

## **ITR - Quarterly Information**

**d1000 Varejo Farma Participações S.A.**

March 31, 2021  
with Independent Auditor Report

## **d1000 Varejo Farma Participações S.A.**

### **ITR - Quarterly Information**

March 31, 2021

#### **Table of Contents**

#### **Company Information**

|                        |   |
|------------------------|---|
| Capital Division ..... | 1 |
|------------------------|---|

#### **Individual Financial Statements**

|   |   |
|---|---|
| Balance Sheet - Assets .....                    | 2 |
| Balance Sheet - Liabilities .....               | 3 |
| Statement of Income .....                       | 4 |
| Statement of Comprehensive Income.....          | 5 |
| Statement of Cash Flows - Indirect Method ..... | 6 |

#### **Statement of Changes in Equity**

|                                |   |
|--------------------------------|---|
| 1/1/2021 to 03/31/2021 .....   | 7 |
| 1/1/2020 to 03/31/2020 .....   | 8 |
| Statement of Value Added ..... | 9 |

#### **Consolidated Financial Statements**

|   |    |
|---|----|
| Balance Sheet - Assets .....                    | 10 |
| Balance Sheet - Liabilities .....               | 11 |
| Statement of Income .....                       | 12 |
| Statement of Comprehensive Income.....          | 13 |
| Statement of Cash Flows - Indirect Method ..... | 14 |

#### **Statement of Changes in Equity**

|                                    |    |
|------------------------------------|----|
| 1/1/2021 to 03/31/2021 .....       | 15 |
| 1/1/2020 to 03/31/2020 .....       | 16 |
| Statement of Value Added .....     | 17 |
| Notes to Financial Statements..... | 18 |

#### **Opinions and Statements**

|  |    |
|--|----|
| Independent auditor's review report on quarterly information ..... | 48 |
|--|----|

## Company Information/Capital Division

| Number of Shares<br>(in thousands) | Current quarter<br>03/31/2021 |
|------------------------------------|-------------------------------|
| Common                             | 0                             |
| Favourite                          | 0                             |
| Total                              | 0                             |
| Common                             | 0                             |
| Favourite                          | 0                             |
| Total                              | 0                             |

**Individual Financial Statements/Balance Sheet - Assets****R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>            | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|---------------|-------------------------------|---------------------------------------|--|
| 1             | Total Assets                  | 832,193                               | 840,661                                |
| 1.01          | Current Assets                | 68,441                                | 73,792                                 |
| 1.01.01       | Cash and Cash Equivalents     | 68,344                                | 73,778                                 |
| 1.01.03       | Commercial receivables        | 76                                    | 5                                      |
| 1.01.03.02    | Other receivables             | 76                                    | 5                                      |
| 1.01.06       | Recoverable taxes             | 21                                    | 9                                      |
| 1.01.06.01    | Current recoverable taxes     | 21                                    | 9                                      |
| 1.02          | Non-Current Assets            | 763,752                               | 766,869                                |
| 1.02.02       | investments                   | 763,752                               | 766,869                                |
| 1.02.02.01    | equity ownership              | 763,752                               | 766,869                                |
| 1.02.02.01.02 | Participation in Subsidiaries | 763,752                               | 766,869                                |

**Individual Financial Statements/Balance Sheet - Liabilities****R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>                          | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|---------------|---|---------------------------------------|--|
| 2             | Total Liabilities                           | 832,193                               | 840,661                                |
| 2.01          | Current liabilities                         | 4,498                                 | 4,502                                  |
| 2.01.02       | Commercial payments                         | 72                                    | 11                                     |
| 2.01.02.01    | National Suppliers                          | 72                                    | 11                                     |
| 2.01.03       | Taxes                                       | 118                                   | 173                                    |
| 2.01.03.01    | Federal Tax                                 | 118                                   | 173                                    |
| 2.01.03.01.03 | Social security contribution (INSS) payable | 118                                   | 173                                    |
| 2.01.05       | Other Liabilities                           | 4,308                                 | 4,318                                  |
| 2.01.05.02    | Other                                       | 4,308                                 | 4,318                                  |
| 2.01.05.02.04 | Payroll and related taxes                   | 202                                   | 212                                    |
| 2.01.05.02.05 | Other Payments                              | 4,106                                 | 4,106                                  |
| 2.03          | Equity                                      | 827,695                               | 836,159                                |
| 2.03.01       | Paid-in capital                             | 1,004,004                             | 1,004,004                              |
| 2.03.05       | Accumulated Profit/Loss                     | (176,309)                             | (167,845)                              |

**Individual Financial Statements/Income Statement****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                         | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|-------------|--|---------------------------------------|--|
| 3.04        | Operating Expenses/Revenues                | (8,716)                               | (6,287)                                |
| 3.04.02     | General and Administrative Expenses        | (1,004)                               | (5)                                    |
| 3.04.02.01  | General and Administrative                 | (1,004)                               | (5)                                    |
| 3.04.04     | Other Operating Income                     | (36)                                  | (13)                                   |
| 3.04.04.02  | Other Operating Income                     | (36)                                  | (13)                                   |
| 3.04.06     | Equity                                     | (7,676)                               | (6,269)                                |
| 3.05        | Income before Net Income (Costs) and Taxes | (8,716)                               | (6,287)                                |
| 3.06        | Financial Income (Costs)                   | 252                                   | (7)                                    |
| 3.06.01     | Financial Income                           | 348                                   | 0                                      |
| 3.06.02     | Financial costs                            | (96)                                  | (7)                                    |
| 3.07        | Profit/(Loss) Before Income Tax            | (8,464)                               | (6,294)                                |
| 3.09        | Profit/(Loss) from Continuing Operations   | (8,464)                               | (6,294)                                |
| 3.11        | Profit (Loss) for the Period               | (8,464)                               | (6,294)                                |
| 3.99        | Earnings per Share - (Real/Share)          |                                       |  |
| 3.99.01     | Basic earnings per share                   |                                       |  |
| 3.99.01.01  | common                                     | 0.16700                               | 0.23300                                |
| 3.99.02     | Diluted earnings per share                 |                                       |  |
| 3.99.02.01  | common                                     | 0.16700                               | 0.23300                                |

**Individual Financial Statements/Statement of Comprehensive Income****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>         | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|-------------|----------------------------|---------------------------------------|--|
| 4.01        | Profit for the Period      | (8.464)                               | (6.294)                                |
| 4.03        | Full Income for the Period | (8.464)                               | (6.294)                                |

**Individual Financial Statements/Cash Flow Statement - Indirect Method****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                                       | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|-------------|--|---------------------------------------|--|
| 6.01        | Net Cash provided by (used in) Operating Activities      | (875)                                 | 443                                    |
| 6.01.01     | Money Provided by Operational Activities                 | (788)                                 | (25)                                   |
| 6.01.01.01  | Profit/Loss before Income Tax and Social Contribution    | (8,464)                               | (6,294)                                |
| 6.01.01.08  | Variable Income  | 7,676                                 | 6,269                                  |
| 6.01.02     | Changes in Assets and Liabilities                        | (88)                                  | (1,459)                                |
| 6.01.02.01  | accounts receivable                                      | (13)                                  | 0                                      |
| 6.01.02.02  | Inventories  | (71)                                  | (1,910)                                |
| 6.01.02.07  | Payroll and related taxes                                | 61                                    | 376                                    |
| 6.01.02.08  | Salary   | (10)                                  | 0                                      |
| 6.01.02.09  | Taxes payable  | (55)                                  | 75                                     |
| 6.01.02.10  | Other Operating Liabilities                              | 1                                     | 1,927                                  |
| 6.02        | Net Cash provided by (used in) Investment Activities     | (4,559)                               | (338)                                  |
| 6.02.03     | Investment Increase                                      | (4,559)                               | (338)                                  |
| 6.05        | Increase (Decrease) in Cash and Cash Equivalents         | (5,434)                               | 105                                    |
| 6.05.01     | Cash and Cash Equivalents at The Beginning of the Period | 73,778                                | 0                                      |
| 6.05.02     | Cash and Cash Equivalents at The End of the Period       | 68,344                                | 105                                    |



**Individual Financial Statement/Statement of Changes in Shareholders' Equity - 1/1/2020 to 03/31/2021**

**R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>        | <b>Paid-in capital</b> | <b>Capital Reserves,<br/>Granted Options<br/>and Treasury<br/>Shares</b> | <b>Income Reserve</b> | <b>Undistributed<br/>profits</b> | <b>Other<br/>Comprehensive<br/>Revenues</b> | <b>Equity</b> |
|-------------|---------------------------|------------------------|--|-----------------------|----------------------------------|---|---------------|
| 5.01        | Opening Balances          | 1,004,004              | 0  | 0                     | (167,845)                        | 0   | 836,159       |
| 5.03        | Adjusted opening balances | 1,004,004              | 0  | 0                     | (167,845)                        | 0   | 836,159       |
| 5.05        | Total full income/(loss)  | 0                      | 0  | 0                     | (8,464)                          | 0   | (8,464)       |
| 5.05.01     | Profit for the Period     | 0                      | 0  | 0                     | (8,464)                          | 0   | (8,464)       |
| 5.07        | Closing Balances          | 1,004,004              | 0  | 0                     | (176,309)                        | 0   | 827,695       |

**Individual Disclaimer/Statement of Changes in Shareholders' Equity - 1/1/2020 to 12/31/2020**

**R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                     | <b>Paid-in capital</b> | <b>Capital Reserves,<br/>Granted Options<br/>and Treasury<br/>Shares</b> | <b>Income Reserve</b> | <b>Undistributed<br/>profits</b> | <b>Other<br/>Comprehensive<br/>Revenues</b> | <b>Equity</b> |
|-------------|--|------------------------|--|-----------------------|----------------------------------|---|---------------|
| 5.01        | Opening Balances                       | 634,017                | 0  | 0                     | (167,968)                        | 0   | 466,049       |
| 5.03        | Adjusted Opening Balances              | 634,017                | 0  | 0                     | (167,968)                        | 0   | 466,049       |
| 5.04        | Operations of Shares with Shareholders | 369,987                | 0  | 0                     | 0                                | 0   | 369,987       |
| 5.04.15     | First Adoption                         | 401,308                | 0  | 0                     | 0                                | 0   | 0             |
| 5.05        | Total full income/(loss)               | (31,321)               | 0  | 0                     | 0                                | 0   | 0             |
| 5.05.01     | Profit for the Period                  | 0                      | 0  | 0                     | 123                              | 0   | 123           |
| 5.07        | Closing Balances                       | 0                      | 0  | 0                     | 123                              | 0   | 123           |
|             |  | 1,004,004              | 0  | 0                     | (167,845)                        | 0   | 836,159       |

**Individual Financial Statements/Statement of Added Value****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                                       | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|-------------|--|---------------------------------------|--|
| 7.02        | Purchased from third parties                             | (110)                                 | (16)                                   |
| 7.02.02     | Supplies, Electricity, Outsourced Services and<br>Others | (109)                                 | (2)                                    |
| 7.02.04     | other  | (1)                                   | (14)                                   |
| 7.03        | Gross Value Added  | (110)                                 | (16)                                   |
| 7.05        | Wealth produced  | (110)                                 | (16)                                   |
| 7.06        | Wealth received through transfer                         | (7,328)                               | (6,269)                                |
| 7.06.01     | Variable Income  | (7,676)                               | (6,269)                                |
| 7.06.02     | Financial Income   | 348                                   | 0                                      |
| 7.07        | Total Wealth for Distribution                            | (7,438)                               | (6,285)                                |
| 7.08        | Wealth Distribution                                      | (7,438)                               | (6,285)                                |
| 7.08.01     | staff  | 824                                   | 2                                      |
| 7.08.01.01  | Direct Compensation                                      | 824                                   | 2                                      |
| 7.08.02     | Taxes, Fees and Contributions                            | 201                                   | 0                                      |
| 7.08.02.01  | federal  | 201                                   | 0                                      |
| 7.08.03     | Value distributed to capital providers                   | 1                                     | 7                                      |
| 7.08.03.01  | Interest Rates   | 1                                     | 7                                      |
| 7.08.04     | Distributed Value to Shareholders                        | (8,464)                               | (6,294)                                |
| 7.08.04.03  | Accumulated Losses/Retained Earnings for the<br>Period   | (8,464)                               | (6,294)                                |

**Consolidated Financial Statements/Balance Sheet - Assets****R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>                          | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|---------------|---|---------------------------------------|--|
| 1             | Total Assets                                | 1,440,796                             | 1,454,977                              |
| 1.01          | Current Assets                              | 454,399                               | 483,022                                |
| 1.01.01       | Cash and Cash Equivalents                   | 150,184                               | 206,491                                |
| 1.01.03       | Commercial receivables                      | 76,709                                | 71,396                                 |
| 1.01.03.01    | Commercial receivables                      | 76,709                                | 71,396                                 |
| 1.01.04       | Inventories                                 | 150,290                               | 131,905                                |
| 1.01.06       | Recoverable taxes                           | 38,290                                | 37,407                                 |
| 1.01.06.01    | Current recoverable taxes                   | 38,290                                | 37,407                                 |
| 1.01.08       | Other Current Assets                        | 38,926                                | 35,823                                 |
| 1.01.08.01    | Other Current Assets                        | 18,905                                | 17,243                                 |
| 1.01.08.01.01 | Financial Instruments                       | 18,905                                | 17,243                                 |
| 1.01.08.03    | Other                                       | 20,021                                | 18,580                                 |
| 1.01.08.03.03 | Other                                       | 20,021                                | 18,580                                 |
| 1.02          | Non-Current Assets                          | 986,397                               | 971,955                                |
| 1.02.01       | Long-term assets                            | 101,862                               | 99,839                                 |
| 1.02.01.04    | Commercial receivables                      | 524                                   | 524                                    |
| 1.02.01.04.02 | Other Receivables                           | 524                                   | 524                                    |
| 1.02.01.07    | Deferred taxes                              | 65,109                                | 62,354                                 |
| 1.02.01.07.01 | Deferred Income Tax and Social Contribution | 65,109                                | 62,354                                 |
| 1.02.01.10    | Other Non-Current Assets                    | 36,229                                | 36,961                                 |
| 1.02.01.10.03 | Custody deposits                            | 5,353                                 | 5,904                                  |
| 1.02.01.10.05 | Financial Instruments                       | 7,837                                 | 8,153                                  |
| 1.02.01.10.06 | Recoverable taxes                           | 23,039                                | 22,904                                 |
| 1.02.03       | Property, Plant and Equipment               | 271,839                               | 257,112                                |
| 1.02.03.01    | Property, Plant and Equipment in Use        | 271,839                               | 257,112                                |
| 1.02.04       | Intangible Assets                           | 612,696                               | 615,004                                |
| 1.02.04.01    | Intangible Assets                           | 612,696                               | 615,004                                |

