

Quarterly Information (ITR)

Dimed S.A. Distribuidora de Medicamentos

June 30, 2023



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A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, and 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"), for the quarter ended June 30, 2023, comprising the statement of financial position as of June 30, 2023 and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended, and statements of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 - Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of 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 Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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 form referred to above is 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 abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2023, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Porto Alegre, August 10, 2023.

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

Arthur Ramos Arruda
Accountant CRC RS-096102/O-0

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Company Information / Capital Breakdown

Number of shares (unit)	Current quarter 06/30/2023
Paid-in Capital	
Common shares	150,377,481
Preferred shares	0
Total	150,377,481
Treasury shares	
Common shares	1,525,357
Preferred shares	0
Total	1,525,357

A free translation from Portuguese into English of Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, and with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Individual Financial Statements / Statement of Financial Position - Assets

(In thousands of reais)

Account Code	Account Description	Current quarter 06/30/2023	Prior year 12/31/2022
1	Total Assets	2,778,807	2,729,336
1.01	Current assets	1,514,960	1,493,849
1.01.01	Cash and cash Equivalents	11,094	23,517
1.01.02	Short-term Investments	131,159	87,967
1.01.02.01	Short-term Investments Measured at Fair Value Through Profit or Loss	131,159	87,967
1.01.02.01.03	Short-Term Investments	131,159	87,967
1.01.03	Trade Accounts Receivable	443,867	462,864
1.01.03.01	Trade Accounts Receivable	372,939	397,434
1.01.03.02	Other Accounts Receivable	70,928	65,430
1.01.04	Inventories	892,640	882,439
1.01.06	Taxes Recoverable	36,200	37,062
1.01.06.01	Current Taxes Recoverable	36,200	37,062
1.01.06.01.01	Income and Social Contribution Taxes Recoverable	24,875	26,064
1.01.06.01.02	Other Taxes Recoverable	11,325	10,998
1.02	Noncurrent Assets	1,263,847	1,235,487
1.02.01	Long-Term Assets	57,046	59,595
1.02.01.07	Deferred Taxes	42,364	45,263
1.02.01.07.01	Deferred Income and Social Contribution Taxes	42,364	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	13,352	12,802
1.02.01.10.03	Other Taxes Recoverable	10,784	9,625
1.02.01.10.04	Judicial Deposits	2,280	2,654
1.02.01.10.05	Other Assets	288	523
1.02.02	Investments	79,541	75,478
1.02.02.01	Equity Interests	79,541	75,478
1.02.02.01.02	Interests Held in Subsidiaries	79,541	75,478
1.02.03	Property, Plant and Equipment	1,049,080	1,024,274
1.02.03.01	Property, Plant and Equipment in Operation	461,500	436,995
1.02.03.02	Right-of-Use - Lease	587,580	587,279
1.02.04	Intangible assets	78,180	76,140
1.02.04.01	Intangible assets	78,180	76,140
1.02.04.01.02	Intangible assets	78,180	76,140

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

(In thousands of reais)

Account Code	Account Description	Current quarter 06/30/2023	Prior year 12/31/2022
2	Total Liabilities	2,778,807	2,729,336
2.01	Current Liabilities	1,096,782	1,006,080
2.01.01	Social and Labor Obligations	75,793	59,222
2.01.01.01	Social Charges	14,723	13,753
2.01.01.02	Labor Obligations	61,070	45,469
2.01.02	Trade Accounts Payable	469,339	562,322
2.01.02.01	Trade Accounts Payable - Local	469,339	562,322
2.01.03	Tax Obligations	30,415	27,215
2.01.03.01	Federal Tax Obligations	6,987	5,238
2.01.03.01.02	Other Federal Tax Obligations	6,987	5,238
2.01.03.02	State Tax Liabilities	21,776	20,371
2.01.03.03	Municipal Tax Liabilities	1,652	1,606
2.01.04	Loans and FINANCING	452,269	270,488
2.01.04.01	Loans and Financing	176,536	0
2.01.04.01.01	In Local Currency	176,536	0
2.01.04.02	Debentures	117,135	118,395
2.01.04.03	Financing Through Lease	158,598	152,093
2.01.05	Other Obligations	66,831	84,411
2.01.05.02	Other	66,831	84,411
2.01.05.02.01	Dividends and Interest on Equity Payable	8,791	5,518
2.01.05.02.04	Profit Sharing Payable	0	16,399
2.01.05.02.05	Other Liabilities	58,040	62,494
2.01.06	Provisions	2,135	2,422
2.01.06.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	2,135	2,422
2.01.06.01.05	Other Provisions	2,135	2,422
2.02	Noncurrent liabilities	556,179	615,094
2.02.01	Loans and Financing	546,911	601,052
2.02.01.02	Debentures	60,000	116,429
2.02.01.03	Financing Through Lease	486,911	484,623
2.02.02	Other Obligations	6,944	6,665
2.02.02.02	Other	6,944	6,665
2.02.02.02.04	Other Obligations	6,944	6,665
2.02.04	Provisions	2,324	7,377
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	2,324	7,377
2.02.04.01.01	Provisions for Tax Contingencies	0	202
2.02.04.01.02	Provisions for Social Security and Labor Contingencies	2,324	7,175
2.03	Equity	1,125,846	1,108,162
2.03.01	Paid-in Capital	955,668	928,552
2.03.01.01	Capital	970,116	943,000
2.03.01.02	Share Issue Costs	-14,448	-14,448
2.03.02	Capital reserves	-25,959	-29,368
2.03.02.05	Treasury Shares	-28,577	-35,139
2.03.02.07	Goodwill Reserve	-2,063	-268
2.03.02.08	Long-Term Incentive Reserve	4,681	6,039
2.03.04	Income Reserves	163,891	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 06/30/2023	Prior year 31/12/2022
2.03.04.07	Tax Incentive Reserve	154,690	154,690
2.03.04.08	Proposed Additional Dividend	0	17,971
2.03.04.10	Reserve for Capital Increase	0	27,116
2.03.05	Retained Earnings/Accumulated Losses	32,246	0

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

Account Code	Account Description	Same quarter of			
		Current Quarter 04/01/2023 to 06/30/2023	Current YTD 01/01/2023 to 06/30/2023	Prior YTD 04/01/2022 to 06/30/2022	Prior YTD 01/01/2022 to 06/30/2022
3.01	Revenue from Sales of Goods and/or Services	1,079,262	2,105,105	984,519	1,880,401
3.01.01	Gross Sales of Products and Services	1,164,155	2,267,570	1,055,044	2,017,700
3.01.02	Sales taxes	-70,665	-135,654	-57,974	-113,101
3.01.03	Returns and Unconditional Discounts	-14,228	-26,811	-12,551	-24,198
3.02	Cost of Sales and/or Services	-738,616	-1,453,213	-671,399	-1,297,343
3.03	Gross Income	340,646	651,892	313,120	583,058
3.04	Operating Income/Expenses	-299,662	-572,969	-271,478	-513,801
3.04.01	Selling expenses	-269,957	-524,620	-253,472	-484,320
3.04.02	General and administrative expenses	-32,327	-58,968	-25,709	-48,991
3.04.03	Losses on Nonrecoverable Assets	0	0	6,087	0
3.04.04	Other Operating Income	352	6,556	1,616	11,744
3.04.06	Equity Pickup	2,270	4,063	0	7,766
3.05	Income Before Finance Income (Costs) and Taxes	40,984	78,923	41,642	69,257
3.06	Finance Income (costs)	-20,733	-40,422	-17,223	-29,584
3.06.01	Finance Income	6,697	11,654	2,422	5,511
3.06.02	Finance Costs	-27,430	-52,076	-19,645	-35,095
3.07	Income Before Income Taxes	20,251	38,501	24,419	39,673
3.08	Income and Social Contribution Taxes	1,779	1,745	-1,057	4,297
3.08.01	Current	3,309	4,644	-5,147	820
3.08.02	Deferred	-1,530	-2,899	4,090	3,477
3.09	Net Income from Continuing Operations	22,030	40,246	23,362	43,970
3.11	Income/Loss for the Period	22,030	40,246	23,362	43,970
3.99	Earnings per Share (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Registered Common Shares	0.15	0.27	0.16	0.3
3.99.02	Diluted Earnings per Share				
3.99.02.01	Registered Common Shares	0.15	0.27	0.16	0.3

