

Quarterly Information (ITR)

Dimed S.A. Distribuidora de Medicamentos

March 31, 2023



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A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information prepared in Brazilian currency in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on quarterly information

To the
Shareholders, Board of Directors and Officers of
Dimed S.A. Distribuidora de Medicamentos
Eldorado do Sul - RS

Introduction

We have reviewed the individual and consolidated interim financial information of Dimed S.A. Distribuidora de Medicamentos (the "Company"), contained in the Quarterly Information Form (ITR), for the quarter ended March 31, 2023, which comprises the statement of financial position as at March 31, 2023 and the 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 information.

The executive board is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 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 accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information (ITR). 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 the 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). 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 auditing standards 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 individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).



Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated Statements of Value Added (SVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's executive board and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information to conclude whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Added Value. 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 referred to Standard and consistently with the individual and consolidated interim financial information taken as a whole.

Porto Alegre, May 10, 2023.

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC-SP-015199/F

Arthur Ramos Arruda
Accountant CRC-RS096102/O-0

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Company Information / Capital Breakdown

Number of shares (unit)	Current quarter 03/31/2023
Paid-in Capital	
Common shares	150,377,481
Preferred shares	0
Total	150,377,481
Treasury shares	
Common shares	1,898,815
Preferred shares	0
Total	1,898,815

Individual Financial Statements / Statement of Financial Position - Assets**(In thousands of reais)**

Account Code	Account Description	Current quarter 03/31/2023	Prior year 12/31/2022
1	Total Assets	2,810,613	2,729,336
1.01	Current Assets	1,553,819	1,493,849
1.01.01	Cash and Cash Equivalents	13,075	23,517
1.01.02	Short-term Investments	196,580	87,967
1.01.02.01	Short-term Investments Measured at Fair Value Through Profit or Loss	196,580	87,967
1.01.02.01.03	Short-Term Investments	196,580	87,967
1.01.03	Accounts Receivable	449,203	462,864
1.01.03.01	Trade Accounts Receivable	387,397	397,434
1.01.03.02	Other Accounts Receivable	61,806	65,430
1.01.04	Inventories	859,282	882,439
1.01.06	Taxes Recoverable	35,679	37,062
1.01.06.01	Current Taxes Recoverable	35,679	37,062
1.01.06.01.01	Income and Social Contribution Taxes Recoverable	23,954	26,064
1.01.06.01.02	Other Taxes Recoverable	11,725	10,998
1.02	Noncurrent Assets	1,256,794	1,235,487
1.02.01	Long-Term Assets	58,389	59,595
1.02.01.07	Deferred Taxes	43,894	45,263
1.02.01.07.01	Deferred Income and Social Contribution Taxes	43,894	45,263
1.02.01.09	Related-Party Receivables	1,330	1,530
1.02.01.09.02	Receivables from Subsidiaries	1,330	1,530
1.02.01.10	Other Noncurrent Assets	13,165	12,802
1.02.01.10.03	Other Taxes Recoverable	10,165	9,625
1.02.01.10.04	Judicial Deposits	2,596	2,654
1.02.01.10.05	Other Assets	404	523
1.02.02	Investments	77,272	75,478
1.02.02.01	Equity Interests	77,272	75,478
1.02.02.01.02	Interests Held in Subsidiaries	77,272	75,478
1.02.03	Property, Plant and Equipment	1,043,513	1,024,274
1.02.03.01	Property, Plant and Equipment in Operation	447,135	436,995
1.02.03.02	Right-of-Use - Lease	596,378	587,279
1.02.04	Intangible assets	77,620	76,140
1.02.04.01	Intangible Assets	77,620	76,140
1.02.04.01.02	Intangible Assets	77,620	76,140

Individual Financial Statements / Statement of Financial Position - Liabilities and Equity

(In thousands of reais)

Account Code	Account Description	Current quarter 03/31/2023	Prior year 12/31/2022
2	Total Liabilities	2,810,613	2,729,336
2.01	Current Liabilities	1,061,779	1,006,080
2.01.01	Social and Labor Obligations	65,534	59,222
2.01.01.01	Social Obligations	15,585	13,753
2.01.01.02	Labor Obligations	49,949	45,469
2.01.02	Trade Accounts Payable	459,066	562,322
2.01.02.01	Trade Accounts Payable - Local	459,066	562,322
2.01.03	Tax Obligations	25,427	27,215
2.01.03.01	Federal Tax Obligations	5,893	5,238
2.01.03.01.02	Other Federal Tax Obligations	5,893	5,238
2.01.03.02	State Tax Liabilities	17,960	20,371
2.01.03.03	Municipal Tax Liabilities	1,574	1,606
2.01.04	Loans and Financing	459,713	270,488
2.01.04.01	Loans and Financing	175,511	0
2.01.04.01.01	In local currency	175,511	0
2.01.04.02	Debentures	126,826	118,395
2.01.04.03	Financing Through Lease	157,376	152,093
2.01.05	Other Obligations	49,441	84,411
2.01.05.02	Other	49,441	84,411
2.01.05.02.01	Dividends and Interest on Equity Payable	-2,608	5,518
2.01.05.02.04	Profit Sharing Payable	1,617	16,399
2.01.05.02.05	Other Liabilities	50,432	62,494
2.01.06	Provisions	2,598	2,422
2.01.06.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	2,598	2,422
2.01.06.01.05	Other Provisions	2,598	2,422
2.02	Noncurrent Liabilities	622,008	615,094
2.02.01	Loans and Financing	609,147	601,052
2.02.01.02	Debentures	116,429	116,429
2.02.01.03	Financing Through Lease	492,718	484,623
2.02.02	Other Obligations	6,820	6,665
2.02.02.02	Other	6,820	6,665
2.02.02.02.04	Other Obligations	6,820	6,665
2.02.04	Provisions	6,041	7,377
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	6,041	7,377
2.02.04.01.01	Provisions for Tax Contingencies	10	202
2.02.04.01.02	Provisions for Social Security and Labor Contingencies	6,031	7,175
2.03	Equity	1,126,826	1,108,162
2.03.01	Paid-in Capital	928,552	928,552
2.03.01.01	Capital	943,000	943,000
2.03.01.02	Share Issue Costs	-14,448	-14,448
2.03.02	Capital Reserves	-28,920	-29,368
2.03.02.05	Treasury Shares	-35,844	-35,139
2.03.02.07	Goodwill Reserve	-268	-268
2.03.02.08	Reserve for Long-Term Incentive	7,192	6,039
2.03.04	Income reserves	208,978	208,978
2.03.04.01	Legal Reserve	9,201	9,201

Individual Financial Statements / Statement of Financial Position - Liabilities and Equity**(In thousands of reais)**

Account Code	Account Description	Current quarter 03/31/2023	Prior year 12/31/2022
2.03.04.07	Tax Incentive Reserve	154,690	154,690
2.03.04.08	Proposed Additional Dividend	17,971	17,971
2.03.04.10	Reserve for Capital Increase	27,116	27,116
2.03.05	Retained Earnings/Accumulated Losses	18,216	0

Individual Financial Statements / Statement of Profit or Loss**(In thousands of reais)**

Account Code	Account Description	Current YTD - 01/01/2023 to 03/31/2023	Prior YTD - 01/01/2022 to 03/31/2022
3.01	Revenue from Sales of Goods and/or Services	1,025,843	895,882
3.01.01	Gross Sales of Products and Services	1,103,415	962,656
3.01.02	Sales Taxes	-64,989	-55,127
3.01.03	Returns and Unconditional Discounts	-12,583	-11,647
3.02	Cost of Sales and/or Services	-714,597	-625,944
3.03	Gross Income	311,246	269,938
3.04	Operating Income/Expenses	-273,307	-242,323
3.04.01	Selling Expenses	-254,663	-230,848
3.04.02	General and Administrative Expenses	-26,641	-23,282
3.04.04	Other Operating Income	6,203	5,657
3.04.06	Equity Pickup	1,794	6,150
3.05	Income Before Finance Income (Costs) and Taxes	37,939	27,615
3.06	Finance Income (Costs)	-19,689	-12,361
3.06.01	Finance Income	4,957	3,089
3.06.02	Finance Costs	-24,646	-15,450
3.07	Income Before Income Taxes	18,250	15,254
3.08	Income and Social Contribution Taxes	-34	5,354
3.08.01	Current	1,335	5,967
3.08.02	Deferred	-1,369	-613
3.09	Net Income from Continuing Operations	18,216	20,608
3.11	Income/Loss for the Period	18,216	20,608
3.99	Earnings per Share (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common Shares	0.12	0.14
3.99.02	Diluted Earnings per Share		
3.99.02.01	Registered Common Shares	0.12	0.14

Individual Financial Statements / Statement of Comprehensive Income**(In thousands of reais)**

Account Code	Account Description	Current YTD - 01/01/2023 to 03/31/2023	Prior YTD - 01/01/2022 to 03/31/2022
4.01	Net Income for the Period	18,216	20,608
4.03	Comprehensive Income (Loss) for the Period	18,216	20,608

Individual Financial Statements / Statement of Cash Flows (Indirect Method)**(In thousands of reais)**

Account Code	Account Description	Current YTD - 01/01/2023 to 03/31/2023	Prior YTD - 01/01/2022 to 03/31/2022
6.01	Net Cash from Operating Activities	-1,349	-25,237
6.01.01	Cash from Operations	85,182	64,525
6.01.01.01	Net Income for the Period	18,216	20,608
6.01.01.02	Depreciation and Amortization	49,312	45,756
6.01.01.03	Provision for Contingent Liabilities	-1,336	-1,026
6.01.01.04	Equity Pickup	-1,794	-6,150
6.01.01.05	Cost of Permanent Asset Written Off/Sold	1,828	3,767
6.01.01.06	Allowance for Expected Credit Losses	211	981
6.01.01.07	Provision for Inventory Losses	-401	-76
6.01.01.08	Tax Credits from Legal Proceeding	0	-4,896
6.01.01.09	Interest Expenses on Loan/Financing	10,299	3,539
6.01.01.10	Deferred Income and Social Contribution Taxes	1,369	613
6.01.01.11	Discounts on Leases	0	-2,020
6.01.01.13	Interest Expenses on Leases	11,544	9,302
6.01.01.15	Rendering of service related to legal proceeding	0	280
6.01.01.17	Current Income and Social Contribution Taxes	-1,335	-5,967
6.01.01.18	Stock Option Plan or Share Subscription	1,153	748
6.01.01.19	Short-term investment yields	-4,179	0
6.01.01.20	Other	295	-934
6.01.02	Changes in Assets and Liabilities	-86,531	-89,762
6.01.02.01	Credits receivable - customers	9,531	-17,148
6.01.02.02	Inventories	23,558	-115,450
6.01.02.03	Trade Accounts Payable	-103,256	35,224
6.01.02.05	Taxes, contributions and social obligations	5,859	2,296
6.01.02.06	Judicial Deposits	58	-76
6.01.02.07	Other Taxes Recoverable	843	-9,272
6.01.02.08	Other asset groups	3,464	-10,463
6.01.02.09	Other liability groups	-26,513	25,652
6.01.02.11	Income and Social Contribution Taxes (IRPJ and CSLL) Paid	-75	-525
6.02	Net Cash from Investing Activities	-133,520	52,767
6.02.01	Acquisition of Property, Plant and Equipment	-22,900	-44,985
6.02.02	Acquisition of intangible assets	-6,186	-7,156
6.02.04	Short-Term Investments	-104,434	104,908
6.03	Net Cash from Financing Activities	124,427	-41,104
6.03.01	Payment of dividends and interest on equity	-8,126	-5,809
6.03.03	Acquisitions of Own Shares	-705	-582
6.03.04	Loans and financing (principal) taken out	175,000	0
6.03.05	Payments of lease	-40,385	-34,713
6.03.09	Repayment of interest on financing and lease	-1,357	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	-10,442	-13,574
6.05.01	Cash and Cash Equivalents at Beginning of Period/Year	23,517	51,590
6.05.02	Cash and Cash Equivalents at end of Period/Year	13,075	38,016

Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2023 to 03/31/2023

(In thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensiv e Income	Equity
5.01	Opening Balances	928,552	-29,368	208,978	0	0	1,108,162
5.03	Adjusted Opening Balances	928,552	-29,368	208,978	0	0	1,108,162
5.04	Capital Transactions with Shareholders	0	448	0	0	0	448
5.04.04	Treasury Shares Acquired	0	-705	0	0	0	-705
5.04.08	Fair Value of Matching Share Plan	0	1,153	0	0	0	1,153
5.05	Total Comprehensive Income	0	0	0	18,216	0	18,216
5.05.01	Net Income for the Period	0	0	0	18,216	0	18,216
5.07	Closing Balances	928,552	-28,920	208,978	18,216	0	1,126,826

Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2022 to 03/31/2022

(In thousands of reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained Earnings (Accumulated Losses)	Other Comprehensiv e Income	Equity
5.01	Opening Balances	903,552	-33,409	176,052	0	0	1,046,195
5.03	Adjusted Opening Balances	903,552	-33,409	176,052	0	0	1,046,195
5.04	Capital Transactions with Shareholders	0	166	0	0	0	166
5.04.04	Treasury Shares Acquired	0	-582	0	0	0	-582
5.04.09	Fair value of Matching Share plan	0	748	0	0	0	748
5.05	Total Comprehensive Income	0	0	0	20,608	0	20,608
5.05.01	Net Income for the Period	0	0	0	20,608	0	20,608
5.07	Closing Balances	903,552	-33,243	176,052	20,608	0	1,066,969

Individual Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	Current YTD 01/01/2023 to 03/31/2023	Prior YTD 01/01/2022 to 03/31/2022
7.01	Revenues	1,164,845	1,012,723
7.01.01	Sales of Goods, Products and Services	1,090,832	951,008
7.01.02	Other Revenues	74,224	62,695
7.01.04	Reversal of/Allowance for Expected Credit Losses	-211	-980
7.02	Bought-in Inputs	-850,832	-751,828
7.02.01	Costs of Goods, Products and Services Sold	-775,156	-678,474
	Materials, Electric Power, Third-Party Services and Other		
7.02.02	Expenses	-81,719	-77,881
7.02.03	Loss/Recovery of Assets	6,043	4,527
7.03	Gross Value Added	314,013	260,895
7.04	Retentions	-49,312	-45,756
7.04.01	Depreciation, Amortization and Depletion	-49,312	-45,756
7.05	Net Value Added Produced	264,701	215,139
7.06	Value Added Received in Transfer	6,992	9,587
7.06.01	Equity Pickup	1,793	6,150
7.06.02	Finance Income	5,199	3,437
7.07	Total Value Added to be Distributed	271,693	224,726
7.08	Distribution of Value Added	271,693	224,726
7.08.01	Personnel	120,981	105,451
7.08.01.01	Direct Compensation	101,156	88,144
7.08.01.02	Benefits	11,238	10,057
7.08.01.03	Unemployment Compensation Fund (FGTS)	8,587	7,250
7.08.02	Taxes, Charges and Contributions	99,995	78,096
7.08.02.01	Federal Taxes	32,035	20,932
7.08.02.02	State Taxes	65,190	55,026
7.08.02.03	Local Taxes	2,770	2,138
7.08.03	Debt Remuneration	32,501	20,571
7.08.03.01	Interest	25,012	15,808
7.08.03.02	Rent	7,489	4,763
7.08.04	Equity Remuneration	18,216	20,608
7.08.04.03	Retained Profits/Loss for the Period	18,216	20,608

Consolidated Financial Statements / Statement of Financial Position - Assets**(In thousands of reais)**

Account Code	Account Description	Current quarter 03/31/2023	Prior year 12/31/2022
1	Total Assets	2,816,567	2,733,126
1.01	Current Assets	1,622,645	1,558,547
1.01.01	Cash and cash equivalents	14,367	25,715
1.01.02	Short-Term Investments	243,280	131,640
1.01.02.01	Short-term Investments Measured at Fair Value Through Profit or Loss	243,280	131,640
1.01.02.01.03	Short-Term Investments	243,280	131,640
1.01.03	Accounts Receivable	452,569	464,731
1.01.03.01	Trade Accounts Receivable	390,493	399,173
1.01.03.02	Other Accounts Receivable	62,076	65,558
1.01.04	Inventories	874,483	896,535
1.01.06	Taxes Recoverable	37,946	39,926
1.01.06.01	Current Taxes Recoverable	37,946	39,926
1.01.06.01.01	Income and Social Contribution Taxes Recoverable	24,754	26,587
1.01.06.01.02	Other Taxes Recoverable	13,192	13,339
1.02	Noncurrent Assets	1,193,922	1,174,579
1.02.01	Long-Term Assets	62,106	63,402
1.02.01.07	Deferred Taxes	47,141	48,598
1.02.01.07.01	Deferred Income and Social Contribution Taxes	47,141	48,598
1.02.01.09	Related-Party Receivables	1,330	1,530
1.02.01.09.03	Receivables from Subsidiaries	1,330	1,530
1.02.01.10	Other Noncurrent Assets	13,635	13,274
1.02.01.10.03	Other Taxes Recoverable	10,165	9,625
1.02.01.10.04	Judicial Deposits	3,066	3,124
1.02.01.10.05	Other Assets	404	525
1.02.02	Investments	4	4
1.02.02.01	Equity Interests	4	4
1.02.02.01.05	Other Investments	4	4
1.02.03	Property, Plant and Equipment	1,053,584	1,034,437
1.02.03.01	Property, Plant and Equipment in Operation	457,206	447,158
1.02.03.02	Right-of-Use - Lease	596,378	587,279
1.02.04	Intangible assets	78,228	76,736
1.02.04.01	Intangible Assets	78,228	76,736
1.02.04.01.02	Intangible Assets	78,228	76,736

Consolidated Financial Statements / Statement of Financial Position - Liabilities and Equity

(In thousands of reais)

Account Code	Account Description	Current quarter 03/31/2023	Prior year 12/31/2022
2	Total Liabilities	2,816,567	2,733,126
2.01	Current Liabilities	1,066,097	1,008,234
2.01.01	Social and Labor Obligations	66,529	60,105
2.01.01.01	Social Obligations	15,789	13,973
2.01.01.02	Labor Obligations	50,740	46,132
2.01.02	Trade Accounts Payable	456,113	555,452
2.01.02.01	Trade Accounts Payable - Local	456,113	555,452
2.01.03	Tax Obligations	28,216	30,583
2.01.03.01	Federal Tax Obligations	7,125	6,626
2.01.03.01.01	Income and Social Contribution Taxes Payable	819	1,757
2.01.03.01.02	Other Federal Tax Liabilities	6,306	4,869
2.01.03.02	State Tax Liabilities	19,516	22,345
2.01.03.03	Municipal Tax Liabilities	1,575	1,612
2.01.04	Loans and Financing	459,713	270,488
2.01.04.01	Loans and Financing	175,511	0
2.01.04.01.01	In local currency	175,511	0
2.01.04.02	Debentures	126,826	118,395
2.01.04.03	Financing Through Lease	157,376	152,093
2.01.05	Other Obligations	52,683	88,862
2.01.05.02	Other	52,683	88,862
2.01.05.02.01	Dividends and Interest on Equity Payable	-2,608	5,518
2.01.05.02.04	Profit Sharing Payable	1,617	16,879
2.01.05.02.05	Other Liabilities	53,674	66,465
2.01.06	Provisions	2,843	2,744
2.01.06.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	2,843	2,744
2.01.06.01.05	Other Provisions	2,843	2,744
2.02	Noncurrent Liabilities	623,644	616,730
2.02.01	Loans and Financing	609,147	601,052
2.02.01.02	Debentures	116,429	116,429
2.02.01.03	Financing Through Lease	492,718	484,623
2.02.02	Other Obligations	6,820	6,665
2.02.02.02	Other	6,820	6,665
2.02.02.02.04	Other Obligations	6,820	6,665
2.02.04	Provisions	7,677	9,013
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	7,677	9,013
2.02.04.01.01	Provisions for Tax Contingencies	1,412	1,604
2.02.04.01.02	Provisions for Social Security and Labor Contingencies	6,265	7,409
2.03	Consolidated Equity	1,126,826	1,108,162
2.03.01	Paid-in Capital	928,552	928,552
2.03.01.01	Capital	943,000	943,000
2.03.01.02	Share Issue Costs	-14,448	-14,448
2.03.02	Capital Reserves	-28,920	-29,368
2.03.02.05	Treasury Shares	-35,844	-35,139
2.03.02.07	Goodwill Reserve	-268	-268
2.03.02.08	Reserve for Long-Term Incentive	7,192	6,039
2.03.04	Income reserves	208,978	208,978

**Consolidated Financial Statements / Statement of Financial Position -
Liabilities and Equity****(In thousands of reais)**

Account Code	Account Description	Current quarter 03/31/2023	Prior year 12/31/2022
2.03.04.01	Legal Reserve	9,201	9,201
2.03.04.07	Tax Incentive Reserve	154,690	154,690
2.03.04.08	Proposed Additional Dividend	17,971	17,971
2.03.04.10	Reserve for Capital Increase	27,116	27,116
2.03.05	Retained Earnings/Accumulated Losses	18,216	0

Consolidated Financial Statements / Statement of Profit or Loss**(In thousands of reais)**

Account Code	Account Description	Current YTD 01/01/2023 to 03/31/2023	Prior YTD 01/01/2022 to 03/31/2022
3.01	Revenue from Sales of Goods and/or Services	1,027,411	901,550
3.01.01	Gross Sales of Products and Services	1,105,711	969,334
3.01.02	Sales Taxes	-65,673	-55,971
3.01.03	Returns and Unconditional Discounts	-12,627	-11,813
3.02	Cost of Sales and/or Services	-713,653	-626,076
3.03	Gross Income	313,758	275,474
3.04	Operating Income/Expenses	-276,195	-249,632
3.04.01	Selling Expenses	-255,222	-231,461
3.04.02	General and Administrative Expenses	-27,350	-23,874
3.04.04	Other Operating Income	6,377	5,703
3.05	Income Before Finance Income (Costs) and Taxes	37,563	25,842
3.06	Finance Income (Costs)	-18,386	-11,172
3.06.01	Finance Income	6,462	4,361
3.06.02	Finance Costs	-24,848	-15,533
3.07	Income Before Income Taxes	19,177	14,670
3.08	Income and Social Contribution Taxes	-961	5,938
3.08.01	Current	496	5,118
3.08.02	Deferred	-1,457	820
3.09	Net Income from Continuing Operations	18,216	20,608
3.11	Consolidated Income (Loss) for the Period	18,216	20,608
3.11.01	Attributable to Controlling Shareholders	18,216	20,608
3.99	Earnings per Share (Reais / Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common Shares	0.12	0.14
3.99.02	Diluted Earnings per Share		
3.99.02.01	Registered Common Shares	0.12	0.14

Consolidated Financial Statements/ Statement of Comprehensive Income**(In thousands of reais)**

Account Code	Account Description	Current YTD 01/01/2023 to 03/31/2023	Prior YTD 01/01/2022 to 03/31/2022
4.01	Consolidated Net Income for the Period	18,216	20,608
4.03	Consolidated Comprehensive Income for the Period	18,216	20,608
4.03.01	Attributable to Controlling Shareholders	18,216	20,608

Consolidated Financial Statements / Statement of Cash Flows (Indirect Method)

(In thousands of reais)

Account Code	Account Description	Current YTD 01/01/2023 to 03/31/2023	Prior YTD 01/01/2022 to 03/31/2022
6.01	Net Cash from Operating Activities	-491	-22,649
6.01.01	Cash from Operations	86,675	69,345
6.01.01.01	Net Income for the Period	18,216	20,608
6.01.01.02	Depreciation and Amortization	49,606	46,019
6.01.01.03	Provision for Contingent Liabilities	-1,336	-1,149
6.01.01.04	Cost of Permanent Asset Written Off/Sold	1,828	3,840
6.01.01.05	Allowance for Expected Credit Losses	211	981
6.01.01.06	Provision for inventory losses	-446	-121
6.01.01.07	Stock Option Plan or Share Subscription	1,153	748
6.01.01.08	Tax Credits from Legal Proceeding	0	-4,896
6.01.01.09	Deferred Income and Social Contribution Taxes	1,457	-820
6.01.01.11	Interest Expenses on Loan/Financing	10,299	3,539
6.01.01.12	Interest expenses on leases	11,544	9,302
6.01.01.15	Other	295	-1,848
6.01.01.17	Rendering of service related to legal proceeding	0	280
6.01.01.18	Short-term investment yields	-5,656	0
6.01.01.19	Current Income and Social Contribution Taxes	-496	-5,118
6.01.01.20	Discounts on Leases	0	-2,020
6.01.02	Changes in Assets and Liabilities	-87,166	-91,994
6.01.02.01	Credits Receivable - Customers	8,174	-15,968
6.01.02.02	Inventories	22,498	-114,490
6.01.02.03	Trade Accounts Payable	-99,339	38,183
6.01.02.05	Taxes, contributions and social obligations	4,553	1,123
6.01.02.06	Judicial Deposits	58	-77
6.01.02.07	Other Taxes Recoverable	1,440	-8,092
6.01.02.08	Other Asset Groups	4,309	-12,288
6.01.02.09	Other Liability Groups	-27,799	20,794
6.01.02.11	Income and Social Contribution Taxes (IRPJ and CSLL) Paid	-1,060	-1,179
6.02	Net Cash from Investing Activities	-135,284	52,637
6.02.01	Acquisition of Property, Plant and Equipment	-23,061	-45,084
6.02.02	Acquisition of intangible assets	-6,239	-7,189
6.02.03	Short-Term Investments	-105,984	104,910
6.03	Net Cash from Financing Activities	124,427	-41,104
6.03.01	Payment of dividends and interest on equity	-8,126	-5,809
6.03.03	Loans/Financing (Principal) Taken out	175,000	0
6.03.04	Payment of lease	-40,385	-34,713
6.03.06	Acquisitions of own shares	-705	-582
6.03.09	Repayment of interest on financing and leases	-1,357	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	-11,348	-11,116
6.05.01	Cash and Cash Equivalents at Beginning of Period/Year	25,715	54,435
6.05.02	Cash and Cash Equivalents at end of Period/Year	14,367	43,319