**Consolidated Financial Statements/Balance Sheet - Liabilities****R\$ (in thousands)**

| <b>Code</b>   | <b>Description</b>                             | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|---------------|--|---------------------------------------|--|
| 2             | Total Liabilities                              | 1,440,796                             | 1,454,977                              |
| 2.01          | Current liabilities                            | 321,249                               | 317,674                                |
| 2.01.02       | Commercial payments                            | 142,054                               | 133,177                                |
| 2.01.02.01    | National Suppliers                             | 142,054                               | 133,177                                |
| 2.01.04       | Loans and Financing                            | 74,981                                | 84,498                                 |
| 2.01.04.01    | Loans and Financing                            | 74,981                                | 84,498                                 |
| 2.01.05       | Other Liabilities                              | 104,214                               | 99,999                                 |
| 2.01.05.02    | Other  | 104,214                               | 99,999                                 |
| 2.01.05.02.04 | Payroll and related taxes                      | 24,356                                | 23,080                                 |
| 2.01.05.02.06 | Other Commercial Payments                      | 4,058                                 | 4,061                                  |
| 2.01.05.02.08 | Taxes and fees                                 | 9,028                                 | 9,500                                  |
| 2.01.05.02.09 | Other  | 10,534                                | 9,664                                  |
| 2.01.05.02.10 | Rent payable                                   | 56,238                                | 53,694                                 |
| 2.02          | Non-Current Liabilities                        | 291,852                               | 301,144                                |
| 2.02.01       | Loans and Financing                            | 34,797                                | 46,925                                 |
| 2.02.01.01    | Loans and Financing                            | 34,797                                | 46,925                                 |
| 2.02.01.01.01 | In Domestic Currency                           | 34,797                                | 46,925                                 |
| 2.02.03       | Deferred Tributes                              | 27,572                                | 27,384                                 |
| 2.02.03.01    | Deferred Income Tax and Social Contribution    | 27,572                                | 27,384                                 |
| 2.02.04       | Provisions                                     | 229,483                               | 226,835                                |
| 2.02.04.01    | Provisions for private pension and labor risks | 39,184                                | 41,876                                 |
| 2.02.04.01.05 | Provision for Civil Hazards                    | 39,184                                | 41,876                                 |
| 2.02.04.02    | Other Provisions                               | 190,299                               | 184,959                                |
| 2.02.04.02.06 | Other Commercial Payments                      | 7,000                                 | 8,000                                  |
| 2.02.04.02.07 | Taxes and Fees                                 | 8,006                                 | 8,744                                  |
| 2.02.04.02.08 | Rent payable                                   | 175,293                               | 168,215                                |
| 2.03          | Consolidated Equity                            | 827,695                               | 836,159                                |
| 2.03.01       | Paid-in capital                                | 1,004,004                             | 1,004,004                              |
| 2.03.05       | Accumulated Profit/Loss                        | (176,309)                             | (167,845)                              |

**Consolidated Financial Statements/Income Statement****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                       | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>03/31/2020</b> |
|-------------|--|---------------------------------------|--|
| 3.01        | Revenue from Sales and/or Services       | 256,260                               | 282,839                                |
| 3.02        | Cost of Sales and/or Services            | (170,633)                             | (196,890)                              |
| 3.02.02     | Cost of Sales and/or Services            | (170,633)                             | (196,890)                              |
| 3.03        | Gross profit                             | 85,627                                | 85,949                                 |
| 3.04        | Operating Expenses/Revenues              | (91,909)                              | (85,654)                               |
| 3.04.02     | General and Administrative Expenses      | (70,374)                              | (67,305)                               |
| 3.04.02.01  | General and Administrative               | (9,059)                               | (7,145)                                |
| 3.04.02.02  | Sale and Marketing                       | (60,528)                              | (59,482)                               |
| 3.04.02.03  | Logistics and Distribution               | (787)                                 | (678)                                  |
| 3.04.05     | Other operating expenses                 | (21,535)                              | (18,349)                               |
| 3.04.05.01  | Depreciation and Amortization            | (21,043)                              | (18,727)                               |
| 3.04.05.02  | Provision for expected credit loss       | 0                                     | (57)                                   |
| 3.04.05.03  | Other operating expenses                 | (492)                                 | 435                                    |
| 3.05        | Earning before tax and interest          | (6,282)                               | 295                                    |
| 3.06        | Financial Income (Costs)                 | (4,587)                               | (9,072)                                |
| 3.06.01     | Financial Income                         | 1,000                                 | 165                                    |
| 3.06.02     | Financial costs                          | (5,587)                               | (9,237)                                |
| 3.07        | Income before Income Tax                 | (10,869)                              | (8,777)                                |
| 3.08        | Income Tax and Social Contribution       | 2,405                                 | 2,483                                  |
| 3.08.01     | Current                                  | (162)                                 | 0                                      |
| 3.08.02     | Deferred                                 | 2,567                                 | 2,483                                  |
| 3.09        | Profit/(Loss) from Continuing Operations | (8,464)                               | (6,294)                                |
| 3.11        | Consolidated Profit/Loss for the Period  | (8,464)                               | (6,294)                                |
| 3.11.01     | Attributable to Company Owners           | (8,464)                               | (6,294)                                |
| 3.99        | Earnings per Share - (Real/Share)        |                                       |  |
| 3.99.01     | Basic earnings per share                 |                                       |  |
| 3.99.01.01  | Common                                   | 0.16700                               | 0.23300                                |
| 3.99.02     | Diluted earnings per share               |                                       |  |
| 3.99.02.01  | Common                                   | 0.16700                               | 0.23300                                |

**Consolidated Financial Statements/ Comprehensive Income Statement****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                      | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|-------------|---|---------------------------------------|--|
| 4.01        | Consolidated Profit for the Period      | (8,464)                               | (6,294)                                |
| 4.03        | Consolidated Full Income for the Period | (8,464)                               | (6,294)                                |
| 4.03.01     | Attributable to Company Owners          | (8,464)                               | (6,294)                                |

**Consolidated Financial Statements/Cash Flow Statement - Indirect Method****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>  | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>03/31/2020</b> |
|-------------|---|---------------------------------------|--|
| 6.01        | Net Cash provided by (used in) Operating Activities       | (4,594)                               | (16,089)                               |
| 6.01.01     | Money Provided by Operational Activities                  | 14,334                                | 11,706                                 |
| 6.01.01.01  | Profit/Loss before Income Tax and Social Contribution     | (10,869)                              | (8,777)                                |
| 6.01.01.02  | Provision for Risks                                       | (2,692)                               | (6,870)                                |
| 6.01.01.03  | Depreciation and Amortization                             | 5,943                                 | 5,651                                  |
| 6.01.01.04  | Baixa - Property, Plant and Equipment                     | 10                                    | 305                                    |
| 6.01.01.05  | Interest on Loans   | 371                                   | 3,583                                  |
| 6.01.01.06  | Other Profit Adjustments                                  | 3,095                                 | 998                                    |
| 6.01.01.07  | Allowance for Doubtful Debts                              | 44                                    | 57                                     |
| 6.01.01.09  | Depreciation right to use real misus                      | 15,100                                | 13,075                                 |
| 6.01.01.10  | Financial charges right to use                            | 4,139                                 | 3,359                                  |
| 6.01.01.11  | Provision /Reversal for inventory loss                    | 111                                   | 325                                    |
| 6.01.01.12  | Gain / Loss on reversal right of real estate use          | (918)                                 | 0                                      |
| 6.01.02     | Changes in Assets and Liabilities                         | (18,928)                              | (27,795)                               |
| 6.01.02.01  | Commercial notes to be received                           | (5,363)                               | (12,461)                               |
| 6.01.02.02  | Inventories   | (18,495)                              | (12,687)                               |
| 6.01.02.03  | Recoverable taxes   | (1,019)                               | (543)                                  |
| 6.01.02.04  | Other Operating Assets                                    | (830)                                 | (3,895)                                |
| 6.01.02.05  | Commercial payments                                       | 8,883                                 | 1,769                                  |
| 6.01.02.06  | Payroll and related taxes                                 | (572)                                 | 4,261                                  |
| 6.01.02.07  | Taxes payable   | (1,201)                               | (3,627)                                |
| 6.01.02.08  | Other Operating Liabilities                               | (331)                                 | (612)                                  |
| 6.01.02.11  | Income Tax and Social Contribution                        | 0                                     | 0                                      |
| 6.02        | Net Cash provided by (used in) Investment Activities      | (11,040)                              | (4,701)                                |
| 6.02.01     | Additions to Property, Plant and Equipment                | (9,360)                               | (3,585)                                |
| 6.02.02     | Low - Property, Plant and Equipment and Intangible Assets | 0                                     | 6                                      |
| 6.02.04     | Additions to Intangible Assets                            | (680)                                 | (1,122)                                |
| 6.02.05     | Payments for subsidiary acquisitions                      | (1,000)                               | 0                                      |
| 6.03        | Net Cash Provided by (Used in) Financing Activities       | (40,673)                              | 31,391                                 |
| 6.03.01     | Loans and Financing - Financing                           | 0                                     | 89,318                                 |
| 6.03.03     | Interest Payment  | (2,151)                               | (2,086)                                |
| 6.03.04     | Loans and Financing - Repayment                           | (21,511)                              | (40,646)                               |
| 6.03.05     | Rental payment - Right of Use                             | (17,011)                              | (15,195)                               |
| 6.05        | Increase (Decrease) in Cash and Cash Equivalents          | (56,307)                              | 10,601                                 |
| 6.05.01     | Cash and Cash Equivalents at The Beginning of the Period  | 206,491                               | 49,166                                 |
| 6.05.02     | Cash and Cash Equivalents at The End of the Period        | 150,184                               | 59,767                                 |



**Consolidated Financial Statement/Statement of Changes in Shareholders' Equity - 1/1/2021 to 31/03/2021**

**R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>        | <b>Paid-in capital</b> | <b>Capital Reserves, Granted Options and Treasury Shares</b> | <b>Income Reserve</b> | <b>Undistributed profits</b> | <b>Other Comprehensive Revenues</b> | <b>Equity</b> | <b>Non-controlling interest</b> | <b>Consolidated Equity</b> |
|-------------|---------------------------|------------------------|--|-----------------------|------------------------------|-------------------------------------|---------------|---------------------------------|----------------------------|
| 5.01        | Opening Balances          | 1,004,004              | 0  | 0                     | (167,845)                    | 0                                   | 836,159       | 0                               | 836,159                    |
| 5.03        | Adjusted opening balances | 1,004,004              | 0  | 0                     | (167,845)                    | 0                                   | 836,159       | 0                               | 836,159                    |
| 5.05        | Total full income/(loss)  | 0                      | 0  | 0                     | (8,464)                      | 0                                   | (8,464)       | 0                               | (8,464)                    |
| 5.05.01     | Profit for the Period     | 0                      | 0  | 0                     | (8,464)                      | 0                                   | (8,464)       | 0                               | (8,464)                    |
| 5.07        | Closing Balances          | 1,004,004              | 0  | 0                     | (176,309)                    | 0                                   | 827,695       | 0                               | 827,695                    |

**Consolidated Financial Statement/Statement of Changes in Shareholders' Equity - 1/1/2020 to 31/12/2020**

**R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>                     | <b>Paid-in capital</b> | <b>Capital Reserves, Granted Options and Treasury Shares</b> | <b>Income Reserve</b> | <b>Retained earnings or accumulated losses</b> | <b>Other Comprehensive Revenues</b> | <b>Equity</b> | <b>Non-controlling interest</b> | <b>Consolidated Equity</b> |
|-------------|--|------------------------|--|-----------------------|--|-------------------------------------|---------------|---------------------------------|----------------------------|
| 5.01        | Opening Balances                       | 634,017                | 0  | 0                     | (167,968)                                      | 0                                   | 466,049       | 0                               | 466,049                    |
| 5.03        | Adjusted opening balances              | 634,017                | 0  | 0                     | (167,968)                                      | 0                                   | 466,049       | 0                               | 466,049                    |
| 5.04        | Operations of Shares with Shareholders | 369,987                | 0  | 0                     | 0  | 0                                   | 369,987       | 0                               | 369,987                    |
| 5.04.01     | First adoption                         | 401,308                | 0  | 0                     | 0  | 0                                   | 369,987       | 0                               | 369,987                    |
| 5.04.02     | Spending on Issuing Shares             | (31,321)               | 0  | 0                     | 0  | 0                                   | 0             | 0                               | 0                          |
| 5.05        | Total Comprehensive Result             | 0                      | 0  | 0                     | 123  | 0                                   | 123           | 0                               | 123                        |
| 5.05.01     | Net Income in the Period               | 0                      | 0  | 0                     | 123  | 0                                   | 123           | 0                               | 123                        |
| 5.07        | Closing Balances                       | 1,004,004              | 0  | 0                     | (167,845)                                      | 0                                   | 836,159       | 0                               | 836,159                    |

