2024	Parent Company and Consolidated 12/31/2023
Loans – in domestic currency				
Banco do Brasil	Working capital	115% CDI.	11,430	33,192
Banco do Brasil	Working capital	120% CDI.	35,975	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.	52,968	-
Banco Santander	4131 - USD	USD + 6.31% p.a.	152,070	-
			252,443	**347,471**
Financing				
Banco do Brasil	FCO	4.12% p.a.	6,558	8,628
Banco do Nordeste do Brasil	FNE	TLP_IPCA + 2.18%	2,769	4,429
Bradesco	FINAME	TLP IPCA + 8.77%	24,095	29,895
			33,422	**42,952**
Debentures and commercial notes				
6th Issue of Debentures	Unsecured	CDI + 1.75%	101,339	101,417
6th Issue of Debentures	Unsecured	CDI + 2.20%	354,463	354,819
7th Issue of Debentures	Unsecured	CDI + 1.70%	525,613	529,093
BTG	1st Issue of Commercial Note	CDI + 2.23% p.a.	-	151,940
BRADESCO	2nd Issue of Commercial Note	CDI + 2.30% p.a.	-	107,733
BRADESCO	3rd Issue of Commercial Note	CDI + 1.50% p.a.	202,112	-
			1,183,527	**1,245,002**
Total loans, financing and debentures			**1,469,392**	**1,635,425**
Current			138,731	430,286
Non-current			1,330,661	1,205,139
Financial instruments Swap Itaú x EUR (i)			-	5,209
Financial instruments Swap Banco do Brasil x EUR (i)			(5,509)	-
Financial instruments Swap Santander x USD (i)			(3,589)	-
Total loans, financing, debentures and derivatives			**1,460,294**	**1,640,634**
Current			148,211	430,286
Non-current			1,312,083	1,205,139

(Amounts expressed in thousands of Reais)

(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. (Bank of Brazil) and CDI + 1.23% p.a. (Banco Santander).

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

	Parent Company and Consolidated	
	06/30/2024	12/31/2023
Opening balances	1,640,635	1,574,270
Borrowings and financing	388,428	583,678
Forfait operations (i)	-	(241,331)
Interest incurred	90,006	210,562
Amortization of principal	(558,755)	(278,144)
Amortization of interest	(104,825)	(206,444)
Exchange-rate changes	15,902	(7,094)
Adjustment to present value – Forfait risk	-	3,410
Changes in the amount of financial liabilities measured at fair value	(14,307)	4,346
Appropriation to income (loss) from transaction costs	3,210	(2,619)
Closing balances	**1,460,294**	**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

	06/30/2024	12/31/2023
01/01/2025–31/12/2025	329,178	567,760
01/01/2026–31/12/2026	460,812	288,237
01/01/2027–31/12/2028	522,093	349,143
Total	**1,312,083**	**1,205,139**

(Amounts expressed in thousands of Reais)

14.6 Guarantees

	06/30/2024	12/31/2023
Surety/guarantee (Related parties - Note 8)	9,349	13,132
Lien of credit rights	12,190	17,901
Bank guarantees	12,000	12,000
Real estate (Related parties – Note 8)	52,183	52,183
	85,722	**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 June 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Properties	1,693,534	1,745,797	1,976,589	2,056,876
IT equipment	75,892	34,418	75,892	34,418
Machinery and equipment	28,807	30,627	28,807	30,627
	1,798,233	**1,810,842**	**2,081,288**	**2,121,921**

15.3 Changes in lease payable in the quarter ended June 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	53,882	54,155	4,015	112,052
Write-offs	(21,125)	(2,171)	(335)	(23,631)
Interest incurred	77,068	5,437	2,267	84,772
Payments	(162,088)	(15,947)	(7,767)	(185,802)
Balances at June 30, 2024	1,693,534	75,892	28,807	1,798,233
Current	225,514	25,848	12,258	263,620
Non-current	1,468,020	50,044	16,549	1,534,613