Consolidated Financial Statements / Statement of Changes in Equity - SCE - 01/01/2023 to 03/31/2023**(In thousands of reais)**

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity	Noncontrolling Interests	Equity Consolidated
5.01	Opening Balances	928,552	-29,368	208,978	0	0	1,108,162	0	1,108,162
5.03	Adjusted Opening Balances	928,552	-29,368	208,978	0	0	1,108,162	0	1,108,162
5.04	Capital Transactions with Shareholders	0	448	0	0	0	448	0	448
5.04.04	Treasury Shares Acquired	0	-705	0	0	0	-705	0	-705
5.04.08	Fair Value of Matching Share Plan	0	1,153	0	0	0	1,153	0	1,153
5.05	Total Comprehensive Income	0	0	0	18,216	0	18,216	0	18,216
5.05.01	Net Income for the Period	0	0	0	18,216	0	18,216	0	18,216
5.07	Closing Balances	928,552	-28,920	208,978	18,216	0	1,126,826	0	1,126,826

Consolidated Financial Statements / Statement of Changes in Equity - SCE - 01/01/2022 to 03/31/2022**(In thousands of reais)**

Account Code	Account Description	Paid-in capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity	Noncontrolling interests	Consolidated Equity
5.01	Opening Balances	903,552	-33,409	176,052	0	0	1,046,195	0	1,046,195
5.03	Adjusted Opening Balances	903,552	-33,409	176,052	0	0	1,046,195	0	1,046,195
5.04	Capital Transactions with Shareholders	0	166	0	0	0	166	0	166
5.04.04	Treasury Shares Acquired	0	-582	0	0	0	-582	0	-582
5.04.09	Fair value of Matching Share plan	0	748	0	0	0	748	0	748
5.05	Total Comprehensive Income	0	0	0	20,608	0	20,608	0	20,608
5.05.01	Net Income for the Period	0	0	0	20,608	0	20,608	0	20,608
5.07	Closing Balances	903,552	-33,243	176,052	20,608	0	1,066,969	0	1,066,969

Consolidated Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	Current YTD - 01/01/2023 to 03/31/2023	Prior YTD - 01/01/2022 to 03/31/2022
7.01	Revenues	1,197,408	1,019,279
7.01.01	Sales of Goods, Products and Services	1,123,336	957,521
7.01.02	Other Revenues	74,283	62,738
7.01.04	Reversal of/Allowance for Expected Credit Losses	-211	-980
7.02	Bought-in Inputs	-880,285	-752,366
7.02.01	Costs of Goods, Products and Services Sold	-803,842	-678,325
7.02.02	Materials, Electric Power, Third-Party Services and Other Expenses	-82,596	-78,568
7.02.03	Loss/Recovery of Assets	6,153	4,527
7.03	Gross Value Added	317,123	266,913
7.04	Retentions	-49,607	-46,019
7.04.01	Depreciation, Amortization and Depletion	-49,607	-46,019
7.05	Net Value Added Produced	267,516	220,894
7.06	Value Added Received in Transfer	6,715	4,721
7.06.02	Finance Income	6,715	4,721
7.07	Total Value Added to be Distributed	274,231	225,615
7.08	Distribution of Value Added	274,231	225,615
7.08.01	Personnel	121,366	106,094
7.08.01.01	Direct Compensation	101,455	88,710
7.08.01.02	Benefits	11,281	10,099
7.08.01.03	Unemployment Compensation Fund (FGTS)	8,630	7,285
7.08.02	Taxes, Charges and Contributions	102,229	78,519
7.08.02.01	Federal Taxes	34,052	21,107
7.08.02.02	State Taxes	65,337	55,231
7.08.02.03	Local Taxes	2,840	2,181
7.08.03	Debt Remuneration	32,420	20,394
7.08.03.01	Interest	25,216	15,893
7.08.03.02	Rent	7,204	4,501
7.08.04	Equity Remuneration	18,216	20,608
7.08.04.02	Dividends	18,216	20,608

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information
March 31, 2023
(In thousands of reais)

Operations

1.1. Operations

Dimed S.A. Distribuidora de Medicamentos or “Dimed” and its subsidiaries (jointly referred to as the “Company”), with head office in the city of Eldorado do Sul, state of Rio Grande do Sul, is primarily engaged in the sale of medicines, perfumery, personal care and beauty products, cosmetics and dermocosmetics. To support its sales, the Company has distribution centers in the states of Rio Grande do Sul, Paraná and Espírito Santo, in addition to 565 stores distributed among the states of Rio Grande do Sul (385 stores), Santa Catarina (76 stores), Paraná (96 stores) and São Paulo (8 stores). In the 12-month period, the Company opened the total of 59 stores, 14 of which in the first quarter of 2023. Over this quarter, it also closed 3 stores and 2 stores were transferred, since they had a low capacity to improve performance.

The parent company is a corporation listed on B3 S.A. - BRASIL, BOLSA, BALCÃO (ticker symbol PNVL3).

Subsidiary Laboratório Industrial Farmacêutico Lifar Ltda. operates in the industrial segment, producing a wide range of products in the cosmetics, food, medicine and outsourced production segments. It is responsible for most of the production of the own brand product line from the Company’s pharmacy chain and parent company of Empresa Lifar Distribuidora de Produtos Farmacêuticos Ltda., which is engaged in the distribution of the products produced.

Subsidiary Dimesul Gestão Imobiliária Ltda. is engaged in the purchase, sale, intermediation, subdivision, lease, rent, management and administration of own or third-party properties, with a view to centralizing and optimizing the management of the Company’s properties.

1.2. Authorization for issue of the quarterly information

The issue of these individual and consolidated interim financial statements was authorized by the Company’s Board of Directors on May 10, 2023.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
(In thousands of reais)

1. Summary of significant accounting policies

Significant accounting policies used in preparing these individual and consolidated interim financial statements are described below. These policies have been consistently applied for all years presented.

2.1. Basis of preparation and presentation of individual and consolidated interim financial statements

The Company's interim financial information, contained in the Quarterly Information Form (ITR), for the quarter ended March 31, 2023 was prepared and is being presented in accordance with CPC 21 (R1) - Interim Financial Reporting, issued by Brazil's Financial Accounting Standards Board - FASB ("CPC") and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

Company management understands that all significant information related to the interim financial statements is disclosed and corresponds to the information used to manage the Company's operations.

The interim financial statements were prepared by the Company to update the users on the relevant information presented for the period and should be analyzed together with the whole financial statements for the year ended December 31, 2022.

The preparation of interim financial statements is based on historical cost, except for financial instruments measured at fair value, as per Note 5, which require the use of certain accounting estimates that affect the balances of asset, liability and profit or loss accounts, as well as the exercise of judgment by management members in the process of applying the Company's accounting policies. The most significant effects on the book accounts that involve the use of estimates or that require more complex judgments are disclosed in Note 3.

In preparing these interim financial statements, the Company followed the same accounting policies and calculation methods as were applied in the individual and consolidated financial statements as at December 31, 2022. The Company adopted all standards, revised standards and interpretations issued by Brazil's FASB ("CPC"), IASB and regulators that were effective as at March 31, 2023.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.1. Basis of preparation and presentation of individual and consolidated interim financial statements (Continued)

The presentation of the individual and consolidated Statement of Value Added (SVA) is required by the Brazilian Corporation Law and by the accounting practices adopted in Brazil applicable to publicly-held companies. The Statement of Value Added is not required under IFRS. As a result, under IFRS, this statement is presented as supplementary information, without prejudice to the set of financial statements.

The consolidated interim financial statements include the operations of the Company and of the following subsidiaries:

Company	Activity	Direct equity interest	
		2023	2022
Laboratório Industrial Farmacêutico Lifar Ltda.	Production of cosmetics, food, medicines and outsourced production.	99.99%	99.99%
Dimesul Gestão Imobiliária Ltda.	Management and administration of own and/or third-party properties and operation of marketplace activities.	99.99%	99.99%

Company	Activity	Indirect equity interest	
		2023	2022
Lifar Distribuidora de Produtos Farmacêuticos Ltda.	Pharmaceutical products distributor.	99.97%	99.97%

These consolidated interim financial statements are prepared in accordance with the consolidation practices and applicable legal provisions. The accounting practices adopted by the Subsidiary were consistently applied and are consistent with the ones adopted by the Company. Where applicable, all transactions, balances, revenues and expenses between the Subsidiary and the Company are fully eliminated from the consolidated interim financial statements.

The financial statement period of the subsidiaries included in the consolidation coincides with that of the Parent Company and the accounting policies have been consistently applied in the consolidated companies and are consistent with those used in prior year.

Income for the year is fully attributed to the controlling interests given that equity interest held by noncontrolling interests corresponds to 0.01% of the consolidated.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.2. Standards and interpretations not in force

2.2.1. Amendment to IAS 1, related with CPC 26 - Classification of liabilities into current and noncurrent

The amendments to paragraphs 69 to 76 of IAS 1, related to CPC 26, which addresses the requirements for classifying liabilities with uncertain liquidation, in the statement of financial position, as current or noncurrent became effective on January 1, 2023. The Company identified no impacts arising from these amendments.

2.2.2. Amendment to IAS 1, related to CPC 26 (R1) and IFRS 2 - Disclosure of accounting policies

It addresses the application of materiality judgment for disclosure of accounting policies, instead of applying the concept of significant policies, and became effective on January 1, 2023. Considering that the financial statements are prepared based on significant accounting policies, this amendment had no impact on the Company.

2.2.3. Amendment to IAS 8, related to CPC 23 - Definition of accounting estimates

This amendment addresses the differences between changes in accounting estimates and changes in accounting policies and correction of errors as well as inputs regarding the development of these estimates. It is effective for annual reporting periods beginning on or after January 1, 2023. According to the Company's evaluation, these amendments had no impact on the currently adopted accounting practices.

2.2.4. Amendment to IAS 12 - Deferred taxes related to assets and liabilities deriving from a single transaction

This amendment became effective on January 1, 2023 and aims to clarify how entities should account for deferred tax on certain transactions, limiting the scope of exemptions upon initial recognition, so that it is no longer applicable to transactions that give rise to equal and offsetting temporary differences. It had no impact on the financial statements, according to the Company's evaluation.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

(In thousands of reais)

3. Significant accounting estimates and judgments

In preparing these interim financial statements, it is necessary to use estimates to account for certain assets, liabilities and other transactions. Therefore, the interim financial statements include various estimates referring to the allowance for expected credit losses, provision for inventory losses, assessment of the useful lives of property, plant and equipment, loyalty program, provisions required for contingent liabilities and determination of provisions for income tax. Since management's judgment involves determining estimates related to the likelihood of future events, actual results may differ from these estimates. The estimates considered to be more critical by management, which may have significant effects on the accounting balances, are described below:

3.1. Provision for inventory losses

The provision for inventory losses is estimated based on the inventories of stores and distribution centers, whose maturity dates are close to the expiration date, and deemed sufficient by management to cover the risk of loss on these inventories. These amounts are stated in Note 8. The Company monthly evaluates and writes off items that are already past due and damaged.

3.2. Allowance for expected credit losses

The allowance for expected credit losses is based on certain assumptions and involves management's judgment, consistent with the accounting policies disclosed in Note 2.5.4 to the financial statements as at December 31, 2022. The amounts are described in Note 7.

3.3. Provisions for tax, civil and labor contingencies

The estimates to set up the provisions for contingencies are analyzed by management, based on the opinion of the Company's lawyers, where factors such as the hierarchy of laws, available case law, most recent court decisions and their relevance in the legal system are considered. The realization of these estimates may result in amounts different from those recorded in the accounts depending on the outcome of each legal or administrative proceeding.

3.4. Contractual payments

The estimates for the accounting recognition of negotiations for payments are based on the transactions with suppliers, consistently with the accounting practices disclosed in Note 2.8 to the financial statements as at December 31, 2022. These amounts may be verified in Note 27, under "Reimbursement of capital contribution costs".

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

(In thousands of reais)

3. Significant accounting estimates and judgments (Continued)

3.5. Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the broad scope of tax legislation and the long-term nature and complexity of existing contractual arrangements, differences between actual results and assumptions adopted, or future changes to such assumptions could require future adjustments to the previously recorded tax income and expense.

When determining current and deferred income tax, the Company takes into consideration the impact of uncertain tax positions. The Company understands that the provision for income tax is adequate based on the assessment of various factors, including interpretations of tax laws and the opinion of its legal advisors.

The Company sets up provisions, based on reliable estimates, for possible consequences from audits by tax authorities of the respective jurisdictions in which it operates. The amount of these provisions is based on various factors, such as past tax audit experience and different interpretations of tax regulations by the taxable entity and by the competent tax authority. These different interpretations may arise in a wide range of issues, depending on the prevailing conditions in the respective domicile of the Company.