**Consolidated Financial Statements/Statement of Added Value****R\$ (in thousands)**

| <b>Code</b> | <b>Description</b>  | <b>Current quarter<br/>03/31/2021</b> | <b>Previous quarter<br/>12/31/2020</b> |
|-------------|---|---------------------------------------|--|
| 7.01        | Yield   | 272,563                               | 300,445                                |
| 7.01.01     | Sale of Goods, Products and Services                                      | 272,607                               | 300,530                                |
| 7.01.04     | Reversal/Recognition of The Allowance for Doubtful Debts                  | (44)                                  | (85)                                   |
| 7.02        | Purchased from third parties  | (197,625)                             | (220,268)                              |
| 7.02.01     | Cost of Sales and Services  | (170,633)                             | (205,191)                              |
| 7.02.02     | Supplies, electricity, external services and others                       | (26,992)                              | (14,246)                               |
| 7.02.03     | Loss/Recovery of Assets   | 0                                     | 0                                      |
| 7.02.04     | Other   | 0                                     | (831)                                  |
| 7.03        | Gross Value Added   | 74,938                                | 80,177                                 |
| 7.04        | Retentions  | (21,043)                              | (18,727)                               |
| 7.04.01     | Depreciation, Amortization and Exhaustion                                 | (21,043)                              | (18,727)                               |
| 7.05        | Wealth produced   | 53,895                                | 61,450                                 |
| 7.06        | Wealth received in transfer   | 2,349                                 | 4,440                                  |
| 7.06.01     | Variable Income   | 0                                     | 0                                      |
| 7.06.02     | Financial Income  | 1,002                                 | 165                                    |
| 7.06.03     | Other   | 1,347                                 | 4,275                                  |
| 7.07        | Total Wealth for Distribution   | 56,244                                | 65,890                                 |
| 7.08        | Wealth Distribution   | 56,244                                | 65,890                                 |
| 7.08.01     | Staff   | 39,574                                | 47,591                                 |
| 7.08.01.01  | Direct Compensation   | 33,591                                | 41,784                                 |
| 7.08.01.02  | Benefits  | 3,630                                 | 3,444                                  |
| 7.08.01.03  | F.G.T.S. (Government Indemnity Fund)                                      | 2,353                                 | 2,363                                  |
| 7.08.02     | Taxes, Fees and Contributions   | 25,641                                | 16,237                                 |
| 7.08.02.01  | Federal   | 11,789                                | 2,848                                  |
| 7.08.02.02  | State   | 10,891                                | 10,525                                 |
| 7.08.02.03  | Municipal   | 2,961                                 | 2,864                                  |
| 7.08.03     | Value distributed to capital providers                                    | (507)                                 | 8,356                                  |
| 7.08.03.01  | Interest Rates  | 942                                   | 9,238                                  |
| 7.08.03.02  | Rent  | (1,449)                               | (882)                                  |
| 7.08.04     | Distributed Value to Shareholders   | (8,464)                               | (6,294)                                |
| 7.08.04.03  | Accumulated Losses/Retained Earnings for the Period                       | (8,464)                               | (6,294)                                |
| 7.08.04.04  | Accumulated Losses/Retained Earnings for the Period -<br>Company Minority | 0                                     | 0                                      |

## Notes to the financial statements

### 1. Operations

D1000 Varejo Farma Participações SA ("d1000" or "Group" or "Company") is a publicly-held corporation headquartered at Av. Ayrton Senna, 2150 Bloco P 3rd floor, in the City and State of Rio de Janeiro, engaged in holding equity interests in other companies, as partner or shareholder, and may represent domestic or foreign companies. The Group's parent company is Profarma Distribuidora de Produtos Farmacêuticos S.A. ("Profarma").

The Group's individual and consolidated financial statements for the quarter ended March 31, 2021 cover d1000 and its subsidiaries, as highlighted in note 4, collectively referred to as "the Group" and individually as "entities of the Group". The Group's operating entities operate mainly in the retail sale of pharmaceuticals and cosmetics, as detailed below:

The Group is present in 32 cities in the states of Rio de Janeiro with the brands Drogasmil and Farmalife (56 stores) and Tamoio (73 stores), Goiás, Mato Grosso, Tocantins and in the Federal District with the brand Rosário (73 stores), totaling 202 stores.

With our diversified platform and our far-reaching operation area, we are able to serve consumers from the most varied social classes of the country (from A+ to C). Our Drogarias Tamoio chain, for example, is mainly focused on serving the popular public, encompassing classes B and C, with a larger mix of generic medicines and CF&T (cosmetics, fragrances, and toiletries) products. Farmalife, on the other hand, is focused on consumers with higher purchasing power, covering classes A+ and A. Additionally, our brands are selected according to the region in which we operate and the products we offer are suitable for the target audience. Thus, the Company is well positioned to serve consumers in the pharmaceutical retail sector, which places it in a unique position in relation to our competitors.

### 2. Basis of preparation

#### Statement of compliance

This quarterly financial statements have been prepared and are presented in accordance with International Financial Reporting Standards ("*IFRS*") issued by the International Accounting Standards Board ("*IASB*") and also in compliance with accounting practices adopted in Brazil ("*BR GAAP*"), materialized through pronouncements referred to as CPC.

Parent company's quarterly financial statements were prepared in compliance with accounting practices adopted in Brazil.

These quarterly financial statements should be read together with the financial statements as of December 31, 2020, prepared in compliance with Brazilian standards, including the provisions of Brazilian corporate law and the disclosure rules and procedures issued by the Brazilian Securities and Exchange Commission (CVM) and CPC, and with the consolidated financial statements prepared according to IFRS and accounting practices adopted in Brazil.

Thus, the relevant information applicable to the financial statements (and only such information) is evidenced and corresponds to that used by the Company's Management in its management. The issuance of the individual and consolidated quarterly information was authorized by the Company's Management on May 7, 2021.

## Notes to the financial statements

### Initial Public Offering of Shares (IPO)

On August 10, 2020, the Company promoted a public offering for primary distribution of twenty-three million, five hundred thirty-six thousand, two hundred and five (23,536,205) new registered, book-entry common shares, with no par value, all free and clear of any burdens or encumbrances ("Shares" and "Offer", respectively), for the price of R\$ 17.00 per share ("Price per Share"), totaling R\$ 400,115.

Management reassessed the Company's business plan taking into account the proceeds from the public offering of shares, as well as certain relevant macroeconomic and sectorial assumptions. With the public offering of shares, we implemented strategies for growth of our revenue, seeking higher operational efficiency:

- (i) leverage sales through organic growth;
- (ii) expansion of the sales area of the stores;
- (iii) invest in the expansion of our already recognized private labels;
- (iv) assess growth opportunities via selected acquisitions;
- (v) improve our consumers' shopping experience.

### **2.1. Analysis of COVID-19 Impact**

In compliance with CVM Circular Letter SNC/SEP No. 02/2020 in view of the new current scenario of the Covid-19 pandemic, the Company analyzed the potential impacts on the financial statements for this period.

It is worth noting that during the quarter most stores were in regular operation, despite the lower flow of consumers, notably in stores located in malls, due to the adoption of the necessary measures to protect our employees and customers. As a way to minimize the impacts of the Covid-19 pandemic on our business, we have adopted the following measures:

#### Cash preservation

- reduction of costs and administrative expenses;
- operational changes in order to increase the coverage and logistics of sales delivery;
- review and negotiation of store rental agreements, either to apply a correction index lower than IGP-M, or to reduce the flow of people in some stores, especially those located in malls.

#### Employees

- Adequacy of the number of store employees, according to the hours of higher flow of consumers.

#### Health

- creation of an exclusive channel for monitoring suspected cases of the disease, with a medical team and social workers to support employees and family members;
- frequent communications and training on prevention, hygiene and health care;
- distribution of prevention kits (alcohol gel, gloves and masks) to our employees;
- monitoring of suspected and confirmed cases and employees who had direct contact with positive cases;

## Notes to the financial statements

- implementation of biosafety protocols at premises;
- physical adequacy of stores to promote security in customer service.
- isolation from workplace of employees belonging to risk groups;
- implementation of remote work for the corporate area;
- meetings between employees and leaders held through digital platforms;
- suspension of travel for all employees; and
- controlling the movement of people in stores, with an isolation corridor, in order to maintain the recommended distance.

### Community

- reinforcing the solidarity campaign in partnership with UNICEF, through Instituto Profarma de Responsabilidade Social, to help the most vulnerable communities to COVID-19;
- distribution of hygiene kits;
- dissemination of protocols to guide employees and customers, based on the recommendations of the World Health Organization (“WHO”), the Ministry of Health, the National Health Surveillance Agency (“Anvisa”) and the Brazilian Association of Pharmacy and Drugstore Chains (“Abrafarma”).

In the assessment of accounts receivable as of March 31, 2021, the largest share is concentrated in credit cards (93%). Including the assessment of receivables related to agreements, we did not see any significant increase in credit risk that could justify any impact on the provision for expected credit losses, as well as any impact of the Covid-19 pandemic in relation to the liquidity risk of its receivables.

The recoverable amount of goodwill related to acquisitions in the amount of R\$ 436,251 was tested in 2020, taking into account the impacts arising from the new pandemic scenario. With estimates supported mainly by the resilience of the pharmaceutical market in view of its essential nature and the going public that enabled an increase in cash, aiming at the expansion of stores, with a consequent increase in revenues, the Management did not identify evidence that would require any adjustment regarding the goodwill recoverability at the end of the quarter.

As for short- and long-term bank debts (loans and financing plus financial instruments), in the total amount of R\$ 83,036 as of March 31, 2021 (R\$ 106,027 as of December 31, 2020), the Group has been lowering the debt balance according to the contracted maturities, with no need for renegotiations or extension of terms, following its debt management strategy. The Company is hedged against exposure to exchange rate changes in its financial assets and liabilities, by using financial instruments agreements, so there is no requirement to review or make additional provisions related to the Covid-19 scenario, in view of the exchange rate volatility recorded in this quarter.

No significant disruptions were seen in the supply chain of products for resale, and customer service levels were the same this quarter, as compared to previous quarters.

As we are witnessing a period of uncertainty, in which it is not possible to accurately estimate its impacts, as well as the extension of the pandemic, in the Management’s opinion, these measures are intended to maintain the Company’s growth our during this period. In view of the above, no relevant accounting impacts have been verified in the financial statements so far.

## Notes to the financial statements

### 3. Functional and reporting currency

The individual and consolidated financial statements were prepared in Brazilian Reais (R\$), which is the functional currency of the Group. All balances have been rounded to the nearest thousand.

### 4. Consolidated financial statements

The consolidated financial statements include information covering the Group and the following subsidiaries:

|  | Equity Interest (%) |            |
|--|---------------------|------------|
|  | 03/31/2021          | 12/31/2020 |
| <b>Direct subsidiaries</b>   |                     |            |
| Nice RJ Participações S.A. ("Nice")                                | 100.00%             | 100.00%    |
| Drogaria Cipriano de Santa Rosa Ltda ("Cipriano")                  | 100.00%             | 100.00%    |
|  |                     |            |
|  | Equity Interest (%) |            |
|  | 03/31/2021          | 12/31/2020 |
| <b>Indirect subsidiaries</b>                                       |                     |            |
| CSB Drogarias S.A. ("CSB") (i)                                     | 100.00%             | 100.00%    |
| Drogaria Rosário S.A. ("Rosário") (i)                              | 100.00%             | 100.00%    |
| Centro Oeste Farma Distribuidora de Medicamentos Ltda. ("COF") (i) | 100.00%             | 100.00%    |
| Casa Saba Brasil Holdings Ltda. ("CSBH") (i)                       | 100.00%             | 100.00%    |

(i) Direct subsidiaries of Nice RJ Participações S.A.

#### Description of the main consolidation procedures

- elimination of intragroup asset and liability balances between consolidated companies;
- elimination of equity interests, reserves and retained earnings (losses) of subsidiaries;
- elimination of intragroup income and expenses, and unrealized profits derived from intragroup transactions. Unrealized losses are eliminated in the same way, but only when there is no indication of impairment of the respective assets;
- elimination of taxes on the portion of unrealized profit, stated as deferred taxes in the consolidated statement of financial position; and
- accounting policies have been consistently applied to all Group entities and are consistent with those used in the comparative year.

**Notes to the financial statements****5. Cash and cash equivalents**

|                        | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|------------------------|-----------------------|-------------------|---------------------|-------------------|
|                        | <b>03/31/2021</b>     | <b>12/31/2020</b> | <b>03/31/2021</b>   | <b>12/31/2020</b> |
| Cash and banks         | <b>190</b>            | 107               | <b>9,659</b>        | 11,481            |
| Short-term investments | <b>68,154</b>         | 73,671            | <b>140,525</b>      | 195,010           |
|                        | <b>68,344</b>         | 73,778            | <b>150,184</b>      | 206,491           |

Short-term investments are highly liquid, readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

As of March 31, 2021, short-term investments refer to bank deposit certificates from Santander, Itaú, Safra, and Caixa Econômica Federal ("CEF"), yielding rates of 70% to 103% of the Interbank Deposit Certificate ("CDI") (82% to 103% as of December 31, 2020).

The Group's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities are disclosed in note 26.

**6. Trade accounts receivable**

|                           | <b>Consolidated</b> |                   |
|---------------------------|---------------------|-------------------|
|                           | <b>03/31/2021</b>   | <b>12/31/2020</b> |
| Trade accounts receivable | <b>76,753</b>       | 71,396            |
| Expected credit losses    | <b>(44)</b>         | -                 |
|                           | <b>76,709</b>       | 71,396            |

The position of the balances is as follows:

|                         | <b>Consolidated</b> |                   |
|-------------------------|---------------------|-------------------|
|                         | <b>03/31/2021</b>   | <b>12/31/2020</b> |
| Current (not past due)  | <b>76,298</b>       | 71,076            |
| 1 to 30 days past due   | <b>309</b>          | 225               |
| 31 to 60 days past due  | <b>21</b>           | 38                |
| 61 to 90 days past due  | <b>20</b>           | 12                |
| 91 to 180 days past due | <b>61</b>           | 45                |
| Over 181 days past due  | <b>44</b>           | -                 |
|                         | <b>76,753</b>       | 71,396            |

Following is the change in expected credit losses ("ECL"):

|                        | <b>Consolidated</b> |                   |
|------------------------|---------------------|-------------------|
|                        | <b>03/31/2021</b>   | <b>12/31/2020</b> |
| <b>Opening balance</b> | -                   | (513)             |
| Additions              | <b>(44)</b>         | (572)             |
| Reversals              | -                   | 1,085             |
| <b>Final balance</b>   | <b>(44)</b>         | -                 |



**Notes to the financial statements****7. Inventories**

|   | <b>Consolidated</b> |                   |
|---|---------------------|-------------------|
|   | <b>03/31/2021</b>   | <b>12/31/2020</b> |
| Medicines   | <b>90,595</b>       | 82,038            |
| CF&T products (cosmetics, fragrances, and toiletries) | <b>55,391</b>       | 50,159            |
| Inventories in transit (i)                            | <b>4,707</b>        | -                 |
| Provision for losses                                  | <b>(403)</b>        | (292)             |
|   | <b>150,290</b>      | 131,905           |

(i) Amounts related to returns of goods in transit with Profarma

Changes in the provision for losses on inventories as of March 31, 2021 and December 31, 2020 are as follows.

| <b>Change</b>                  | <b>Consolidated</b> |
|--------------------------------|---------------------|
| <b>As of December 31, 2019</b> | <u>-</u>            |
| Additions                      | (4,272)             |
| Reversals                      | 3,980               |
| <b>As of December 31, 2020</b> | <u>(292)</u>        |
| Additions                      | <b>(1,643)</b>      |
| Reversals                      | <b>1,532</b>        |
| <b>As of March 31, 2021</b>    | <u><b>(403)</b></u> |

Losses are estimated based on historical levels and are only realized upon the performance of inventory counts, which will reflect the Company's operating model and will be used as a basis for updating the estimate. We analyzed possible impacts on the inventory loss estimates resulting from COVID-19 and did not identify the need for changes in the Company's policy for setting up provisions.