Individual Financial Statements / Statement of Comprehensive Income

(In thousands of reais)

Account Code	Account Description	Current quarter 04/01/2023 to 06/30/2023	Current YTD 01/01/2023 to 06/30/2023	Same quarter of Prior year 04/01/2022 to 06/30/2022	Prior YTD 01/01/2022 to 06/30/2022
4.01	Net Income for the Period	22,030	40,246	23,362	43,970
4.03	Comprehensive Income for the Period	22,030	40,246	23,362	43,970

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

Account Code	Account Description	Current YTD 01/01/2023 to 06/30/2023	Prior YTD 01/01/2022 to 06/30/2022
6.01	Net Cash from Operating Activities	89,775	-32,881
6.01.01	Cash from Operations	173,527	147,591
6.01.01.01	Net Income for the Period	40,246	43,970
6.01.01.02	Depreciation and Amortization	98,797	93,046
6.01.01.03	Reversal of/Provision for Contingent Liabilities	-5,053	-395
6.01.01.04	Equity Pickup	-4,063	-7,766
6.01.01.05	Cost of Permanent Asset Written Off/Sold	3,467	4,577
6.01.01.06	Allowance for Expected Credit Losses	-451	601
6.01.01.07	Reversal of/Provision for Inventory Losses	910	653
6.01.01.08	Tax Credits from Legal Proceeding	0	-4,896
6.01.01.09	Stock Option Plan or Share Subscription	2,807	2,145
6.01.01.10	Deferred Income and Social Contribution Taxes	2,899	-3,477
6.01.01.11	Discounts on Leases	0	-3,976
6.01.01.13	Interest Expenses	46,885	29,996
6.01.01.14	Net Reimbursement of Property, Plant and Equipment Written off	0	-6,231
6.01.01.15	Rendering of service related to legal proceeding	0	627
6.01.01.16	Short-term investment yields	-8,296	0
6.01.01.17	Current Income and Social Contribution Taxes	-4,644	-820
6.01.01.20	Other	23	-463
6.01.02	Changes in Assets and Liabilities	-83,752	-180,472
6.01.02.01	Credits receivable - customers	24,923	-39,968
6.01.02.02	Inventories	-11,111	-71,770
6.01.02.03	Trade accounts payable	-92,983	-119,163
6.01.02.04	Taxes, contributions and social obligations	24,415	36,712
6.01.02.06	Judicial Deposits	374	-76
6.01.02.07	Other Taxes Recoverable	-297	-5,799
6.01.02.08	Other asset groups	-7,197	19,331
6.01.02.09	Other liability groups	-21,784	2,466
6.01.02.11	Income and Social Contribution Taxes (IRPJ and CSLL) Paid	-92	-2,205
6.02	Net Cash from Investing Activities	-96,344	-6,173
6.02.01	Acquisition of Property, Plant and Equipment	-50,029	-77,336
6.02.02	Acquisition of intangible assets	-11,419	-15,762
6.02.03	Claim Reimbursement	0	11,479
6.02.04	Short-Term Investments	-34,896	75,446
6.03	Net Cash from Financing Activities	-5,854	27,068
6.03.01	Payment of Dividends and Interest on Equity	-21,774	-17,496
6.03.03	Acquisitions of Own Shares	-705	-582
6.03.05	Payments of lease	-81,142	-72,952
6.03.06	Repayment of Principal - Financing	-56,415	-26,428
6.03.08	Repayment of interest - financing	-22,893	-6,922
6.03.10	Loans raised	175,000	150,000
6.03.11	Shares Granted - Matching Shares Plan	2,075	1,448
6.05	Increase (Decrease) in Cash and Cash Equivalents	-12,423	-11,986
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	11,094	39,604

Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2023 to 06/30/2023**(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
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	27,116	3,409	-45,087	-8,000	0	-22,562
5.04.01	Capital Increases	27,116	0	-27,116	0	0	0
5.04.03	Recognized Options Granted	0	2,075	0	0	0	2,075
5.04.04	Treasury Shares Acquired	0	-705	0	0	0	-705
5.04.06	Dividends	0	0	-17,971	0	0	-17,971
5.04.07	Interest on Equity	0	0	0	-8,000	0	-8,000
5.04.08	Disposal/Transfer of Shares	0	-952	0	0	0	-952
5.04.09	Goodwill/negative goodwill - payment vesting	0	183	0	0	0	183
5.04.10	Fair value - Matching Shares	0	2,808	0	0	0	2,808
5.05	Total Comprehensive Income	0	0	0	40,246	0	40,246
5.05.01	Net Income for the Period	0	0	0	40,246	0	40,246
5.07	Closing Balances	955,668	-25,959	163,891	32,246	0	1,125,846

Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2022 to 06/30/2022**(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 (loss)	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	25,000	2,803	-38,390	0	0	-10,587
5.04.01	Capital Increases	25,000	0	-25,000	0	0	0
5.04.03	Recognized Options Granted	0	1,448	0	0	0	1,448
5.04.04	Treasury Shares Acquired	0	-582	0	0	0	-582
5.04.06	Dividends	0	0	-13,390	0	0	-13,390
5.04.08	Fair value - Matching Shares	0	2,145	0	0	0	2,145
5.04.09	Disposal/Transfer of Shares	0	-208	0	0	0	-208
5.05	Total Comprehensive Income	0	0	0	43,970	0	43,970
5.05.01	Net Income for the Period	0	0	0	43,970	0	43,970
5.07	Closing Balances	928,552	-30,606	137,662	43,970	0	1,079,578

Individual Financial Statements / Statement of Value Added**(In thousands of reais)**

Account Code	Account Description	Current YTD 01/01/2023 to 06/30/2023	Prior YTD 01/01/2022 to 06/30/2022
7.01	Revenues	2,399,577	2,110,879
7.01.01	Sales of Goods, Products and Services	2,240,759	1,993,502
7.01.02	Other Revenues	158,366	117,978
7.01.04	Reversal of/Allowance for Expected Credit Losses	452	-601
7.02	Bought-in Inputs	-1,723,259	-1,513,911
7.02.01	Costs of Goods, Products and Services Sold	-1,564,700	-1,365,524
7.02.02	Materials, Electric Power, Third-Party Services and Other Expenses	-164,012	-158,132
7.02.03	Loss/Recovery of Assets	5,453	9,745
7.03	Gross Value Added	676,318	596,968
7.04	Retentions	-98,790	-93,046
7.04.01	Depreciation, Amortization and Depletion	-98,790	-93,046
7.05	Net Value Added Produced	577,528	503,922
7.06	Value Added Received in Transfer	16,285	14,047
7.06.01	Equity Pickup	4,063	7,766
7.06.02	Finance Income	12,222	6,281
7.07	Total Value Added to be Distributed	593,813	517,969
7.08	Distribution of Value Added	593,813	517,969
7.08.01	Personnel	259,623	229,919
7.08.01.01	Direct Compensation	217,182	193,611
7.08.01.02	Benefits	24,009	20,840
7.08.01.03	Unemployment Compensation Fund (FGTS)	18,432	15,468
7.08.02	Taxes, Charges and Contributions	225,760	197,644
7.08.02.01	Federal Taxes	65,107	51,866
7.08.02.02	State Taxes	155,380	141,524
7.08.02.03	Local Taxes	5,273	4,254
7.08.03	Debt Remuneration	68,184	46,436
7.08.03.01	Interest	52,795	35,828
7.08.03.02	Rent	15,389	10,608
7.08.04	Equity Remuneration	40,246	43,970
7.08.04.01	Interest on Equity (IOE)	8,000	0
7.08.04.03	Retained Profits/Loss for the Period	32,246	43,970