Management's significant judgment is required to determine the amount of deferred tax assets recognizable based on probable term and future taxable profit levels, together with future tax planning strategies.

The Company has ICMS tax benefits and incentives in certain states where it operates. These incentives were considered an investment grant under the terms of Supplementary Law No. 160/2017. These incentives, when calculated, are allocated to the Tax Incentive Reserve (Note 22). Incentive-related resources are not distributed as dividends. In compliance with ICPC 22 (IFRIC 23), management carried out, assisted by its legal advisors, an analysis of the acceptability of the tax treatment described, concluding that it is likely that the tax authority will accept it.

3.6. Discount rate of IFRS 16/CPC 06 (R2)

Estimates for determining the discount rate are based on assumptions, as described in Note 20.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
(In thousands of reais)

4. Financial risk management

4.1. Financial risk factors

The Company's activities expose it to various financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and currency risk. The Company's global risk management program is concentrated in the unpredictability of the financial markets and aims to minimize potential adverse effects on the Company's financial performance.

Risk management is conducted by the Company's Controllershship. The Controllershship, through the Treasury Department, identifies, evaluates and prevents possible financial risks in cooperation with the Company's operational units. The Board of Directors establishes global risk management principles, including for specific areas, such as interest rate risk, credit risk, use of nonderivative financial instruments and investment of cash surplus.

4.1.1. Market risk

a) *Interest rate risk*

The Company's interest rate risk arises from long-term borrowings and cash surplus invested in floating rate notes, such as Bank Deposit Certificates (CDBs). Borrowings and investments at variable rates expose the Company to the cash flow interest rate risk. Borrowings and investments issued at fixed rates expose the Company to the fair value interest rate risk. At March 31, 2023 and December 31, 2022, the Company's borrowings and investments at variable and fixed rates were kept in Brazilian reais.

The Company analyzes its exposure to interest rate in a dynamic manner. Scenarios are simulated, taking into consideration the refinancing, renewal of existing positions and alternative financing, as well as new investment possibilities for cash surplus. Based on these scenarios, the Company defines a reasonable interest rate change and calculates its impact on profit or loss. The scenarios are prepared only for liabilities and assets representing key interest-bearing positions.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
(In thousands of reais)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

4.1.1. Market risk (Continued)

a) *Interest rate risk* (Continued)

Sensitivity analysis

The sensitivity analysis of interest rates on financial instruments of the Company and its subsidiaries is presented below, which describes the risks that may generate significant variations, with the most probable scenario (scenario I) according to management's assessment, considering a 12-month period. There are two other scenarios, in which interest rates increase (scenario II) and decrease (scenario III), both with a possible 25% and 50% variation in interest rates.

Rate/Operation	Scenario I	Increase in interest		Decrease in interest	
	Probable	Possible +25%	Remote +50%	Possible (-25%)	Remote -50%
Average CDI	12.92%	16.16%	19.41%	9.67%	6.41%
Short-Term Investments	13,096	16,246	19,376	9,926	6,734
Debentures	(25,710)	(31,438)	(37,069)	(19,881)	(13,944)

4.1.2. Credit risk

Credit risk is managed on a corporate-level basis and arises from cash and cash equivalents, as well as credit exposures with customers, both legal entities and individuals, including outstanding receivables and repurchase agreements. For banks and financial institutions, only notes of entities that have compensating transactions with the Company are accepted. The Credit Analysis area assesses the customer creditworthiness, taking into consideration its financial position, past experience and other factors. Individual risk limits are established based on internal or external ratings, according to the limits determined by the Board of Directors and management. The use of credit limits is regularly monitored by management. Sales to customers of retail branches are settled in local currency, check, agreements or by means of the main credit cards existing in the market.

The carrying amount of financial assets represents the maximum credit risk exposure.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
(In thousands of reais)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

4.1.2. Credit risk (Continued)

Cash flow projection is carried out on a corporate-level basis in the treasury department, based on information provided by the operating units and the procurement department. The Treasury Department monitors the forecasts of the Company's liquidity requirements to ensure that it has cash sufficient to meet its operating needs. It also keeps sufficient margin of credit facilities available for the Company at any time, so that it does not exceed limits or breach loan agreement clauses (where applicable) in any of its credit facilities. Such projection takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal ratio targets of the statement of financial position and, if applicable, external regulatory or legal requirements - for instance, currency restrictions.

4.1.3. Liquidity risk

Any cash surplus held by the operational entities, in addition to the amount required for working capital management purposes, is managed by the treasury department, which invests the cash surplus in short-term investments, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient margins as determined by the above-mentioned forecasts. At March 31, 2023, the Company had short-term investments amounting to R\$196,580 in the Individual and R\$243,280 in the consolidated interim financial statements, which generated cash inflows to manage liquidity risk.

The table below analyzes the Company's nonderivative financial liabilities, by maturity date, corresponding to the remaining period in the statement of financial position up to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
 March 31, 2023
 (In thousands of reais)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

4.1.3. Liquidity risk (Continued)

	Consolidated				
	Contractual cash flow	Within 1 year	From 1 to 2 years	From 3 to 5 years	Above 5 years
At March 31, 2023					
Trade Accounts Payable	456,113	456,113	-	-	-
Lease	650,094	157,376	145,503	216,549	130,666
Loans and Financing	421,093	312,143	108,950	-	-
Total	1,527,300	925,632	254,453	216,549	130,666

	Consolidated				
	Contractual cash flow	Within 1 year	From 1 to 2 years	From 3 to 5 years	Above 5 years
At December 31, 2022					
Trade Accounts Payable	555,452	555,452	-	-	-
Lease	636,716	152,093	143,112	212,991	128,520
Loans and Financing	270,856	141,947	128,909	-	-
Total	1,463,024	849,492	272,021	212,991	128,520

4.2. Capital management

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern in order to provide return for its shareholders and benefits for other stakeholders, in addition to maintain an optimal target capital structure to reduce the cost of capital.

To maintain or adjust its capital structure, the Company may revise the policy for payment of dividends, return capital to shareholders, issue new shares, or sell assets to reduce its indebtedness, for instance. In line with other companies in the sector, the Company monitors capital based on the financial leverage ratio. This ratio corresponds to the net debt divided by total capital. Net debt, in its turns, corresponds to total loans (including short and long-term loans, as stated in the consolidated statement of financial position), deducted from cash and cash equivalents. Total capital is calculated through the sum of equity, as stated in the consolidated statement of financial position, plus net debt.

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Notes to the quarterly information (Continued)
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4. Financial risk management (Continued)

4.2. Capital management (Continued)

The Company's business strategy is to maintain its net financial indebtedness, compared to the sum of net financial debt and equity, at low levels. Financial leverage ratios at March 31, 2023 and December 31, 2022 are summarized as follows:

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Total loans (Note 17)	418,766	234,824	418,766	234,824
Less:				
Cash and cash equivalents (Note 6)	(13,075)	(23,517)	(14,367)	(25,715)
Short-term investments (Note 6)	(196,580)	(87,967)	(243,280)	(131,640)
Net debt - A	209,111	123,340	161,119	77,469
Total equity	1,126,826	1,108,162	1,126,826	1,108,162
Total capital - B	1,335,937	1,231,502	1,287,945	1,185,631
Ratio - % - A/B (*)	15.65	10.02	12.51	6.53

5. Financial instruments by category

5.1. Classification of financial assets

At March 31, 2023 and December 31, 2022, financial assets are classified as follows:

	03/31/2023			
	Individual		Consolidated	
	Amortized cost	Fair value through profit or loss	Amortized cost	Fair value through profit or loss
Cash and cash equivalents	-	13,075	-	14,367
Short-term Investments	-	196,580	-	243,280
Trade and other accounts receivable	449,203	-	452,569	-
	449,203	209,655	452,569	257,647

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Notes to the quarterly information (Continued)
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5. Financial instruments by category (Continued)

5.1. Classification of financial instruments (Continued)

	12/31/2022			
	Individual		Consolidated	
	Amortized cost	Fair value through profit or loss	Amortized cost	Fair value through profit or loss
Cash and cash equivalents	-	23,517	-	25,715
Short-term investments	-	87,967	-	131,640
Trade and other accounts receivable	462,864	-	464,731	-
	<u>395,486</u>	<u>111,484</u>	<u>464,731</u>	<u>157,355</u>

5.2. Classification of financial liabilities

	Individual		Consolidated	
	Amortized cost		Amortized cost	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Trade accounts payable	459,066	562,322	456,113	555,452
Loans and Financing	418,766	234,824	418,766	234,824
Lease obligations	650,094	636,716	650,094	636,716
	<u>1,527,926</u>	<u>1,433,862</u>	<u>1,524,973</u>	<u>1,426,992</u>

Fair values are determined based on market price quotations, when available, or in their absence, the present value of expected cash flows. The fair values of cash and cash equivalents, trade and other accounts receivable, and trade accounts payable are equivalent to their carrying amounts.

The estimated fair value of loans and financing in the individual and consolidated financial statements as at March 31, 2023 was R\$421,092, calculated at current market rates, considering their nature, term and risks, and can be compared with their carrying amount of R\$418,766.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
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5. Financial instruments by category (Continued)

5.3. Fair value hierarchy

The Company applies CPC 40 (R1) for financial instruments, which requires the disclosure of fair value measurements based on the following hierarchy levels:

Level 1: prices quoted (unadjusted) in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs that have a material effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques using inputs that have a material effect on the fair value recorded that are not based on observable market data.

The Company's financial instruments are measured using the Level 2 valuation technique. There were no transfers between levels 1, 2 and 3 until March 31, 2023.

6. Cash and cash equivalents and marketable securities

6.1. Cash and cash equivalents

	Average rate (% p.a.)	Individual		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash on hand (retail branches)	-	5,250	4,821	5,266	4,836
Short-term bank deposits	-	1,794	5,299	3,070	7,473
Short-term investments - fixed income (*)	86% of CDI	6,031	13,397	6,031	13,406
		13,075	23,517	14,367	25,715

(*) Short-term investments mostly refer to Bank Deposit Certificates (CBD) and repurchase agreements, remunerated at a CDI percentage. Information on investment liquidity is detailed in Note 4.

6.2. Marketable securities

	Average rate (% p.a.)	Individual		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Boutique investment fund	99% of CDI	196,580	87,967	240,857	131,113
Investment fund	98% of CDI	-	-	2,423	527
		196,580	87,967	243,280	131,640

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Notes to the quarterly information (Continued)
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6. Cash and cash equivalents and marketable securities (Continued)

6.2. Marketable securities (Continued)

Short-term investments by type are broken down as follows:

Type	Consolidated	
	03/31/2023	12/31/2022
Investment funds	176,996	106,862
CDB	735	711
Debentures	11,779	12,732
Financial Bills	3,951	3,995
Financial Treasury Bills ("LFT")	49,008	6,198
Credit Note ("NC")	811	827
Supplementary Subordinated Financial Bills ("LFSC")	-	315
	243,280	131,640

GD FIM Crédito Privado is a private credit fixed income fund under the management, administration and custody of BRAM - Bradesco Asset Management S.A. DTVM. The investment fund does not have significant financial obligations. These are limited to asset management fees, custody fees, audit fees and expenses. The fund is exclusively for the benefit of the Company and, therefore, the financial investment in the investment fund in which the Company holds an exclusive interest has been consolidated.

7. Trade accounts receivable

7.1 Breakdown of trade accounts receivable

Trade accounts receivable comprise receivables for the sales of goods.

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Trade accounts receivable	97,232	88,645	100,328	90,384
Accounts receivable - credit cards	298,160	316,278	298,160	316,278
Provision for financial charges	(1,312)	(1,017)	(1,312)	(1,017)
Allowance for expected credit losses	(6,683)	(6,472)	(6,683)	(6,472)
Trade accounts receivable, net	387,397	397,434	390,493	399,173

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Notes to the quarterly information (Continued)
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7. Trade accounts receivable (Continued)

7.1. Breakdown of trade accounts receivable (Continued)

Aging list of trade accounts receivable:

	<u>03/31/2023</u>	<u>12/31/2022</u>
Falling due		
Within 30 days	210,057	219,274
31 to 60 days	111,141	93,416
61 to 90 days	40,085	38,545
91 to 120 days	15,697	19,573
121 to 150 days	4,700	12,214
151 to 180 days	1,419	4,603
Above 180 days	399	2,769
	<u>383,498</u>	<u>390,394</u>
Past due		
Within 30 days	2,231	4,290
31 to 90 days	1,681	1,686
Above 90 days	7,982	8,553
	<u>11,894</u>	<u>14,529</u>
Provision for financial charges	(1,312)	(1,017)
Allowance for expected credit losses	(6,683)	(6,472)
Total Individual	<u>387,397</u>	<u>397,434</u>
Trade accounts receivable (Lifar) – Falling due	2,477	1,391
Trade accounts receivable (Lifar) – Overdue	619	348
Total - Consolidated	<u>390,493</u>	<u>399,173</u>

7.2. Estimated credit losses

The allowance for losses on receivables is set up based on CPC48/IFRS 9 methodology. The expected loss is estimated based on the analysis of the portfolio's performance, taking into consideration the likelihood of default and loss that each delay range presents. Changes in provision for impairment of accounts receivable are as follows:

	Individual		Consolidated	
	<u>03/31/2023</u>	<u>12/31/2022</u>	<u>03/31/2023</u>	<u>12/31/2022</u>
Balance at beginning of period	(6,472)	(5,361)	(6,472)	(5,361)
Supplemental provision	(1,656)	(3,133)	(1,656)	(3,133)
Provision amounts written off	1,445	2,022	1,445	2,022
	<u>(6,683)</u>	<u>(6,472)</u>	<u>(6,683)</u>	<u>(6,472)</u>

Recognition and derecognition of the allowance for expected credit losses were recorded in the statement of profit or loss for the year as "Net losses on receivables". The amounts charged to the allowance account are written off when there is no expectation of recovery of funds. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of the abovementioned receivables.