**8. Taxes recoverable**

|  | <b>Parent Company</b> |                   | <b>Consolidated</b> |                   |
|--|-----------------------|-------------------|---------------------|-------------------|
|  | <b>03/31/2021</b>     | <b>12/31/2020</b> | <b>03/31/2021</b>   | <b>12/31/2020</b> |
| <b>Current</b>   |                       |                   |                     |                   |
| ICMS   | -                     | -                 | <b>13,022</b>       | 11,639            |
| IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) | <b>19</b>             | 6                 | <b>15,611</b>       | 14,951            |
| PIS and COFINS (Taxes on Revenues)                                       | -                     | -                 | <b>9,175</b>        | 9,878             |
| Other  | <b>2</b>              | 3                 | <b>482</b>          | 939               |
|  | <b>21</b>             | 9                 | <b>38,290</b>       | 37,407            |
| <b>Non-current</b>   |                       |                   |                     |                   |
| PIS and COFINS   | -                     | -                 | <b>23,039</b>       | 22,904            |
|  | -                     | -                 | <b>23,039</b>       | 22,904            |

**Final Decision - Exclusion of ICMS in PIS/COFINS Calculation Base**

Subsidiaries of Tamoio and Drogasmil brands obtained final and favorable decisions, in res judicata, in proceedings in which they discussed the right to exclude ICMS from PIS and COFINS calculation basis, assuring the right to the recognition of the tax credit since the statutory period of 2010 and 2012.

## Notes to the financial statements

It is worth noting that the exclusion of ICMS from calculation basis of PIS and COFINS contribution was subject to judgment by the Supreme Federal Court ("STF"), with general repercussion recognized in RE No. 574.706/PR, which declared, on March 15, 2017 the unconstitutionality of including ICMS in the calculation basis of PIS and COFINS contribution, establishing the following thesis: "ICMS does not compose the calculation basis for the incidence of PIS and COFINS" (Theme nº 69 of General Repercussion).

In January 2021, the Federal Revenue of Brazil ("RFB") promoted the qualification of these credits in the amount of R\$ 18,913, and the Company has already started offsetting these amounts with federal taxes due.

As of March 31, 2021, the adjusted and recorded amount for these proceedings, including ICMS and ICMS-ST, was R\$ 23,056 (R\$ 23,898 as of December 31, 2020), being R\$ 17,683 as principal, R\$ 6,542 as inflation adjustment and R\$ 1,169 offsets made in the quarter.

### 9. Other accounts receivable

|  | Parent Company |            | Consolidated  |               |
|--|----------------|------------|---------------|---------------|
|  | 03/31/2021     | 12/31/2020 | 03/31/2021    | 12/31/2020    |
| <b>Current</b>                         |                |            |               |               |
| Commercial agreements (a)              | -              | -          | 11,982        | 12,404        |
| Advances                               | 5              | 5          | 2,473         | 2,641         |
| Prepaid expenses of point-of-sales (b) | -              | -          | 2,393         | -             |
| Prepaid expenses of land tax (IPTU)    | -              | -          | 833           | 203           |
| Prepaid expenses of labor benefits     | -              | -          | 1,054         | 1,155         |
| Prepaid expenses of licenses           | -              | -          | 472           | 1,094         |
| Prepaid expenses of insurance          | -              | -          | 280           | 364           |
| Other prepaid expenses                 | 71             | -          | 1,564         | 1,811         |
| Allowance for expected credit losses   | -              | -          | (1,030)       | (1,092)       |
|  | <b>76</b>      | <b>5</b>   | <b>20,021</b> | <b>18,580</b> |
| <b>Non-current</b>                     |                |            |               |               |
| Registered Warrants                    | -              | -          | 524           | 524           |
|  | -              | -          | 524           | 524           |

(a) Refer to contractual reimbursements arising from expenses incurred by the Group to promote marketing and sales actions for the products of its suppliers.

(b) Refer to payments for points-of-sales for new stores or expansions to be executed by Company throughout 2021.

### 10. Related parties

The Group comprises Profarma Distribuidora de Produtos Farmacêuticos S.A., which holds control of d1000 through a 53.49% equity interest in its equity, d1000's parent company and direct and indirect subsidiaries - see note 4.

The main balances of assets and liabilities as of March 31, 2021, as well as transactions that affected the results for the quarter, related to transactions with related parties, arise from transactions between subsidiaries and parent companies.

On July 15, 2020, the Agreement for Exclusivity in Supply with Opening of Credit Line between the Company, Profarma Distribuidora de Produtos Farmacêuticos S.A. and the Company's operating subsidiaries for a period of 10 years was approved, with renewal allowed.

**Notes to the financial statements**

The trading transactions involving the purchase and sale of products (due in the short term and not subject to interest) are shown below:

|  | 03/31/2021 |          |         |          | 12/31/2020 |           |
|--|------------|----------|---------|----------|------------|-----------|
|  | CSB        | Cipriano | COF     | Rosário  | Total      | Total     |
| Trade account receivables (Profarma)     | -          | -        | 2,092   | -        | 2,092      | 1,155     |
| Inventory of goods in transit (Profarma) | 1,050      | 774      | 676     | 2,207    | 4,707      | -         |
| Trade accounts payable (Profarma)        | (36,406)   | (53,965) | (9,418) | (34,209) | (133,998)  | (125,768) |
|  |            |          |         |          |            |           |
|  | 03/31/2021 |          |         |          | 03/31/2020 |           |
|  | CSB        | Cipriano | COF     | Rosário  | Total      | Total     |
| Net revenue (Profarma)                   | -          | -        | (1,164) | -        | (1,164)    | (2,731)   |
| Expenses (Profarma)                      | 54,170     | 82,028   | 18,683  | 46,917   | 201,798    | 192,952   |

**11. Compensation of key management personnel**

For the quarter ended March 31, 2021, management compensation amounted to R\$ 668 (R\$ 304 as of March 31, 2020). Social charges on this compensation totaled R\$ 181 (R\$ 110 as of March 31, 2020). In addition to the compensation, the Group granted its management health and life insurance in the amount of R\$ 6 (R\$ 5 as of March 31, 2020).

**Notes to the financial statements**

**12. Investments**

a) Information on subsidiaries

| Subsidiaries             | Share capital                  |            | Number of shares (in thousands) |            | Equity     |            | Income (loss) for the period |            | Shareholding Interest (%) |            | Share on Equity |                |
|--------------------------|--------------------------------|------------|---------------------------------|------------|------------|------------|------------------------------|------------|---------------------------|------------|-----------------|----------------|
|                          | 03/31/2021                     | 12/31/2020 | 03/31/2021                      | 12/31/2020 | 03/31/2021 | 12/31/2020 | 03/31/2021                   | 12/31/2020 | 03/31/2021                | 12/31/2020 | 03/31/2021      | 12/31/2020     |
|                          | Nice RJ Participações S.A. (*) | 635,669    | 634,610                         | 884,847    | 883,774    | 483,244    | 489,956                      | (7,771)    | (6,707)                   | 100.00%    | 100.00%         | 483,244        |
| Drogarias Cipriano       | 272,316                        | 268,816    | 272,816                         | 268,816    | 280,508    | 276,913    | 95                           | 8,079      | 100.00%                   | 100.00%    | 280,508         | 276,913        |
| <b>Total Investments</b> |                                |            |                                 |            |            |            |                              |            |                           |            | <b>763,752</b>  | <b>766,869</b> |

(\*) Holding with an indirect 100% interest in CSB Drogarias S.A. (Rede Drogasmil) and Rosário/COF (Drogaria Rosário chain).

b) Changes in investments as of March 31, 2021 and December 31, 2020

|  | Nice    | Cipriano | CSB     | Rosário  | COF     | CSBH  | Deletion  | Total   |
|--|---------|----------|---------|----------|---------|-------|-----------|---------|
| <b>Balance as of December 31, 2019</b> | 211,877 | 254,172  | (2,526) | (72,435) | (3,973) | (565) | 79,499    | 466,049 |
| Equity income                          | (6,707) | 8,079    | (750)   | 1,790    | (3,619) | 634   | 1,945     | 1,372   |
| Capital increase                       | 284,786 | 15,000   | 100,002 | 180,000  | -       | -     | (280,002) | 299,786 |
| Dividends paid                         | -       | (338)    | -       | -        | -       | -     | -         | (338)   |
| <b>Balance as of December 31, 2020</b> | 489,956 | 276,913  | 96,726  | 109,355  | (7,592) | 69    | (198,558) | 766,869 |
| Equity income                          | (7,771) | 95       | (1,719) | (3,922)  | (1,192) | -     | 6,833     | (7,676) |
| Capital increase                       | 1,059   | 3,500    | -       | -        | -       | -     | -         | 4,559   |
| <b>Balance as of March 31, 2021</b>    | 483,244 | 280,508  | 95,007  | 105,433  | (8,784) | 69    | (191,725) | 763,752 |

**Notes to the financial statements****13. Property, Plant & equipment (PPE)**

|                           |             | <b>Consolidated</b> |                  |                   |                  |                   |                                 |                   |                   |
|---------------------------|-------------|---------------------|------------------|-------------------|------------------|-------------------|---------------------------------|-------------------|-------------------|
|                           |             | <b>12/31/2020</b>   |                  |                   |                  | <b>03/31/2021</b> |                                 | <b>12/31/2020</b> |                   |
|                           | <b>Rate</b> | <b>Cost</b>         | <b>Additions</b> | <b>Write-Offs</b> | <b>Transfers</b> | <b>Cost</b>       | <b>Accumulated depreciation</b> | <b>Book value</b> | <b>Book value</b> |
| Leasehold improvements    | 10%         | 100,963             | 7,295            | (32)              | (19)             | 108,207           | (55,731)                        | 52,476            | 46,712            |
| Computers and peripherals | 20%         | 27,754              | 820              | (240)             | 3                | 28,337            | (21,917)                        | 6,420             | 6,121             |
| Furniture and fixtures    | 10%         | 29,545              | 258              | (28)              | -                | 29,775            | (19,731)                        | 10,044            | 10,305            |
| Machinery and equipment   | 10%         | 15,689              | 873              | (52)              | 14               | 16,524            | (8,129)                         | 8,395             | 7,872             |
| Vehicles                  | 20%         | 601                 | -                | -                 | -                | 601               | (490)                           | 111               | 137               |
| Projects in progress      | -           | -                   | 114              | -                 | 2                | 116               | -                               | 116               | -                 |
| Right of use assets       | 20%         | 283,026             | 29,906           | (12,058)          | -                | 300,874           | (106,597)                       | 194,277           | 185,965           |
|                           |             | <b>457,578</b>      | <b>39,266</b>    | <b>(12,410)</b>   | <b>-</b>         | <b>484,434</b>    | <b>(212,595)</b>                | <b>271,839</b>    | <b>257,112</b>    |

  

|                           |             | <b>Consolidated</b> |                  |                   |                  |                   |                                 |                   |                   |
|---------------------------|-------------|---------------------|------------------|-------------------|------------------|-------------------|---------------------------------|-------------------|-------------------|
|                           |             | <b>12/31/2019</b>   |                  |                   |                  | <b>12/31/2020</b> |                                 | <b>12/31/2019</b> |                   |
|                           | <b>Rate</b> | <b>Cost</b>         | <b>Additions</b> | <b>Write-Offs</b> | <b>Transfers</b> | <b>Cost</b>       | <b>Accumulated depreciation</b> | <b>Book value</b> | <b>Book value</b> |
| Leasehold improvements    | 10%         | 82,809              | 20,957           | (2,804)           | 1                | 100,963           | (54,251)                        | 46,712            | 31,503            |
| Computers and peripherals | 20%         | 26,081              | 2,034            | (366)             | 5                | 27,754            | (21,633)                        | 6,121             | 6,228             |
| Furniture and fixtures    | 10%         | 29,154              | 911              | (501)             | (19)             | 29,545            | (19,240)                        | 10,305            | 11,896            |
| Machinery and equipment   | 10%         | 12,055              | 3,826            | (188)             | (4)              | 15,689            | (7,817)                         | 7,872             | 5,265             |
| Vehicles                  | 20%         | 584                 | -                | -                 | 17               | 601               | (464)                           | 137               | 231               |
| Right of use assets       | 20%         | 174,577             | 124,044          | (15,595)          | -                | 283,026           | (97,061)                        | 185,965           | 126,279           |
|                           |             | <b>325,261</b>      | <b>151,772</b>   | <b>(19,454)</b>   | <b>-</b>         | <b>457,578</b>    | <b>(200,466)</b>                | <b>257,112</b>    | <b>181,403</b>    |

No indication of impairment was identified in the Group's property, plant and equipment items during the quarter ended March 31, 2021 and the year ended December 31, 2020.