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

Account Code	Account Description	Current quarter 06/30/2023	Prior year 12/31/2022
1	Total Assets	2,783,735	2,733,126
1.01	Current Assets	1,585,439	1,558,547
1.01.01	Cash and Cash Equivalents	12,272	25,715
1.01.02	Short-Term Investments	180,937	131,640
1.01.02.01	Short-term Investments Measured at Fair Value Through Profit or Loss	180,937	131,640
1.01.02.01.03	Short-Term Investments	180,937	131,640
1.01.03	Trade Accounts Receivable	447,824	464,731
1.01.03.01	Trade Accounts Receivable	376,242	399,173
1.01.03.02	Other Accounts Receivable	71,582	65,558
1.01.04	Inventories	907,352	896,535
1.01.06	Taxes Recoverable	37,054	39,926
1.01.06.01	Current Taxes Recoverable	37,054	39,926
1.01.06.01.01	Income and Social Contribution Taxes Recoverable	25,197	26,587
1.01.06.01.02	Other Taxes Recoverable	11,857	13,339
1.02	Noncurrent Assets	1,198,296	1,174,579
1.02.01	Long-Term Assets	60,505	63,402
1.02.01.07	Deferred Taxes	45,800	48,598
1.02.01.07.01	Deferred Income and Social Contribution Taxes	45,800	48,598
1.02.01.09	Related-Party Receivables	1,330	1,530
1.02.01.09.04	Receivables from Other Related Parties	1,330	1,530
1.02.01.10	Other Noncurrent Assets	13,375	13,274
1.02.01.10.03	Other Taxes Recoverable	10,784	9,625
1.02.01.10.04	Judicial Deposits	2,301	3,124
1.02.01.10.05	Other Assets	290	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	1,058,945	1,034,437
1.02.03.01	Property, Plant and Equipment in Operation	471,365	447,158
1.02.03.02	Right-of-Use - Lease	587,580	587,279
1.02.04	Intangible Assets	78,842	76,736
1.02.04.01	Intangible Assets	78,842	76,736
1.02.04.01.02	Intangible Assets	78,842	76,736

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

(In thousands of reais)

Account Code	Account Description	Current quarter 06/30/2023	Prior year 12/31/2022
2	Total Liabilities	2,783,735	2,733,126
2.01	Current Liabilities	1,100,572	1,008,234
2.01.01	Social and Labor Obligations	76,992	60,105
2.01.01.01	Social charges	14,938	13,973
2.01.01.02	Labor Obligations	62,054	46,132
2.01.02	Trade Accounts Payable	466,801	555,452
2.01.02.01	Trade Accounts Payable - Local	466,801	555,452
2.01.03	Tax Obligations	32,477	30,583
2.01.03.01	Federal Tax Obligations	7,771	6,626
2.01.03.01.01	Income and Social Contribution Taxes Payable	558	1,757
2.01.03.01.02	Other Federal Tax Liabilities	7,213	4,869
2.01.03.02	State Tax Liabilities	23,052	22,345
2.01.03.03	Municipal Tax Liabilities	1,654	1,612
2.01.04	Loans and Financing	452,269	270,488
2.01.04.01	Loans and Financing	176,536	0
2.01.04.01.01	In Local Currency	176,536	0
2.01.04.02	Debentures	117,135	118,395
2.01.04.03	Financing Through Lease	158,598	152,093
2.01.05	Other Obligations	69,773	88,862
2.01.05.02	Other	69,773	88,862
2.01.05.02.01	Dividends and Interest on Equity Payable	8,791	5,518
2.01.05.02.04	Profit Sharing Payable	0	16,879
2.01.05.02.05	Other Liabilities	60,982	66,465
2.01.06	Provisions	2,260	2,744
2.01.06.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	2,260	2,744
2.01.06.01.05	Other Provisions	2,260	2,744
2.02	Noncurrent Liabilities	557,317	616,730
2.02.01	Loans and Financing	546,911	601,052
2.02.01.02	Debentures	60,000	116,429
2.02.01.03	Financing Through Lease	486,911	484,623
2.02.02	Other Obligations	6,944	6,665
2.02.02.02	Other	6,944	6,665
2.02.02.02.04	Other Obligations	6,944	6,665
2.02.04	Provisions	3,462	9,013
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Contingencies	3,462	9,013
2.02.04.01.01	Provisions for Tax Contingencies	1,009	1,604
2.02.04.01.02	Provisions for Social Security and Labor Contingencies	2,453	7,409
2.03	Consolidated Equity	1,125,846	1,108,162
2.03.01	Paid-in Capital	955,668	928,552
2.03.01.01	Capital	970,116	943,000
2.03.01.02	Share Issue Costs	-14,448	-14,448
2.03.02	Capital Reserves	-25,959	-29,368
2.03.02.05	Treasury Shares	-28,577	-35,139
2.03.02.07	Goodwill Reserve	-2,063	-268
2.03.02.08	Long-Term Incentive Reserve	4,681	6,039
2.03.04	Income Reserves	163,891	208,978

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

Account Code	Account Description	Current quarter 06/30/2023	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	0	17,971
2.03.04.10	Reserve for Capital Increase	0	27,116
2.03.05	Retained Earnings/Accumulated Losses	32,246	0

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

Account Code	Account Description	Current quarter	Current YTD -	Same quarter of	
		04/01/2023 to 06/30/2023	01/01/2023 to 06/30/2023	Prior year 04/01/2022 to 06/30/2022	Prior year 01/01/2022 to 06/30/2022
3.01	Revenue from Sales of Goods and/or Services	1,081,375	2,108,786	986,276	1,887,826
3.01.01	Gross Sales of Products and Services	1,166,969	2,272,680	1,057,661	2,026,995
3.01.02	Sales taxes	-71,299	-136,972	-58,546	-114,517
3.01.03	Returns and Unconditional Discounts	-14,295	-26,922	-12,839	-24,652
3.02	Cost of Sales and/or Services	-737,630	-1,451,283	-670,932	-1,297,008
3.03	Gross Income	343,745	657,503	315,344	590,818
3.04	Operating Income/Expenses	-303,536	-579,731	-274,548	-524,180
3.04.01	Selling expenses	-270,756	-525,978	-254,522	-485,983
3.04.02	General and administrative expenses	-33,166	-60,516	-26,158	-50,032
3.04.04	Other Operating Income	386	6,763	6,132	11,835
3.05	Income Before Finance Income (Costs) and Taxes	40,209	77,772	40,796	66,638
3.06	Finance Income (costs)	-19,145	-37,531	-16,015	-27,187
3.06.01	Finance Income	8,404	14,866	3,486	7,847
3.06.02	Finance Costs	-27,549	-52,397	-19,501	-35,034
3.07	Income Before Income Taxes	21,064	40,241	24,781	39,451
3.08	Income and Social Contribution Taxes	966	5	-1,419	4,519
3.08.01	Current	2,307	2,803	-5,722	-604
3.08.02	Deferred	-1,341	-2,798	4,303	5,123
3.09	Net Income from Continuing Operations	22,030	40,246	23,362	43,970
3.11	Consolidated Income (Loss) for the Period	22,030	40,246	23,362	43,970
3.99	Earnings per Share (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Registered Common Shares	0.15	0.27	0.16	0.3
3.99.02	Diluted Earnings per Share				
3.99.02.01	Registered Common Shares	0.15	0.27	0.16	0.3

Consolidated Financial Statements/ Statement of Comprehensive Income

(In thousands of reais)

Account Code	Account Description	Current quarter 04/01/2023 to 06/30/2023	Current YTD 01/01/2023 to 06/30/2023	Same quarter of prior year 04/01/2022 to 06/30/2022	Prior YTD 01/01/2022 to 06/30/2022
4.01	Consolidated Net Income for the Period	22,030	40,246	23,362	43,970
4.03	Consolidated Comprehensive Income for the Period	22,030	40,246	23,362	43,970
4.03.01	Attributable to Controlling Shareholders	22,030	40,246	23,362	43,970

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

(In thousands of reais)