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8. Inventories

8.1. Breakdown of inventories

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Goods for resale	853,369	876,602	855,500	878,120
Finished products	-	-	4,159	3,756
Raw materials	-	-	3,554	3,763
Consumables/storeroom supplies	6,225	6,550	11,617	11,689
(-) Provision for inventory losses	(312)	(713)	(347)	(793)
	859,282	882,439	874,483	896,535

8.2. Estimated inventory losses

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Opening balance	(713)	(476)	(793)	(649)
Supplemental provision	(310)	(3,019)	(345)	(3,298)
Provision amounts written off	711	2,782	791	3,154
Balance at end of year	(312)	(713)	(347)	(793)

9. Income and social contribution taxes recoverable

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Corporate Income Tax - IRPJ	18,209	20,516	18,906	20,938
Social Contribution Tax on Net Profit - CSLL	5,745	5,548	5,848	5,649
	23,954	26,064	24,754	26,587

In the first quarter of 2022, the Company carried out a survey and determined tax credits relating to the res judicata decision on the lawsuit in which it claimed the non-levy of IRPJ and CSLL on the reimbursed amounts referring to insurance indemnity, thus recognizing the right to the credit. Accordingly, the Company calculated and recorded credits in the total amount of R\$16,862, of which R\$12,811 refer to principal and R\$4,051 refer to monetary restatement, arising from the res judicata decision on the lawsuit. The Company filed a request to validate the credits with the Brazilian IRS (SRF), which was approved on March 31, 2022. The offsets have not yet started, but it is expected that these credits will be offset within 12 months. At March 31, 2023, the restated remaining balance is R\$15,887, of which R\$11,102 refer to principal and R\$4,785 refer to monetary restatement.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

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10. Taxes recoverable

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current				
State Value Added Tax - ICMS	10,587	6,668	11,264	7,358
Contribution Tax on Gross Revenue for Social Integration Program - PIS	190	296	206	296
Contribution Tax on Gross Revenue for Social Security Financing - COFINS	878	1,350	949	1,350
Credit relating to the exclusion of the ICMS from the PIS and COFINS tax base	17	2,408	678	4,018
Other	53	276	95	317
	11,725	10,998	13,192	13,339
Noncurrent				
State Value Added Tax - ICMS	10,165	9,625	10,165	9,625
	10,165	9,625	10,165	9,625
<u>ICMS on PIS and COFINS tax base</u>				

In January 2021, the Company closed the proceeding referring to the res judicata decision on the lawsuits that challenged the exclusion of the ICMS from the PIS and COFINS tax base, determining that the ICMS does not make up the PIS and COFINS tax base, therefore recognizing the right to the credit. With regard to the ICMS to be excluded, the decision recognized that “the plaintiff may exclude from the PIS and COFINS tax base the ICMS recorded in the sales invoices of its establishment, in order to, once adjusted the new tax base, determine the amounts unduly paid”.

At December 31, 2022, the remaining credit referring to this procedure, after offsets made over the year was R\$2,408 (R\$1,482 referring to principal and R\$926 referring to monetary restatement). In the first quarter of 2023, the Company completed the total of offsets. At December 31, 2022, subsidiary LIFAR that was also awarded a final and unappealable decision on the lawsuit to exclude the ICMS from the PIS and COFINS tax base, based on the ICMS recorded in sales invoices, had the total amount of R\$1,610 to be offset (R\$4,484 at December 31, 2021). At March 31, 2023, the remaining balance amounts to R\$661. Management expects these tax credits will be offset within 6 months.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

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11. Investments in subsidiaries

11.1 Changes in investments

Investments in subsidiaries are recorded based on the equity method, as follows:

	03/31/2023							
	Capital	Units of interest held (unit)	(%) Equity interest	Equity	Net income for the period	Opening balance at January 1	Equity pickup	Total investments
Laboratório Industrial Farmacêutico Lifar Ltda.	500	499,999	99.99%	31,728	544	29,408	596	30,004
Dimesul Gestão Imobiliária Ltda.	8,978	19,999	99.99%	47,269	1,198	46,070	1,198	47,268
						<u>75,478</u>	<u>1,794</u>	<u>77,272</u>
	12/31/2022							
	Capital	Units of interest held (unit)	(%) Equity interest	Equity	Net income (loss) for the period	Opening balance at January 1	Equity pickup	Total investments
Laboratório Industrial Farmacêutico Lifar Ltda.	500	499,999	99.99%	31,184	3,279	26,750	2,658	29,408
Dimesul Gestão Imobiliária Ltda.	8,978	19,999	99.99%	46,071	8,181	37,889	8,181	46,070
						<u>64,639</u>	<u>10,839</u>	<u>75,478</u>

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
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11. Investment in subsidiaries (Continued)

11.2 Breakdown of investments

Information related to the subsidiaries is shown below:

Subsidiaries - 2023	Control	03/31/2023		
		Assets	Liabilities	Equity
Laboratório Industrial Farmacêutico Lifar Ltda.	Direct equity interest	42,382	10,654	31,728
Lifar Distribuidora de Produtos Farmacêuticos Ltda.	Indirect equity interest	15,127	3,606	11,521
Dimesul Gestão Imobiliária Ltda.	Direct equity interest	47,847	578	47,269

Subsidiaries - 2022	Control	12/31/2022		
		Assets	Liabilities	Equity
Laboratório Industrial Farmacêutico Lifar Ltda.	Direct equity interest	41,746	10,562	31,184
Lifar Distribuidora de Produtos Farmacêuticos Ltda.	Indirect equity interest	15,848	4,957	10,891
Dimesul Gestão Imobiliária Ltda.	Direct equity interest	46,430	360	46,070

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Notes to the quarterly information (Continued)

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12. Property, plant and equipment

12.1. Summary of changes in property, plant and equipment (Individual)

The property, plant and equipment balance comprises own and leased assets. Leased properties are included in “Right of use”.

Individual	Properties	Machinery and equipment	Furniture and fixtures	Facilities	Computers and peripherals	Vehicles and aircraft	Improvements	Right of use	Total
Balance at December 31, 2022									
Cost	97,795	67,782	47,204	136,445	73,822	21,550	200,411	976,635	1,621,644
Accumulated depreciation	(9,526)	(20,501)	(21,778)	(55,058)	(50,747)	(932)	(49,472)	(389,356)	(597,370)
Net book balance	88,269	47,281	25,426	81,387	23,075	20,618	150,939	587,279	1,024,274
Acquisitions	1,157	3,235	2,976	6,585	1,852	-	7,095	42,773	65,673
Write-offs	(489)	-	(33)	(300)	(5)	-	(447)	(554)	(1,828)
Depreciation	(318)	(1,120)	(984)	(3,059)	(2,182)	(186)	(3,637)	(33,120)	(44,606)
Balance at March 31, 2023	88,619	49,396	27,385	84,613	22,740	20,432	153,950	596,378	1,043,513
Cost	98,463	71,017	50,113	142,529	75,457	21,549	206,841	1,019,409	1,685,378
Accumulated depreciation	(9,844)	(21,621)	(22,728)	(57,916)	(52,717)	(1,117)	(52,891)	(423,031)	(641,865)
Net book balance	88,619	49,396	27,385	84,613	22,740	20,432	153,950	596,378	1,043,513

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

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12. Property, plant and equipment (Continued)

12.2. Summary of changes in property, plant and equipment (Consolidated)

Consolidated	Properties	Machinery and equipment	Furniture and fixtures	Facilities	Computers and peripherals	Vehicles and aircraft	Improvements	Right of use	Total
Balance at December 31, 2022									
Cost	102,846	74,572	47,859	140,254	74,454	21,677	205,914	976,635	1,644,211
Accumulated depreciation	(12,002)	(23,967)	(22,280)	(57,705)	(51,280)	(1,013)	(52,171)	(389,356)	(609,774)
Net book balance	90,844	50,605	25,579	82,549	23,174	20,664	153,743	587,279	1,034,437
Acquisitions	1,157	3,244	3,003	6,625	1,852	-	7,180	42,773	65,834
Write-offs	(489)	-	(33)	(300)	(5)	-	(447)	(554)	(1,828)
Depreciation	(324)	(1,201)	(992)	(3,140)	(2,196)	(189)	(3,697)	(33,120)	(44,859)
Balance at March 31, 2023	91,188	52,648	27,557	85,734	22,825	20,475	156,779	596,378	1,053,584
Cost	103,515	77,816	50,793	146,379	76,090	21,677	212,429	1,019,409	1,708,108
Accumulated depreciation	(12,327)	(25,168)	(23,236)	(60,645)	(53,265)	(1,202)	(55,650)	(423,031)	(654,524)
Net book balance	91,188	52,648	27,557	85,734	22,825	20,475	156,779	596,378	1,053,584

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Notes to the quarterly information (Continued)

March 31, 2023

(In thousands of reais)

12. Property, plant and equipment (Continued)

12.3. Other information

The Company detected no indication that assets could be recorded at an amount above their recoverable amount.

The weighted average depreciation rates of property, plant and equipment, considering the useful lives of the assets, are as follows:

	Average depreciation rate (% p.a.)	
	2023	2022
Properties	2	2
Machinery and equipment	7	7
Furniture and fixtures	9	9
Facilities	9	9
Computers and peripherals	24	24
Vehicles	20	20
Aircraft	4	4
Improvements	7	7

12.4 Right of use

CPC 06 (R2) /IFRS 16 requires that all lease agreements (except those that fit the exceptions) should be recognized in liabilities, matched against the right of use in assets. The breakdown of the right of use of property and vehicle contracts as well as the finite useful life are described in the table below:

Breakdown of rights of use		Individual and Consolidated
Description	Useful life (years)	03/31/2023
Properties	2 to 17	595,836
Vehicles	2 to 3	542
Total		596,378

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Notes to the quarterly information (Continued)

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13. Intangible assets

13.1. Summary of changes in intangible assets (Individual)

Individual	Goodwill	Software	Trademarks and formulas	Total
Balance at December 31, 2022				
Cost	25,487	120,110	361	145,958
Accumulated amortization	(18,646)	(51,159)	(13)	(69,818)
Net book balance	6,841	68,951	348	76,140
Acquisitions	654	5,532	-	6,186
Amortization	(351)	(4,355)	-	(4,706)
Balance at March 31, 2023	7,144	70,128	348	77,620
Cost	26,142	125,642	361	152,144
Accumulated amortization	(18,997)	(55,514)	(13)	(74,524)
Net book balance	7,144	70,128	348	77,620

13.2. Summary of changes in intangible assets (Consolidated)

Consolidated	Goodwill	Software	Trademarks and formulas	Total
Balance at December 31, 2022				
Cost	25,487	121,168	632	147,287
Accumulated amortization	(18,646)	(51,740)	(165)	(70,551)
Net book balance	6,841	69,428	467	76,736
Acquisitions	654	5,550	35	6,239
Amortization	(351)	(4,394)	(2)	(4,747)
Balance at March 31, 2023	7,144	70,584	500	78,228
Cost	26,141	126,719	667	153,527
Accumulated amortization	(18,997)	(56,135)	(167)	(75,299)
Net book balance	7,144	70,584	500	78,228

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Notes to the quarterly information (Continued)
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13. Intangible assets (Continued)

13.3. Other information

The Company detected no indication that assets could be recorded at an amount above their recoverable amount. The rate that has been reduced over the last year is based on the longer term of new agreements.

The weighted average amortization rates of intangible assets are as follows:

	Average amortization rate (% p.a.)	
	2023	2022
Goodwill	13	13
Software	18	18
Trademarks and formulas	10	10

14. Deferred income and social contribution taxes, net

Deferred income and social contribution taxes are calculated on the corresponding temporary differences between the tax bases of assets and liabilities and their carrying amounts recorded in the interim financial statements. The applicable tax rates, currently defined for calculation of deferred taxes, are 25% for income tax and 9% for social contribution tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset temporary differences, based on deferred income projections prepared and grounded on internal assumptions and future economic scenarios that may, therefore, suffer changes.