(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	70,603	54,155	4,015	128,773
Write-offs	(30,337)	(2,171)	(335)	(32,843)
Interest incurred	91,853	5,437	2,267	99,557
Payments	(212,406)	(15,947)	(7,767)	(236,120)
Balances at June 30, 2024	1,976,589	75,892	28,807	2,081,288
Current	305,307	25,848	12,258	343,413
Non-current	1,671,282	50,044	16,549	1,737,875

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

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

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

15.5 Maturity schedule of lease liabilities

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
01–02 years	245,780	274,038	316,771	359,240
02–05 years	513,176	706,296	619,197	835,025
>05 years	775,657	564,996	801,907	591,710
Total	**1,534,613**	**1,545,330**	**1,737,875**	**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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Lease consideration	2,012,366	2,027,663	2,260,808	2,303,842
Potential PIS/COFINS (9.25%)	186,144	187,559	209,125	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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Properties	1,693,534	1,745,797	1,735,026	1,690,281
IT equipment	75,892	34,418	79,102	36,008
Machinery and equipment	28,806	30,627	30,024	32,042
Total	**1,798,232**	**1,810,842**	**1,844,152**	**1,758,331**

	Consolidated			
	Actual flow		Inflation updated flow	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Properties	1,976,589	2,070,143	2,025,015	2,004,313
IT equipment	75,892	34,418	79,102	36,008
Machinery and equipment	28,806	30,627	30,024	32,042
Total	**2,081,287**	**2,135,188**	**2,134,141**	**2,072,363**

(Amounts expressed in thousands of Reais)

16. TAXES PAYABLE

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
ICMS	26,597	40,952	35,047	61,990
INSS/FGTS	6,344	22,382	10,899	36,026
ISS	3,543	4,250	3,761	4,478
PERT	4,316	5,554	4,316	5,554
Withholding taxes	439	629	1,112	5,636
Other	874	935	960	1,069
Total	**42,113**	**74,702**	**56,095**	**114,753**
Current	38,774	71,129	52,756	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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Administrative	1,008	887	1,008	887
Civil	3,322	3,229	4,042	3,983
Labor	15,217	8,342	18,885	11,741
Tax	522	418	5,365	5,261
Provision for contingencies	20,069	12,876	29,300	21,872
Contingent liabilities in business combination	36,424	57,217	36,424	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 quarter ended June 30, 2024

Parent Company					
	12/31/2023	Additions	Reversal	Payments	06/30/2024
Administrative	887	520	(69)	(330)	1,008
Civil	3,229	801	(27)	(681)	3,322
Labor	8,342	11,721	(7)	(4,839)	15,217
Tax	418	204	(21)	(79)	522
Contingent liabilities in business combination (i)	57,217	-	(20,793)	-	36,424
Total	**70,093**	**13,246**	**(20,917)**	**(5,929)**	**56,493**

Consolidated					
	12/31/2023	Additions	Reversal	Payments	06/30/2024
Administrative	887	520	(69)	(330)	1,008
Civil	3,983	1,199	(123)	(1,017)	4,042
Labor	11,741	14,862	(172)	(7,546)	18,885
Tax	5,261	206	(21)	(81)	5,365
Contingent liabilities in business combination (i)	57,217	-	(20,793)	-	36,424
Total	**79,089**	**16,787**	**(21,178)**	**(8,974)**	**65,724**

(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 June 30, 2024, the Company was party to lawsuits classified by its legal advisors, with a possible risk of loss totaling R$ 417,677 (R$ 440,622 on December 31, 2023) by the Parent Company and in the Consolidated in the amount of R$ 621,457 (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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Administrative	14,925	9,255	14,925	9,255
Civil	7,445	7,967	35,973	21,548
Labor	1,515	75,407	18,510	91,866
Tax	393,792	347,993	552,049	427,865
Total	**417,677**	**440,622**	**621,457**	**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$ 136,149 on June 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.