Account Code	Account Description	Current	Prior YTD
		YTD 01/01/2023 to 06/30/2023	01/01/2022 to 06/30/2022
6.01	Net Cash from Operating Activities	92,088	-27,870
6.01.01	Cash from Operations	176,222	155,757
6.01.01.01	Net Income for the Period	40,246	43,970
6.01.01.02	Depreciation and Amortization	99,390	93,572
6.01.01.03	Reversal of/Provision for Contingent Liabilities	-5,551	-600
6.01.01.04	Cost of Permanent Asset Written Off/Sold	3,467	4,651
6.01.01.05	Allowance for Expected Credit Losses	-451	601
6.01.01.06	Provision for (reduction in) Inventory Losses	840	615
6.01.01.08	Tax Credits from Legal Proceeding	0	-4,896
6.01.01.09	Deferred Income and Social Contribution Taxes	2,798	-5,123
6.01.01.11	Stock Option Plan or Share Subscription	2,807	2,145
6.01.01.12	Interest Expenses	46,885	29,996
6.01.01.14	Short-term Investment Yields	-11,429	0
6.01.01.15	Other	23	-463
6.01.01.17	Rendering of Service Related to Legal Proceeding	0	892
6.01.01.18	Net Reimbursement of Property, Plant and Equipment Written off	0	-6,231
6.01.01.19	Current Income and Social Contribution Taxes	-2,803	604
6.01.01.20	Discounts on Leases	0	-3,976
6.01.02	Changes in Assets and Liabilities	-84,134	-183,627
6.01.02.01	Credits Receivable - Customers	23,359	-38,076
6.01.02.02	Inventories	-11,657	-70,998
6.01.02.03	Trade Accounts Payable	-88,651	-116,654
6.01.02.04	Taxes, Contributions and Social Obligations	21,584	35,057
6.01.02.06	Judicial Deposits	823	-81
6.01.02.07	Other Taxes Recoverable	1,713	-3,846
6.01.02.08	Other Asset Groups	-6,102	17,271
6.01.02.09	Other Liability Groups	-23,490	-3,010
6.01.02.11	Income and Social Contribution Taxes (IRPJ and CSLL) Paid	-1,713	-3,290
6.02	Net Cash from Investing Activities	-99,677	-12,072
6.02.01	Acquisition of Property, Plant and Equipment	-50,237	-77,545
6.02.02	Acquisition of Intangible Assets	-11,572	-15,813
6.02.03	Short-Term Investments	-37,868	69,807
6.02.04	Claim Reimbursement	0	11,479
6.03	Net Cash from Financing Activities	-5,854	27,068
6.03.01	Payment of Dividends and Interest on Equity	-21,774	-17,496
6.03.03	Loans/Financing (Principal) Taken out	175,000	150,000
6.03.04	Payment of Lease	-81,142	-72,952
6.03.05	Repayment of Principal - Financing	-56,415	-26,428
6.03.06	Acquisitions of Own Shares	-705	-582
6.03.08	Repayment of Interest - Financing	-22,893	-6,922
6.03.10	Shares Granted - Matching Shares Plan	2,075	1,448
6.05	Increase (Decrease) in Cash and Cash Equivalents	-13,443	-12,874
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	12,272	41,561

Consolidated Financial Statements / Statement of Changes in Equity - SCE - 01/01/2023 to 06/30/2023**(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	Consolidated Equity
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	27,116	3,409	-45,087	-8,000	0	-22,562	0	-22,562
5.04.01	Capital Increases	27,116	0	-27,116	0	0	0	0	0
5.04.03	Recognized Options Granted	0	2,075	0	0	0	2,075	0	2,075
5.04.04	Treasury Shares Acquired	0	-705	0	0	0	-705	0	-705
5.04.06	Dividends	0	0	-17,971	0	0	-17,971	0	-17,971
5.04.07	Interest on Equity	0	0	0	-8,000	0	-8,000	0	-8,000
5.04.08	Disposal/Transfer of Shares	0	-952	0	0	0	-952	0	-952
5.04.09	Goodwill/Negative Goodwill - payment vesting	0	183	0	0	0	183	0	183
5.04.10	Fair value - Matching Shares	0	2,808	0	0	0	2,808	0	2,808
5.05	Total Comprehensive Income	0	0	0	40,246	0	40,246	0	40,246
5.05.01	Net Income for the Period	0	0	0	40,246	0	40,246	0	40,246
5.07	Closing Balances	955,668	-25,959	163,891	32,246	0	1,125,846	0	1,125,846

Consolidated Financial Statements / Statement of Changes in Equity - SCE - 01/01/2022 to 06/30/2022**(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 (loss)	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	25,000	2,803	-38,390	0	0	-10,587	0	-10,587
5.04.01	Capital Increases	25,000	0	-25,000	0	0	0	0	0
5.04.03	Recognized Options Granted	0	1,448	0	0	0	1,448	0	1,448
5.04.04	Treasury Shares Acquired	0	-582	0	0	0	-582	0	-582
5.04.06	Dividends	0	0	-13,390	0	0	-13,390	0	-13,390
5.04.08	Fair value - Matching Shares	0	2,145	0	0	0	2,145	0	2,145
5.04.09	Disposal/Transfer of Shares	0	-208	0	0	0	-208	0	-208
5.05	Total Comprehensive Income	0	0	0	43,970	0	43,970	0	43,970
5.05.01	Net Income for the Period	0	0	0	43,970	0	43,970	0	43,970
5.07	Closing Balances	928,552	-30,606	137,662	43,970	0	1,079,578	0	1,079,578

Consolidated Financial Statements / Statement of Value Added**(In thousands of reais)**

Account Code	Account Description	Current YTD 01/01/2023 to 06/30/2023	Prior YTD 01/01/2022 to 06/30/2022
7.01	Revenues	2,463,993	2,170,980
7.01.01	Sales of Goods, Products and Services	2,305,077	2,053,529
7.01.02	Other Revenues	158,464	118,052
7.01.04	Reversal of/Allowance for Expected Credit Losses	452	-601
7.02	Bought-in Inputs	-1,780,812	-1,564,930
7.02.01	Costs of Goods, Products and Services Sold	-1,620,845	-1,415,126
7.02.02	Materials, Electric Power, Third-Party Services and Other Expenses	-165,521	-159,549
7.02.03	Loss/Recovery of Assets	5,554	9,745
7.03	Gross Value Added	683,181	606,050
7.04	Retentions	-99,357	-93,572
7.04.01	Depreciation, Amortization and Depletion	-99,357	-93,572
7.05	Net Value Added Produced	583,824	512,478
7.06	Value Added Received in Transfer	15,460	8,644
7.06.02	Finance Income	15,460	8,644
7.07	Total Value Added to be Distributed	599,284	521,122
7.08	Distribution of Value Added	599,284	521,122
7.08.01	Personnel	260,982	231,261
7.08.01.01	Direct Compensation	218,369	194,773
7.08.01.02	Benefits	24,098	20,937
7.08.01.03	Unemployment Compensation Fund (FGTS)	18,515	15,551
7.08.02	Taxes, Charges and Contributions	230,090	200,078
7.08.02.01	Federal Taxes	68,968	53,770
7.08.02.02	State Taxes	155,722	141,912
7.08.02.03	Local Taxes	5,400	4,396
7.08.03	Debt Remuneration	67,966	45,813
7.08.03.01	Interest	53,123	35,771
7.08.03.02	Rent	14,843	10,042
7.08.04	Equity Remuneration	40,246	43,970
7.08.04.01	Interest on Equity (IOE)	8,000	0
7.08.04.03	Retained Profits/Loss for the Period	32,246	43,970

Comments on the Behavior of Business Projections

DIMED S.A. DISTRIBUIDORA DE MEDICAMENTOS

CNPJ No. 92.665.611/0001-77

NIRE 43300003221

Publicly-held company

Comments on the Behavior of Business Projections

In line with the Material News Release published by the Company on April 3, 2023, in which it communicated to its shareholders the Gross Revenue Guidance for the year, the amount already reached by the end of the second quarter of 2023 is presented below.

Guidance	Project by 12/31/2023	Realized - YTD 06/30/2023	% realized
(R\$ million)			
Gross revenue	5,000	2,273	45.45%

The Company's expectation regarding the Guidance of consolidated gross revenue for 2023 is to reach an amount close to the total projected.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information
June 30, 2023
(In thousands of reais)

1. 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 574 stores distributed among the states of Rio Grande do Sul (388 stores), Santa Catarina (79 stores), Paraná (98 stores) and São Paulo (9 stores). In the 12-month period, the Company opened a total of 53 stores, 11 of which in the second quarter of 2023. Over this quarter, it also closed 1 store and 1 store was 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 August 10, 2023.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

2. 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 June 30, 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 June 30, 2023.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands 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 quarterly information (Continued)
June 30, 2023
(In thousands 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 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 became effective on January 1, 2023. According to the Company's evaluation, this amendment had no impact on its financial statements.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands 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 quarterly information (Continued)
June 30, 2023
(In thousands 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 quarterly information (Continued)
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(In thousands 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 June 30, 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.

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Notes to quarterly information (Continued)
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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 Scenario II		Decrease in interest Scenario III	
	Probable	Possible +25%	Remote +50%	Possible - 25%	Remote -50%
Average CDI	11.85%	14.84%	17.82%	8.87%	5.88%
Short-Term Investments	2,972	3,853	4,554	2,418	1,684
Debt	(18,951)	(23,154)	(27,290)	(14,675)	(10,324)

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.