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Notes to the quarterly information (Continued)
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14. Deferred income and social contribution taxes, net (Continued)

Temporary additions	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Provision for inventory losses	312	713	347	793
Provision for labor indemnities	6,031	7,175	6,265	7,409
Provision for profit sharing	-	13,899	-	14,376
Provision for tax contingencies	10	202	1,412	1,604
Allowance for expected credit losses	6,683	6,472	6,683	6,472
Provision for financial discount	1,312	1,017	1,312	1,017
Provision for credit card fee	4,003	4,453	4,003	4,453
Provision for premium - employees	296	731	296	731
Net effect of depreciation and interest (IFRS 16) with lease payment	53,716	49,437	53,716	49,437
Fair value - Matching Shares	8,328	7,174	8,328	7,174
Provision for collective bargaining	996	1,050	995	1,128
Provision for commissions	474	394	474	394
Provision for professional fees	2,598	2,422	2,843	2,750
Total tax base	84,759	95,139	86,674	97,738
Income tax at the rate of 25%	21,190	23,785	21,668	24,435
Income tax on tax loss	11,072	9,483	13,145	11,558
Social contribution tax at the rate of 9%	7,628	8,563	7,801	8,796
Social contribution tax on tax loss	4,800	4,229	5,547	4,976
Total deferred tax assets	44,690	46,060	48,161	49,765
Temporary exclusions				
Exclusion of ICMS from the PIS and COFINS tax base	-	-	661	1,088
Adjustments due to leases	2,339	2,342	2,339	2,342
Total tax base	2,339	2,342	3,000	3,430
Income tax at the rate of 25%	585	586	750	858
Social contribution tax at the rate of 9%	211	211	270	309
Total deferred tax liabilities	796	797	1,020	1,167
Total deferred taxes, net	43,894	45,263	47,141	48,598

The Company and its subsidiary LIFAR will subject to the IRPJ and CSLL taxation the PIS and COFINS credits arising from the lawsuits to exclude the ICMS from the PIS and COFINS tax base, on which a final and unappealable decision has been awarded, to the extent that they are the subject matter of requests for offsetting.

The deferred liability on the amounts was realized as the offsets occurred, in the case of the Parent Company, in its entirety until December 31, 2022, and in the Consolidated, at March 31, 2023, remaining the total amount of R\$661.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

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14. Deferred income and social contribution taxes, net (Continued)

Based on the Company's deferred income projections and considering the history of realization of the assets that generated the income and social contribution tax balance, the estimated realization schedule is as follows:

	03/31/2023	
	Individual	Consolidated
2023	22,346	24,081
2024	5,586	6,020
2025	5,586	6,020
2026	5,586	6,020
2027	5,586	6,020
	<u>44,690</u>	<u>48,161</u>

15. Reconciliation of income and social contribution taxes

	Individual		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Income before income and social contribution taxes	18,250	15,254	19,177	14,670
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	(6,205)	(5,186)	(6,520)	(4,988)
Equity Pickup	610	2,091	-	-
IRPJ/CSLL - Tax credits (*)	2,811	12,811	2,641	12,811
Tax incentives - Worker's Meal Program (PAT)	1	-	2	2
Tax incentives - investment grant - matching credit	1,202	1,385	1,202	1,385
Tax incentives - investment grant - Other credits	709	973	709	973
Reversal of the effect of the taxable profit based on accounting records regime on the subsidiary using the taxable profit based on a percentage of gross revenue regime	-	-	586	1,797
Taxation under the taxable profit based on a percentage of gross revenue regime using gross revenue for the tax base	-	-	(524)	(435)
Tax incentives - Technological innovation - Benefit	1,139	349	1,244	703
Other nondeductible expenses	(301)	(7,069)	(301)	(6,310)
Income and social contribution taxes in profit or loss for the period	(34)	5,354	(961)	5,938
Current income and social contribution taxes	1,335	5,967	496	5,118
Deferred income and social contribution taxes	(1,369)	(613)	(1,457)	820
Income and social contribution taxes in profit or loss for the period	(34)	5,354	(961)	5,938
Effective rate	0.2%	-35.1%	5.0%	-40.5%

(*) IRPJ and CSLL on the amounts reimbursed referring to insurance compensation, resulting from a lawsuit on which a res judicata decision has been awarded, as mentioned in Note 9.

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Notes to the quarterly information (Continued)
 March 31, 2023
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16. Trade accounts payable

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Trade accounts payable - local	454,753	554,788	456,113	555,452
Trade accounts payable - related parties	4,313	7,534	-	-
Total	459,066	562,322	456,113	555,452

17. Loans and financing

17.1. Breakdown of loans and financing

	Rate range (% p.a.)	Individual		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Domestic currency					
	109% of the				
Debentures - 3 rd issue	CDI	83,763	80,881	83,763	80,881
Debentures – 4 th issue	CDI + 1.40%	159,492	153,943	159,492	153,943
Working capital loan - Law No. 4131	CDI + 1.60%	175,511	-	175,511	-
		418,766	234,824	418,766	234,824
Current		302,337	118,395	302,337	118,395
Noncurrent		116,429	116,429	116,429	116,429

Management monitors the forecasts for the Company's liquidity requirements to ensure it has sufficient cash to meet its operating needs. The global limits of credit facilities granted to the Company are in amounts sufficient to not generate the risk of exceeding such limits or of breaching loan agreement clauses. This forecast takes into consideration the Company's debt financing plans.

For the increase in indebtedness, the Company considered its growth strategy and the current economic scenario of the segment. This indebtedness is monitored through the analysis of available funds and the calculation of the net debt. Financing operations mature mostly in the short term, with the following expected payment flow:

17.2. Payment flow of loans and financing

Year of payment	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
2023	302,337	118,395	302,337	118,395
2024	86,429	86,429	86,429	86,429
2025	30,000	30,000	30,000	30,000
	418,766	234,824	418,766	234,824

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Notes to the quarterly information (Continued)
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17. Loans and financing (Continued)

17.3. Debt Service Coverage Ratio (“DSCR”) higher than or equal to 1.2 (one and two tenths)

Where: “DSCR” means the division of Adjusted EBITDA (as defined below) by the Debt Service; and “Debt Service” means finance costs for the last twelve (12) months calculated under the accrual basis of accounting, on a consolidated basis, by the Issuer, i.e. (a) interest on bank debts (net of income from short-term investments), (b) portion that has an impact on cash from monetary and foreign exchange difference on interest of debt arrangements, (c) interest paid to Debentures and other marketable securities issued in the financial and capital markets, both international and domestic (net of income from investments in marketable securities or in government securities and corporate bonds of any nature), (d) finance costs with cash impact on intercompany loans recorded in liabilities (net of finance income with cash impact received from intercompany loans recorded in assets), as well as (e) the amount effectively disbursed relating to liabilities from derivative transactions hedging debts (net of amounts effectively received in connection with assets from derivative transactions hedging debts).

17.4. Adjusted Net Financial Debt/Adjusted EBITDA ratio, according to the calculation method described below, not exceeding 2.5 (two and five tenths)

Where: for the calculation of Adjusted EBITDA, the accumulated performance for the last 12 months from the statements closing date, to be measured based on the consolidated statements of financial position for March, June, September and December of each year, shall be considered. For the purposes of this item, the following shall apply: “Adjusted Net Financial Debt” is the sum of amounts corresponding to (i) short-term bank loans; (ii) short-term debentures; (iii) long-term bank loans; (iv) long-term debentures; (v) long-term loans; (vi) short-term bank leases; (vii) long-term bank leases; (viii) accounts payable or receivable in connection with derivative transactions, in the event of less cash equivalents, cash/short-term investments and marketable securities; and also (ix) all intercompany loans recorded in assets and liabilities, between group companies, either associates or not; “Adjusted EBITDA”, as provided for in CVM Ruling No. 527 of October 4, 2012, as amended; and “Net Financial Debt/Adjusted EBITDA” is Adjusted Net Financial Debt divided by Adjusted EBITDA.

The Company is compliant with all such clauses at March 31, 2023.

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Notes to the quarterly information (Continued)
 March 31, 2023
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17. Loans and financing (Continued)

17.4. Adjusted Net Financial Debt/Adjusted EBITDA ratio, according to the calculation method described below, not exceeding 2.5 (two and five tenths) - Continued

The loan agreements in force also have non-financial early maturity clauses, the most relevant of which are described below:

- Default on debts and/or other contracts with the financial institutions that granted credit facilities;
- Enforcement of a court order or out-of-court order that may affect the Company's ability to pay;
- Transfer of debt to third parties, without the approval of the financial institution that granted the credit facility;
- Changes in the Company's business purpose or changes in corporate control without the financial institution's formal acceptance and agreement to maintain contracts.

The Company is compliant with all such clauses at March 31, 2023.

17.5. Cash flows from financing activities

The table below shows additional information on cash flow from financing activities:

	Individual and Consolidated			Total
	Finance lease	Loans, financing and debentures	Interest on equity payable	
Balance at December 31, 2022	636,716	234,824	5,518	877,058
Changes in cash	(40,385)	173,643	(8,126)	125,132
Loans raised	-	175,000	-	175,000
Payment of IOE	-	-	(8,126)	(8,126)
Leases and debentures payable	(40,385)	-	-	(40,385)
Interest paid	-	(1,357)	-	(1,357)
Noncash changes	53,763	10,299	-	64,062
Remeasurement of contracts and new contracts - IFRS 16	42,219	-	-	42,219
IOE allocation	-	-	-	-
Recognized interest	11,544	10,299	-	21,843
Balance at March 31, 2023	650,094	418,766	(2,608)	1,066,252

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Notes to the quarterly information (Continued)

March 31, 2023

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17. Loans and financing (Continued)

17.5. Cash flows from financing activities (Continued)

The balances of loans and financing at March 31, 2023 and December 31, 2022 are presented at amortized cost. The aging list of loans and financing is presented in Note 4.1 (c) Liquidity risk, and Note 17.2 Payment flow of loans and financing.

18. Tax obligations

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Corporate Income Tax (IRPJ)	10	537	586	1,038
Social Contribution Tax on Net Profit (CSLL)	8	427	233	719
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	289	-	310	39
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	1,353	-	1,454	183
Withholding Income Tax (IRRF)	3,901	3,820	4,012	3,896
State Value-Added Tax (ICMS)	17,960	20,371	19,516	22,345
Other Obligations	1,906	2,060	2,105	2,363
Total	25,427	27,215	28,216	30,583

19. Profit sharing payable

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Bonus - Executive Board	1,617	2,500	1,617	3,500
Employees' profit sharing	-	13,899	-	13,379
Total	1,617	16,399	1,617	16,879

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Notes to the quarterly information (Continued)
 March 31, 2023
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20. Lease obligations

The Company has obligations arising from real estate and vehicle lease agreements, accounted for in the criteria of IFRS 16. Changes in the Company's lease liability balance at March 31, 2023 were as follows:

	Individual and Consolidated		
	Properties	Vehicles	Total
Balance at December 31, 2022	636,092	624	636,716
Remeasurement of contracts and new contracts	42,469	304	42,773
Write-offs	(554)	-	(554)
Interest	11,498	46	11,544
Payment of lease	(40,005)	(380)	(40,385)
Balance at March 31, 2023	649,500	594	650,094
Current	157,091	285	157,376
Noncurrent	492,409	309	492,718

The nominal discount rate adopted by the Company was between 5% and 15.26% for store and vehicle lease agreements. The Company applied the simplified retrospective approach and, at the time of transition, lease liabilities are measured at the present value of the remaining payments, discounted at the incremental borrowing rate. Initially, the Company measured the right to use the assets at an amount equivalent to the lease liability, and used the practical expedient that allows lessees to exclude initial direct costs from the measurement of the right-of-use asset on the date of initial application.

In compliance with CVM Memorandum Circular No. 02/2019 and CPC 06 (R2)/IFRS 16, explained by the fact that the Company did not apply the nominal flow methodology due to the IFRS 16 prohibition of future inflation projection, companies shall present minimum inputs for users of interim financial statements to reach this information. Accordingly, the Company decided to disclose the minimum inputs below for users to reach that information. Inputs are:

- Nominal average discount rate applied - between 5% and 15.26% p.a.; and
- Inflation component to be used in projecting the flows (Extended Consumer Price Index - IPCA, based on National Treasury Notes - NTN-B) - 3.6% p.a.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
(In thousands of reais)

21. Provisions

The Company is a party to civil, labor and tax claims, in administrative and legal proceedings. Where applicable, claims are supported by judicial deposits. Provisions for any losses arising from these proceedings are estimated and restated by management, supported by the opinion of its external and internal legal advisors.

21.1. Breakdown of provisions for contingencies

The proceedings considered as possible or probable losses, in the opinion of the Company's legal advisors, at March 31, 2023 and December 31, 2022, are presented below. Provisions are recognized for proceedings assessed as probable losses, as follows:

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Labor and tax	6,041	7,377	7,677	9,013
Noncurrent	6,041	7,377	7,677	9,013
Judicial Deposits	2,596	2,654	3,066	3,124

21.2. Changes in provisions for contingencies

Changes in provisions for civil, labor and tax claims are shown in the table below:

	Individual		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Civil, labor and tax				
Balance at beginning of year	7,377	16,234	9,013	18,101
New provisions	400	3,197	400	3,262
Write-off due to payment	(1,736)	(6,054)	(1,736)	(6,054)
Reversal/Reclassification	-	(6,000)	-	(6,296)
Closing balance	6,041	7,377	7,677	9,013

21.2.1. Civil

At March 31, 2023, the Company was a party to 23 civil lawsuits assessed as possible losses, estimated at R\$1,418 in the individual and consolidated financial statements (approximately R\$1,398 in the individual and consolidated financial statements as at December 31, 2022).