(Amounts expressed in thousands of Reais)

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

Notice of infraction served in December 2020 totaling R$ 148,491 on June 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 June 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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Administrative	-	100	-	100
Civil	10,101	11,539	11,091	12,549
Labor	12,905	12,099	16,170	15,379
Tax	1,497	1,485	1,579	2,009
Total	**24,503**	**25,223**	**28,840**	**30,038**

18. SHAREHOLDERS' EQUITY

18.1 Capital

	06/30/2024	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**

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

(Amounts expressed in thousands of Reais)

	Number of shares	Amount
Balance at January 01, 2023	**443,781,062**	**1,241,689**
Capital increase approved on 04/04/2023	20,049,023	73,780
Capital increase approved on 09/29/2023	77,950,375	332,070
Balance at December 31, 2023	**541,780,460**	**1,647,539**
Capital increase approved on 03/27/2024	39,935,179	117,010
Balance at June 30, 2024	**581,715,639**	**1,764,549**

18.2 Capital reserve

	06/30/2024	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)	8,776	7,989
Treasury shares (Note 18.4)	(1,239)	(16,967)
Merger reserve	330	330
Total	**383,127**	**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 9,129,000 common shares with a total value of R$ 54,413, at an average cost of R$ 5.96, of which 406,247 shares remain in treasury at an average cost of R$ 3.05, totaling the amount of R$ 1,239.

(Amounts expressed in thousands of Reais)

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 June 30, 2024 is R$ 9,713 (R$ 7,989, on December 31, 2023).

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

i. Restricted stock option plans ("Regular Program"): the Participant will be entitled to receive, in accordance with the terms and conditions provided for in the Grant Agreement, a total target amount corresponding to his/her gross monthly salary multiplied by the multiple of salaries applicable to his/her respective position, which will be settled in cash and/or Restricted Shares, conditioned on the Participant's continued presence as an administrator or employee of the Company throughout the Program effectiveness;

ii. Performance Shares Program: the Participant will be entitled to receive, in accordance with the terms and conditions provided for in the Grant Agreement, a total target amount corresponding to his/her gross monthly salary multiplied by the multiple of salaries applicable to his/her respective position, which will be settled in cash and/or Restricted Shares, conditioned on the Company achieving the performance targets established according to the metrics provided for in the Program;

iii. Matching Shares Program: the Participant will be entitled to receive a matching value corresponding to the portion of his/her net annual bonus used in the acquisition of common shares issued by the Company, which will be settled in Restricted Shares, subject to the terms and conditions provided for in the Program.

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

20. EARNINGS PER SHARE

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

	06/30/2024	06/30/2023
Net loss attributable to controlling shareholders	(4,262)	(99,945)
Weighted number of shares, net of treasury shares (thousand)	562,845	453,529
Potential increase in shares due to the warrant (thousand)	25,983	-
Earnings per share – R$	(0.0076)	(0.2204)
Diluted earnings per share - R$	(0.0072)	(0.2204)

(Amounts expressed in thousands of Reais)

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 June 30, 2024, as a reduction in the cost of goods sold totaling R$ 61,991 (R$ 53,853 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			
	04/01/2024–06/30/2024	01/01/2024–06/30/2024	04/01/2023–06/30/2023	01/01/2023–06/30/2023
Sale of goods	2,888,031	5,539,512	2,512,950	4,880,139
Services rendered	7,909	17,466	10,675	20,154
Gross revenue	2,895,940	5,556,978	2,523,625	4,900,293
Sales taxes	(161,131)	(311,866)	(129,743)	(266,443)
Refunds and rebates	(20,308)	(36,838)	(16,342)	(30,394)
Adjustment to present value	(12,779)	(22,370)	(6,201)	(11,086)
Sales deductions	(194,218)	(371,074)	(152,286)	(307,923)
Net revenue	**2,701,722**	**5,185,904**	**2,371,339**	**4,592,370**

	Consolidated			
	04/01/2024–06/30/2024	01/01/2024–06/30/2024	04/01/2023–06/30/2023	01/01/2023–06/30/2023
Sale of goods	3,360,130	6,444,583	2,992,609	5,796,144
Services rendered	8,891	19,500	11,018	20,709
Gross revenue	3,369,021	6,464,083	3,003,627	5,816,853
Sales taxes	(191,648)	(372,607)	(140,685)	(311,677)
Refunds and rebates	(23,760)	(43,495)	(19,315)	(35,887)
Adjustment to present value	(14,782)	(26,650)	(6,922)	(12,213)
Sales deductions	(230,190)	(442,752)	(166,922)	(359,777)
Net revenue	**3,138,831**	**6,021,331**	**2,836,705**	**5,457,076**