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Notes to quarterly information (Continued)
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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 June 30, 2023, the Company recorded short-term investments amounting to R\$131,159 in the individual and R\$180,937 in consolidated financial information, 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.

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Notes to quarterly information (Continued)
June 30, 2023
(In thousands 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 June 30, 2023					
Trade accounts payable	466,801	466,801	-	-	-
Lease	645,509	158,598	143,788	213,997	129,126
Loans and financing	355,415	300,621	54,794	-	-
Total	1,467,725	926,020	198,582	213,997	129,126

	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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

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 June 30, 2023 and December 31, 2022 are summarized as follows:

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Total loans (Note 17)	353,671	234,824	353,671	234,824
Less:				
Cash and cash equivalents (Note 6)	(11,094)	(23,517)	(12,272)	(25,715)
Short-term investments (Note 6)	(131,159)	(87,967)	(180,937)	(131,640)
Net debt - A	211,418	123,340	160,462	77,469
Total equity	1,125,846	1,108,162	1,125,846	1,108,162
Total capital - B	1,337,264	1,231,502	1,286,308	1,185,631
Ratio - % - A/B (*)	15.81	10.02	12.47	6.53

5. Financial instruments by category

5.1. Classification of financial assets

At June 30, 2023 and December 31, 2022, financial assets are classified as follows:

	06/30/2023			
	Individual		Consolidated	
	Amortized cost	Fair value through profit or loss	Amortized cost	Fair value through profit or loss
Cash and Cash Equivalents	-	11,094	-	12,272
Short-Term Investments	-	131,159	-	180,937
Trade and other accounts receivable	443,867	-	447,824	-
	443,867	142,253	447,824	193,209

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

5. Financial instruments by category (Continued)

5.1. 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>462,864</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	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Trade accounts payable	469,339	562,322	466,801	555,452
Loans and financing	353,671	234,824	353,671	234,824
Lease obligations	645,509	636,716	645,509	636,716
	<u>1,468,519</u>	<u>1,433,862</u>	<u>1,465,981</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 June 30, 2023 was R\$355,415, calculated at current market rates, considering their nature, term and risks, and can be compared with their carrying amount of R\$353,671.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

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 June 30, 2023.

6. Cash and cash equivalents and marketable securities

6.1. Cash and cash equivalents

	Average rate (% p.a.)	Individual		Consolidated	
		06/30/2023	12/31/2022	06/30/2023	12/31/2022
Cash on hand (retail branches)	-	5,370	4,821	5,370	4,836
Short-term bank deposits	-	1,119	5,299	2,298	7,473
Short-term investments - fixed income (*)	87% of CDI	4,605	13,397	4,604	13,406
		11,094	23,517	12,272	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	
		06/30/2023	12/31/2022	06/30/2023	12/31/2022
Boutique investment fund	105% of CDI	131,159	87,967	176,826	131,113
Investment fund	101% of CDI	-	-	4,111	527
		131,159	87,967	180,937	131,640

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

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	
	06/30/2023	12/31/2022
Investment funds	129,991	106,862
Bank Deposit Certificate ("CDB")	759	711
Debentures	11,855	12,732
Financial Bills ("LF")	3,959	3,995
Financial Treasury Bills ("LFT")	33,544	6,198
Credit Note ("NC")	829	827
Supplementary Subordinated Financial Bills ("LFSC")	-	315
	180,937	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	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Trade accounts receivable	90,757	88,645	94,060	90,384
Accounts receivable - credit cards	289,243	316,278	289,243	316,278
Provision for financial charges	(1,040)	(1,017)	(1,040)	(1,017)
Allowance for expected credit losses	(6,021)	(6,472)	(6,021)	(6,472)
Trade accounts receivable, net	372,939	397,434	376,242	399,173

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Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

7. Trade accounts receivable (Continued)

7.1. Breakdown of trade accounts receivable (Continued)

Aging list of trade accounts receivable:

	06/30/2023	12/31/2022
Falling due		
Within 30 days	201,722	219,274
31 to 60 days	101,926	93,416
61 to 90 days	40,005	38,545
91 to 120 days	16,700	19,573
121 to 150 days	4,884	12,214
151 to 180 days	1,845	4,603
Above 180 days	1,075	2,769
	368,157	390,394
Past due		
Within 30 days	2,470	4,290
31 to 90 days	1,521	1,686
Above 90 days	7,852	8,553
	11,843	14,529
Provision for financial charges	(1,040)	(1,017)
Allowance for expected credit losses	(6,021)	(6,472)
Total Individual	372,939	397,434
Trade accounts receivable (Lifar) - Falling due	2,924	1,391
Trade accounts receivable (Lifar) - Overdue	379	348
Total - Consolidated	376,242	399,173

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	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Balance at beginning of period	(6,472)	(5,361)	(6,472)	(5,361)
Supplemental provision	(1,845)	(3,133)	(1,845)	(3,133)
Provision amounts written off	2,296	2,022	2,296	2,022
	(6,021)	(6,472)	(6,021)	(6,472)

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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Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

8. Inventories

8.1. Breakdown of inventories

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Goods for resale	888,870	876,602	890,216	878,120
Finished products	-	-	4,710	3,756
Raw materials	-	-	3,544	3,763
Consumables/storeroom supplies	5,393	6,550	10,515	11,689
(-) Provision for inventory losses	(1,623)	(713)	(1,633)	(793)
	892,640	882,439	907,352	896,535

8.2. Estimated inventory losses

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Opening balance	(713)	(476)	(793)	(649)
Supplemental provision	(1,650)	(3,019)	(1,685)	(3,298)
Provision amounts written off	740	2,782	845	3,154
Balance at end of year	(1,623)	(713)	(1,633)	(793)

9. Income and social contribution taxes recoverable

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Corporate Income Tax - IRPJ	18,280	20,516	18,528	20,938
Social Contribution Tax on Net Profit - CSLL	6,595	5,548	6,669	5,649
	24,875	26,064	25,197	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 fully offset within 12 months. At June 30, 2023, the restated remaining balance is R\$11,493, of which R\$7,947 refer to principal and R\$3,546 refer to monetary restatement.

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Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

9. Income and social contribution taxes recoverable (Continued)

On June 22, 2023, the writ of mandamus became final and unappealable, which discussed the unenforceability of IRPJ and CSLL levy of amounts related to Selic (interest and monetary restatement) levied on taxes refunded or offset with the right to offset the undue debt, for the period from 2016 to 2023. The Company calculated and recorded the credit amounting to R\$7,689, of which R\$5,980 of current IRPJ and CSLL (R\$4,920 of principal and R\$1,060 of monetary restatement) and R\$1,709 of deferred IRPJ and CSLL.

10. Taxes recoverable

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Current				
State Value Added Tax - ICMS	10,361	6,668	10,662	7,358
Contribution Tax on Gross Revenue for Social Integration Program - PIS	160	296	176	296
Contribution Tax on Gross Revenue for Social Security Financing - COFINS	739	1,350	804	1,350
Credit relating to the exclusion of the ICMS from the PIS and COFINS tax base	-	2,408	-	4,018
Other	65	276	215	317
	11,325	10,998	11,857	13,339
Noncurrent				
State Value Added Tax - ICMS	10,784	9,625	10,784	9,625
	10,784	9,625	10,784	9,625

ICMS on PIS and COFINS tax bases

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 bases, determining that the ICMS does not make up the PIS and COFINS tax bases, therefore recognizing the right to the credit. At December 31, 2022, the remaining credit referring to this proceeding, 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 bases, 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). In the second quarter of 2023, the remaining balance was fully offset.

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Notes to quarterly information (Continued)
June 30, 2023
(In thousands reais)

10. Taxes recoverable (Continued)

Supplementary ICMS-ST

On May 31, 2023, a final and unappealable decision was awarded by the Santa Catarina Court of Justice, which allows the recovery of ICMS-ST (tax substitution regime) amounts, which were collected in an amount higher than the amounts actually adopted in sales, due to the ICMS-ST methodology calculation in the State of Santa Catarina, whose tax base - according to the Company's gross revenue - (Maximum Sale Price to the Consumer - "PMC"), is many times higher than the price of the goods adopted in retail to the final consumer, which evidences the overpayment of the tax and justified the right to recover the differences overpaid, for the period from 10/21/2011 to 12/31/2020. The recovery of amounts is conditioned to the preparation and delivery of the accessory obligation named DRCST (Statement for Monthly Calculation of Reimbursement of Refund and Supplementing of ICMS-ST) as provided for in Article 25-C of the ICMS regulation (RICMS/SC). Due to the complexity of the process, the Company is still calculating the amount of the credit and will carry out the accounting when there is reasonable certainty of the amount determined.