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
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21. Provisions (Continued)

21.2. Changes in provisions for contingencies (Continued)

21.2.2. Labor

The most recurring labor claims involve overtime and salary differences. At March 31, 2023, the Company had 455 possible-loss labor lawsuits in the consolidated financial statements, estimated at R\$21,292, of which 437 lawsuits in the amount of R\$20,735 correspond to parent company's lawsuits (R\$34,253 in Individual and R\$34,747 in Consolidated at December 31, 2022).

21.2.3. Tax

At March 31, 2023, the Company was a party to 1 tax lawsuit assessed as possible loss, estimated at R\$46 (R\$978 at December 31, 2022) in the individual and consolidated financial statements.

22. Investments grants and matching credits

In December 2011, the Company received public land in the urban area of the municipality of Eldorado do Sul, in Rio Grande do Sul state, as donation. This land has 50,000 square meters and is intended for the construction of a new Distribution Center. Based on the guidance of CPC 07, the grant received was classified as a non-monetary asset, based on the fair value recorded in books, and was initially recognized at R\$5,026 in property, plant and equipment at December 31, 2011. Based on this criterion, this grant was recognized with a temporary matching entry in liabilities, considering that the economic benefits are deferred to the time of its use and are contingent on the Company complying with the obligations provided for by Municipal Law No. 3067 of December 13, 2011. The main commitments made with the municipality are the following: return of ICMS, to be calculated as from the beginning of activities, hiring of 270 direct employees and 25 indirect employees, and the transfer of licensing of its fleet. At the end of the five-year period, if the Company fails to return the amounts, the total amount of the incentives granted shall be paid to the local government, restated by reference to the Extended Consumer Price Index (IPCA) disclosed by the Brazilian Institute of Geography and Statistics (IBGE).

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Notes to the quarterly information (Continued)

March 31, 2023

(In thousands of reais)

22. Investments grants and matching credits (Continued)

In the second quarter of 2014, ten thousand square meters were added to the public land donated in this municipality, recorded in that period at fair value, i.e. R\$1,000, under property, plant and equipment. This supplementary grant was recorded based on the same accounting criteria adopted for the initial recognition of the original grant. At December 31, 2018, the Company recognized the remaining amount of the grant, i.e. R\$1,226.

In 2017, Supplementary Law No. 160/17 was approved and it is intended to promote important changes regarding tax benefits granted unilaterally by the Brazilian states. New rules were established for the classification of these tax benefits as “investment grants”, thus exempting them from IRPJ and CSLL. In 2023, until the end of the first quarter, ICMS matching credit totaling R\$3,535 (R\$13,993 until December 31, 2022) as well as grant of other credits totaling R\$2,085 (R\$9,073 at December 31, 2022) were recognized in P&L.

23. Equity

23.1. Capital

At the Special General Meeting held on May 24, 2022, capital increase from R\$918,000 to R\$943,000 was approved, through capitalization of part of the Legal Reserve, in the amount of R\$726, and part of Reserve for capital increase, in the amount of R\$24,274, without issue of new shares. The Company’s capital comprises 150,377,481 registered common shares with no par value.

At the Board of Directors’ Meeting held on August 16, 2021, the Company approved the renewal of its Share Buyback Plan. The program was valid from August 17, 2021 to August 16, 2022, with a maximum repurchase limit of 2,000,000 (two million) common shares. The information was disclosed to the Market on August 17, 2021, through a Material News Release.

At the Board of Directors’ Meeting held on September 5, 2022, the renewal of the Share Buyback Program issued by the Company was approved, without reducing capital. The program is valid from September 5, 2022 to September 4, 2023, with a maximum repurchase limit of 2,000,000 (two million) common shares. The information was disclosed to the Market on September 5, 2022, through a Material News Release.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
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23. Equity (Continued)

23.1. Capital (Continued)

The purposes of the Share Buyback Program are to maximize the generation of value for shareholders, based on an adequate capital structure combined with the growth of results and earnings from shares, as well as enabling the implementation of long-term incentive plans, through which executive officers will receive shares issued by the Company (see Note 24 - Incentive plan in connection with shares).

At March 31, the Company had 1,747,687 treasury shares (1,843,422 at December 31, 2022) whose average cost value was R\$35,844 (R\$35,139 at December 31, 2022). The share market price at March 31, 2023 is R\$9.64 (R\$10.14 at December 31, 2022).

Shares already exercised, that is, transferred to the beneficiaries, are also withdrawn from treasury shares as of the vesting expiration of the matching shares programs. In the second quarter of 2022, the treasury shares account was also impacted by the grant of shares in the 3rd matching shares program by R\$2,310.

23.2. Treasury shares

Changes in treasury shares are as follows:

	Individual	
	Common Shares	R\$
Balance at 12/31/2022	(1,843,422)	(35,139)
Acquisition of shares	(70,000)	(705)
Balance at 03/31/2023	(1,913,422)	(35,844)

	Share price		
	Minimum	Maximum	Average
From 01/01/2022 to 12/31/2022	9.09	14.44	11.63
From 01/01/2023 to 03/31/2023	8.96	10.66	10.02

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Notes to the quarterly information (Continued)
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23. Equity (Continued)

23.3. Income reserves

23.3.1. Reserve for future capital increase

The purpose of this reserve is to increase Dimed's investments in working capital for expansion projects, as provided for in article 24, clause "c", of Dimed's Articles of Incorporation. The use of this reserve balance was approved by the shareholders at the Annual General Meeting held on July 17, 2020. In December 2021, the amount of R\$27,116 was accounted for as a reserve for future capital increase, and this balance was paid in as Capital at the meeting held on May 28, 2023.

23.3.2. Legal reserve

The legal reserve is set up at 5% of net income for each year, under the terms of Law No. 6404/76, article 193, capped at 20% of the capital.

23.3.3. Dividends and interest on equity additional to those proposed

This reserve is recognized in relation to dividends exceeding the mandatory minimum dividends of 25%, as provided for by law and approved by the shareholders.

23.3.4. Compensation paid to shareholders

In accordance with the provisions of Dimed's Articles of Incorporation, the mandatory minimum dividend is 25% on net income for the year, considering the adjustments provided for in the corporation law.

At the Board of Directors' meeting held on August 12, 2022, the payment of interest on equity was resolved and approved in the amount of R\$8,000, to be validated at the Annual General Meeting in 2023. Information regarding this event was made available by means of a notice to shareholders, on the same date. On August 31, 2022, the referred to amount was paid. The unit value per share, net of IRRF, was R\$0.05 per common share.

At the Board of Directors' meeting held on December 15, 2022, the payment of interest on equity was resolved and approved in the amount of R\$25,000 payable in 3 installments (March 31, April 28 and May 31, 2023). Information regarding this event was made available by means of a notice to shareholders, on the same date. This resolution was validated at the Annual General Meeting held in 2023. The unit value per share, net of IRRF, was R\$0.14306426.

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Notes to the quarterly information (Continued)
March 31, 2023
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23. Equity (Continued)

23.4. Capital reserves

This reserve is set up and matched against the expenses with the stock option plan granted by the Company to its managing officers and employees (Note 24). The difference between the strike price of Matching Shares plans and the cost of acquisition by the beneficiaries is recognized in the Goodwill Reserve.

24. Incentive plan in connection with shares - Individual

24.1. Conditions of the Matching shares plan

At the Special General Meeting held on September 8, 2020, the shareholders approved the creation of the Incentive Plan in connection with the Company's shares ("Dimed's Matching Shares Plan" or "Plan"). The purpose of the Company's Share-Based Incentive Plan is to rule the possibility of granting incentives in connection with the Company's common shares to managing officers and employees with whom it has employment or statutory relationship, aimed at: (i) increasing the capacity to attract talent; (ii) reinforcing the culture of sustainable performance and the search for the development of managing officers and employees, aligning their personal and professional interests with those of the shareholders; and (iii) enabling the Company to retain its professionals, offering them, as an additional advantage and incentive, the opportunity to become shareholders. The shares granted as an incentive under the Dimed's Matching Shares Plan may not exceed the maximum limit of 3% of the shares of the Company's subscribed and paid-in capital.

Beneficiaries will be granted the right to receive, free of charge, the maximum proportion of up to four (4) and minimum of one (1) Matching Share for each common share of the Company, acquired under the Plan ("Own Shares"), up to the limit established in their respective Private Share Granting Instruments and Adhesion to Dimed's Matching Shares Plan, provided that certain conditions are met.

Matching Shares will be subject to a progressive Vesting Period of four years, during which the beneficiary must maintain his/her relationship with the Company. The Vesting Period will start on the grant date and within this period the Matching Shares will become Mature Matching Shares and will be liquidated to the beneficiaries on the dates specified below:

Anniversary	Mature Matching Shares
1st anniversary of the Grant Date	-
2 nd anniversary of the Grant Date	1/3 (one third) of the total Matching Shares
3 rd anniversary of the Grant Date	1/3 (one third) of the total Matching Shares
4 th anniversary of the Grant Date	1/3 (one third) of the total Matching Shares

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Notes to the quarterly information (Continued)
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24. Incentive plan in connection with shares - Individual (Continued)

24.1. Conditions of the Matching shares plan (Continued)

Upon execution of the grant agreement, the beneficiary must expressly authorize the blocking of the negotiation and encumbrance of the "Own Shares" acquired, during the Vesting period, in the records of the depository institution of the Company's book-entry shares.

24.2. Changes in the Matching shares plan

For the Company's first program, in September 2020, 71,026 "Own Shares" and 201,641 "Matching Shares" were granted to the Plan's participants, and until March 31, 2021, 66,382 "Own Shares" had been subscribed.

At the Board of Directors' meeting held on April 20, 2021, the creation of Dimed's second Matching Shares program was approved, under the same conditions as the first program. On July 9, 2021, transfer orders of 53,968 shares were formalized, with the adhesion of 27,545 "Own Shares"; 22,000 Book-entry Shares; 4,423 shares not yet transferred and R\$168,993 "Matching Shares".

At the Board of Directors' meeting held on April 29, 2022, the creation of the Company's third Matching Shares program was approved, with different conditions in relation to the two previous programs: i) reduction of the Vesting period from 4 to 3 years; and ii) release of the Vesting of mature Matchings shares. The share transfer orders were formalized throughout April 2022, with the adhesion of 117,652 "Own Shares" and 348,466 "Matching Shares".

In the second quarter of 2022, 48,083 matching shares were transferred to the beneficiaries as a result of the anticipation of the first vesting of the program approved in 2020.

Changes in shares, since the plan creation, are as follows:

	<u>Own Shares</u>	<u>Matching Shares</u>
Balance in December 2021	124,994	367,921
Options granted	117,652	348,466
Dissenting holders	-	(210)
(*) Options exercised	-	(66,305)
Balance in December 2022	<u>242,646</u>	<u>649,872</u>
Balance at March 2023	<u>242,646</u>	<u>649,872</u>

(*) The gross number of maturing matching shares was converted into 48,083 net shares.

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Notes to the quarterly information (Continued)
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24. Incentive plan in connection with shares - Individual (Continued)

24.3. Amounts recognized in the period

In the first quarter of 2023, the Company recognized as fair value of Matching Shares programs the total of R\$1,153 (R\$748 in the first quarter of 2022).

25. Earnings per share

25.1. Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued during the year, excluding common shares purchased by the Company and held as treasury shares.

25.2. Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, to assume the conversion of all dilutive potential common shares.

As required by IAS 33/CPC 41, the number of shares used to calculate earnings (loss) per share for the current period and the comparative period were affected by the referred to share split.

	<u>03/31/2023</u>
	<u>Registered common shares</u>
Denominator	
Total weighted average number of shares	150,377,481
Weighted number of treasury shares	(1,898,815)
Weighted average number of outstanding shares	148,478,666
% of shares in relation to the total number	100%
Numerator	
Net income attributable to each class of share	18,216,738
Weighted average number of outstanding shares	148,478,666
Basic earnings per share (R\$)	<u>0.12</u>
Numerator	
Net income attributable to each class of share	18,216,738
Weighted average number of outstanding shares	148,748,666
Weighted average number of matching shares	649,872
Diluted earnings per share (R\$)	<u>0.12</u>

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
 March 31, 2023
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25. Earnings per share (Continued)

25.2. Diluted (Continued)

	<u>12/31/2022</u>
	<u>Registered</u>
	<u>common shares</u>
Denominator	
Total weighted average number of shares	150,377,481
Weighted number of treasury shares	(1,802,872)
Weighted average number of outstanding shares	148,574,609
% of shares in relation to the total number	100%
Numerator	
Net income attributable to each class of shares (R\$)	86,344,911
Weighted average number of outstanding shares	148,574,609
Basic earnings per share (R\$)	<u>0.58</u>
Numerator	
Net income attributable to each class of shares (R\$)	86,344,911
Weighted average number of outstanding shares	148,574,609
Weighted average number of matching shares	570,384
Diluted earnings per share (R\$)	<u>0.58</u>

26. Revenues

The Company's revenue derives mainly from the sale of drugs and personal care and beauty products.

