

Eldorado do Sul, RS, November 16, 2021 – **Dimed S.A. Distribuidora de Medicamentos** (B3 S.A. - BRASIL, BOLSA, BALCÃO: PNVL3), one of the country's leading retailers and distributors of pharmaceutical products, announces the results of the third quarter of 2021 (3Q21). The Company's financial statements are prepared in reais (R\$), as per the Brazilian corporate law and international financial reporting standards (IFRS). Comparisons of 3Q21 results are based on 3Q20 unless otherwise indicated. The numbers in this report are shown according to IAS 17/CPC 06 to compare with previous periods.

## 3Q21 Results

### Gross Retail Revenue

R\$787.9M  
+18.1% vs 3Q20

### Adjusted EBITDA

R\$34.8M  
(+7.8% vs 3Q20)  
4.0% Margin

### Adjusted Net Income

R\$20.3M  
(+2.5% vs 3Q20)  
2.4% Margin

### Gross Retail Margin

29.6%  
+0.2 p.p vs 3Q20

### Digital Share in Retail

16.3%

### Net Promoter Score (NPS)

81  
(+1 point vs 2Q21)

Description	3Q20	4Q20	1Q21	2Q21	3Q21
# Stores	459	473	477	494	500
Headcount	6,447	7,493*	7,622*	7,771*	7,805*
R\$ '000					
Gross Revenue TT	741,538	853,152	811,830	834,720	860,213
Gross Margin TT	205,963	235,987	233,074	240,674	241,875
% Gross Revenue	27.8%	27.7%	28.7%	28.8%	28.1%
Gross Retail Revenue	666,942	773,567	735,760	766,846	787,863
Retail Gross Margin	196,188	224,214	223,495	231,967	233,319
% Retail Gross Revenue	29.4%	29.0%	30.4%	30.2%	29.6%
Adjusted EBITDA TT	32,309	42,790	37,478	39,913	34,833
% Gross Revenue	4.3%	5.0%	4.6%	4.8%	4.0%
Adjusted Net Income TT	19,843	26,571	19,714	24,169	20,333
% Gross Revenue	2.7%	3.1%	2.4%	2.9%	2.4%

9M20	9M21	Δ
459	500	8.9%
6,447	7,805	21.1%
2,133,976	2,506,763	17.5%
587,708	715,623	21.8%
27.5%	28.5%	1 p.p.
1,918,488	2,290,469	19.4%
558,311	688,781	23.4%
29.1%	30.1%	1 p.p.
85,486	112,224	31.3%
4.0%	4.4%	0.4 p.p.
43,265	64,216	43.5%
2.0%	2.6%	0.6 p.p.

\* Number of employees includes temporary employees. Other periods do not include temporary employees.

### Investor Relations

**Antônio Carlos Tocchetto Napp**  
CFO and IRO

**José Eduardo Szuster**  
IR Executive Manager

**Ismael Rohrig**  
IR Analyst

**Pedro Bernardes**  
IR Intern

Phone: 51 3481-9588 / Email: [reinvest@grupodimed.com.br](mailto:reinvest@grupodimed.com.br) / Website: [www.grupodimed.com.br/ri](http://www.grupodimed.com.br/ri)

## MESSAGE FROM THE MANAGEMENT

Once again, we got excellent operating and financial results, thanks to our entire team's dedication - from back-office to storefront - following the innovation and continuous improvement in our processes and management tools. In the third quarter of this year alone, we delivered **an 18.1% YoY robust sales growth at Panvel**.

Among elements that made this progress possible, **the excellent performance of digital channels and the greater flow in physical stores stand out**. As already announced, we are a benchmark in the Brazilian pharmaceutical market, and this is only possible with continued investments in our digital platforms, always seeking to provide the best experience to each of our customers. This includes the platform interface and fast delivery.

**We continue to be one of the fastest and most effective retailers in the country when it comes to delivery**. This is possible due to our **logistical efficiency and last-mile delivery**. Moving the DC to São José dos Pinhais/PR and closing the Passo Fundo/RS unit, besides cutting costs, also increase the service level in our stores in Santa Catarina, Paraná and São Paulo. As a result, we were more assertive in supplying our stores and further reduce our stockout, which is already one of the lowest in the pharmaceutical market.

Another point worth noting is the expanded store network. In the **last 12 months, we opened 59 units**, a record in the Company's history. Naturally, this expansion has short-term impacts on the Company's results, but a detailed analysis of our EBITDA Margin reinforces the consistent delivery of results, quarter after quarter.

The efficiency and quality of Panvel's operations can be seen in customer satisfaction, measured through metrics such as **NPS**, and the increased **Market Share in all the States** where we operate. We continue to plant our future with assertive expansion and strong investments in technology, innovation and people.

Besides all financial and operational factors, **we finished migrating our shares to B3's Novo Mercado** in September. We remain committed to always seeking the best Corporate Governance practices.

Finally, it is worth noting that, on October 26<sup>th</sup> of this year, we held the 1<sup>st</sup> Panvel Day, presenting our operation and vision for the future in detail. On that same day, we announced our new corporate brand, which will be active as of Jan/22: **Panvel Group**. The change will structure our Group's strength, especially outside the South Region, which is already known as the "group that owns Panvel". Assuming the brand "Panvel Group", we will show that all Panvel's features also represent the Group's strength and features.

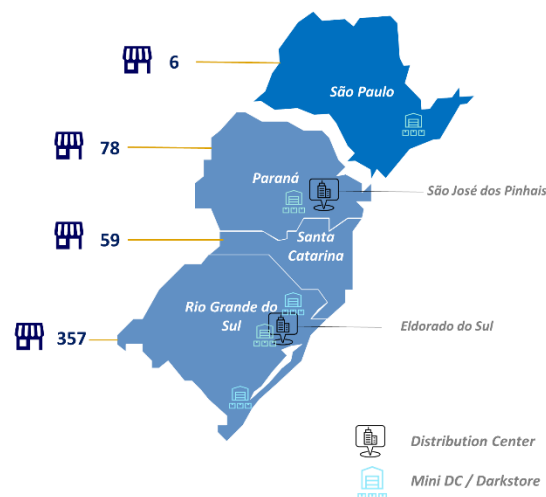
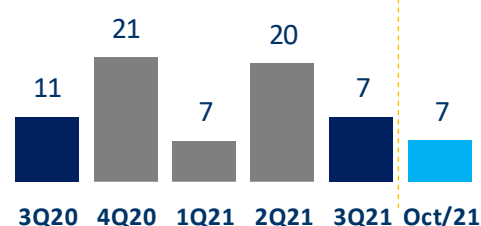
We want to thank all our employees, suppliers, and partners once again for the excellent results, and we reinforce our consistent commitment to growing sales and results in the upcoming quarters.

## STORES PORTFOLIO

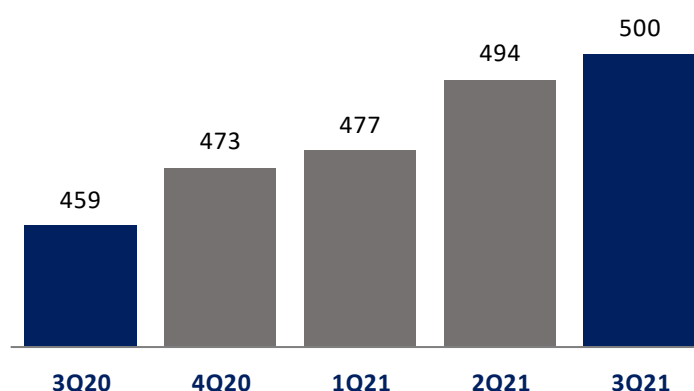
In 3Q21, the Company opened 11 stores, totaling 500 stores at the end of the period. Our 500<sup>th</sup> branch opened is a very important milestone for the Company, and we continue with our goal to open 65 stores in 2021.

The openings were affected by delays in permits and licenses from government agencies. It should be noted that the pace of the opening has normalized in the last quarter of the year, and we have already opened seven stores in October alone.

### Store Openings



### # Stores

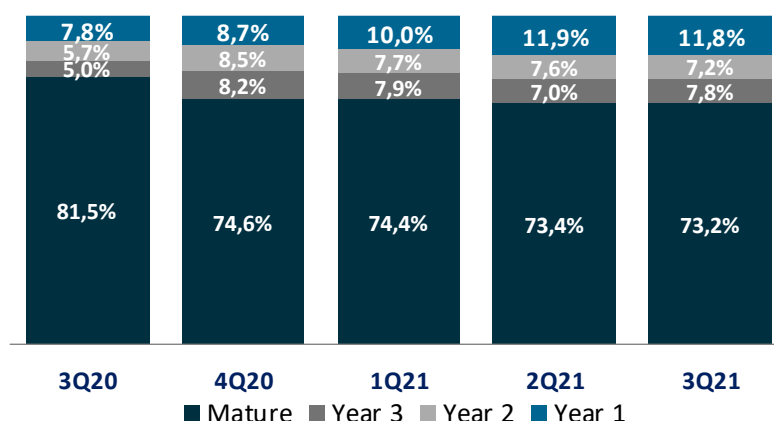


Stores	3Q20	4Q20	1Q21	2Q21	3Q21
Open	11	21	7	20	11
Transferred/Closed	(2)	(7)	(3)	(3)	(5)

During 3Q21, the Company transferred one branch (mature) to a place with greater sales potential. Other four (mature) branches were closed, with profile and sales potential that did not meet the Company's new operational standards and its purpose to increase the average sale per store.