**Notes to the financial statements**

**13.1. Depreciation**

|                           |             | <b>Consolidated</b>    |                        |                     |                  |                         |
|---------------------------|-------------|------------------------|------------------------|---------------------|------------------|-------------------------|
|                           |             | <b>12/31/2020</b>      |                        |                     |                  | <b>03/31/2021</b>       |
|                           | <b>Rate</b> | <b>Opening balance</b> | <b>Additions</b>       | <b>Write-Offs</b>   | <b>Transfers</b> | <b>Final balance</b>    |
| Leasehold improvements    | 10%         | (54,251)               | <b>(1,480)</b>         | <b>1</b>            | <b>(1)</b>       | <b>(55,731)</b>         |
| Computers and peripherals | 20%         | (21,633)               | <b>(610)</b>           | <b>326</b>          | -                | <b>(21,917)</b>         |
| Furniture and fixtures    | 10%         | (19,240)               | <b>(516)</b>           | <b>25</b>           | -                | <b>(19,731)</b>         |
| Machinery and equipment   | 10%         | (7,817)                | <b>(323)</b>           | <b>10</b>           | <b>1</b>         | <b>(8,129)</b>          |
| Vehicles                  | 20%         | (464)                  | <b>(26)</b>            | -                   | -                | <b>(490)</b>            |
| Right of use assets       | 20%         | (97,061)               | <b>(15,100)</b>        | <b>5,564</b>        | -                | <b>(106,597)</b>        |
|                           |             | <u>(200,466)</u>       | <u><b>(18,055)</b></u> | <u><b>5,926</b></u> | <u>-</u>         | <u><b>(212,595)</b></u> |

  

|                           |             | <b>Consolidated</b>    |                  |                   |                  |                      |
|---------------------------|-------------|------------------------|------------------|-------------------|------------------|----------------------|
|                           |             | <b>12/31/2019</b>      |                  |                   |                  | <b>12/31/2020</b>    |
|                           | <b>Rate</b> | <b>Opening balance</b> | <b>Additions</b> | <b>Write-Offs</b> | <b>Transfers</b> | <b>Final balance</b> |
| Leasehold improvements    | 10%         | (51,306)               | (4,619)          | 1,674             | -                | (54,251)             |
| Computers and peripherals | 20%         | (19,853)               | (2,055)          | 275               | -                | (21,633)             |
| Furniture and fixtures    | 10%         | (17,258)               | (2,339)          | 355               | 2                | (19,240)             |
| Machinery and equipment   | 10%         | (6,790)                | (1,156)          | 131               | (2)              | (7,817)              |
| Vehicles                  | 20%         | (353)                  | (111)            | -                 | -                | (464)                |
| Right of use assets       | 20%         | (48,298)               | (53,934)         | 5,171             | -                | (97,061)             |
|                           |             | <u>(143,858)</u>       | <u>(64,214)</u>  | <u>7,606</u>      | <u>-</u>         | <u>(200,466)</u>     |

**Notes to the financial statements**

**14. Intangible assets**

|                        | Rate | Consolidated   |            |            |            |                |                          |                |                |
|------------------------|------|----------------|------------|------------|------------|----------------|--------------------------|----------------|----------------|
|                        |      | 12/31/2020     |            |            | 03/31/2021 |                | 12/31/2020               |                |                |
|                        |      | Cost           | Additions  | Write-Offs | Transfer   | Cost           | Accumulated Amortization | Net value      | Net value      |
| Trademarks and patents | -    | 116,880        | -          | -          | -          | 116,880        | -                        | 116,880        | 116,880        |
| Software               | 20%  | 11,660         | 332        | -          | -          | 11,992         | (10,327)                 | 1,665          | 1,508          |
| Points of sale         | 20%  | 142,125        | 348        | -          | -          | 142,473        | (84,573)                 | 57,900         | 60,365         |
| Goodwill               | -    | 436,251        | -          | -          | -          | 436,251        | -                        | 436,251        | 436,251        |
|                        |      | <b>706,916</b> | <b>680</b> | <b>-</b>   | <b>-</b>   | <b>707,596</b> | <b>(94,900)</b>          | <b>612,696</b> | <b>615,004</b> |

|                        | Rate | Consolidated   |              |                |                |                          |                |                |
|------------------------|------|----------------|--------------|----------------|----------------|--------------------------|----------------|----------------|
|                        |      | 12/31/2019     |              |                | 12/31/2020     |                          | 12/31/2019     |                |
|                        |      | Cost           | Additions    | Write-Offs     | Cost           | Accumulated amortization | Book value     | Book value     |
| Trademarks and patents | -    | 116,880        | -            | -              | 116,880        | -                        | 116,880        | 116,880        |
| Software               | 20%  | 10,585         | 1,096        | (21)           | 11,660         | (10,152)                 | 1,508          | 1,454          |
| Points of sale         | 20%  | 142,722        | 3,840        | (4,437)        | 142,125        | (81,760)                 | 60,365         | 68,746         |
| Goodwill               | -    | 436,251        | -            | -              | 436,251        | -                        | 436,251        | 436,251        |
|                        |      | <b>706,438</b> | <b>4,936</b> | <b>(4,458)</b> | <b>706,916</b> | <b>(91,912)</b>          | <b>615,004</b> | <b>623,331</b> |

**14.1. Amortization**

|                | Rate | Consolidated    |                |            |                 |
|----------------|------|-----------------|----------------|------------|-----------------|
|                |      | 12/31/2020      | 03/31/2021     |            | 12/31/2020      |
|                |      | Opening balance | Additions      | Write-Offs | Final balance   |
| Software       | 20%  | (10,152)        | (175)          | -          | (10,327)        |
| Points of sale | 20%  | (81,760)        | (2,813)        | -          | (84,573)        |
|                |      | <b>(91,912)</b> | <b>(2,988)</b> | <b>-</b>   | <b>(94,900)</b> |

|                | Rate | Consolidated    |                 |              |                 |
|----------------|------|-----------------|-----------------|--------------|-----------------|
|                |      | 12/31/2019      | 12/31/2020      |              | 12/31/2020      |
|                |      | Opening balance | Additions       | Write-Offs   | Final balance   |
| Software       | 20%  | (9,131)         | (1,022)         | 1            | (10,152)        |
| Points of sale | 20%  | (73,976)        | (11,720)        | 3,936        | (81,760)        |
|                |      | <b>(83,107)</b> | <b>(12,742)</b> | <b>3,937</b> | <b>(91,912)</b> |

**Notes to the financial statements**a) Goodwill on the acquisition of Tamoio chain

The balance of R\$ 178,540 as of March 31, 2021 (R\$ 178,540 as of December 31, 2019) refers to the acquisition of 100% of Drogarias Tamoio chain on December 23, 2015.

b) Goodwill on the acquisition of CSB / Farmalife chain

The balance of R\$ 108,714 as of March 31, 2021 (R\$ 108,714 as of December 31, 2019) refers to the acquisition of CSB Drogarias S.A on September, 2013.

c) Goodwill on the acquisition of Rosário chain

The balance of R\$ 148,997 as of March 31, 2021 (R\$ 148,997 as of December 31, 2019) refers to the acquisition of 100% of Rosário and COF chains completed on November 2016.

d) Impairment test of goodwill and intangible assets with indefinite useful life test

Management defined each drugstore chain on a standalone basis as a cash-generating unit ("CGU"). Since all operations were integrated after the acquisition process (management, systems, processes, etc.) and benefit from synergies arising from the combinations, the full balance of goodwill in the amount of R\$ 436,251 (R\$ 436,251 in 2020) and intangible assets with indefinite useful lives were allocated to the group of CGUs for the purpose of impairment.

The impairment test for goodwill and intangible assets with indefinite useful life was carried out on December 31, 2020, considering the discounted cash flow (ten years and a terminal growth rate thereafter) at the rate of 10.3% per year (11.6% as of December 31, 2019) and estimated growth of 3.2% (4.2% as of December 31, 2019) on perpetuity. The Company considers cash flows for 10 years in compliance with its store expansion plan that are supported by its financial capacity.

*Sales revenues and expenses*

Revenue growth was estimated taking into account: (I) the average growth levels experienced by the Company in the past five years; (II) the estimated growth of the pharmaceutical retail sector (in sales volume and prices) for the next ten years; and (III) the growth derived from the expansion of new stores, forecasted with cash increased by the IPO.

*Gross margins*

Gross margins are based on the quarter assessed as of March 31, 2021, in which the Company has been experiencing and forecasting margin gains for the coming years based on better price and category management.

*Discount rates*

Discount rates reflect the current market valuation, referring to the risks related to the management of proceeds provided by the respective cash-generating units.

*Sensitivity analysis*

If the gross margin used in the calculation were 1 p.p. lower than Management's estimates, as of December 31, 2020, no impairment amounts would be recorded in the goodwill recoverability analyses.



**Notes to the financial statements**

Likewise, if the discount rate applied to the discounted cash flows were 1 p.p. higher than Management's estimates, even then, no impairment amounts would be recorded in the goodwill recoverability analyses.

Based on the calculation made on December 31, 2020, the carrying amount of goodwill and these CGUs was determined to be lower than their recoverable value.

We have assessed intangible assets and we have not identified any significant changes that may have led to a devaluation in the quarter ended March 31, 2021.

e) Trademarks and patents

Refers mainly to the brands related to the acquired store chains, of which R\$ 50,562 in CSB (brands Drogasmil and Farmalife), R\$ 44,273 in Itamaraty (brand Tamoio) and R\$ 22,045 in Rosário (brand Rosário).

**15. Trade accounts payable**

|  | Parent Company |            | Consolidated   |                |
|--|----------------|------------|----------------|----------------|
|  | 03/31/2021     | 12/31/2020 | 03/31/2021     | 12/31/2020     |
| Trade accounts payable - resale products     | -              | -          | 835            | 1,169          |
| Trade accounts payable - related parties     | -              | -          | 133,998        | 125,768        |
| Trade accounts payable - non-resale products | 72             | 11         | 7,221          | 6,240          |
|  | <b>72</b>      | <b>11</b>  | <b>142,054</b> | <b>133,177</b> |

Subsidiaries CSB, Cipriano and COF carry out trading transactions involving the purchase of goods with their indirect parent company, as mentioned in note 10.

The Group has a financial risk management policy to ensure that trade accounts payable are settled on due date.

The Group's exposure to liquidity risks related to trade accounts payable and other accounts payable is disclosed in note 26.4.

The position of trade payables related to resale products, non-resale products and related parties by maturity is as follows:

|                | Consolidated   |                |
|----------------|----------------|----------------|
|                | 03/31/2021     | 12/31/2020     |
| 1 to 60 days   | 141,749        | 132,953        |
| 61 to 90 days  | 94             | 8              |
| 91 to 360 days | 211            | 216            |
|                | <b>142,054</b> | <b>133,177</b> |

**Notes to the financial statements****16. Loans and financing**

| Institutions       | Indexer | Interest                             | Consolidated   |                |
|--------------------|---------|--------------------------------------|----------------|----------------|
|                    |         |                                      | 03/31/2021     | 12/31/2020     |
| Banco Guanabara    | CDI     | 100% of CDI + 3% p.a.                | 7,662          | 8,704          |
| Banco Bradesco     | CDI     | 100% of CDI + 3,9573% p.a.           | 7,013          | 7,648          |
| Banco Santander    | CDI     | 100% of CDI + 2.43% p.a.             | 3,772          | 6,540          |
| Banco CCB          | CDI     | 100% of CDI + 2.4386% p.a.           | 1,539          | 1,758          |
| Banco IBM          | CDI     | 0.38% per month                      | -              | 252            |
| Banco BBM (*)      |         | 4.3340% pa. (US\$)                   | -              | 949            |
| Banco Safra (*)    |         | 4.4329% p.a. (US\$)                  | 42,109         | 52,995         |
| Banco Itaú (*)     |         | 5.2663% p.a. (US\$)                  | 8,472          | 7,733          |
| HSBC (*)           |         | 3.4995% p.a. (US\$)                  | 24,787         | 28,233         |
| Banco CCB (*)      |         | 100.00% LIBOR-03 + 0.70% p.a. (US\$) | 14,424         | 16,611         |
|                    |         |                                      | <b>109,778</b> | <b>131,423</b> |
| <b>Current</b>     |         |                                      | <b>74,981</b>  | <b>84,498</b>  |
| <b>Non-current</b> |         |                                      | <b>34,797</b>  | <b>46,925</b>  |

(\*) *Fair value option*

As these are costs for obtaining funds to finance the acquisition of investments and assets, interest paid is classified as cash flow from financing activities.

For foreign currency loans, the Group applies *fair value option*. Accordingly, all foreign currency loans and hedge instruments related to the swap transactions, classified as derivatives, are recognized at fair value, in order to better manage volatility in profit or loss.

Swaps are recognized at fair value. In all swaps contracted, the Group will receive the foreign exchange variation plus a fixed rate ("Long") and in return it will pay the variation of a percentage of DI ("Short").

Of the consolidated loans and financing transactions described above, 43% are guaranteed by receivables, totaling R\$ 46,911. Other transactions have no guarantees.

None of the loan transactions include covenant ratios established in the contract.

The payment schedule of long-term loans and financing is as follows:

| Year | Consolidated  |
|------|---------------|
|      | 03/31/2021    |
| 2022 | 32,349        |
| 2023 | 2,448         |
|      | <b>34,797</b> |

**Notes to the financial statements**

Reconciliation of asset and liability balances with cash flows from financing activities:

|  | <b>Liabilities</b>         |                              |  |   |                                     | <b>Total</b>    |
|--|----------------------------|------------------------------|--|---|-------------------------------------|-----------------|
|  | <b>Loans and financing</b> | <b>Financial Instruments</b> | <b>Total Loans + Financial instruments</b> | <b>Capital/ Advance for future capital increase</b> | <b>Lease Payment - right of use</b> |                 |
| <i>In thousands of Brazilian reais</i>                       |                            |                              |  |   |                                     |                 |
| <b>Balances as of January 1, 2021</b>                        | 131,423                    | (25,396)                     | 106,027                                    | 1,004,004   | (121,845)                           | 988,186         |
| <b>Changes in cash flows from financing activities</b>       |                            |                              |  |   |                                     |                 |
| Lease Payment - right of use                                 | -                          | -                            | -  | -   | (17,011)                            | (17,011)        |
| Settlement of loans and financial instruments                | (28,454)                   | 6,943                        | (21,511)                                   | -   | -                                   | (21,511)        |
| Interest paid  | (2,151)                    | -                            | (2,151)                                    | -   | -                                   | (2,151)         |
| <b>Total changes in cash flows from financing activities</b> | <b>(30,605)</b>            | <b>6,943</b>                 | <b>(23,662)</b>                            | <b>-</b>  | <b>(17,011)</b>                     | <b>(40,673)</b> |
| Other changes  | (1,757)                    | 2,057                        | 300  | -   | -                                   | 300             |
| Interest expense   | 10,717                     | (10,346)                     | 371  | -   | -                                   | 371             |
| <b>Total other changes in liabilities</b>                    | <b>8,960</b>               | <b>(8,289)</b>               | <b>671</b>                                 | <b>-</b>  | <b>-</b>                            | <b>671</b>      |
| <b>Balance as of March 31, 2021</b>                          | <b>109,778</b>             | <b>(26,742)</b>              | <b>83,036</b>                              | <b>1,004,004</b>                                    | <b>(138,856)</b>                    | <b>948,184</b>  |

|  | <b>Liabilities</b>         |                              |  |   |                                     | <b>Total</b>   |
|--|----------------------------|------------------------------|--|---|-------------------------------------|----------------|
|  | <b>Loans and financing</b> | <b>Financial Instruments</b> | <b>Total Loans + Financial instruments</b> | <b>Capital/ Advance for future capital increase</b> | <b>Lease Payment - right of use</b> |                |
| <i>In thousands of Brazilian reais</i>                       |                            |                              |  |   |                                     |                |
| <b>Balances as of January 1, 2020</b>                        | 218,699                    | (4,575)                      | 214,124                                    | 634,017   | (58,996)                            | 789,145        |
| <b>Changes in cash flows from financing activities</b>       |                            |                              |  |   |                                     |                |
| Proceeds from the capital contribution from shareholders     | -                          | -                            | -  | -   | -                                   | -              |
| Lease Payment - right of use                                 | -                          | -                            | -  | -   | (15,195)                            | (15,195)       |
| Proceeds from loans and financing                            | 89,318                     | -                            | 89,318                                     | -   | -                                   | 89,318         |
| Settlement of loans and financial instruments                | (40,646)                   | -                            | (40,646)                                   | -   | -                                   | (40,646)       |
| Interest paid  | (5,084)                    | 2,998                        | (2,086)                                    | -   | -                                   | (2,086)        |
| <b>Total changes in cash flows from financing activities</b> | <b>43,588</b>              | <b>2,998</b>                 | <b>46,586</b>                              | <b>-</b>  | <b>(15,195)</b>                     | <b>31,391</b>  |
| Other changes  | 517                        | -                            | 517  | -   | -                                   | 517            |
| Interest expense   | 56,175                     | (52,592)                     | 3,583                                      | -   | -                                   | 3,583          |
| <b>Total other changes in liabilities</b>                    | <b>56,692</b>              | <b>(52,592)</b>              | <b>4,100</b>                               | <b>-</b>  | <b>-</b>                            | <b>4,100</b>   |
| <b>Balance as of March 31, 2020</b>                          | <b>318,979</b>             | <b>(54,169)</b>              | <b>264,810</b>                             | <b>634,017</b>                                      | <b>(74,191)</b>                     | <b>824,636</b> |