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Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

11. Investments in subsidiaries

11.1. Changes in investments

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

	06/30/2023							
	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%	32,614	1,430	29,408	1,501	30,909
Dimesul Gestão Imobiliária Ltda.	8,978	19,999	99.99%	48,633	2,562	46,070	2,562	48,632
						<u>75,478</u>	<u>4,063</u>	<u>79,541</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>

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Notes to quarterly information (Continued)

June 30, 2023

(In thousands of reais)

11. Investment in subsidiaries (Continued)

11.2. Breakdown of investments

Information related to the subsidiaries is shown below:

Subsidiaries - 2023	06/30/2023			
	Control	Assets	Liabilities	Equity
Laboratório Industrial Farmacêutico Lifar Ltda.	Direct equity interest	42,465	9,851	32,614
Lifar Distribuidora de Produtos Farmacêuticos Ltda.	Indirect equity interest	17,219	4,855	12,364
Dimesul Gestão Imobiliária Ltda.	Direct equity interest	48,874	241	48,633

Subsidiaries - 2022	12/31/2022			
	Control	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 quarterly information (Continued)

June 30, 2023

(In thousands of reais)

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	1,585	5,810	7,338	16,290	3,533	-	15,473	67,662	117,691
Write-offs	(634)	(18)	(134)	(506)	(10)	-	(709)	(1,456)	(3,467)
Depreciation	(698)	(2,294)	(2,041)	(6,303)	(4,423)	(372)	(7,382)	(65,905)	(89,418)
Balance at June 30, 2023	88,522	50,779	30,589	90,868	22,175	20,246	158,321	587,580	1,049,080
Cost	98,747	73,538	54,002	151,390	76,922	21,549	214,500	1,044,297	1,734,945
Accumulated depreciation	(10,225)	(22,759)	(23,413)	(60,522)	(54,747)	(1,303)	(56,179)	(456,717)	(685,865)
Net book balance	88,522	50,779	30,589	90,868	22,175	20,246	158,321	587,580	1,049,080

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)

June 30, 2023

(In thousands of reais)

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	1,585	5,819	7,368	16,353	3,538	-	15,574	67,662	117,899
Write-offs	(634)	(18)	(134)	(506)	(10)	-	(709)	(1,456)	(3,467)
Depreciation	(710)	(2,456)	(2,056)	(6,466)	(4,451)	(377)	(7,503)	(65,905)	(89,924)
Balance at June 30, 2023	91,085	53,950	30,757	91,930	22,251	20,287	161,105	587,580	1,058,945
Cost	103,798	80,336	54,686	155,263	77,560	21,677	220,105	1,044,297	1,757,722
Accumulated depreciation	(12,713)	(26,386)	(23,929)	(63,333)	(55,309)	(1,390)	(59,000)	(456,717)	(698,777)
Net book balance	91,085	53,950	30,757	91,930	22,251	20,287	161,105	587,580	1,058,945

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 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	Useful life (years)	Individual and Consolidated
		06/30/2023
Properties	2 to 17	587,126
Vehicles	2 to 3	454
Total		587,580

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)

June 30, 2023

(In thousands of reais)

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	10,765	-	11,419
Amortization	(705)	(8,674)	-	(9,379)
Balance at June 30, 2023	6,790	71,042	348	78,180
Cost	26,141	130,867	361	157,369
Accumulated amortization	(19,351)	(59,825)	(13)	(79,189)
Net book balance	6,790	71,042	348	78,180

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	10,821	97	11,572
Amortization	(706)	(8,754)	(6)	(9,466)
Balance at June 30, 2023	6,789	71,495	558	78,842
Cost	26,141	131,981	729	158,851
Accumulated amortization	(19,352)	(60,486)	(171)	(80,009)
Net book balance	6,789	71,495	558	78,842

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

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

Temporary additions	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Provision for inventory losses	1,623	713	1,633	793
Provision for labor indemnities	2,324	7,175	2,453	7,409
Provision for profit sharing	-	13,899	-	14,376
Provision for tax contingencies	-	202	1,009	1,604
Allowance for expected credit losses	6,021	6,472	6,021	6,472
Provision for financial discount	1,040	1,017	1,040	1,017
Provision for credit card fee	-	4,453	-	4,453
Provision for premium - employees	310	731	310	731
Net effect of depreciation and interest (IFRS 16) with lease payment	57,929	49,437	57,929	49,437
Fair value - Matching Shares	9,982	7,174	9,982	7,174
Provision for collective bargaining	250	1,050	250	1,128
Provision for commissions	430	394	430	394
Provision for professional fees	2,134	2,422	2,259	2,750
Total tax base	82,043	95,139	83,316	97,738
Income tax at the rate of 25%	20,511	23,785	20,829	24,435
Income tax on tax loss	10,567	9,483	12,803	11,558
Social contribution tax at the rate of 9%	7,384	8,563	7,498	8,796
Social contribution tax on tax loss	4,697	4,229	5,501	4,976
Total deferred tax assets	43,159	46,060	46,631	49,765
Temporary exclusions				
Exclusion of ICMS from the PIS and COFINS tax base	-	-	109	1,088
Adjustments due to leases	2,338	2,342	2,338	2,342
Total tax base	2,338	2,342	2,447	3,430
Income tax at the rate of 25%	585	586	611	858
Social contribution tax at the rate of 9%	210	211	220	309
Total deferred tax liabilities	795	797	831	1,167
Total deferred taxes, net	42,364	45,263	45,800	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 bases, 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 June 30, 2023, remaining the total amount of R\$100.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)

June 30, 2023

(In thousands of reais)

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:

	06/30/2023	
	Individual	Consolidated
2023	21,579	23,315
2024	5,395	5,829
2025	5,395	5,829
2026	5,395	5,829
2027	5,395	5,829
	43,159	46,631

15. Reconciliation of income and social contribution taxes

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Income before income and social contribution taxes	38,500	39,673	40,241	39,673
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	(13,090)	(13,489)	(13,682)	(13,421)
Equity pickup	1,381	2,640	-	-
IRPJ/CSLL - Tax credits (*)	6,473	16,714	6,422	16,714
Tax incentives - Worker's Meal Program (PAT)	9	93	9	94
Tax incentives - investment grant - matching credit	2,335	2,434	2,335	2,434
Tax incentives - investment grant - Other credits	930	973	930	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	-	-	1,246	2,284
Taxation under the taxable profit based on a percentage of gross revenue regime using gross revenue for the tax base	-	-	(1,102)	(862)
Tax incentives - Technological innovation - Benefit	1,765	1,646	1,870	2,182
Interest on equity - benefit	2,720	-	2,720	-
Other nondeductible expenses	(778)	(6,714)	(743)	(5,879)
Income and social contribution taxes in profit or loss for the period	1,745	4,297	5	4,519
Current income and social contribution taxes	4,644	820	2,803	(604)
Deferred income and social contribution taxes	(2,899)	3,477	(2,798)	5,123
Income and social contribution taxes in profit or loss for the period	1,745	4,297	5	4,519
Effective rate	-4.5%	-10.8%	0%	-11.4%

(*) 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 quarterly information (Continued)
June 30, 2023
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16. Trade accounts payable

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Trade accounts payable - local	465,120	554,788	466,801	555,452
Trade accounts payable – related parties	4,219	7,534	-	-
Total	469,339	562,322	466,801	555,452

17. Loans and financing

17.1. Breakdown of loans and financing

	Rate range (% p.a.)	Individual		Consolidated	
		06/30/2023	12/31/2022	06/30/2023	12/31/2022
Domestic currency					
	109% of the				
Debentures - 3rd issue	CDI	53,987	80,881	53,987	80,881
Debentures – 4 th issue	CDI + 1.40%	123,148	153,943	123,148	153,943
Working capital loan - Law No. 4131	CDI + 1.60%	176,536	-	176,536	-
		353,671	234,824	353,671	234,824
Current		293,671	118,395	293,671	118,395
Noncurrent		60,000	116,429	60,000	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:

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Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

17. Loans and financing (Continued)

17.2. Payment flow of loans and financing

Year of payment	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
2023	237,179	118,395	237,179	118,395
2024	86,492	86,429	86,492	86,429
2025	30,000	30,000	30,000	30,000
	353,671	234,824	353,671	234,824

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).