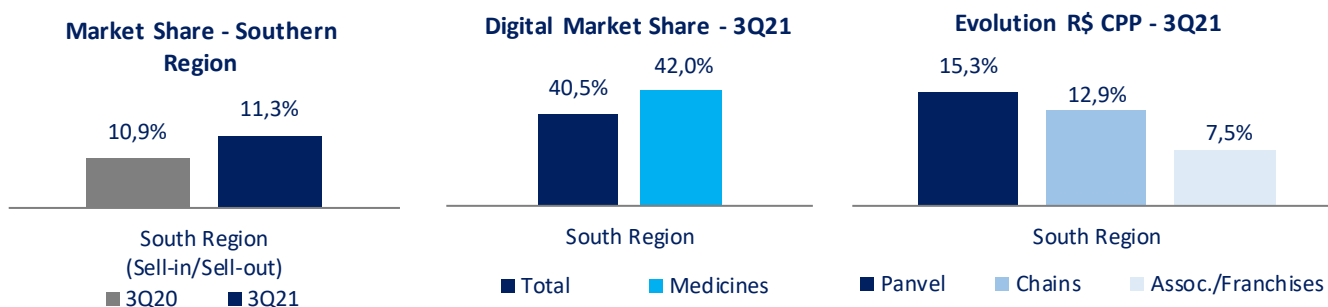
At the end of the period, the Company totaled 73.2% stores mature and 26.8% in maturation, reflecting the accelerated expansion in the last 12 months.

### Distribution of the Store Portfolio by Maturity



## MARKET SHARE

In 3Q21, Panvel's share in the South Region reached 11.3%, up by 0.4 p.p. YoY, growing in all States. Quarter after quarter, this market share evolution reinforces our excellent operations, combining a strong operational efficiency in stores and an assertive expansion plan. According to IQVIA's data, Panvel's sales (in R\$ CPP) evolved more than the sales in other chains and associations/franchises in the South Region.

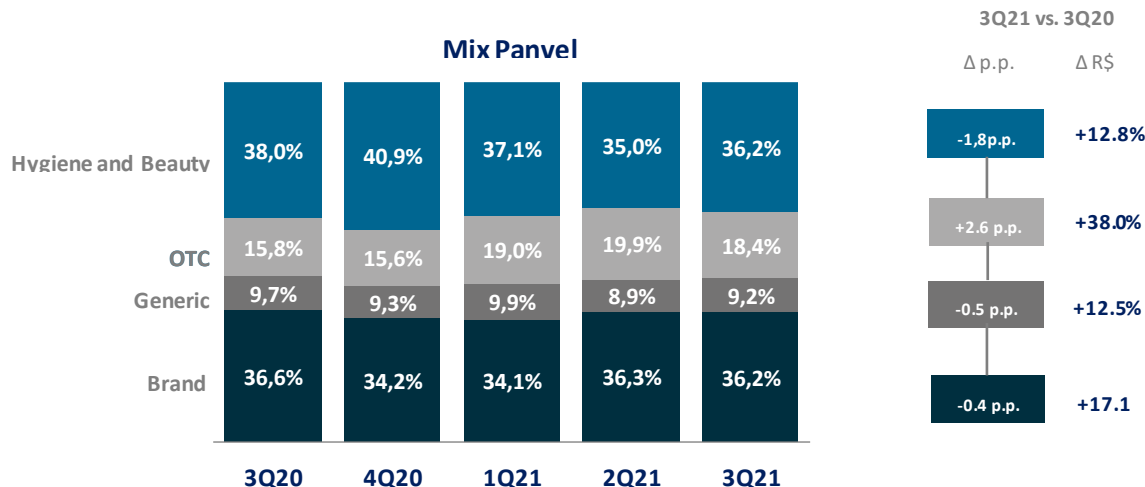


Source: IQVIA

\*\* Sell-in / sell-out = distributor sales plus retail sales

We also highlight the continuously high market share of our Digital pillar in the South Region, reaching 40.5% in the total market and 42.0% in the sale of medicines, reinforcing our benchmark position in the digital retail drugstores.

## RETAIL SALES MIX



We highlight the strong growth in medicines in our mix, representing 63.8% of sales this quarter, up by 1.7 p.p. over 3Q20, with a 21.7% nominal growth, due to several measures and projects started in the last twelve months, focused on monitoring the customers' journey.

The **OTC** category grew significantly in 3Q21. We highlight the growth in important groups, such as *Flu and Colds* (+59.5%), *Gastrointestinal* (+23.3%), *Pain and Fever* (24.7%) and *Specialized Nutrition* (+39.1%). Furthermore, services continue to play a very significant role, especially quick Covid-19 tests and vaccines.

The Generics category, in turn, grew by 12.5% in the period. The lower share of generics compared to 3Q20 is due to the strong comparison base in 2020, mainly driven by drugs for Covid-19. The Generics share in the sale should continuously grow in coming quarters.

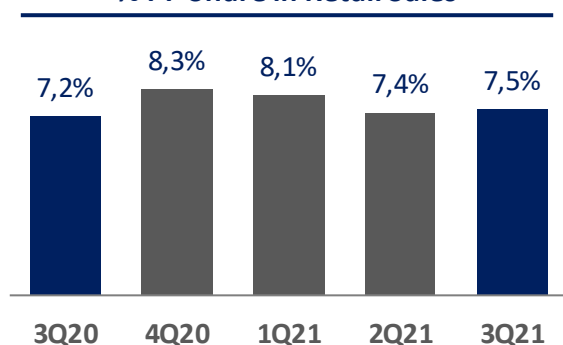
The **Hygiene and Beauty (HB)** category grew 12.8% YoY. We saw strong growth in important groups, such as *Children* and *Food and Convenience*, and other important groups, such as *Makeup*, should return to pre-pandemic levels in coming periods.

## PANVEL PRODUCTS

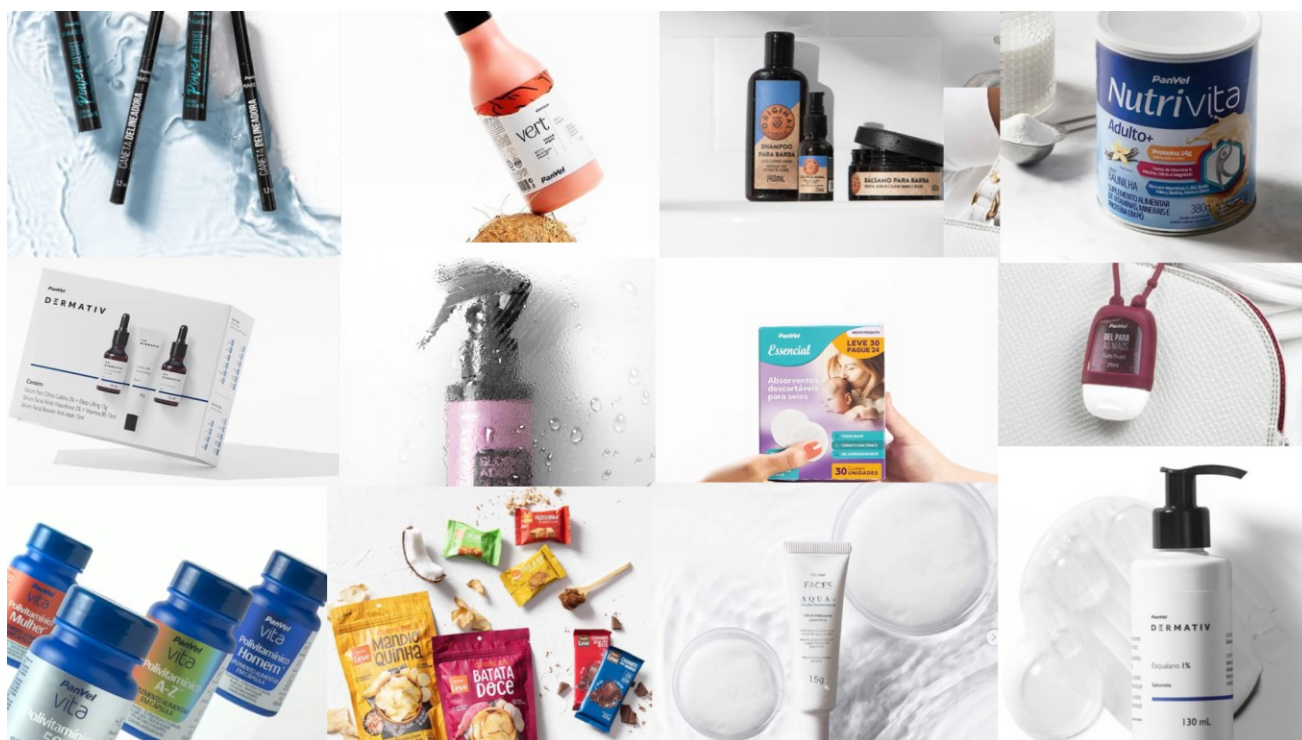
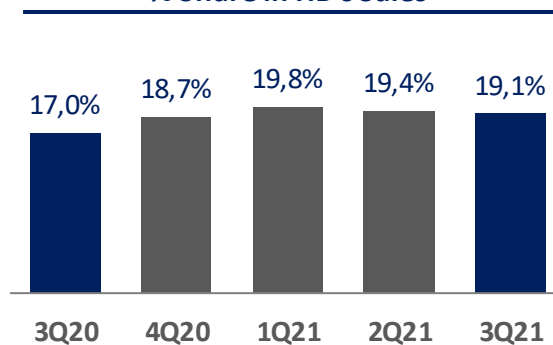
The sale of Panvel Products grew 22.6% over 3Q20, representing 7.5% of total retail sales and 19.1% of total sales of Hygiene and Beauty products in 3Q21. This high share keeps Panvel a benchmark in the pharmaceutical market in the Private Label segment, through a highly profitable operation that has shown consistent growth (17% CAGR in the last ten years).