(Amounts expressed in thousands of Reais)

23. COSTS AND EXPENSES

Classified by account:	Parent Company			
	04/01/2024–06/30/2024	01/01/2024–06/30/2024	04/01/2023–06/30/2023	01/01/2023–06/30/2023
Cost of goods sold	(1,871,235)	(3,619,634)	(1,615,076)	(3,166,736)
Sales expenses	(585,602)	(1,166,431)	(560,736)	(1,107,908)
General and administrative expenses	(90,783)	(167,306)	(60,195)	(129,777)
Total costs and expenses	**(2,547,620)**	**(4,953,371)**	**(2,236,007)**	**(4,404,421)**

Classified by nature:	Parent Company			
	04/01/2024–06/30/2024	01/01/2024–06/30/2024	04/01/2023–06/30/2023	01/01/2023–06/30/2023
Acquisition cost of goods	(1,871,235)	(3,619,634)	(1,615,076)	(3,166,736)
Personnel expenses	(359,467)	(717,154)	(337,334)	(658,092)
Expenses with occupation	(17,364)	(31,740)	(12,401)	(30,114)
General expenses	(203,105)	(391,677)	(175,583)	(358,007)
Depreciation and amortization	(96,449)	(193,166)	(95,613)	(191,472)
Total costs and expenses	**(2,547,620)**	**(4,953,371)**	**(2,236,007)**	**(4,404,421)**

Classified by account:	Consolidated			
	04/01/2024–06/30/2024	01/01/2024–06/30/2024	04/01/2023–06/30/2023	01/01/2023–06/30/2023
Cost of goods sold	(2,115,639)	(4,094,586)	(1,906,101)	(3,709,053)
Sales expenses	(764,489)	(1,493,030)	(728,299)	(1,426,401)
General and administrative expenses	(94,231)	(184,786)	(78,285)	(172,775)
Total costs and expenses	**(2,974,359)**	**(5,772,402)**	**(2,712,685)**	**(5,308,229)**

Classified by nature:	Consolidated			
	04/01/2024–06/30/2024	01/01/2024–06/30/2024	04/01/2023–06/30/2023	01/01/2023–06/30/2023
Acquisition cost of goods	(2,115,639)	(4,094,586)	(1,906,101)	(3,709,053)
Personnel expenses	(460,530)	(911,651)	(433,865)	(843,343)
Expenses with occupation	(20,403)	(37,622)	(17,789)	(40,135)
General expenses	(249,169)	(470,902)	(212,497)	(441,009)
Depreciation and amortization	(128,618)	(257,641)	(142,433)	(274,689)
Total costs and expenses	**(2,974,359)**	**(5,772,402)**	**(2,712,685)**	**(5,308,229)**

(Amounts expressed in thousands of Reais)

24. FINANCIAL INCOME (LOSS)

	Parent Company			
	04/01/2024–06/30/2024	01/01/2024–06/30/2024	04/01/2023–06/30/2023	01/01/2023–06/30/2023
Financial revenues				
Revenues from interest earning bank deposits	1,369	3,706	2,146	4,313
Adjustment to fair value of derivative instruments	28,558	28,558	20,123	20,902
Adjustment to present value	7,980	16,633	5,100	13,801
Exchange-rate change	4,389	4,536	10,888	13,218
Other financial revenues	14,182	14,186	339	578
Total financial revenue	**56,478**	**67,619**	**38,596**	**52,812**
Financial expenses				
Accrued interest	(48,974)	(101,855)	(64,897)	(121,713)
Lease interest	(41,782)	(84,772)	(39,214)	(78,095)
Interest from advance of receivables	(9,110)	(18,313)	(16,239)	(40,912)
Adjustment to fair value derivative instruments	(17,322)	(18,261)	(30,838)	(34,687)
Adjustment to present value	(31,661)	(66,847)	(34,137)	(73,756)
Exchange-rate change	(19,598)	(20,438)	(3,493)	(4,522)
Other financial expenses	(3,919)	(5,723)	(4,530)	(8,719)
Total financial expense	**(172,366)**	**(316,209)**	**(193,348)**	**(362,404)**
Financial income (loss)	**(115,888)**	**(248,590)**	**(154,752)**	**(309,592)**