**Notes to the financial statements****17. Right-of-use assets and lease payable**

As a lessee, the Group has assets and liabilities for its operating leases basically of stores and distribution centers. The nature of the expenses related to such leases requires a depreciation cost of right-of-use assets and interest expense on lease liabilities.

Changes in right-of-use assets are as follows:

| <b>Right-of-use assets</b>             | <b>Consolidated</b>   |
|--|-----------------------|
| <b>Balance as of December 31, 2019</b> | <u>126,279</u>        |
| New agreements                         | 113,197               |
| Contractual adjustments                | 10,847                |
| Contract terminations                  | (10,424)              |
| Amortizations                          | <u>(53,934)</u>       |
| <b>Balance as of December 31, 2020</b> | <u>185,965</u>        |
| New agreements                         | <b>21,813</b>         |
| Contractual adjustments                | <b>8,093</b>          |
| Contract terminations                  | <b>(6,494)</b>        |
| Amortizations                          | <b>(15,100)</b>       |
| <b>Balance as of March 31, 2021</b>    | <u><b>194,277</b></u> |

| <b>Lease payable</b>                   | <b>Consolidated</b>     |
|--|-------------------------|
| <b>Balance as of December 31, 2019</b> | <u>(162,242)</u>        |
| New agreements                         | (113,197)               |
| Contractual adjustments                | (10,847)                |
| Contract terminations                  | 14,936                  |
| Payments                               | 57,167                  |
| Discounts (*)                          | 5,682                   |
| Provision for financial charges        | <u>(13,408)</u>         |
| <b>Balance as of December 31, 2020</b> | <u>(221,909)</u>        |
| New agreements                         | <b>(21,813)</b>         |
| Contractual adjustments                | <b>(8,093)</b>          |
| Contract terminations                  | <b>7,412</b>            |
| Payments                               | <b>16,303</b>           |
| Discounts (*)                          | <b>708</b>              |
| Provision for financial charges        | <b>(4,139)</b>          |
| <b>Balance as of March 31, 2021</b>    | <u><b>(231,531)</b></u> |
| Current                                | <u><b>(56,238)</b></u>  |
| Non-current                            | <u><b>(175,293)</b></u> |
| <b>Total</b>                           | <u><b>(231,531)</b></u> |

(\*) Discounts on the lease payment, received due to Covid-19 pandemic, the Group opted for the adoption of the practical procedure, where no revaluation is made in the value of the right-of-use assets and lease liabilities. Accordingly, the amount of the benefit received through discount on lease payments was recorded as operating income, this methodology is in line with the revision of technical pronouncement CPC 06 (R2).

| <b>Amount recognized in profit or loss</b> | <b>Consolidated</b>  |
|--|----------------------|
| Depreciation of right-of-use               | 13,075               |
| Financial charges                          | 3,359                |
| <b>Balance as of March 31, 2020</b>        | <u>16,434</u>        |
| Depreciation of right-of-use assets        | <b>15,100</b>        |
| Financial charges                          | <b>4,139</b>         |
| Discounts                                  | <b>(708)</b>         |
| <b>Balance as of March 31, 2021</b>        | <u><b>18,531</b></u> |

**Notes to the financial statements****18. Taxes and fees**

|                             | Parent Company |            | Consolidated |              |
|-----------------------------|----------------|------------|--------------|--------------|
|                             | 03/31/2021     | 12/31/2020 | 03/31/2021   | 12/31/2020   |
| <b>Current</b>              |                |            |              |              |
| ICMS                        | -              | -          | 1,212        | 1,044        |
| IR and CSLL                 | -              | -          | 72           | 80           |
| PIS and COFINS              | -              | -          | 1,617        | 1,602        |
| Installment payment - REFIS | -              | -          | 52           | 49           |
| Installment payment - ICMS  | -              | -          | 3,631        | 3,887        |
| Other                       | 118            | 173        | 2,444        | 2,838        |
|                             | <b>118</b>     | <b>173</b> | <b>9,028</b> | <b>9,500</b> |
| <b>Non Current</b>          |                |            |              |              |
| Installment payment - ICMS  | -              | -          | 6,101        | 6,832        |
| Installment payment - REFIS | -              | -          | 1,905        | 1,912        |
|                             | -              | -          | <b>8,006</b> | <b>8,744</b> |

**19. Provision for contingencies**

The Group and its subsidiaries are parties to judicial and administrative proceedings with various courts and government agencies, arising from the normal course of operations, including tax, labor and civil matters.

Management, based on information from its legal counsel, analysis of pending lawsuits and, with respect to labor claims, based on prior experience related to the amounts claimed, recognized a provision in an amount considered sufficient to cover estimated losses on the outcome of the lawsuits, as follows:

|       | Consolidated  |               |
|-------|---------------|---------------|
|       | 03/31/2021    | 12/31/2020    |
| Tax   | 14,117        | 13,962        |
| Civil | 6,263         | 6,575         |
| Labor | 18,804        | 21,339        |
|       | <b>39,184</b> | <b>41,876</b> |

Changes on the provision are as follows:

|                                | Consolidated  |              |               | Total         |
|--------------------------------|---------------|--------------|---------------|---------------|
|                                | Tax           | Civil        | Labor         |               |
| <b>As of December 31, 2019</b> | 24,125        | 5,394        | 25,918        | 55,437        |
| Additions                      | 1,285         | 1,711        | 6,735         | 9,731         |
| Reversals                      | (10,314)      | -            | -             | (10,314)      |
| Payments                       | (1,134)       | (530)        | (11,314)      | (12,978)      |
| <b>As of December 31, 2020</b> | 13,962        | 6,575        | 21,339        | 41,876        |
| Additions                      | 264           | 169          | 463           | 896           |
| Payments                       | (109)         | (481)        | (2,998)       | (3,588)       |
| <b>As of March 31, 2021</b>    | <b>14,117</b> | <b>6,263</b> | <b>18,804</b> | <b>39,184</b> |

The main labor lawsuits provided for in the consolidated involve different matters and arise from requests for overtime and pain and suffering.

The main tax lawsuits provided for in the consolidated are derived from the acquisition of the Rosário chain and refer to differences in the payment of ICMS, Income Tax and Social Contribution of subsidiaries, originating in years prior to the acquisition.

## Notes to the financial statements

As of March 31, 2021, there are other lawsuits assessed by the Group as risk of possible loss in the approximate amount of R\$ 31,715 in the consolidated (R\$ 30,824 as of December 31, 2020), for which no provision was recorded. Possible contingencies involve different matters, related mainly to: civil - lawsuit claiming compensation for pain and suffering, property damage and expired products; labor - overtime, additional night shift premium, salary differences and commission; tax - non-payment of ICMS and ICMS ST.

### 20. Income tax and social contribution

#### a) Breakdown of deferred taxes assets and liabilities

Deferred IRPJ and CSLL are recorded to reflect the attributable future tax effects:

|   | Consolidated      |                          |               |
|---|-------------------|--------------------------|---------------|
|   | 12/31/2020        | Additions /<br>Reversals | 03/31/2021    |
| Provisions for contingencies                                  | 12,787            | (931)                    | 11,856        |
| Deferred income tax and social contribution on tax losses     | 119,529           | 5,200                    | 124,729       |
| Surplus value of net assets of acquired companies             | (66,411)          | 453                      | (65,958)      |
| Tax amortization of goodwill                                  | (34,839)          | (2,903)                  | (37,742)      |
| Leases - CPC06 (R2)   | 11,320            | 860                      | 12,180        |
| Other   | (7,416)           | (112)                    | (7,528)       |
| <b>Total income tax and social contribution - non-current</b> | <b>34,970</b>     | <b>2,567</b>             | <b>37,537</b> |
| <b>Breakdown of balances</b>                                  | <b>12/31/2020</b> | <b>03/31/2021</b>        |               |
| Deferred income tax and social contribution assets            | 62,354            | 65,109                   |               |
| Deferred income tax and social contribution liabilities       | (27,384)          | (27,572)                 |               |
| <b>Deferred Assets/Liabilities</b>                            | <b>34,970</b>     | <b>37,537</b>            |               |

The Group assesses that there are no risks of recovery of the balances recorded as deferred income tax and social contribution, in view of the recoverability study based on the forecast of future results considering the proceeds from the public offering of shares, as well as certain relevant assumptions such as growth rate and gross margin.

According to existing estimates of future taxable income, the Group estimates to recover the existing deferred tax assets over a period of approximately 10 years:

| Year         | Consolidated   |
|--------------|----------------|
| 2021         | 8,701          |
| 2022         | 8,663          |
| 2023         | 10,589         |
| 2024         | 14,222         |
| 2025         | 15,625         |
| 2026         | 16,790         |
| 2027         | 21,650         |
| 2028         | 20,013         |
| 2029         | 18,839         |
| 2030         | 6,145          |
| <b>Total</b> | <b>141,237</b> |

**Notes to the financial statements**b) Non-recognized deferred tax asset

Deferred tax assets have not been recognized in relation to the total balance of tax losses, as it is not certain that future taxable profits will be available for the Company to fully use its benefits.

The tax loss not recorded as of March 31, 2021 is R\$ 352,960 (R\$ 362,564 on December 31, 2020).

With the proceeds from the IPO held on August 10, 2020, we reassessed our estimates of capital structure and store openings. Accordingly, an additional deferred income tax asset of R\$ 14,681 on tax loss was recognized in the last fiscal year, which had not been recognized until then. As a result, we present a reduction in the accumulated and unrecognized tax loss in the amount of R\$ 43,178.

Management considered that the ability to recover the remaining tax losses of R\$ 341,064 is still uncertain, as the pace of growth in the Company's results cannot be confirmed. In the future, according to the evolution of results, this remaining unrecognized balance may be recognized, resulting in an additional income tax and social contribution gain.

c) Reconciliation of effective rate

The reconciliation between the expense calculated at the combined statutory rates and the income tax and social contribution expenses charged to profit or loss is presented below:

|   | Parent Company |            | Consolidated    |            |
|---|----------------|------------|-----------------|------------|
|   | 03/31/2021     | 03/31/2020 | 03/31/2021      | 03/31/2020 |
| Loss before income tax and social contribution                      | <b>(8,464)</b> | (6,294)    | <b>(10,868)</b> | (8,777)    |
| Combined statutory tax rate   | <b>34%</b>     | 34%        | <b>34%</b>      | 34%        |
| <b>Income tax and social contribution:</b>                          |                |            |                 |            |
| At the combined statutory tax rate                                  | <b>2,878</b>   | 2,140      | <b>3,695</b>    | 2,984      |
| <b>Additions and Deletions:</b>                                     |                |            |                 |            |
| Equity income   | <b>(2,610)</b> | (2,131)    | -               | -          |
| Income tax effect of subsidiaries' unrecognized tax losses          | <b>(268)</b>   | -          | <b>(659)</b>    | (168)      |
| Other permanent additions/deletions                                 | -              | (9)        | <b>(631)</b>    | (333)      |
| Current income tax and social contribution                          | -              | -          | <b>(162)</b>    | -          |
| Deferred income tax and social contribution                         | -              | -          | <b>2,567</b>    | 2,483      |
| Income tax and social contribution in profit or loss for the period | -              | -          | <b>2,405</b>    | 2,483      |
| <b>Effective tax rate</b>   | <b>0%</b>      | 0%         | <b>22%</b>      | 28%        |

D1000 Varejo Farma S.A. (parent company) and its direct subsidiaries opted for the taxable income regime calculated through monthly suspension trial balance sheets.

## Notes to the financial statements

### 21. Payables for acquisition of subsidiary

|                              | <b>Consolidated</b> |                   |
|------------------------------|---------------------|-------------------|
|                              | <b>03/31/2021</b>   | <b>03/31/2020</b> |
| <b>Current</b>               |                     |                   |
| Acquisition of Rosário chain | <b>4,058</b>        | 4,061             |
|                              | <b>4,058</b>        | 4,061             |
| <b>Non-current</b>           |                     |                   |
| Acquisition of Rosário chain | <b>7,000</b>        | 8,000             |
|                              | <b>7,000</b>        | 8,000             |

As of December 31, 2020, the debt in the amount of R\$ 12,061 is being paid in 12 equal and consecutive quarterly installments, in the amount of R\$ 1,000, subject to conventional interest equivalent to 110% of the CDI.

### 22. Equity

#### a) Share capital

The paid-up share capital is R\$ 1,035,325 as of March 31, 2021 (R\$ 1,035,325 as of December 31, 2020), divided into 50.602.842 registered, book-entry common shares, with no par value (50,602,842 as of December 31, 2020).