It should be noted that many Panvel-brand products are manufactured by the Group's lab, Lifar, ensuring quality, an excellent cost-benefit, and even higher margins due to the entire chain's profitability.

**% PP Share in Retail Sales**



**% Share in HB's Sales**





## E-COMMERCE AND DIGITAL INITIATIVES

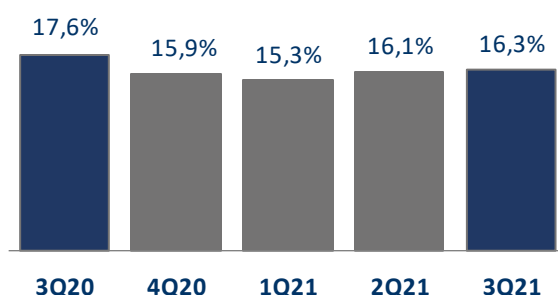
When analyzing the **Digital** performance in 3Q21, we can note that it kept a high share in retail sales, with 16.3%, well above the market average. We emphasize that this excellent result was achieved in a quarter with strong sales growth at Panvel, resuming customer flow in physical stores. Thus, there is no doubt that Digital is an important competitive advantage for the Company, remaining the benchmark of the Brazilian pharmaceutical retail.

Despite finding a strong comparison base, **Digital** sales grew 9.3% quarter-on-quarter, showing our business model's maturity and last-mile delivery structure<sup>1</sup>. Investments in this structure translate into solid indicators:

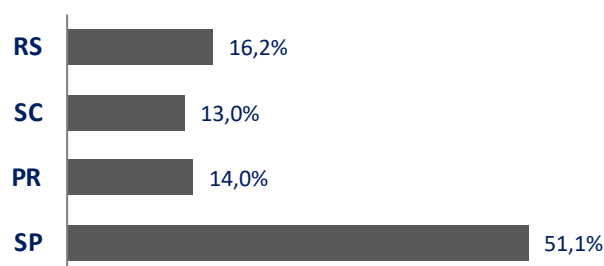
### DIGITAL HIGHLIGHTS

- **Coverage Delivery in up to 1 hour:** All cities where we operate
- **3Q21 Delivery Structure:** 140 hybrid stores + 9 Mini DCs (dark stores)
- **3Q21 Digital's Share in Retail Sales:** 16.3% (9.3% growth over 3Q20).
- **3Q21 Number of Deliveries:** 568,300 (average of 189,400 deliveries per month)
- **Service Level:** 97% of deliveries on time (3Q21)

**Digital - % Share in Retail Sales**



**% on Total Sales by State- 3Q21**



The sales share remained high and balanced across the entire southern region of the country (RS/SC/PR). In São Paulo, it should be noted that the share is well above the network's average, in line with the Company's strategy for the region.

**+1.4 million App  
downloads  
(YTD)**

Through these investments and deliveries, Panvel continues offering a fluid experience through which the customer can use his favorite purchasing method (at Physical Stores, by Phone, Social Networks, App or Website) and receive/pick-up the products as choosing to do so (Click & Pick-Up, Home Delivery, etc.), without losing the quality of the customer's experience and journey.

### EVOLUTIONS and NEWS

- PUC (Continuous Use Program) – Implemented Panvel's PBM in digital channels
- Home Page updated (Website and App)
- Restructured the navigation logic by categories (Website)
- New Panvel Clinic area (Website and App)

The updates carried out are in line with the Company's digital strategy, aiming to constantly improve the customer's experience and journey, making them personalized, easy and fluid.

<sup>1</sup> Refers to the final logistical process, with the delivery of products to customers.



## TECHNOLOGY AND INNOVATION

Our technological platform, **Omnipharma**, continues to stand out in national retail as one of the best unified-commerces implemented, going beyond omnichannel, due to features and data unified, with no need to integrate layers between channels. This brings direct benefits such as more speed and lower cost with the new features, as they are developed once in a service center and accessed by sales to customer apps via APIs. There are already over 500 APIs exposed, working in sync and at very high speed.

This platform was built from scratch, with all former sales apps (POS, Website, APP and Alo Panvel) discontinued, giving way to this new architecture with native omnichannel. The platform is already consistent and performant, operating all basic features since 2019, naturally leveraging the digital acceleration of recent years. Our inventories, for example, are updated 5x per second, covering all sales and all channels, which brings an immediateness perception for our customers during their journey, especially the hybrid one.

We have had an innovation culture in all business aspects for decades, and we started specific programs within an ecosystem dedicated to this. We created **PanvelLabs**, which is already on its way to its 3<sup>rd</sup> year operating, taking advantage of easy startup connections with our Omnipharma platform. We currently have 18 startups fully connected and operating in the Company's daily activities in Health Hub, Offer Personalization, People Management, Logistics, among others. The results of these solutions are consistent and show how innovation is already accelerating our plans. The Startup Connection Program is already ongoing, and we are again evaluating another ten connection opportunities with proof of concept and contract negotiations.

Another ecosystem pillar is our Startup Acceleration Program, launched in September and already in the startup attraction and selection phase, with the investment thesis already defined. At the end of the process, we will have between 6 to 8 startups to be accelerated after diagnosing their needs through internal mentoring, using solutions in our business environment, and possibly investing in startups graduated during the program.

### TECHNOLOGY AND INNOVATION HIGHLIGHTS

- **Native Omnichannel:** Retail Drugstore's first player;
- **Unified Data:** Customers, Stocks and Orders, without integration layers (immediateness)
- **PanvelLabs:** 240 startups mapped, 18 connected, 10 under connection
- **Startups Results:** +60,000 service appointments; +170,000 electronic prescriptions; +4,800 digital admissions; +3,000 deliveries of products in a sustainable manner (electric bike and tricycle)



PANVEL CLINIC AND HEALTH ECOSYSTEM

Panvel's health ecosystem has constantly been evolving, including new products and services. More customers increasingly identify Panvel stores as a place to solve and treat many health-related issues.

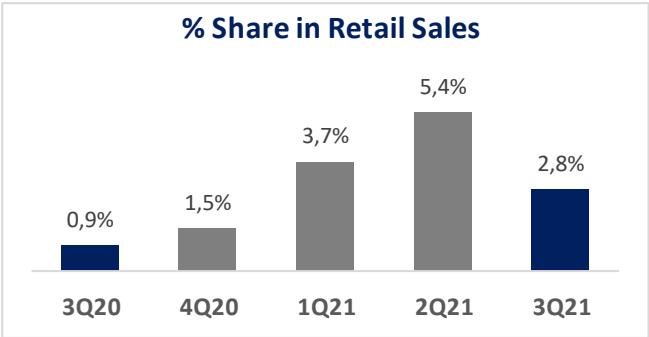
PANVEL CLINIC HIGHLIGHTS

- **Panvel Clinic:** 297 stores providing these services (+172% vs. 3Q20)
- **Vaccination Rooms:** 72 rooms (+50% vs 3Q20)
- **Vaccines Administered:** +150,000 (2021 YTD)
- **Branches Only with Covid-19 Quick Tests:** 254 branches (3Q21)
- **Quick Tests:** +179,000 (3Q21)
- **Other Services:** +30,000 other services (+31.6% vs. 3Q20)

Through this structure, we became the vaccination leader in the southern region of Brazil, with a 55.0% market share in 3Q21. It is worth noting the continued growth in vaccines, although not in the period with the highest vaccination volume, showing that Panvel has progressively become a reference for services.

We continuously make relevant contributions from services to retail sales, even more if we analyze that the period does not include the seasonality of the previous quarter (H1N1 vaccination). This share continues from leading in Vaccination and Covid-19 tests in the country's southern region. We understand that, just like Digital, Services will have a new level in retail sales, which should not return to pre-pandemic levels.

Special Medicines, Agreements and Partnerships continue to bring important results for the Company. The sales share from Agreements reached 32.5% in 3Q21, the same level as in 3Q20. Our partnerships follow quality criteria in the health products and services that will be offered. For example, we made progress in massifying Covid-19 tests for sporting and cultural events to resume in-person events. Special Medicines, serving Health Insurance Operators, Self-Management and Group Medicines, with the patient management program and special medicines, has been showing a fast growth pace, up by 29.8% in 3Q21 YoY. These excellent results are due to our teams' development initiatives to bring the best to us and the market.







## CRM

We currently have over 11 million customers (around 1/3 of the population in the South Region) in our Bem Panvel program, and we reached an identified sale of over 92%. The program greatly impacts customer retention, considering that nearly 80% of sales come from customers with over two years of relationship with our brand. With the modeling and segmentation work, we mapped 12 types of customers (personas) with different behaviors, leading to different relationship strategies, resulting in a **20.1% growth in the customer base** in this period, a significant number that shows the strength of our operations.