-	Consolidated			
	04/01/2024–06/30/2024	01/01/2024–06/30/2024	04/01/2023–06/30/2023	01/01/2023–06/30/2023
Financial revenues				
Revenues from interest earning bank deposits	1,425	3,965	2,160	4,354
Adjustment to fair value of derivative instruments	28,558	28,558	20,123	20,902
Adjustment to present value	9,854	20,592	5,687	14,869
Exchange-rate change	4,389	4,536	10,888	13,218
Other financial revenues	14,189	14,193	345	595
Total financial revenue	**58,415**	**71,844**	**39,203**	**53,938**
Financial expenses				
Accrued interest	(49,069)	(102,074)	(64,897)	(121,713)
Lease interest	(48,039)	(97,594)	(49,646)	(97,127)
Interest from advance of receivables	(13,261)	(24,360)	(19,966)	(49,263)
Adjustment to fair value derivative instruments	(17,322)	(18,261)	(30,838)	(34,687)
Adjustment to present value	(48,531)	(101,987)	(44,442)	(91,011)
Exchange-rate change	(19,598)	(20,438)	(3,493)	(4,522)
Other financial expenses	(3,952)	(5,773)	(4,734)	(9,161)
Total financial expense	**(199,772)**	**(370,487)**	**(218,016)**	**(407,484)**
Financial income (loss)	**(141,357)**	**(298,643)**	**(178,813)**	**(353,546)**

(Amounts expressed in thousands of Reais)

25. FINANCIAL INSTRUMENTS

25.1 Financial instruments by category

	Parent Company		
	Amortized cost	**Fair value**	**Total**
Financial assets			
Cash and cash equivalents	83,828	-	83,828
Interest earning bank deposits	809	-	809
Trade accounts receivable	1,012,770	-	1,012,770
Financial liabilities			
Suppliers	(1,647,836)	-	(1,647,836)
Loans and financing	(486,339)	-	(486,339)
Debentures and commercial notes	(983,053)	-	(983,053)
Lease liabilities	(1,798,233)	-	(1,798,233)
Derivative financial instruments (Swaps)	-	9,098	9,098
Balance at June 30, 2024	(3,818,054)	9,098	(3,808,956)

	Consolidated		
	Amortized cost	**Fair value**	**Total**
Financial assets			
Cash and cash equivalents	108,208	-	108,208
Interest earning bank deposits	809	-	809
Trade accounts receivable	792,580	-	792,580
Financial liabilities			
Suppliers	(1,775,297)	-	(1,775,297)
Loans and financing	(486,339)	-	(486,339)
Debentures and commercial notes	(983,053)	-	(983,053)
Lease liabilities	(2,081,288)	-	(2,081,288)
Derivative financial instruments (Swaps)	-	9,098	9,098
Balance at June 30, 2024	(4,424,380)	9,098	(4,415,282)

	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)**

(Amounts expressed in thousands of Reais)

	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.

	06/30/2024		
Description	**Level 1**	**Level 2**	**Level 3**
Derivative financial instruments (liability balance of foreign currency swaps)	-	9,098	-

	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 Fair value measurement

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

Derivative financial instruments measured at fair value through profit or loss

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

(Amounts expressed in thousands of Reais)

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$ 84,637 and R$ 109,017, 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.

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

	Parent Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Falling due				
01–30 days	314,453	106,986	348,183	120,251
31–60 days	174,227	154,840	202,590	184,600
61–90 days	86,077	80,011	100,556	94,369
>90 days	70,327	65,705	82,018	77,100
Total	**645,084**	**407,542**	**733,347**	**476,320**

There are no overdue balances held with credit card companies.