In August 2020, the Company made a reverse split of common shares from 676,665,928 to 27,066,637 common shares. Subsequently, the Company carried out a public offering for the primary distribution of twenty-three million, five hundred thirty-six thousand, two hundred and five (23,536,205) new registered book-entry common shares with no par value, all free and clear of any burdens liens or encumbrances ("Shares" and "Offer", respectively), for the price of R\$ 17.00 per share ("Price per Share"), totaling R\$ 400,115.

### 23. Earnings per share

#### Basic Earnings per Share

As of March 31, 2021, basic earnings per share was calculated by dividing the net income for the period attributable to the holders of common shares of the parent company by the weighted average number of common shares available during the period, compared with the period ended March 31, 2020, as shown in the table below:

|   | <b>3-month period ended</b> |                   |
|---|-----------------------------|-------------------|
|   | <b>Consolidated</b>         |                   |
|   | <b>03/31/2021</b>           | <b>03/31/2020</b> |
| Profit (loss) for the period attributable to shareholders | <b>(8,464)</b>              | (6,294)           |
| Weighted average number of shares (in thousands)          | <b>50,603</b>               | 27,019            |
| Basic Earnings per share (R\$)                            | <b>(0,167)</b>              | (0,233)           |



## Notes to the financial statements

### 24. Net operating revenue

|                                | 3-month period ended |                |
|--------------------------------|----------------------|----------------|
|                                | Consolidated         |                |
|                                | 03/31/2021           | 03/31/2020     |
| <b>Gross operating revenue</b> |                      |                |
| Sales of products              | 274,474              | 300,530        |
| Taxes                          | (16,348)             | (15,863)       |
| Returns                        | (1,866)              | (1,828)        |
| <b>Net operating revenue</b>   | <b>256,260</b>       | <b>282,839</b> |

Revenue from the sale of products refers entirely to the Group's core activity (pharmaceutical retailer), substantially represented by cash sales over the counter and consumer credit and debit cards, all of which are carried out in Brazil.

### 25. Finance income (costs)

|  | 3-month period ended |            |                |                |
|--|----------------------|------------|----------------|----------------|
|  | Parent Company       |            | Consolidated   |                |
|  | 03/31/2021           | 03/31/2020 | 03/31/2021     | 03/31/2020     |
| <b>Finance costs</b>                     |                      |            |                |                |
| Interest on loans and financing          | (47)                 | (2)        | (1,491)        | (4,644)        |
| Interest on installment payment of taxes | (1)                  | -          | (12)           | (510)          |
| Swap MtM result                          | -                    | -          | (299)          | (521)          |
| Lease charges                            | -                    | -          | (4,139)        | (3,359)        |
| Other                                    | (48)                 | (5)        | 354            | (203)          |
|  | <b>(96)</b>          | <b>(7)</b> | <b>(5,587)</b> | <b>(9,237)</b> |
| <b>Finance income</b>                    |                      |            |                |                |
| Interest                                 | 348                  | -          | 636            | 52             |
| Inflation adjustment gains               | -                    | -          | 364            | 113            |
|  | <b>348</b>           | <b>-</b>   | <b>1,000</b>   | <b>165</b>     |
| <b>Finance income (costs)</b>            | <b>252</b>           | <b>(7)</b> | <b>(4,587)</b> | <b>(9,072)</b> |

### 26. Financial instruments and risk management

The Group and its subsidiaries enter into transactions with financial instruments. These financial instruments are managed through operating strategies and internal controls, which are aimed at ensuring liquidity, profitability and security. The contracting of financial instruments for hedging purposes are contracted based on a periodic analysis of the risk exposure that Management intends to hedge (exchange rate, interest rate, etc.), which is approved by the Board of Directors. The control consists of ongoing monitoring of the contracted conditions against prevailing market conditions. The Group and its subsidiaries do not make investments for speculative purposes in derivatives or any other risk assets. Gains and losses on these transactions are consistent with the policies defined by Group's Management.

The estimated realizable values of the Group's financial assets and liabilities have been determined using available market information and appropriate estimates and methodologies. However, judgments and interpretations were applied to produce the most appropriate realization value. The estimated amounts based on this methodology may not necessarily be materialized on the market.

The management and monitoring of these instruments are carried out through systematic monitoring, aiming to ensure liquidity, profitability and security.

## Notes to the financial statements

### 26.1. Capital management

The Group maintains a solid capital base to obtain the confidence of the investor, creditor and market and the future development of the business. The return on invested capital considering the results of economic activities and dividends to shareholders is also monitored.

Management seeks to maintain a balance between the highest returns possible with more appropriate financing level and the advantages and security provided by a healthy capital position.

### 26.2. Fair value versus carrying amount

Management understands that financial assets and liabilities not presented in this Note are stated at their carrying amounts, which approximates their fair values. The fair values of the financial assets and liabilities, together with the carrying amounts stated in the balance sheet, are as follows:

|   | Consolidated    |            |                 |            | Level |
|---|-----------------|------------|-----------------|------------|-------|
|   | 03/31/2021      |            | 12/31/2020      |            |       |
|   | Carrying Amount | Fair Value | Carrying Amount | Fair Value |       |
| <b>Assets measured at amortized cost</b>                    |                 |            |                 |            |       |
| Cash and cash equivalents                                   | 150,184         | 150,184    | 206,491         | 206,491    |       |
| Trade accounts receivable                                   | 76,709          | 76,709     | 71,396          | 71,396     | 2     |
| <b>Assets measured at fair value</b>                        |                 |            |                 |            |       |
| Derivative - swap   | 26,742          | 26,742     | 25,396          | 25,396     | 2     |
| <b>Liabilities measured at value through profit or loss</b> |                 |            |                 |            |       |
| Loans and financing   | 89,792          | 89,792     | 106,521         | 106,521    | 2     |
| <b>Liabilities measured at amortized cost</b>               |                 |            |                 |            |       |
| Loans and financing   | 19,986          | 20,337     | 24,902          | 24,892     | 2     |
| Trade accounts payable                                      | 142,054         | 142,054    | 133,177         | 133,177    | 2     |
| Accounts payable - acquisition of subsidiary                | 11,058          | 11,058     | 12,061          | 12,061     | 2     |
| Lease payable   | 231,531         | 231,531    | 221,909         | 221,909    | 2     |
| Other accounts payable                                      | 10,535          | 10,535     | 9,664           | 9,664      | 2     |

The tables above also present the fair value hierarchy according to the valuation method used by the Group. The different levels have been defined as follows:

- Level 1 - data from active market (unadjusted quoted price), so as it is possible to be obtained daily, including on the fair value measurement date;
- Level 2 - data other than active market data (unadjusted quoted price) included in Level 1, extracted from a pricing model based on observable market data; and
- Level 3 - data extracted from a pricing model based on non-observable market data.

### 26.3. Measurement of financial instruments

#### a) Cash and cash equivalents

The interest rates on the Group's cash equivalents as of March 31, 2021 and December 31, 2020 approximate the market rates for transactions of similar nature, term and risk and, therefore, the carrying amounts of cash equivalents approximate the fair values.

**Notes to the financial statements**b) Loans and financing

Loans are recognized at amortized cost (local currency) and at market fair value (foreign currency). Changes between interest rates on contracted loans and market rates for instruments of a similar nature, term, and risks cause the carrying amount of loans to differ from their market value.

Fair value is calculated using discounted cash flow methodologies.

c) Financial instruments - swaps

Measured at fair value, intended to hedge against fluctuations in foreign currencies.

Outstanding swap transactions were contracted simultaneously with foreign currency loan transactions, comprising equivalent terms, rates and amounts, exchanging foreign currency exposure of loans for exposure to CDI, however, being characterized as hedge accounting. The gains and losses arising from interest allocation and mark-to-market adjustments are recognized in profit or loss.

Swaps are recognized at fair value. In all swaps contracted, the Group will receive the foreign exchange variation plus a fixed rate ("Long") and in return it will pay the variation of a percentage of DI ("Short").

The Long fair value is calculated as follows: the amount in US dollars at the transaction's maturity date is discounted to present value by the pro rata temporis factor of the US dollar exchange coupon corresponding to the maturity date at the calculation date. The Long fair value is equal to the present value in dollars multiplied by the closing USD PTAX quote at the base date.

The Short fair value is calculated as follows: the value in Brazilian reais is calculated through the daily allocation of the CDI percentage factor for each contract. From this amount, the estimated amount at the maturity date is calculated by multiplying the Brazilian market fixed rate by the percentage of the contracted CDI. The Short fair value is equal to the amount estimated at the maturity date discounted to present value by the pro rata temporis factor of the Brazilian fixed rate.

The amount to be settled at maturity will be the difference between Long and Short. The amounts of the US dollar coupon and the fixed rate are obtained from independent market sources such as B3S.A. – Brasil, Bolsa, Balcão ("B3") and financial information providers while the USD PTAX is obtained from BACEN.

Swap transactions used to hedge loans are summarized below:

## Notes to the financial statements

|   | Consolidated   |                |                |               |
|---|----------------|----------------|----------------|---------------|
|   | Notional Value |                | Fair value (*) |               |
|   | 03/31/2021     | 12/31/2020     | 03/31/2021     | 12/31/2020    |
| Indexer:                                  |                |                |                |               |
| <b>USD + 4.6198% p.a. Safra</b>           |                |                |                |               |
| Maturity: 10/2022                         | 7,667          | 10,224         | 3,323          | 2,409         |
| <b>Total Itaú</b>                         | <b>7,667</b>   | <b>10,224</b>  | <b>3,323</b>   | <b>2,409</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 6.2973% p.a. Bradesco (HSBC)</b> |                |                |                |               |
| Maturity: 03/2021                         | 1,852          | 5,236          | 998            | 1,563         |
| <b>Total Bradesco (HSBC)</b>              | <b>1,852</b>   | <b>5,236</b>   | <b>998</b>     | <b>1,563</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 4.0547% p.a. Bradesco (HSBC)</b> |                |                |                |               |
| Maturity: 10/2022                         | 15,556         | 22,996         | 6,081          | 4,981         |
| <b>Total Bradesco (HSBC)</b>              | <b>15,556</b>  | <b>22,996</b>  | <b>6,081</b>   | <b>4,981</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 7.6682% p.a. Safra</b>           |                |                |                |               |
| Maturity: 09/2021                         | 567            | 1,726          | 267            | 368           |
| <b>Total Safra</b>                        | <b>567</b>     | <b>1,726</b>   | <b>267</b>     | <b>368</b>    |
| Indexer:                                  |                |                |                |               |
| <b>USD + 6.25% p.a. Safra</b>             |                |                |                |               |
| Maturity: 02/2021                         | -              | 2,334          | -              | 631           |
| <b>Total Safra</b>                        | <b>-</b>       | <b>2,334</b>   | <b>-</b>       | <b>631</b>    |
| Indexer:                                  |                |                |                |               |
| <b>USD + 6.2619% p.a. Safra</b>           |                |                |                |               |
| Maturity: 03/2021                         | -              | 1,121          | -              | 272           |
| <b>Total Safra</b>                        | <b>-</b>       | <b>1,121</b>   | <b>-</b>       | <b>272</b>    |
| Indexer:                                  |                |                |                |               |
| <b>USD + 4.6897% p.a. Safra</b>           |                |                |                |               |
| Maturity: 11/2022                         | 3,800          | 5,104          | 1,452          | 1,015         |
| <b>Total Safra</b>                        | <b>3,800</b>   | <b>5,104</b>   | <b>1,452</b>   | <b>1,015</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 6.00% p.a. BBM</b>               |                |                |                |               |
| Maturity: 03/2021                         | -              | 949            | -              | 266           |
| <b>Total BBM</b>                          | <b>-</b>       | <b>949</b>     | <b>-</b>       | <b>266</b>    |
| Indexer:                                  |                |                |                |               |
| <b>USD + 7.2796% p.a. Safra</b>           |                |                |                |               |
| Maturity: 07/2021                         | 1,083          | 3,448          | 577            | 825           |
| <b>Total Safra</b>                        | <b>1,083</b>   | <b>3,448</b>   | <b>577</b>     | <b>825</b>    |
| Indexer:                                  |                |                |                |               |
| <b>USD + 6.3391% p.a. Safra</b>           |                |                |                |               |
| Maturity: 01/2021                         | -              | 1,879          | -              | 489           |
| <b>Total Safra</b>                        | <b>-</b>       | <b>1,879</b>   | <b>-</b>       | <b>489</b>    |
| Indexer:                                  |                |                |                |               |
| <b>USD + 6.30% p.a. Itaú</b>              |                |                |                |               |
| Maturity: 06/2021                         | 4,000          | 5,402          | 1,861          | 1,384         |
| <b>Total Itaú</b>                         | <b>4,000</b>   | <b>5,402</b>   | <b>1,861</b>   | <b>1,384</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 5.9420% p.a. Itaú</b>            |                |                |                |               |
| Maturity: 05/2021                         | 1,600          | 2,331          | 922            | 716           |
| <b>Total Itaú</b>                         | <b>1,600</b>   | <b>2,331</b>   | <b>922</b>     | <b>716</b>    |
| Indexer:                                  |                |                |                |               |
| <b>USD + 3.10% p.a. CCB</b>               |                |                |                |               |
| Maturity: 01/28/2022                      | 4,800          | 8,295          | 2,340          | 2,197         |
| <b>Total CCB</b>                          | <b>4,800</b>   | <b>8,295</b>   | <b>2,340</b>   | <b>2,197</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 4.57% p.a. Safra</b>             |                |                |                |               |
| Maturity: 08/30/2022                      | 3,000          | 5,242          | 1,264          | 1,210         |
| <b>Total Safra</b>                        | <b>3,000</b>   | <b>5,242</b>   | <b>1,264</b>   | <b>1,210</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 3.10% p.a. CCB</b>               |                |                |                |               |
| Maturity: 01/14/2022                      | 4,800          | 8,316          | 2,412          | 2,273         |
| <b>Total CCB</b>                          | <b>4,800</b>   | <b>8,316</b>   | <b>2,412</b>   | <b>2,273</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 3.80% p.a. Safra</b>             |                |                |                |               |
| Maturity: 08/30/2022                      | 6,000          | 10,488         | 2,528          | 2,419         |
| <b>Total Safra</b>                        | <b>6,000</b>   | <b>10,488</b>  | <b>2,528</b>   | <b>2,419</b>  |
| Indexer:                                  |                |                |                |               |
| <b>USD + 2.62% base 252</b>               |                |                |                |               |
| Maturity:                                 | 6,667          | 11,425         | 2,717          | 2,378         |
| <b>Total Safra</b>                        | <b>6,667</b>   | <b>11,425</b>  | <b>2,717</b>   | <b>2,378</b>  |
| <b>Total Long/Short</b>                   | <b>61,391</b>  | <b>106,516</b> | <b>26,742</b>  | <b>25,396</b> |
| <b>Current Assets</b>                     |                |                | <b>18,905</b>  | <b>17,243</b> |
| <b>Non-current Assets</b>                 |                |                | <b>7,837</b>   | <b>8,153</b>  |

## Notes to the financial statements

### 26.4. Risk management

#### a) Credit Risk

The Group's sales and credit granting policies are under strict credit guidelines of Management, which consist of constant monitoring of customer balances and transactions, taking into account the timely payment and risk spreading, seeking to minimize any losses resulting from default.