With a strong omni strategy, we reach over 9% of customers transacting in a hybrid way (buying in the physical store and the online store). These customers have a better engagement with the brand, reflecting in a higher frequency and ticket than single-channel customers. Besides, we observed that 88% of customers prefer to transact exclusively in physical stores. On the one hand, this information makes very clear the relevance of physical expansion in the Company's growth plan. On the other hand, it also clarifies the opportunity to increase the number of hybrid customers. This speaks directly to Panvel's efforts to digitize its customers.

Taking advantage of being fully omni and with a unified customer view, we promote individual and personalized offers in all channels (digital and in-store) regardless of the purchase channel used. Through these actions, the number of these customers increased with sales increments, and today around 15% of the network's sales go through CRM actions, driven by new actions.

This quarter, we started initiatives such as the cash reminder at the store's POS, which proved to be highly successful, bringing a 25% sales conversion in the first three months of operation.

Another important project we started this quarter was PUC (Continuous Use Program), which is Panvel's PBM, focused on the Chronic and Continuous customer journey, aiming to improve the consumer journey through journey customization, reminders and personalized discounts, and that already shows an excellent performance in a short period. In the first 60 days of the project we had a conversion rate of 77%.

## QUALITY IN SERVICE

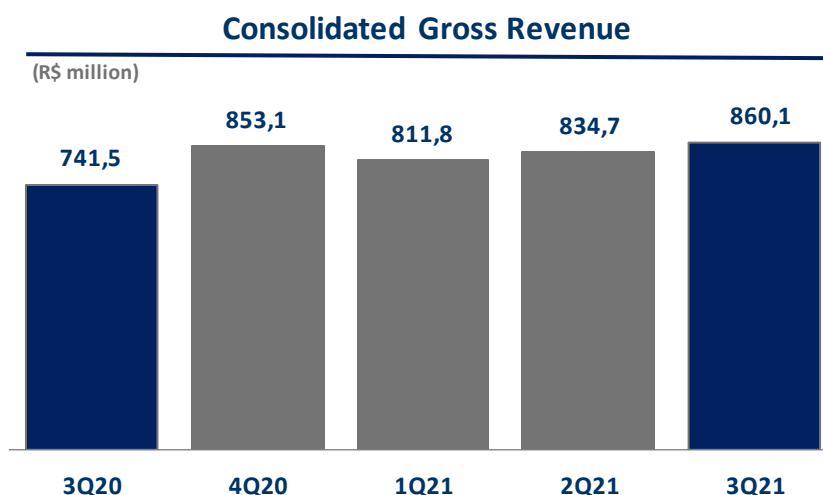
Panvel's commitment goes directly to offering its customers a joyful journey with quality and a unique experience, regardless of the channel, which is why its consumers recognize Panvel as having the best retail drugstore experience, according to the indicators below (consolidated data from September 2021):



Highlight for Panvel's NPS, up by another 1 point in the last quarter, reaching 81 points in 3Q21, the highest in the year. Panvel is the only Brazilian drugstore retail network that combines high penetration of digital channels, the fastest product delivery in Brazil and an enviable quality, made tangible by an NPS that grows every quarter. This unique platform will allow for even more growth in the future.

## GROSS REVENUE

Consolidated gross revenue (that includes retail, wholesale and other business units of the Company) reached R\$860.2 million in 3Q21, up by 16.0% over 3Q20.

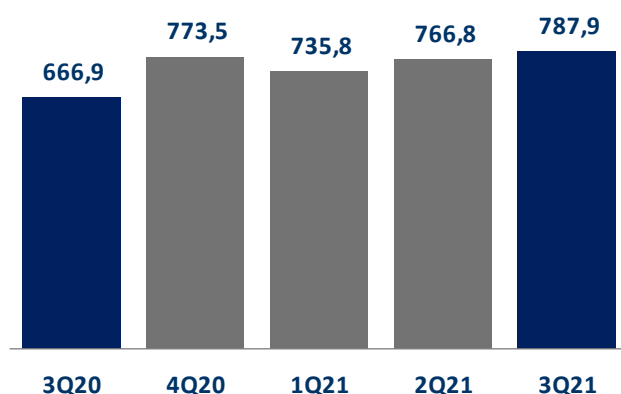


## RETAIL

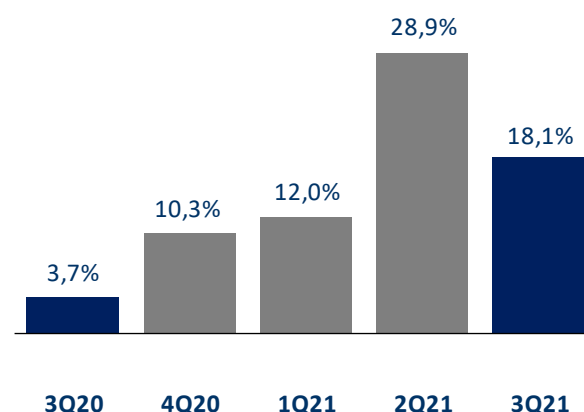
Gross retail revenue in 3Q21 reached R\$787.9 million, up by 18.1% over 3Q20. It should be noted the robust performance of retail operations, showing a strong and consistent increase throughout 2021.

When analyzing our sales performance breakdown, many factors led to our operation's strong performance. We saw customers returning to our physical stores, while our digital remained at a high level. Besides, we also achieved significant increases in the sale of medicines, in line with the Company's main projects.

### Gross Revenue - Retail



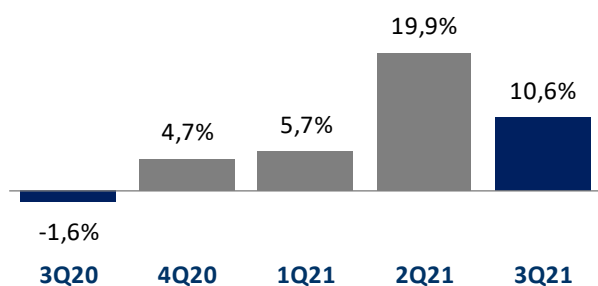
### Sales Growth - Retail



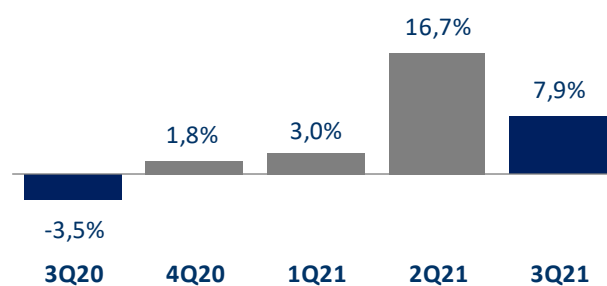
Same-Store Sales (SSS) grew 10.6% in 3Q21 compared to 3Q20, a very robust growth. Mature Same Store Sales (MSSS) was also very positive, up by 7.9% compared to 3Q20.



### Same Stores Growth - Retail



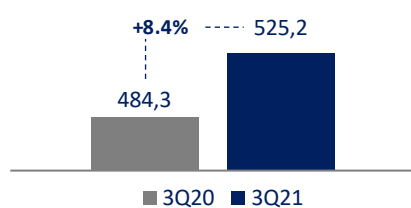
### Mature Stores Growth - Retail



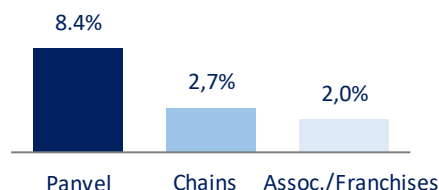
Another point worth noting is the higher average sales per store, which has been evolving continuously. Compared to 3Q20, it grew 8.4%, from R\$484,300/month (3Q20) to **R\$525,200/month in 3Q21**. It should be noted that this growth takes place despite opening 59 new stores in the last 12 months. This is confirmed when we analyze the average sales data in the South Region of IQVIA, where Panvel had an average sales growth higher than Networks, Associations and Independents. The improvement of this indicator is one of the Company's main goals, as it brings important productivity gains.

Source: IQVIA

### Average Sales per Store



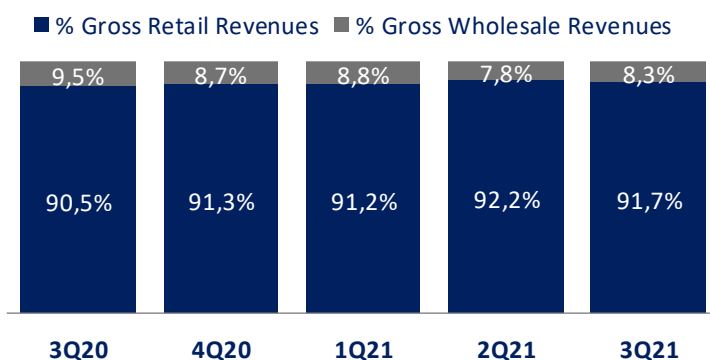
### Average Sales Growth by Store (%) - 3Q21



## WHOLESALE

In 3Q21, Wholesale represented 8.3% of the Company's total sales, following its share trend, according to the previously defined strategy. It should be noted that both sales and wholesale margins were negatively affected in the third quarter by closing the DC in Passo Fundo/RS and opening new customers to be served by the new DC in São José dos Pinhais/PR. This move negatively impacted the Company's results, and we expect that Wholesale margins return to a healthier level in the fourth quarter.