(Amounts expressed in thousands of Reais)

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

June 30, 2024	Book value	Contractual amount	≤01 year	01–02 years	02–05 years	>05 years
Suppliers (note 13)	(1,647,836)	(1,647,836)	(1,647,836)	-	-	-
Lease (Note 15)	(1,798,233)	(1,798,233)	(263,620)	(245,780)	(513,176)	(775,657)
Loans and financing (Note 14)	(486,339)	(486,339)	(70,491)	(196,552)	(219,296)	-
Debentures (Note 14)	(983,053)	(983,053)	(68,240)	(281,648)	(633,165)	-
Derivative financial instruments (foreign currency swaps)	9,098	9,098	(9,480)	14,329	4,249	-

Consolidated

June 30, 2024	Book value	Contractual amount	≤01 year	01–02 years	02–05 years	>05 years
Suppliers (note 13)	(1,775,297)	(1,775,297)	(1,775,297)	-	-	-
Lease (Note 15)	(2,081,288)	(2,081,288)	(343,413)	(316,771)	(619,197)	(801,907)
Loans and financing (Note 14)	(486,339)	(486,339)	(70,491)	(196,552)	(219,296)	-
Debentures (Note 14)	(983,053)	(983,053)	(68,240)	(281,648)	(633,165)	-
Derivative financial instruments (foreign currency swaps)	9,098	9,098	(9,480)	14,329	4,249	-

Parent company

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)	-	-	-

(Amounts expressed in thousands of Reais)

	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 June 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 June 30, 2024, according to the BM&F Bovespa interest curve for CDI (between June 2024 and November 2028) 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 June 30, 2024 and December 31, 2023 are close to market value. Risks related to the Company's operations are linked to CDI (Interbank Deposit Certificate) change.

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.

(Amounts expressed in thousands of Reais)

In order to check the sensitivity of the index to which the Company was exposed to at June 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 June 30, 2024, with a one-year projection and checking the sensitivity of the CDI index in each scenario.

Parent Company

June 30, 2024	Risk (rate)	Book balance	Probable scenario	Scenario I 25%	Scenario II 50%
Loan	CDI increase	(285,865)	(6,452)	(10,369)	(12,068)
Debentures	CDI increase	(1,183,527)	(19,814)	(26,121)	(30,819)
Cash equivalents and interest earning bank deposits	CDI increase	53,466	449	562	674
Net exposure (Financial expense)			(25,817)	(35,928)	(42,213)

Consolidated

June 30, 2024	Risk (rate)	Book balance	Probable scenario	Scenario I 25%	Scenario II 50%
Loan	CDI increase	(285,865)	(6,452)	(10,369)	(12,068)
Debentures	CDI increase	(1,183,527)	(19,814)	(26,121)	(30,819)
Cash equivalents and interest earning bank deposits	CDI increase	65,167	542	678	814
Net exposure (Financial expense)			(25,724)	(35,812)	(42,073)

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 June 30, 2024, the amount of derivative financial instruments was R$ 9,098.

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.

Parent Company and Consolidated

June 30, 2024	Risk (rate)	Exposure	Probable scenario	Scenario I 25%	Scenario II 50%
Loans in foreign currency	USD increase	(2,954)	-	(739)	(1,477)
Loans in foreign currency	EUR increase	(564)	-	(141)	(282)
			-	(880)	(1,759)

(Amounts expressed in thousands of Reais)

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	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Loans, financing and debentures	1,469,392	1,635,425	1,469,392	1,635,425
Derivatives - Foreign currency swap	(9,098)	5,209	(9,098)	5,209
(-) Cash and cash equivalents	(83,828)	(384,890)	(108,208)	(438,500)
(-) Interest earning bank deposits	(809)	(5,585)	(809)	(5,585)
Net debt	**1,375,657**	**1,250,159**	**1,351,277**	**1,196,549**
Shareholders' equity	2,637,552	2,652,989	2,637,552	2,652,989
Leverage ratio	**0.52**	**0.47**	**0.51**	**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 June 30, 2024.

I) OPENING OF STORES

We ended 2Q24 with 1,653 points of sale, accumulating 1 openings and 2 closings in the quarter. With the inauguration held in 2Q24, we concluded the expansion plan for 2024.