The Group recognized a provision for expected losses of trade receivables, whose balance as of March 31, 2021 is R\$ 1,074 (R\$ 1,092 as of December 31, 2020), as described in notes 6 and 9.

|                           | Note | Parent Company |               | Consolidated   |                |
|---------------------------|------|----------------|---------------|----------------|----------------|
|                           |      | 03/31/2021     | 12/31/2020    | 03/31/2021     | 12/31/2020     |
| Cash and Cash Equivalents | 5    | 68,344         | 73,778        | 150,184        | 206,491        |
| Trade accounts receivable | 6    | -              | -             | 76,709         | 71,396         |
| Other accounts receivable | 9    | 76             | 5             | 20,545         | 19,104         |
|                           |      | <b>68,420</b>  | <b>73,783</b> | <b>247,438</b> | <b>296,991</b> |

#### b) Liquidity risk

The Group's general policy is to maintain adequate liquidity levels to ensure that it is able to comply with present and future obligations and seize commercial opportunities as they arise. With the proceeds from the IPO, d1000 has moved to a net cash position, which avoids liquidity risk. Management believes that the Group has an appropriate balance between the maturity of its assets and liabilities, a satisfactory operating cash generation, significant reduction in net debt with banks, in addition to a forecast improvement in operating performance.

#### *Initial Public Offering of Shares (IPO)*

On August 10, 2020, the Company promoted a public offering for primary distribution of twenty-three million, five hundred thirty-six thousand, two hundred and five (23,536,205) new registered, book-entry common shares, with no par value, all free and clear of any burdens or encumbrances ("Shares" and "Offer", respectively), for the price of R\$ 17.00 per share ("Price per Share"), totaling R\$ 400,115.

The position of financial liabilities by maturity is as follows:

|  | Consolidated    |                       |                   |                |                |                |
|--|-----------------|-----------------------|-------------------|----------------|----------------|----------------|
|  | Carrying amount | Contractual cash flow | 06 months or less | 6 to 12 months | 01 to 02 years | 02 to 05 years |
| <b>March 31, 2021</b>                        |                 |                       |                   |                |                |                |
| <b>Non-derivative financial liabilities</b>  |                 |                       |                   |                |                |                |
| Loans and financing                          | 109,778         | 113,874               | 46,246            | 29,940         | 36,061         | 1,627          |
| Trade accounts payable                       | 142,054         | 142,054               | 142,054           | -              | -              | -              |
| Accounts payable - acquisition of subsidiary | 11,058          | 11,058                | 2,058             | 3,000          | 3,000          | 3,000          |
|  |                 |                       |                   |                |                |                |
|  |                 |                       |                   |                |                |                |
| <b>December 31, 2020</b>                     |                 |                       |                   |                |                |                |
| <b>Non-derivative financial liabilities</b>  |                 |                       |                   |                |                |                |
| Loans and financing                          | 131,423         | 134,930               | 28,828            | 43,520         | 48,109         | 14,473         |
| Trade accounts payable                       | 133,177         | 133,177               | 133,177           | -              | -              | -              |
| Accounts payable - acquisition of subsidiary | 12,061          | 12,061                | 2,061             | 2,000          | 3,000          | 5,000          |

**Notes to the financial statements**c) Market risk*Interest Rate Risk*

This risk derives from the impact of fluctuations in interest rates, not only on finance costs associated with loans, but also on finance income arising from its financial investments. This risk arises from the possibility of significant fluctuations in CDI.

The Group's financial index for its transactions is the CDI variation. As of March 31, 2021, the gross debt indexed to CDI plus the position assumed in swaps amounted to R\$ 109,778 (R\$ 131,423 as of December 31, 2020).

The Group considers the risk of variations in CDI rate as a relevant market risk factor.

In the probable scenario, considering the market expectation according to BACEN data published on March 22, 2021, it indicated an average effective rate estimated at 5% for 2021. Additionally, in sensitivity tests for more rigorous scenarios, we consider increases in the average CDI rate at around 25% and 50%.

The table below shows the sensitivity analysis in the 3 proposed scenarios considering the negative impact on profit or loss before taxes, arising from by the outstanding debt indexed to CDI as of March 31, 2021:

| <b>Transaction</b>                             | <b>Calculation base</b> | <b>Probable Scenario</b> | <b>Scenario I - 25% stress</b> | <b>Scenario II - 50% stress</b> |
|--|-------------------------|--------------------------|--------------------------------|---------------------------------|
| CDI-linked financial investments               | 140,525                 | 6,324                    | 7,905                          | 9,485                           |
| CDI-linked loans                               | (19,986)                | (899)                    | (1,124)                        | (1,349)                         |
| CDI-linked SWAPs                               | (89,792)                | (4,041)                  | (5,051)                        | (6,061)                         |
| <b>CDI-linked interest expense on net debt</b> | <b>30,747</b>           | <b>1,384</b>             | <b>1,730</b>                   | <b>2,075</b>                    |
| Estimated annual CDI rate                      |                         | 4.50%                    | 5.63%                          | 6.75%                           |

d) Foreign exchange risk

The Group considers exposure to the variation of the US dollar and Euro to be a relevant market risk and in order to mitigate this risk, it contracted swap transactions with the banks Itaú, Safra, BBM, Bradesco, ABC and CCB with the same dates, maturities and notional values of its foreign currency liability exposures contracted with the same institution, in order to offset the exchange risk, replacing it with the percentage variation of the CDI.

The Group calculated the variations in the carrying amounts of financial instruments with foreign exchange risk in three different scenarios, considering the possible variation of the USD PTAX. The Group used the future US dollar and Euro in the construction of the probable scenario for each maturity of its financial instruments, obtained from BM&F Bovespa on March 31, 2021.

The swap has no initial cost. Swap transaction is matched with foreign currency funding in terms of notional value, term and interest rate, with no effect on maturity.

Swap result between Long (US dollar and Euro) and Short (CDI) is recorded in assets or liabilities, according to the nature of the balance.

**Notes to the financial statements**

The Group's policy is to settle long-term contracts only at maturity. The net effect shown in the sensitivity analysis table as of March 31, 2021 arises from the difference in the measurement of financial instruments indexed to exchange rate variations. While local currency loans are recognized at amortized cost, foreign currency loans and swaps are recognized at their fair value in compliance with CVM Resolutions 566 and 603. At the maturity dates of loans, their amortized cost will be equal to their fair value, fully eliminating the effect of foreign exchange variation on the Group's cash.

The Group does not carry out transactions involving risky financial instruments or which are speculative in nature.

As shown below, in none of the scenarios, considering the risk of fluctuation in US dollar and Euro, the Group would incur an accounting loss. See the following table:

*US Dollar sensitivity analysis*

|   | Calculation<br>base | Probable<br>Scenario | Scenario I<br>25% stress | Scenario II<br>25% stress |
|---|---------------------|----------------------|--------------------------|---------------------------|
| <b>U.S. Dollar</b>                        |                     |                      |                          |                           |
| Exchange rate on 03/31/2021               |                     | 5.70                 | 5.70                     | 5.70                      |
| Estimated exchange rate for<br>03/31/2021 |                     | 5.70                 | 7.13                     | 8.55                      |
| Foreign currency loans                    | (89,792)            | -                    | (22,448)                 | (44,896)                  |
| Swaps                                     | 91,418              | -                    | 22,855                   | 45,709                    |
|   | <b>1,626</b>        | -                    | <b>407</b>               | <b>813</b>                |

(i) Source: <https://www.bcb.gov.br/estabilidadefinanceira/historicocotacoes>

e) Capital risk

The Group manages its capital in order to ensure that its companies continue to operate in such a way to provide the maximum return to its shareholders through the optimization of its capital structure. The Group's capital structure consists of raising funds through new loans and short term investments.

**Notes to the financial statements****27. Operating expenses**

|  | 3-month periods ended |                |                 |                 |
|--|-----------------------|----------------|-----------------|-----------------|
|  | Parent Company        |                | Consolidated    |                 |
|  | 03/31/2021            | 03/31/2020     | 03/31/2021      | 03/31/2020      |
| <b>General and administrative expenses</b>             |                       |                |                 |                 |
| Expenses related to employees and third party services | (1,004)               | (5)            | (8,617)         | (6,825)         |
| Structure expenses                                     | -                     | -              | (442)           | (320)           |
|  | <b>(1,004)</b>        | <b>(5)</b>     | <b>(9,059)</b>  | <b>(7,145)</b>  |
| <b>Selling and marketing expenses</b>                  |                       |                |                 |                 |
| Expenses related to employees and third party services | -                     | -              | (51,606)        | (51,342)        |
| Structure expenses                                     | -                     | -              | (8,922)         | (8,140)         |
|  | -                     | -              | <b>(60,528)</b> | <b>(59,482)</b> |
| <b>Logistic and distribution expenses</b>              |                       |                |                 |                 |
| Expenses related to employees and third party services | -                     | -              | (459)           | (296)           |
| Structure expenses                                     | -                     | -              | (328)           | (382)           |
|  | -                     | -              | <b>(787)</b>    | <b>(678)</b>    |
| <b>Infrastructure expenses</b>                         |                       |                |                 |                 |
| Depreciation and amortization expenses                 | -                     | -              | (21,043)        | (18,726)        |
|  | -                     | -              | <b>(21,043)</b> | <b>(18,726)</b> |
| <b>Other operating expenses / revenues</b>             |                       |                |                 |                 |
| Other  | (36)                  | (13)           | (512)           | 435             |
|  | <b>(36)</b>           | <b>(13)</b>    | <b>(512)</b>    | <b>435</b>      |
| <b>Other operating expenses / revenues</b>             |                       |                |                 |                 |
| ECL - Trade accounts receivable                        | -                     | -              | (44)            | (62)            |
| ECL - Other accounts receivable                        | -                     | -              | 64              | 5               |
|  | -                     | -              | <b>20</b>       | <b>(57)</b>     |
| <b>Equity income</b>                                   |                       |                |                 |                 |
| Equity income  | (7,676)               | (6,269)        | -               | -               |
|  | <b>(7,676)</b>        | <b>(6,269)</b> | -               | -               |
| <b>Total operating expenses</b>                        | <b>(8,716)</b>        | <b>(6,287)</b> | <b>(91,909)</b> | <b>(85,654)</b> |

**28. Insurance coverage**

The Group adopts the policy of contracting insurance coverage for assets subject to risks in amounts considered sufficient to cover any losses, taking into account the nature of the activities.

As of March 31, 2021, insurance coverage was distributed as follows:

| Insured items  | Beginning of effectiveness | Type of coverage         | Maximum indemnity limit |
|--|----------------------------|--------------------------|-------------------------|
| Facilities, equipment and inventories                | Sept 30                    | Fire/lightning/explosion | 428,294                 |
| Loss of profits (fixed expenses, loss of net profit) | Sept 30                    | Loss of profits          | 182,155                 |
| <b>Total</b>   |                            |                          | <b>610,449</b>          |

Insurance agreements are valid for 12 months.



## Notes to the financial statements

### 29. Endorsements, sureties and guarantees

As of March 31, 2021, the Group has no bank guarantees related to its operations with suppliers and lawsuits.

#### Members of the Executive Board

##### Chief Executive Officer

Sammy Birmarcker

##### Executive and Investor Relations Officer

Marcus Vinicius Santos

##### Chief Operations Officer

Lívio Barboza

##### Chairman of the Board of Directors

Fernando Perrone

##### Members of the Board of Directors

Armando Sereno

Claudia Quintella Woods

Fernando Gameleira

Rafael Teixeira

Ricardo Bomeny

Sammy Birmarcker

##### Accountant

Thiago Mont Serrat Rodrigues Costa Santos

CRC-RJ 115.824/O-7



Centro Empresarial PB 370  
Praia de Botafogo, 370  
6º ao 10º andar - Botafogo  
22250-040 - Rio de Janeiro - RJ - Brasil  
Tel: +55 21 3263-7000  
ey.com.br

**A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34, applicable to the preparation of quarterly financial information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission**

---

## **Independent auditor's review report on quarterly information**

The Shareholders, Board of Directors and Officers of  
**d1000 Varejo Farma Participações S.A.**  
Rio de Janeiro – RJ

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form d1000 Varejo Farma Participações S.A. ("Company") as at March 31, 2021, comprising the statement of financial position as at March 31, 2021 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including explanatory notes.

Management is responsible for the preparation of this individual and consolidated interim financial, individual and consolidated, information in accordance with Brazilian Accounting Standard NBC TG 21 (R1) Interim Financial Reporting, and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Financial Information. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

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

### **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly financial information referred to above was not prepared fairly, in all material respects, in accordance with NBC TG 21 and IAS 34, applicable to the preparation of quarterly financial information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission.



## **Other matters**

### *Statements of value added*

The quarterly information referred to above includes the individual and consolidated statements of added value (SVA) for the three-month period ended March 31, 2021, prepared under the responsibility of the Company management and presented as supplementary information for purposes of IAS 34. These statements have been subject to the same review procedures performed together with quarterly information review, in order to conclude whether they have been reconciled to the interim accounting information and accounting records, as applicable, and whether their form and content are in accordance with NBC TG 09 Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in the referred to Standard, and consistently with the overall individual and consolidated interim financial information

Rio de Janeiro, May 07, 2021.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP015.199/O-6

A handwritten signature in blue ink, appearing to read 'L. Amaral Donato', is written over a horizontal line.

Leonardo Amaral Donato  
Accountant CRC-1RJ090794/O-0