### Wholesale Share in Business



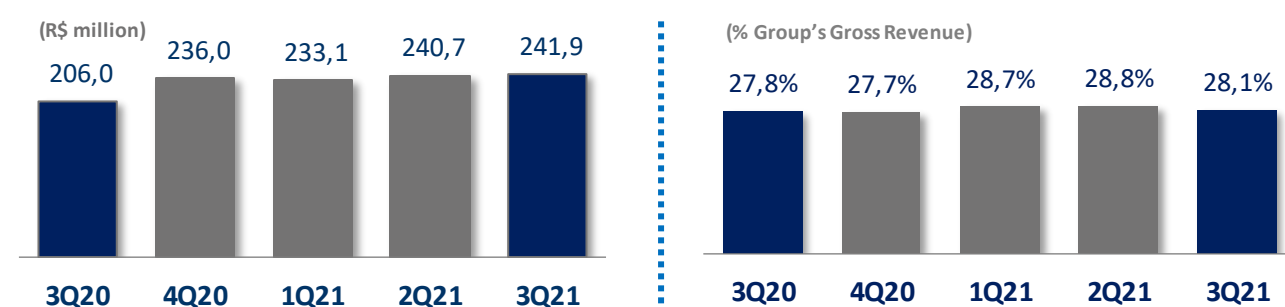
## GROSS MARGIN

The Company's Consolidated Gross Margin (including retail, wholesale, and other business units) reached R\$241.9 million in 3Q21, representing 28.1% of the gross revenue, up by 0.3 p.p. over 3Q20.

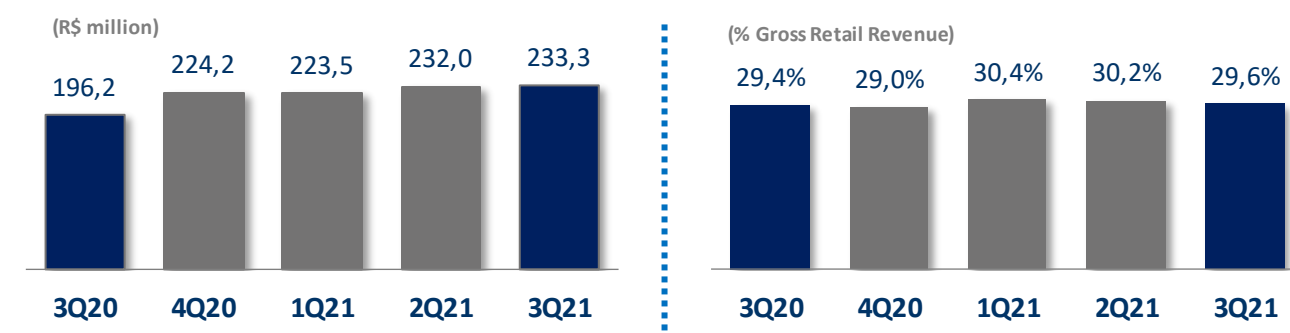
3Q21 Retail Gross Margin reached R\$233.3 million, corresponding to 29.6% of Gross Revenue, up by 0.2 p.p. compared to 3Q20, reflecting some strategic moves by the Company, such as the increased penetration of Panvel Products and the residual effects of the purchase made before the medicines price increase.

The Wholesale Gross Margin, as mentioned above, fell sharply by 2.8 p.p. in the third quarter. This drop had a 0.2 p.p. impact on the Consolidated Gross Margin. In other words: keeping the historical Wholesale Gross Margin, the Consolidated Gross Margin would reach 28.3% of Gross Revenue in the period.

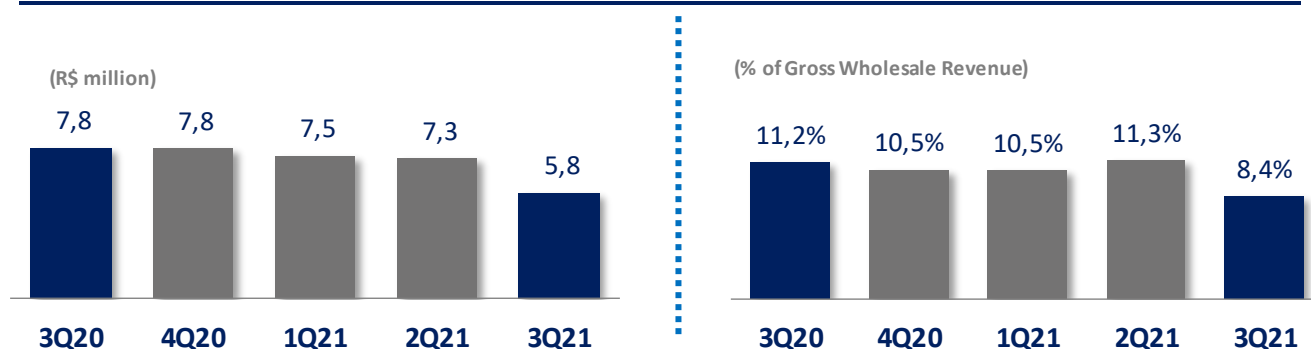
### GROSS MARGIN - GROUP



### GROSS MARGIN - RETAIL

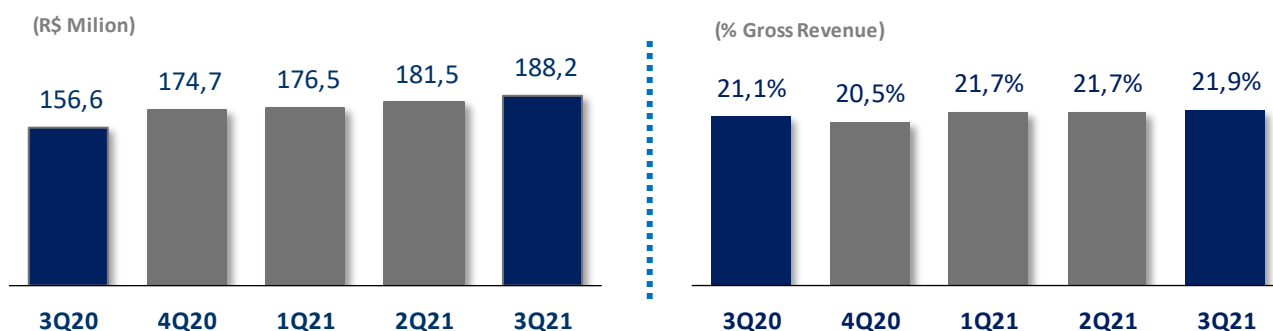


### GROSS MARGIN - WHOLESALE



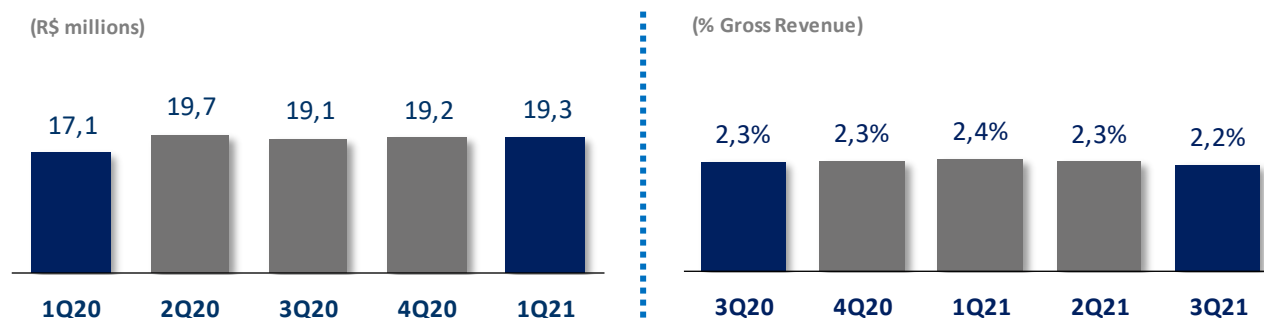
## SELLING EXPENSES

Total Selling Expenses in 3Q21 totaled R\$188.2 million, representing 21.9% of Gross Revenue, up by 0.8 p.p. over 3Q20, but stable compared to other quarters of 2021. The maintenance of the current selling expenses level are directly linked to the accelerated store expansion and inflationary effects that impact the adjustment of salaries and rents.



## GENERAL AND ADMINISTRATIVE EXPENSES

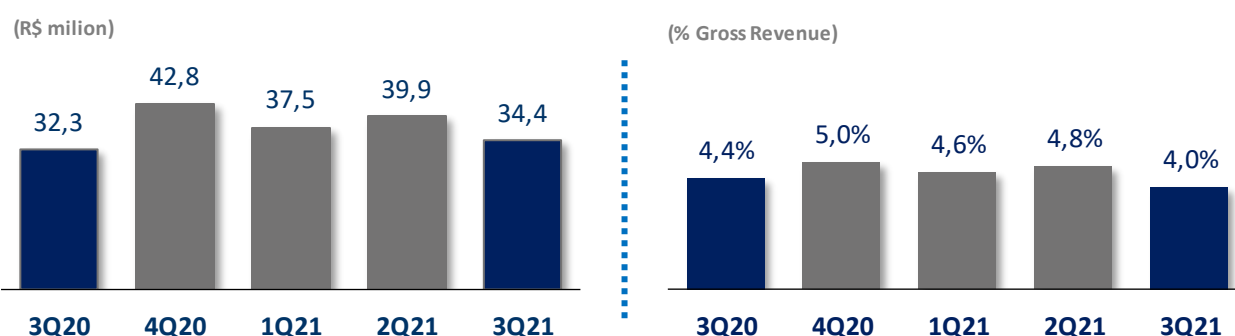
General and Administrative Expenses totaled R\$19.3 million in 3Q21, representing 2.2% of Gross Revenue, down by 0.1 p.p. YoY. This result reinforces the Company's commitment to control expenses and constantly seek more operational efficiency.