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 30/06/2024

II) CAPTURE OF EXTRAFARMA SYNERGIES

Increasingly, the benefits generated by the integration with Extrafarma are evident in our results. In 2Q24, we recorded a volume of synergies of R$ 50.9 million, equivalent to R$ 203 million on an annualized basis. As a result, we have already surpassed the floor of the projected synergies range, six months ahead of schedule, which shows the success in the execution of the integration plan.

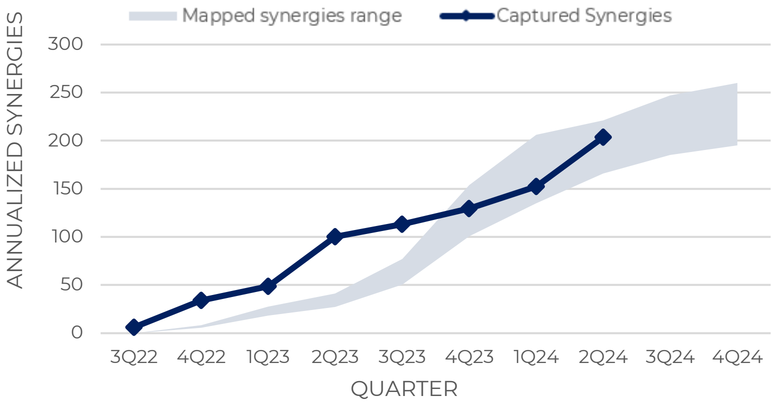
In addition to the synergies captured up to the previous quarter, the strong performance of converted stores, a lever that already accounts for 10% of the total synergies captured, contributed to the result. In addition, sales synergies continue to gain traction, such as the evolution of the active assortment, penetration of digital channels and CRM activations.

The total synergies can be distributed in levers of footprint optimization (16% of the total), sales synergies (23%), gross margin (27%), SG&A (37%) and optimization of the logistics network (11%), which were partially offset by dissynergies (-14%) generated by divestments and increase in the loss ratio.

We have updated the range of the synergy projection, increasing the lower limit, in order to incorporate the inflation accumulated since the original projection, and reducing the upper limit, in order to contemplate dissynergies with inventory losses not initially foreseen. As a result, the updated projection is that the capture of synergy, on an annual basis, will be between R$ 195 million and R$ 260 million by the end of 2024.

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

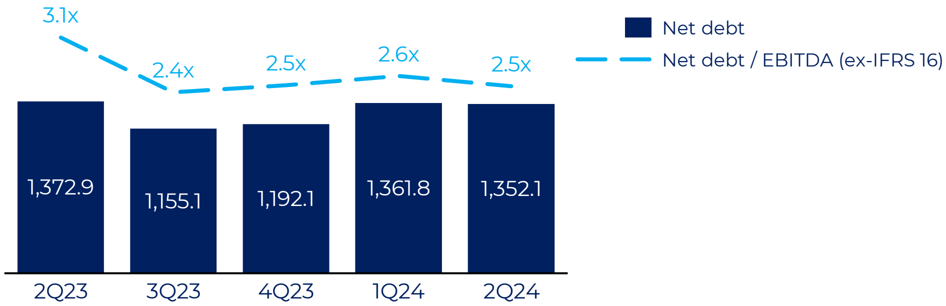
SYNERGY CAPTURE CURVE
(R$ million)



III) NET DEBT RATIO

The net debt/EBITDA ratio reached 2.5x in 2Q24, accumulating a reduction of 0.6x in the last 12 months. Net debt totaled R$1.352 billion, remaining relatively stable compared to 1Q24.

CONSOLIDATED NET DEBT
(in R$ million and multiple of EBITDA)



The projection of the net debt ratio, measured by the ratio between net debt and adjusted EBITDA, accumulated in twelve (12) months, disregarding the effects of the IFRS16 accounting standard (ex-IFRS16), was revised from "up to 1.7x" to "up to 2.0x" on 12/31/2024. The revision of the projection was motivated by the changes in the macroeconomic scenario that have occurred since the date of the original projection, as well as an update in the budget planning and cash flow of the Company's operations forecast for the coming quarters.

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

Robledo de Andrade Castro
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