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Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

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)

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 June 30, 2023.

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 June 30, 2023.

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Notes to quarterly information (Continued)
June 30, 2023
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17. Loans and financing (Continued)

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	(81,142)	95,692	(21,774)	(7,224)
Loans raised	-	175,000	-	175,000
Payment of IOE	-	-	(21,774)	(21,774)
Leases paid	(81,142)	-	-	(81,142)
Loans paid	-	(56,415)	-	(56,415)
Interest paid	-	(22,893)	-	(22,893)
Noncash changes	89,935	23,155	25,047	138,137
Remeasurement of contracts and new contracts - IFRS 16	66,205	-	-	66,205
IOE allocation	-	-	25,047	25,047
Recognized interest	23,730	23,155	-	46,885
Balance at June 30, 2023	645,509	353,671	8,791	1,007,971

The balances of loans and financing at June 30, 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	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Corporate Income Tax (IRPJ)	3	537	288	1,038
Social Contribution Tax on Net Profit (CSLL)	1	427	269	719
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	426	-	428	39
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	1,755	-	1,766	183
Withholding Income Tax (IRRF)	4,478	3,820	4,509	3,896
State Value-Added Tax (ICMS)	21,776	20,371	23,052	22,345
Other obligations	1,976	2,060	2,165	2,363
Total	30,415	27,215	32,477	30,583

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
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19. Profit sharing payable

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Bonus - Executive Board	-	2,500	-	3,500
Employees' profit sharing	-	13,899	-	13,379
Total	-	16,399	-	16,879

20. Lease obligations

The Company has obligations arising from real estate and vehicle lease agreements, accounted for under the criteria of IFRS 16. Changes in the Company's lease liability balance by June 30, 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	67,186	475	67,661
Write-offs	(1,456)	-	(1,456)
Interest	23,641	89	23,730
Payment of lease	(80,461)	(681)	(81,142)
Balance at June 30, 2023	645,002	507	645,509
Current	158,355	243	158,598
Noncurrent	486,647	264	486,911

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.

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Notes to quarterly information (Continued)
June 30, 2023
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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 assessed as possible or probable losses, in the opinion of the Company's legal advisors, at June 30, 2023 and December 31, 2022, are presented below. Provisions are recognized for proceedings assessed as probable losses, as follows:

	Individual		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Labor and tax	2,324	7,377	3,462	9,013
Noncurrent	2,324	7,377	3,462	9,013
Judicial deposits	2,280	2,654	2,301	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	
	06/30/2023	12/31/2022	06/30/2023	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	(5,453)	(6,054)	(5,453)	(6,054)
Reversal/Reclassification	-	(6,000)	(498)	(6,296)
Closing balance	2,324	7,377	3,462	9,013

21.2.1. Civil

At June 30, 2023, the Company was a party to 21 civil lawsuits assessed as possible losses, estimated at R\$1,380 in the individual and consolidated financial statements (approximately R\$1,398 in the individual and consolidated financial statements as at December 31, 2022).

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Notes to quarterly information (Continued)
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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 June 30, 2023, the Company had 473 possible-loss labor lawsuits in the consolidated financial statements, estimated at R\$22,054, of which 455 lawsuits in the amount of R\$21,314 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 June 30, 2023, the Company was a party to 8 tax lawsuits assessed as possible losses, at estimated value of approximately R\$1,165 (R\$978 at December 31, 2022) in the individual and consolidated financial statements.

22. Investment grants and matching credits

The government grants received by the Company are characterized as investment grant and correspond to: (i) donation of a public area in the city of Eldorado do Sul/RS in 2011, where the Distribution Center was built, with an area of 50,000 square meters, and in 2014, a complement to the donation of another 10,000 square meters. The grant was recognized as a consideration to a liability account temporarily, considering that the economic benefits are postponed to the moment of their use, and in connection with the fulfillment of the obligations expressed in Municipal Law No. 3067 of December 13, 2011. The grant supplement was recorded under the same accounting criteria adopted in the initial recognition of the first grant. (ii) in 2017, Supplementary Law No. 160/17 was approved 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 second quarter, ICMS matching credit totaling R\$6,868 (R\$13,993 until December 31, 2022) as well as grant of other credits totaling R\$2,735 (R\$9,073 at December 31, 2022) were recognized in P&L.

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Notes to quarterly information (Continued)
June 30, 2023
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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.

At the Special General Meeting held on May 15, 2023, capital increase from R\$943,000 to R\$970,116 was approved, through capitalization of part of the Legal Reserve and Reserve for Capital Increase, without issue of new shares. The Company's capital comprises 150,377,481 registered common shares with no par value.

23.2. Treasury shares

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.

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 June 30, the Company had 1,525,357 treasury shares (1,843,422 at December 31, 2022), whose average cost value was R\$28,577 (R\$35,139 at December 31, 2022). The share market price at June 30, 2023 was R\$12.80 (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 2023, the treasury shares account was also impacted by the grant of shares in the 4th matching shares program by R\$4,053 (R\$2,310 in the second quarter of 2022, referring to the 3rd program).

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

23.2. Treasury shares (Continued)

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)
Options granted	216,177	4,053
Recognized options granted	171,888	3,214
Balance at Jun 2023	(1,525,357)	(28,577)

	Share price		
	Minimum	Maximum	Average
From 01/01/2022 to 12/31/2022	9.09	14.44	11.63
From 01/01/2023 to 06/30/2023	8.96	12.80	10.58

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 2022, 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 Special General Meeting held on May 15, 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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

23. Equity (Continued)

23.3. Income reserves (Continued)

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, validated at the Annual General Meeting held on April 28, 2023, which was paid on August 31, 2022. 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.

At the Board of Directors' meeting held on June 30, 2023, the payment of interest on equity was approved, in the amount of R\$8,000, payable on August 31, 2023. The unit value per share, net of IRRF, was R\$0.04568086. Information regarding this event was made available by means of a notice to shareholders, on the same date. This resolution will be validated at the Annual General Meeting in 2024.

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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

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:

<u>Anniversary</u>	<u>Mature Matching Shares</u>
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

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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

24. Incentive plan in connection with shares - Individual (Continued)

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.

At the Board of Directors' meeting held on April 17, 2023, the creation of the Company's fourth Matching Shares program was approved, under the same conditions defined in the previous program. The share transfer orders were formalized throughout April 2023, with the adhesion of 216,177 "Own Shares" and 696,804 "Matching Shares".

In the second quarter of 2023, 171,888 matching shares were transferred to the beneficiaries, referring to the second vesting of the 2020 program and to the first vesting of 2021 and 2022 programs.

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

	<u>Own Shares</u>	<u>Matching Shares</u>
Balance at December 2021	124,994	367,921
Options granted	117,652	348,466
Dissenting holders	-	(210)
(*) Options exercised	-	(66,305)
Balance at December 2022	<u>242,646</u>	<u>649,872</u>
Options granted	216,177	696,804
(*) Options exercised	-	(237,042)
Balance at June 2023	<u>458,823</u>	<u>1,109,634</u>

(*) The gross number of maturing matching shares was converted into 171,888 net shares.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

24. Incentive plan in connection with shares - Individual (Continued)

24.3. Amounts recognized in the period

In the second quarter of 2023, the Company recognized as fair value of Matching Shares programs the total of R\$1,654 (R\$1,397 in the second quarter of 2022). The accumulated amount recorded in 2023, up to the current quarter, was R\$2,807 (R\$2,145 in 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>06/30/2023</u>
	<u>Registered</u>
	<u>common shares</u>
Denominator	
Total weighted average number of shares	150,377,481
Weighted number of treasury shares	(1,817,327)
Weighted average number of outstanding shares	148,560,154
% of shares in relation to the total number	100%
Numerator	
Net income attributable to each class of share	40,245,598
Weighted average number of outstanding shares	148,560,154
Basic earnings per share (R\$)	<u>0.27</u>
Numerator	
Net income attributable to each class of share	40,245,598
Weighted average number of outstanding shares	148,560,154
Weighted average number of matching shares	936,336
Diluted earnings per share (R\$)	<u>0.27</u>