## EBITDA

In 3Q21, Adjusted EBITDA reached R\$34.8 million, up by 7.8% YoY, representing 4.0% of Gross Revenue, down by 0.4 p.p. YoY. This result is in line with the Company's plan, considering the investments made and the accelerated expansion. Besides, there was an additional 0.2 p.p. pressure due to the lower Wholesale Gross Margin explained above.

## ADJUSTED EBITDA







EBITDA Reconciliation	3Q20	3Q21	Var. %
(R\$ million)			
<b>Net Income</b>	<b>17.4</b>	<b>18.4</b>	<b>5.7%</b>
(+) Income Tax	3.4	2.5	(26.4%)
(+) Financial Result	0.4	0.2	(61.1%)
<b>EBIT</b>	<b>21.2</b>	<b>21.1</b>	<b>(0.7%)</b>
(+) Depreciation and Amortization	8.6	11.8	36.8%
<b>EBITDA</b>	<b>29.9</b>	<b>32.9</b>	<b>10.1%</b>
Re-IPO Expenses	2.4	0.0	-
Asset Write-off	0.0	0.8	-
Provisions for Non-Recurring Contingencies	0.0	1.1	-
<b>Adjusted EBITDA</b>	<b>32.3</b>	<b>34.8</b>	<b>7.8%</b>
<b>Adjusted EBITDA Margin</b>	<b>4.4%</b>	<b>4.0%</b>	<b>-0.4 p.p.</b>

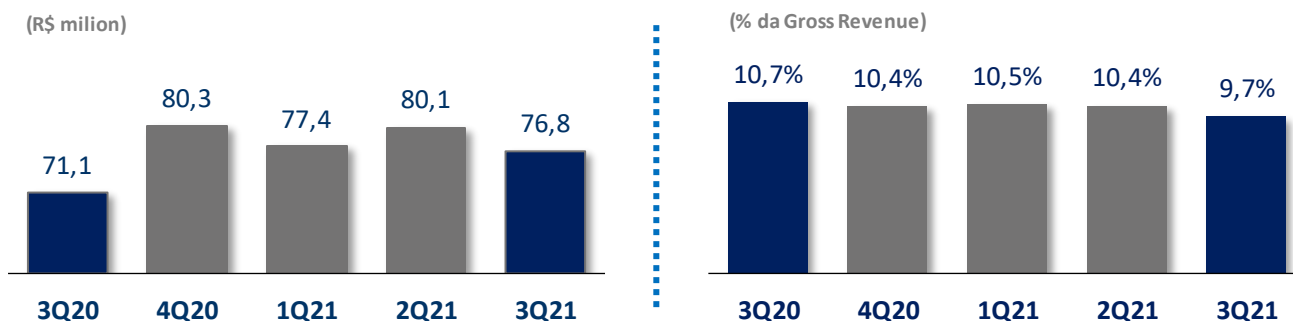
## RETAIL EBITDA

Retail EBITDA represents the results generated for stores and is calculated using the formula described on the side.

3Q21 Retail EBITDA reached R\$76.8 million, representing 9.7% of the Gross Revenue. Retail EBITDA Margin had a 1.0 p.p. pressure YoY, an expected effect from accelerating the expansion, with more stores in the maturation period, and inflationary effects on store expenses.

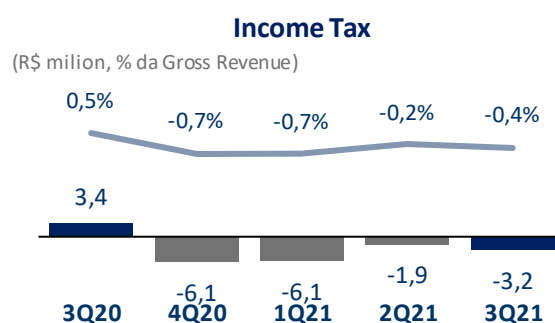
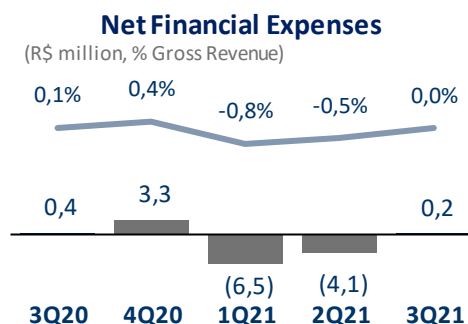
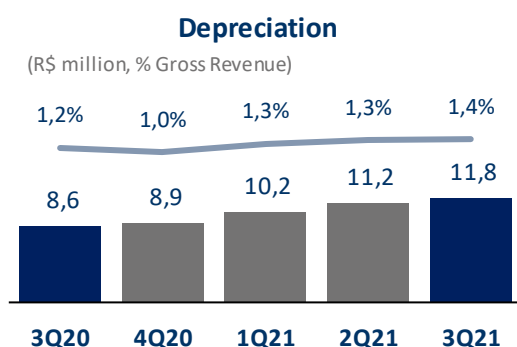
**Retail Gross Revenue**  
 (-) CMV/Taxes/Discounts/Returns  
**= Retail Gross Margin**  
 (-) Expenses with Store Sales  
 (+) Store Depreciation  
**= Retail EBITDA**

### RETAIL EBITDA



## DEPRECIATION, NET FINANCIAL EXPENSES AND INCOME TAX

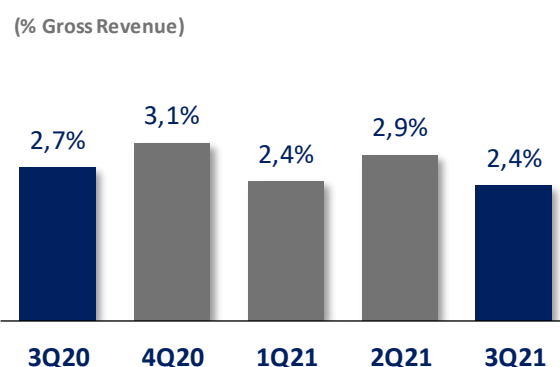
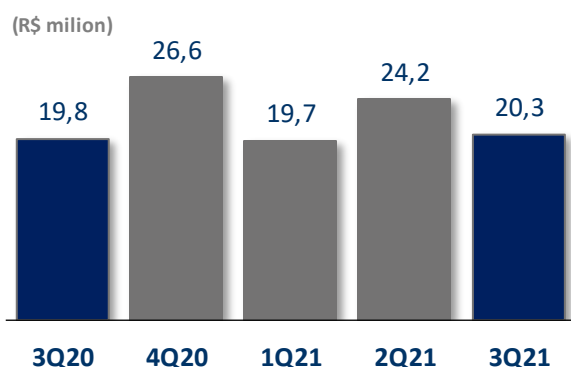
The highlight in the period was the 0.2 p.p. increase in depreciation as a percentage of Gross Revenue, explained by the fast pace of store expansion.



## NET INCOME

3Q21 Adjusted Net Income reached R\$20.3 million, representing a 2.4% net margin, down by 0.3 p.p. over 3Q20.

### NET INCOME



In the table below, we have reconciled Net Income and non-recurring expenses in the period.

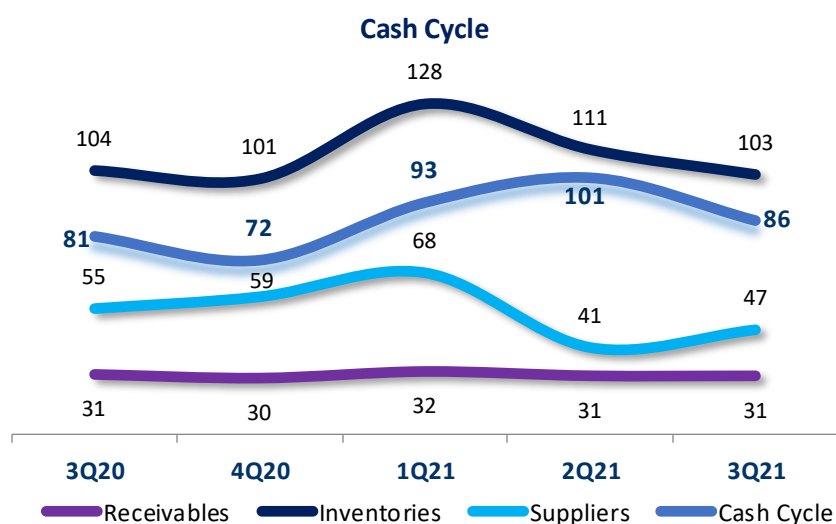


Net Income Reconciliation	3Q20	3Q21	Var. %
(R\$ million)			
<b>Net Income</b>	<b>17.4</b>	<b>18.4</b>	<b>5.7%</b>
Re-IPO Expenses	2.4	0.0	-
Asset Write-off	0.0	0.8	-
Provisions for Non-Recurring Contingencies	0.0	1.1	-
<b>Adjusted Net Income</b>	<b>19.8</b>	<b>20.3</b>	<b>2.5%</b>
<b>Adjusted Net Margin</b>	<b>2.7%</b>	<b>2.4%</b>	<b>-0.3 p.p.</b>

## CASH CYCLE

The Company increased its cash cycle by five days when compared to 3Q20. The stock level followed its normalization process, after having grown due to medicines purchased before prices increased and the transition from the DC in Passo Fundo/RS to the new DC in São José dos Pinhais/PR, reducing one day compared to 3Q20 and eight days compared to 2Q21. The supplier term fell by eight days compared to 3Q20, but it started its recovery process, increasing by six days compared to 2Q21.