Reconciliation between gross revenues for tax purposes and the revenues stated in the statement of profit or loss for the period is as follows:

	<u>Individual</u>		<u>Consolidated</u>	
	<u>03/31/2023</u>	<u>03/31/2022</u>	<u>03/31/2023</u>	<u>03/31/2022</u>
Gross Sales of Products and Services	1,103,415	962,656	1,105,711	969,334
Sales taxes	(64,989)	(55,127)	(65,673)	(55,971)
Returns and Unconditional Discounts	(12,583)	(11,647)	(12,627)	(11,813)
Net revenue	<u>1,025,843</u>	895,882	<u>1,027,411</u>	901,550

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

(In thousands of reais)

27. Cost of goods sold and services rendered

	Individual		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Cost of goods sold	(772,424)	(674,333)	(765,909)	(668,597)
Cost of products sold	-	-	(5,571)	(5,868)
Reimbursement of capital contribution costs	63,424	53,045	63,424	53,045
Revenue - campaign funds	297	276	297	276
Taxes on funds	(5,894)	(4,932)	(5,894)	(4,932)
	(714,597)	(625,944)	(713,653)	(626,076)

The amounts reimbursed by suppliers relating to lease of properties, promotional funds and advertising and publicity expenses are deducted from cost of sales, and the average period for reimbursement is 30 to 60 days. Such reimbursement is recognized when the contractual conditions are likely to be met.

28. Expenses by nature

	Individual		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Selling expenses				
Personnel and third-party service expenses	(143,341)	(128,868)	(144,035)	(129,638)
Lease expenses	(9,903)	(7,675)	(9,673)	(7,450)
Discount on leased properties (*)	-	2,020	-	2,020
Freight expenses	(12,686)	(10,738)	(12,797)	(10,838)
Credit card fees	(11,977)	(9,604)	(11,987)	(9,604)
Advertising	(8,036)	(5,766)	(8,069)	(5,819)
Utilities and services	(7,308)	(9,835)	(7,323)	(9,851)
Depreciation and amortization expenses	(47,118)	(43,373)	(47,135)	(43,388)
Employees' profit sharing	(900)	(1,784)	(1,191)	(1,721)
Managing officers' profit sharing	(910)	(589)	(910)	(589)
Maintenance expenses	(3,146)	(2,152)	(3,151)	(2,154)
Consumables	(3,127)	(3,631)	(3,150)	(3,646)
Travel and sales representation expenses	(487)	(432)	(490)	(432)
Packaging materials	(2,045)	(1,814)	(2,045)	(1,814)
Inventory losses	(5,209)	(6,873)	(5,383)	(7,106)
Other	1,530	266	2,117	569
	(254,663)	(230,848)	(255,222)	(231,461)

(*) Given the COVID-19 pandemic, until the second quarter of 2022, the Company obtained specific discounts on payments related to expenses with the rent of certain properties, classified as leases, according to Accounting Pronouncement (CPC) 16/2020. There were no changes in the term of these contracts until the effective date of the practical expedient, therefore, there was no need to remeasure them.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
 March 31, 2023
 (In thousands of reais)

28. Expenses by nature (Continued)

	Individual		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
General and administrative expenses				
Personnel and third-party service expenses	(16,810)	(14,124)	(17,324)	(14,634)
Lease expenses	(163)	(157)	(165)	(121)
Utilities and services	(357)	(440)	(374)	(459)
Depreciation and amortization expenses	(2,195)	(2,355)	(2,263)	(2,399)
Employees' profit sharing	(238)	(152)	(247)	(127)
Managing officers' profit sharing	(95)	(59)	(95)	(59)
Bank expenses	(365)	(358)	(368)	(360)
Management personnel compensation	(1,729)	(1,433)	(1,730)	(1,433)
Maintenance expenses	(2,691)	(2,043)	(2,731)	(2,076)
Consumables	(69)	(87)	(79)	(95)
Other administrative expenses	(1,929)	(2,074)	(1,974)	(2,111)
	(26,641)	(23,282)	(27,350)	(23,874)

29. Other operating income (expenses)

	Individual		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Additional revenue	229	567	234	592
Revenue from property lease	64	26	80	26
Credit recovery	6,597	4,963	67,12	4,963
Reimbursement of cash difference	103	76	103	76
Cost of disposal of PPE	(822)	(450)	(822)	(450)
Other operating income (expenses)	32	475	71	496
	6,203	5,657	6,377	5,703

30. Finance income and costs

	Individual		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Finance income				
Interest on assets	434	155	445	156
Short-term investment yield	4,179	2,689	5,656	3,880
Financial discounts obtained	586	294	587	295
Taxes on finance income	(242)	(348)	(253)	(360)
(*) Monetary restatement of tax credits	-	299	27	390
	4,957	3,089	6,462	4,361

(*) This refers to the monetary restatement of credits related to the proceeding that excludes the ICMS from the PIS/COFINS tax base recognized in the quarter. Additional information is disclosed in Note 10.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
 March 31, 2023
 (In thousands of reais)

30. Finance income and costs (Continued)

	Individual		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Finance costs				
Interest on financing	(10,300)	(3,540)	(10,300)	(3,540)
Interest expenses	(319)	(100)	(377)	(103)
Discounts granted/bonus	(1,956)	(1,826)	(2,040)	(1,864)
Interest on lease	(11,544)	(9,302)	(11,544)	(9,302)
Other finance costs	(527)	(682)	(587)	(724)
	(24,646)	(15,450)	(24,848)	(15,533)

31. Transactions with related parties

31.1. Balances and transactions

The total amounts of transactions carried out by Dimed, through March 31, 2023, with related parties are described below:

	Dimesul Gestão Imobiliária Ltda.		Laboratório Industrial e Farmacêutico Lifar Ltda.	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Trade accounts payable	-	-	4,313	7,534
	Dimesul Gestão Imobiliária Ltda.		Laboratório Industrial e Farmacêutico Lifar Ltda.	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Purchase of goods and services	-	-	12,023	47,604
Revenue from services rendered	420	1,696	-	81
Finance costs	-	264	-	-
			Accounts receivable from shareholders	
			03/31/2023	12/31/2022
Share issue costs (secondary offering)			1,330	1,530

Sales transactions between related parties are conducted at amounts agreed by and between the companies, with days sales/payable outstanding of 30 days. The balance of the intercompany loan agreement is restated monthly at the benchmark rate of the Central Bank of Brazil (SELIC).

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)
March 31, 2023
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31. Transactions with related parties (Continued)

31.2. Key management personnel compensation

The table below contains information on key management personnel compensation (individual):

	Individual	
	03/31/2023	03/31/2022
Fixed compensation	1,729	1,433
Social charges	484	401
Equity interest	1,005	648
Total	3,218	2,482

These amounts are stated under “General and administrative expenses” in the statement of profit or loss and are detailed in Note 28. Management is also part of the Incentive Plan in connection with the Company’s shares, created to regulate the possibility of granting incentives through common shares issued by the Company.

Managing officers were granted the right to receive, free of charge, the proportion of three (3) and four (4) Matching Share for each common share of the Company, acquired under the Plan (“Own Shares”), for which a fair value of R\$3,934 was recorded in 2022, up to the limit established in their respective Private Share Granting Instruments and Adhesion to Dimed's Matching Shares Plan, provided that certain conditions are met. In the first quarter of 2023, the Company recognized an amount of R\$1,005 as fair value, which corresponds to the Matching shares of managing officers. Additional information can be found in Note 24.

32. Insurance coverage

The Company has insurance policies that consider the nature and degree of risks involved. At March 31, 2023, the Company and its subsidiaries had insurance coverage for vehicles, fire, civil liability, cargo transportation and aircraft, among others. The insurance coverage sufficiency is under the responsibility of Company management that considers it adequate to cover losses, if any. The Maximum Indemnification Limits for the main insurance policies are as follows:

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

(In thousands of reais)

32. Insurance coverage (Continued)

Policies	Amounts in R\$ thousands
Vehicle	FIPE Table + Property Damage + Bodily Injury
Fire	R\$592,000
Civil liability	R\$31,200
Transportation	R\$1,500 per transportation
Aircraft	R\$22,250 (*)
Civil liability - aircraft	R\$101,602 (*)

(*) Policy issued in US Dollar, amount translated at the average rate (dollar) of March 31, 2023 (R\$5.0801).

33. Segment reporting

Segment reporting is presented based on the management reports used by the Board of Directors, the board responsible for the Company's strategic decision-making, to manage the business. The Company's segments are divided into Retail, Wholesale and Corporate, which include all administrative expenses, as well as finance income (costs).

The Retail segment has 565 stores that sell more than 15 thousand items among drugs and personal care and beauty products. The Wholesale segment is one of the main distributors of drugs in Brazil and also the pioneer in the country in its segment. Lastly, the Corporate segment includes Wholesale and Retail, as well as subsidiary Lifar (Laboratório Farmacêutico Lifar Ltda.). In addition to adding divisions of cosmetics, drugs and food, Lifar is responsible for the production of major brands in Brazil, as well as products of its own brand Panvel. Subsidiary Dimesul is engaged in the purchase, sale, intermediation, subdivision, lease, rent, management and administration of own or third-party properties, with a view to centralizing and optimizing the management of the Company's properties.

Dimed S.A. Distribuidora de Medicamentos

Notes to the quarterly information (Continued)

March 31, 2023

(In thousands of reais)

33. Segment reporting (Continued)

	Retail		Wholesale		Corporate		Dimed S.A.	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Continuing operations								
Net revenue from sales and services	877,799	806,153	149,612	95,397	-	-	1,027,411	901,550
Cost of goods sold and services rendered	(640,934)	(564,861)	(72,719)	(61,215)	-	-	(713,653)	(626,076)
Gross profit	236,865	241,292	76,893	34,182	-	-	313,758	275,474
Selling expenses	-	-	-	-	(255,222)	(231,461)	(255,222)	(231,461)
Other operating income (expenses), net	-	-	-	-	6,377	5,703	6,377	5,703
Administrative expenses	-	-	-	-	(27,350)	(23,874)	(27,350)	(23,874)
Operating income before finance income (costs)	236,865	241,292	76,893	34,182	(276,195)	(249,632)	37,563	25,842
Finance Income (costs)	-	-	-	-	(18,386)	(11,172)	(18,386)	(11,172)
Finance income	-	-	-	-	6,462	4,361	6,462	4,361
Finance costs	-	-	-	-	(24,848)	(15,533)	(24,848)	(15,533)
Operating income before income and social contribution taxes	236,865	241,292	76,893	34,182	(294,581)	(260,804)	19,177	14,670
Current	-	-	-	-	496	5,118	496	5,118
Deferred	-	-	-	-	(1,457)	820	(1,457)	820
Net income for the year	236,865	241,292	76,893	34,182	(295,542)	(254,866)	18,216	20,608

Reports and Representations / Report or Summary Report, if any, of the Audit Committee (statutory or not)

Pursuant to the Articles of Incorporation and legal provisions, the Audit Committee of DIMED S/A DISTRIBUIDORA DE MEDICAMENTOS examined the Management Report and the Financial Statements for the quarter ended March 31, 2023. Based on the examinations carried out, considering, furthermore, the unqualified independent auditor's report issued by Ernst & Young Auditores Independentes, dated May 10, 2023, as well as the information and clarifications received in the quarter, the Audit Committee unanimously understand that the aforementioned information is properly presented.

Eldorado do Sul, Rio Grande do Sul state, May 10, 2023.

João Verner Juenemann
Claudio Roberto Ely
Nelson Bertoletti

Reports and Representations / Officers' Representation on Financial Statements

In accordance with item II of paragraph 1, article 31 of CVM Ruling No. 80 of March 29, 2022, the Executive Board's members of Dimed S.A. Distribuidora de Medicamentos, undersigned, represent that they reviewed, discussed and agreed with the information contained in the Company's Quarterly Information for the quarter ended March 31, 2023.

Eldorado do Sul, Rio Grande do Sul state, May 10, 2023.

Julio Ricardo Mottin Neto - CEO

Roberto Coimbra Santos - Executive Officer

Antônio Carlos Tocchetto Napp - Chief Investor Relations and Financial Officer

Reports and Representations / Officers' Representation on the Independent Auditor's Review Report

In compliance with the provisions contained in article 31 of CVM Ruling No. 80, the Officers of Dimed S.A. Distribuidora de Medicamentos represents they have reviewed, discussed and agreed with the opinion expressed in the review report issued by Ernst & Young Auditores Independentes S.S. on the interim financial information for the quarter ended March 31, 2023.

Eldorado do Sul, Rio Grande do Sul state, May 10, 2023.

Julio Ricardo Mottin Neto - CEO

Roberto Coimbra Santos - Executive Officer

Antônio Carlos Tocchetto Napp - Chief Investor Relations and Financial Officer