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 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>06/30/2023</u>	<u>06/30/2022</u>	<u>06/30/2023</u>	<u>06/30/2022</u>
Gross Sales of Products and Services	2,267,570	2,017,700	2,272,680	2,026,995
Sales taxes	(135,654)	(113,101)	(136,972)	(114,517)
Returns and Unconditional Discounts	(26,811)	(24,198)	(26,922)	(24,652)
Net revenue	2,105,105	1,880,401	2,108,786	1,887,826

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
(In thousands of reais)

27. Cost of goods sold and services rendered

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Cost of goods sold	(1,576,929)	(1,389,360)	(1,563,777)	(1,378,242)
Cost of products sold	-	-	(11,222)	(10,784)
Reimbursement of capital contribution costs	135,754	100,724	135,754	100,724
Revenue - campaign funds	572	673	572	673
Taxes on funds	(12,610)	(9,380)	(12,610)	(9,379)
	(1,453,213)	(1,297,343)	(1,451,283)	(1,297,008)

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	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Selling expenses				
Personnel and third-party service expenses	(298,243)	(266,438)	(300,024)	(268,049)
Lease expenses	(19,725)	(16,415)	(19,274)	(15,983)
Discount on leased properties (*)	-	3,976	-	3,976
Freight expenses	(27,908)	(23,390)	(28,261)	(23,634)
Credit card fees	(28,159)	(19,872)	(28,183)	(19,872)
Advertising	(15,357)	(11,995)	(15,407)	(12,102)
Utilities and services	(14,082)	(17,019)	(14,103)	(17,049)
Depreciation and amortization expenses	(94,418)	(88,191)	(94,453)	(88,222)
Employees' profit sharing	(2,583)	(611)	(2,873)	(623)
Managing officers' profit sharing	(3,950)	(1,706)	(3,950)	(1,706)
Maintenance expenses	(6,567)	(4,910)	(6,579)	(4,913)
Consumables	(7,374)	(7,311)	(7,426)	(7,351)
Travel and sales representation expenses	(1,136)	(1,062)	(1,147)	(1,063)
Packaging materials	(4,501)	(3,917)	(4,501)	(3,917)
Inventory losses	(9,619)	(13,913)	(10,030)	(14,317)
Other (**)	9,002	(11,546)	10,233	(11,158)
	(524,620)	(484,320)	(525,978)	(485,983)

(*) 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.

(**) This line includes certain selling expenses that do not fit the lines above, provisions and their reversals. The credit balance is justified by the reversal in the second quarter of certain provisions recorded in prior periods.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)

June 30, 2023

(In thousands of reais)

28. Expenses by nature (Continued)

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
General and administrative expenses				
Personnel and third-party service expenses	(38,158)	(30,048)	(39,308)	(30,875)
Lease expenses	(321)	(303)	(324)	(225)
Utilities and services	(765)	(783)	(800)	(825)
Depreciation and amortization expenses	(4,372)	(4,763)	(4,513)	(4,852)
Employees' profit sharing	(1,166)	(460)	(1,175)	(460)
Managing officers' profit sharing	(444)	(173)	(444)	(173)
Bank expenses	(720)	(732)	(726)	(737)
Management personnel compensation	(3,457)	(2,947)	(3,459)	(2,947)
Maintenance expenses	(5,470)	(4,569)	(5,549)	(4,638)
Consumables	(154)	(217)	(182)	(230)
Other administrative expenses	(3,941)	(3,996)	(4,036)	(4,070)
	(58,968)	(48,991)	(60,516)	(50,032)

29. Other operating income (expenses)

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Additional revenue	1,029	951	1,039	998
Revenue from property lease	130	64	162	64
Credit recovery	6,689	4,963	6,798	4,963
Reimbursement of cash difference	209	130	209	130
Cost of disposal of PPE	(1,444)	(1,030)	(1,445)	(1,030)
Other operating income (expenses)	(57)	6,666	-	6,710
	6,556	11,744	6,763	11,835

30. Finance income and costs

	Individual		Consolidated	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Finance income				
Interest on assets	1,850	568	1,870	575
Short-term investment yield	8,296	4,097	11,429	6,202
Financial discounts obtained	2,076	964	2,117	1,039
Taxes on finance income	(568)	(771)	(594)	(797)
(*) Monetary restatement of tax credits	-	653	44	828
	11,654	5,511	14,866	7,847

(*) 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 quarterly information (Continued)
June 30, 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	
	06/30/2023	06/30/2022
Fixed compensation	3,459	2,947
Social charges	968	825
Equity interest	4,394	1,879
Total	8,821	5,651

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 2023, the Company recognized an amount of R\$2,481 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 June 30, 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 quarterly information (Continued)
June 30, 2023
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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\$2,000 per transportation
Aircraft	R\$21,142 (*)
Civil liability - aircraft	R\$120,480 (*)

(*) Policy issued in US dollar, amount translated at the average rate (dollar) of June 30, 2023 (R\$4.8192).

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 574 stores that sell more than 15 thousand items among drugs and personal care and beauty products. The Wholesale segment is considered one of the main drug distributors in the country and, 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 quarterly information (Continued)
 June 30, 2023
 (In thousands of reais)

33. Segment reporting (Continued)

	Retail		Wholesale		Corporate		Dimed S.A.	
	06/30/2023	06/30/2022	06/30/2023	06/30/2022	06/30/2023	06/30/2022	06/30/2023	06/30/2022
Continuing operations								
Net revenue from sales and services	1,889,845	1,735,217	218,941	152,609	-	-	2,108,786	1,887,826
Cost of goods sold and services rendered	(1,303,595)	(1,172,557)	(147,688)	(124,451)	-	-	(1,451,283)	(1,297,008)
Gross profit	586,250	562,660	71,253	28,158	-	-	657,503	590,818
Selling expenses	-	-	-	-	(525,978)	(485,983)	(525,978)	(485,983)
Other operating income (expenses), net	-	-	-	-	6,763	11,835	6,763	11,835
Administrative expenses	-	-	-	-	(60,516)	(50,032)	(60,516)	(50,032)
Operating income before finance income (costs)	586,250	562,660	71,253	28,158	(579,731)	(524,180)	77,772	66,638
<u>Finance income (costs)</u>	-	-	-	-	(37,531)	(27,187)	(37,531)	(27,187)
Finance income	-	-	-	-	14,866	7,847	14,866	7,847
Finance costs	-	-	-	-	(52,397)	(35,034)	(52,397)	(35,034)
Operating income before income and social contribution taxes	586,250	562,660	71,253	28,158	(617,262)	(551,367)	40,241	39,451
Current	-	-	-	-	2,803	(604)	2,803	(604)
Deferred	-	-	-	-	(2,798)	5,123	(2,798)	5,123
Net income for the year	586,250	562,660	71,253	28,158	(617,257)	(546,848)	40,246	43,970

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
June 30, 2023
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34. Events after the reporting period

On June 21, 2023, the issue and offering of registered, book-entry, nonconvertible debentures were approved in the minutes of the Board of Directors' meeting, to be subscribed by the *Securizadora* through the subscription list of Mortgage-backed Securities ("CRI"), in the amount of up to R\$250,000, through issue of 250,000 shares at a par value of R\$1,000.00 reais.

On July 31, 2023, the Bookbuilding Procedure was carried out within the scope of the public offering of primary distribution of Real Estate Receivables Certificates ("CRI"). The funding amount was R\$250,000 and conventional interest will be levied on the par value of the CRIs equivalent to 100% of the accumulated variation of the Interbank Deposit ("DI") rate, plus a spread of 1.30% per year, based on 252 business days. The term is 5 years, with semiannual installments starting on the 36th month. The settlement date was August 3, 2023 and the funds are intended to reimburse costs and expenses of a real estate and predetermined nature already incurred in the 24 months prior to the closing date of the offering and future costs related to the payment of rents.

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 June 30, 2023. Based on the examinations carried out, considering, furthermore, the unqualified independent auditor's report issued by Ernst & Young Auditores Independentes, dated August 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, August 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 6, 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 June 30, 2023.

Eldorado do Sul, Rio Grande do Sul state, August 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 audit report issued by Ernst & Young Auditores Independentes S.S. on the individual and consolidated financial statements for the year ended June 30, 2023.

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

Julio Ricardo Mottin Neto - CEO

Roberto Coimbra Santos - Executive Officer

Antônio Carlos Tocchetto Napp - Chief Investor Relations and Financial Officer