The inventory days and cash cycle should improve until the end of 2021.



## INVESTMENTS

Continuing with the expansion projects, information technology advance and continuous improvement of our logistics processes, the Company kept a high investment level in 3Q21, totaling R\$35.7 million (up by 49.2% YoY).

In expansion, R\$19.4 million were invested in opening new stores, an investment in line with the Company's strategic plan. Furthermore, R\$3.1 million were invested in store renovations and R\$7.5 million in Technology. Other investments totaled R\$5.8 million, including investments in logistics.

## CASH FLOW

The Company had a positive free cash flow of R\$ 46,5 million in 3Q21, a 19,6% increase YoY. Even with more investments, it was possible to bring this growth due to a better operational efficiency.

Fluxo de caixa R\$ mil	3Q21	3Q20	Var.	9M21	9M20	Var.
Net Income for the Fiscal Year	18.411	17.415	996	62.787	39.489	23.298
Income Tax/Social Contribution	2.507	3.407	(900)	12.236	7.292	4.944
Financial Results	160	410	(250)	(10.504)	9.201	(19.705)
<b>EBIT</b>	<b>21.078</b>	<b>21.234</b>	<b>(156)</b>	<b>64.519</b>	<b>55.984</b>	<b>8.535</b>
Depreciation and Amortization	11.833	8.646	3.187	33.271	25.712	7.559
<b>EBITDA</b>	<b>32.911</b>	<b>29.881</b>	<b>3.030</b>	<b>97.790</b>	<b>81.697</b>	<b>16.093</b>
Others	4.580	(5.134)	9.714	(15.759)	(1.844)	(13.915)
<b>Funds from Operations</b>	<b>37.491</b>	<b>24.748</b>	<b>12.743</b>	<b>82.031</b>	<b>79.854</b>	<b>2.177</b>
Cash Cycle	41.866	39.036	2.830	(178.039)	(67.497)	(110.542)
Other Variations in Assets and Liabilities	2.835	(1.689)	4.524	24.561	(4.427)	28.988
<b>Operating Cash Flow</b>	<b>82.192</b>	<b>62.099</b>	<b>20.093</b>	<b>(71.447)</b>	<b>7.934</b>	<b>(79.381)</b>
Investments	(35.660)	(23.202)	(12.458)	(96.411)	(47.439)	(48.972)
<b>Free Cash Flow</b>	<b>46.532</b>	<b>38.898</b>	<b>7.634</b>	<b>(167.858)</b>	<b>(39.504)</b>	<b>(128.354)</b>
Interest on Shareholders' Equity	(5.945)	(100)	(5.845)	(23.943)	(12.762)	(11.181)
Treasury Shares	(6.061)	(8.821)	2.760	(18.750)	(8.821)	(9.929)
<b>Total Cash Flow</b>	<b>34.526</b>	<b>29.979</b>	<b>4.547</b>	<b>(210.551)</b>	<b>(61.085)</b>	<b>(149.466)</b>

## INDEBTEDNESS

Dimed's gross indebtedness at the end of 3Q21 reached R\$164.6 million and, excluding cash and cash equivalents (R\$205.5 million), Net Cash ended the period at R\$41.0 million. We consider that company's capital structure is solid and offer all the support for our expansion plan.

Net Debt	3Q20	4Q20	1Q21	2Q21	3Q21
Short-Term Debt	140.9	54.9	55.8	55,2	57.3
Long-Term Debt	161.6	134.8	134.4	107,6	107.3
<b>Gross Debt</b>	<b>302.6</b>	<b>189.7</b>	<b>190.3</b>	<b>162,8</b>	<b>164.6</b>
(-) Cash, Cash Equivalents and Financial Investments	579.8	436.9	293.9	172,2	205.5
<b>Net Debt (Net Cash)</b>	<b>(277.2)</b>	<b>(247.2)</b>	<b>(103.7)</b>	<b>(9,3)</b>	<b>(41.0)</b>
<b>Net Debt (Net Cash) / EBITDA</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

## CORPORATE, SOCIAL, AND ENVIRONMENTAL RESPONSIBILITY (ESG)



[Click here](#) to go to the Platform



[Click here](#) to watch the Manifesto

The best sustainability practices have always been part of our DNA. To reinforce this, in the last quarter, we officially launched the **Todos Bem** platform to all stakeholders and reinforced our **ESG** strategy at our Panvel Day held last month.

Four pillars guide our actions on environmental, social and corporate responsibility: Our People, Our House, Our Clients and Our Partners. In this quarter, we can highlight:

Within OUR HOUSE pillar, we have **renewable energy**. In

October, we finished installing in our headquarters, in the city of Eldorado do Sul/RS, the largest **carport in Rio Grande do Sul**, with 2,280 photovoltaic panels covering the Company's parking area and the workforce's walkway. Reaching 1MWp of power, this plant will generate 1,243 MWh per year, corresponding to 681 homes.

We will reduce the emission of 145 tons of CO<sub>2</sub> a year into the atmosphere, corresponding to 1,088 planted trees. This energy generation structure is the largest in Rio Grande do Sul and the 4<sup>th</sup> largest in Brazil, and the Company's goal is for all street stores to be supplied with renewable energy by the end of 2022.

Regarding OUR PEOPLE pillar, we highlight the team's engagement with our Todos Bem commitment. In September, the month of the Group's anniversary, we launched a challenge to our teams, who mobilized to participate in an action to donate a photovoltaic plant to APAE in Eldorado do Sul – RS. In one week, 1,000 volunteer employees got together, and we reached our goal. In December 2021, we will start the installations in that institution.

As for OUR CUSTOMERS, we have all campaigns considering Responsible Marketing, where we consider people's diversity in their plurality, reflecting the diversity of our society.

### 2021-2026 Targets

We have very clear targets within the ESG. By 2026, we have 30 targets to be achieved! In the short term, we have 7 to be highlighted:

- **Our HOUSE** - 2 targets to be completed by Dec/22;
- **Our CUSTOMERS** - 1 target already achieved, with Responsible Marketing, and another target to be completed by the end of the year;
- **Our PEOPLE** - 3 targets to be completed by Dec/22.

Access our platform and stay on top of all our targets.



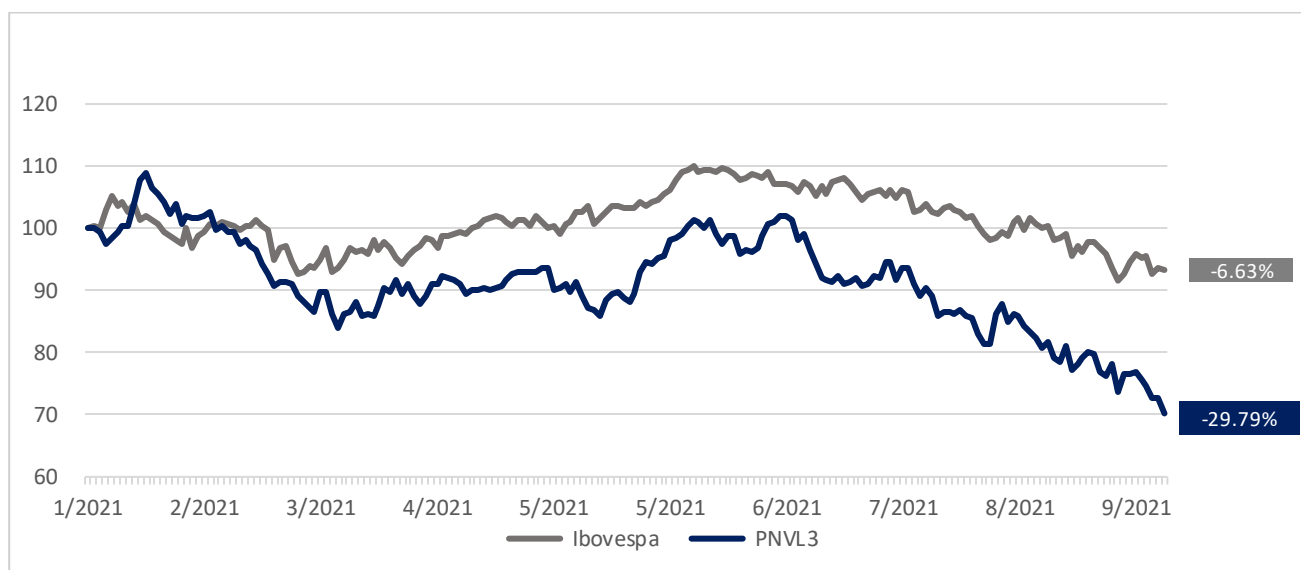
## CAPITAL MARKET

The Company carried out a capital increase in July 2020 (re-IPO) to have financial resources to speed up its projects over the next five years, investing in expanding its drugstore network, improving digital systems and logistics.

Recently, the Company advanced its commitment to shareholders, raising its Corporate Governance standard to the highest level at B3. The migration process to the Novo Mercado was concluded, and, on September 24<sup>th</sup>, the shares started trading at this level. The process started at the beginning of the year when, through an innovative solution, the conversion of preferred shares into common shares was approved and continued with other moves to meet the requirements, such as expanding internal committees and electing independent members in the Board of Directors.

Currently, the Company is part of the following B3 indexes: IBRA (Brazil Broad Index), ICON (Consumer Index), IGCT (Trade Corporate Governance Index), IGCX (Special Corporate Governance Stock Index), IGNM (Corporate Governance Index – Novo Mercado), ITAG (Special Tag-Along Stock Index) and SMLL (Small Cap Index).

The Company also has an active Buyback Program, with a limit approved by the Board of Directors of 2 million shares, and by the end of 3Q21, around 1.7 million shares had already been repurchased, as the Company understands that the current share price does not reflect its fair value.



## IFRS 16: IMPACTS

IFRS 16/CPC 06 (R2) standard establishes new accounting methods for some lease agreements. Those that fall under the new rule will be accounted for in the Company's assets (right of use) and liabilities (future commitments), resulting in changes in the accounting records in lease and depreciation expenses and interest.

The figures here are presented with the former methodology (IAS 17) to keep the historical comparability. The financial information and statements under IFRS 16 are available on the Company's and CVM's websites.

Income Statement (R\$ million)	3Q21		
	IAS 17	Reclassification	IFRS 16
Gross Revenue			
<b>Gross Income</b>	<b>860.143</b>	-	<b>860.143</b>
<b>% GR</b>	<b>241.873</b>	-	<b>241.873</b>
Selling Expenses	28,1%	0,0%	28,1%
Administrative Expenses	(193.088)	32.580	(160.508)
Total Expenses	(19.274)	-	(19.274)
<b>% GR</b>	<b>(212.362)</b>	<b>32.580</b>	<b>(179.782)</b>
Adjusted EBITDA	24,7%	-3,8%	20,9%
<b>% GR</b>	<b>34.833</b>	<b>32.179</b>	<b>67.012</b>
Depreciation and Amortization	4,0%	3,7%	7,8%
Shar. Adm/Profit-Sharing	(11.833)	(28.715)	(40.548)
Other Adjustments	-	-	-
Financial Results	(1.922)	-	(1.922)
Income Tax/Social Contribution	(160)	(8.045)	(8.205)
Net Income	(2.507)	1.823	(684)
<b>% GR</b>	<b>18.411</b>	<b>(2.758)</b>	<b>15.653</b>
Gross Revenue	2,1%	-0,3%	1,8%

Balance Sheet (R\$ million)	3Q21		
	IAS 17	Reclassification	IFRS 16
<b>Assets</b>	<b>1.747.517</b>	<b>506.315</b>	<b>2.253.832</b>
<b>Non-Current Assets</b>	<b>433.050</b>	<b>506.315</b>	<b>939.365</b>
Deferred Assets	22.803	9.867	32.670
Property, Plant and Equipment	330.908	496.448	827.356
<b>Liabilities and Shareholder's Equity</b>	<b>1.747.517</b>	<b>506.315</b>	<b>2.253.832</b>
<b>Current Liabilities</b>	<b>562.065</b>	<b>124.659</b>	<b>686.724</b>
Leases	1.453	124.659	126.112
<b>Non-Current Liabilities</b>	<b>136.954</b>	<b>400.808</b>	<b>537.762</b>
Leases	1.539	400.808	402.347
<b>Shareholders' Equity</b>	<b>1.048.498</b>	<b>(19.152)</b>	<b>1.029.346</b>
Accrued Income	69.436	(19.152)	50.284

## BALANCE SHEET

Former Standard (IAS 17)			
ASSETS	3Q20	3Q21	Var. %
(in '000)			
<b>Current Assets</b>	<b>1.436.985</b>	<b>1.314.466</b>	<b>-8,5%</b>
Cash and Cash Equivalents	514.334	18.672	-96,4%
Investments	65.457	186.855	185,5%
Customers	258.189	303.193	17,4%
Inventory	512.473	696.776	36,0%
Income Tax and Social Contribution to Recover	1.766	14.750	735,2%
Taxes to Recover	5.371	32.402	503,3%
Other Receivables	69.631	61.819	-11,2%
Derivative Instruments	9.764	-	-100,0%
<b>Non-Current Assets</b>	<b>332.138</b>	<b>433.051</b>	<b>30,4%</b>
Deferred Taxes	18.379	22.802	24,1%
Taxes to Recover	3.209	7.429	131,5%
Court Deposits	6.858	5.287	-22,9%
Credits with Related Companies	3.318	10.738	223,6%
Other Assets	937	321	-65,7%
Investments	284	5	-98,2%
Property, Plant and Equipment	259.248	330.908	27,6%
Intangible Assets	39.905	55.559	39,2%
<b>Total Assets</b>	<b>1.769.123</b>	<b>1.747.517</b>	<b>-1,2%</b>

Former Standard (IAS 17)			
LIABILITIES	3Q20	3Q21	Var. %
(in '000)			
<b>Current Liabilities</b>	<b>579.891</b>	<b>562.065</b>	<b>-3,1%</b>
Suppliers	300.155	335.031	11,6%
Loans and Financing	139.497	55.867	-60,0%
Lease - IFRS 16	1.446	1.453	0,5%
Salaries and Social Charges	56.835	66.148	16,4%
Interests to Pay	1.253	100	-92,0%
Taxes Payable	26.717	35.638	33,4%
Dividends and Interest on Shareholders' Equity	1.365	1.583	16,0%
Other Payables	50.308	64.592	28,4%
Other Provisions	2.315	1.653	-28,6%
<b>Non-Current Liabilities</b>	<b>174.336</b>	<b>136.954</b>	<b>-21,4%</b>
Loans and Financing	158.571	105.714	-33,3%
Lease - IFRS 16	3.068	1.539	-49,8%
Liabilities with Related Parties	-	7.709	100,0%
Tax, Social Security, Labor and Civil Provisions	12.697	21.992	73,2%
<b>Shareholders' Equity</b>	<b>.014.896</b>	<b>1.048.499</b>	<b>3,3%</b>
Share Capital	912.000	918.000	0,7%
Capital Transactions with Partners	(14.161)	(48.118)	239,8%
Capital Reserve	(7.395)	-	-100,0%
Profit Reserve	79.712	109.181	37,0%
Accrued Income	44.740	69.436	55,2%
<b>Total Liabilities and Shareholders' Equity</b>	<b>.769.123</b>	<b>1.747.517</b>	<b>-1,2%</b>

## INCOME STATEMENT

Former Standard (IAS 17)			
Income Statement	3Q20	3Q21	Var. %
(in '000)			
<b>Gross Revenue</b>	<b>741.538</b>	<b>860.213</b>	<b>16,0%</b>
Taxes and Returns	(42.490)	(57.737)	35,9%
Loyalty	-	-	-
<b>Net Revenue</b>	<b>699.048</b>	<b>802.476</b>	<b>14,8%</b>
Cost of Goods Sold	(493.086)	(560.601)	13,7%
<b>Gross Income</b>	<b>205.962</b>	<b>241.875</b>	<b>17,4%</b>
<b>Expenses</b>	<b>(184.728)</b>	<b>(221.196)</b>	<b>19,7%</b>
With Sales	(166.624)	(203.147)	21,9%
General and Administrative	(19.229)	(21.047)	9,5%
Other Operating Revenues	1.125	2.998	166,5%
<b>Financial Results</b>	<b>(410)</b>	<b>(160)</b>	<b>-61,0%</b>
Financial Expenses	(6.399)	(3.554)	-44,5%
Financial Revenue	5.989	3.394	-43,3%
<b>Earnings before Income Tax, Social Contribution and Interests</b>	<b>20.824</b>	<b>20.519</b>	<b>-1,5%</b>
Income Tax and Social Charges	(3.408)	(2.105)	-38,2%
<b>Net Income for the Fiscal Year</b>	<b>17.416</b>	<b>18.414</b>	<b>5,7%</b>

## DISCLAIMER

The statements in this document related to business prospects, forecasts on operating and financial results and those related to DIMED's growth outlook are merely forecasts and, as such, are based solely on the Management's estimates on the future of the business. These estimates substantially depend on market conditions, laws, the Brazilian economy, the segment and international markets and are subject to changes without prior notice.

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**DIMED**  
distribuidora

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**Baixe o app**



### Earnings Call

November 17, 2021 – Wednesday  
11 a.m. (Brasília Time) / 10 a.m. (EDT)  
The call will be held in Portuguese with simultaneous translation into English.

#### Call in Portuguese

Access Phone  
+55 11 4935 1146  
Dial-in: 3775

[Link Webcast](#)

#### Call in English

Access Phone  
+ 1 (914) 359-2483  
(USA)  
Dial-in: 5781

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