

grupo panvel

3Q22 Earnings Release

Results Call

November, 11th 2022 – Friday

11:00 a.m. (Brasilia time) / 10:00 a.m. (EDT)

The call shall be held in Portuguese with simultaneous interpreting to English.

Link: [Click here](#)

Eldorado do Sul, RS, November 10th, 2022

Dimed S.A. Distribuidora de Medicamentos (B3 S.A. - BRASIL, BOLSA, BALCÃO: PNVL3), one of the main retailers and distributors of pharmaceutical products in the Country, announces the results for the 3rd quarter of 2022 (3Q22). The Company's financial statements are prepared in Brazilian reais (BRL), pursuant to the Brazilian corporate law and international financial reporting standards (IFRS). 3Q22 result comparisons are based on 3Q21, unless stated otherwise. For comparative purposes, figures in this report are indicated pursuant to IAS 17/CPC 06. Mentioned financial values refer to amounts in Brazilian reais (BRL).



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3Q22 Results

Group's Gross Revenue BRL 1,088M (+26.5%)	Retail Gross Revenue BRL 995M (+26.3%)
Adjusted EBITDA BRL 48.5M (+39.1%) 4.5% Margin	Expansion +14 new stores in 3Q22 +68 new stores LTM
Adjusted Net Profit BRL 23.6M (+16.3%) 2.2% Margin	Digital (% of Retail sales) 16.1% (+25.8% vs 3Q21)

Description	3Q21	4Q21	1Q22	2Q22	3Q22	9M21	9M22
No. of Stores	500	517	527	538	548	500	548
No. of employees	7,805	8,646	8,550	9,026	9,414	7,805	9,414
In thousands of Brazilian							
TT Gross Revenue	860,213	959,918	969,334	1,057,661	1,087,775	2,506,763	3,114,770
TT Gross Margin	241,875	272,976	275,474	315,342	315,143	715,623	905,959
% of Gross Revenue	28.1%	28.4%	28.4%	29.8%	29.0%	28.5%	29.1%
Retail Gross Revenue	787,863	883,890	877,411	965,395	995,322	2,290,469	2,838,128
Retail Gross Margin	233,319	262,214	261,504	300,664	303,502	688,780	865,670
% of Retail Gross Revenue	29.6%	29.7%	29.8%	31.1%	30.5%	30.1%	30.5%
Adjusted EBITDA TT	34,833	49,041	39,664	56,098	48,458	112,175	144,142
% of Gross Revenue	4.0%	5.1%	4.1%	5.3%	4.5%	4.5%	4.6%
Adjusted Net Profit TT	20,333	28,126	25,625	27,986	23,610	64,216	77,221
% of Gross Revenue	2.4%	2.9%	2.6%	2.6%	2.2%	2.6%	2.5%

Legal Notice

Statements contained in this document related to business perspectives, projections on operating and financial results, and those related to growth perspectives of Panvel Group are merely projections and, as such, are based exclusively on Management's expectations about the future of the business. Those expectations depend materially on market conditions, legislation, the performance of the Brazilian economy, the segment, and international markets and, therefore, are subject to change without notice.

A message from management

The third quarter of 2022 was again marked by a very strong performance in our sales and results, within a challenging economic and political context.

The good execution of the strategic planning defined in previous years allowed the delivery of another successful quarter, **reinforcing the consistency of Panvel Group's trademark**. Investments in people, in stores, in the level of our stocks, and in technology once again made the difference. **The quality of our physical and digital operation and the high service level of our stock** allowed customers to find what they needed, bringing into our stores a large number of new customers and increasing the recurrence of customers who were already in our base. The result appears clearly in the numbers, **with Panvel growing its sales by 26.3% in the period and with another consecutive quarter of market share gains in all states where it operates**. Another important highlight is that this performance anticipates numbers that were forecasted to happen in later years, such as **the surpassing of the BRL 600 thousand/month mark in average sales per store**.

Strong result, with sales growth, market share gains, accelerated expansion.

The expansion of our physical store chain has maintained a strong and healthy pace. We opened 14 stores in the third quarter and **68 stores in the last twelve months, another all-time record**. Besides being aligned with our planning, we are proud of the results that the new harvests are bringing. Even with inflationary pressure on construction costs, the faster than expected ramp up in the sale of these stores is keeping returns at high levels.

All this sales growth in the third quarter was once again accompanied by the high penetration of digital channels in Retail (16.1% share), reaching the highest share of the year to date. Moreover, even with the natural pressure caused by the accelerated growth of customer flow in physical and virtual stores, we kept our NPS at the high level of 81 points. **All these indicators keep Panvel as a benchmark in Brazilian pharma retail and highlight the focus on quality in everything we do, and recognized by IEBVAR as the most admired drugstore in the country.**

Throughout this quarter, it is also important to note that sales growth was accompanied by margin expansion. The good investment in inventory before the annual readjustment of medicine prices, combined with product mix management, an efficient commercial policy, and the implementation of strategic projects focused on medicines, allowed Panvel Retail to reach a Gross Margin of 30.5% in the quarter (growth of 0.9 pp in relation to the previous year). **This performance in the Gross Margin, jointly with the performance in sales, offset the inflationary effects in our selling expenses, especially in Personnel and Rent, remaining only the natural pressure on expenses related to the pace of expansion**. Thus, we delivered an adjusted EBITDA Margin of 4.5% in the quarter, with an expressive growth of 39.1% over the previous year.

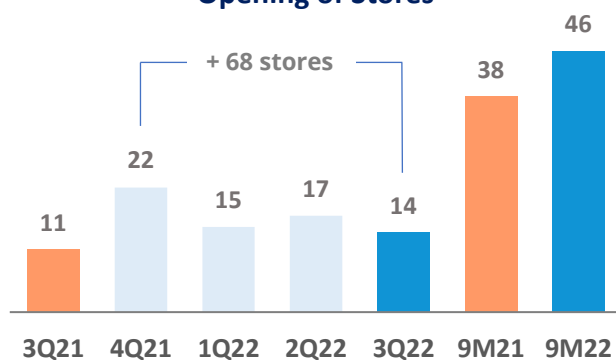
All these important deliveries reinforce our confidence for the end of this year. We will continue investing and innovating in our business and will reap the rewards of past projects and investments. We are fully aware that to achieve our long-term goals we still have a lot of work ahead of us, but we continue to consistently deliver on all the commitments made in our follow on. Finally, it is worth pointing out that all of this was only possible and will continue to be built through our people. With this, we would like to thank all the stakeholders that are part of our Group and that contribute to make each quarter an overachieving quarter.

Store portfolio

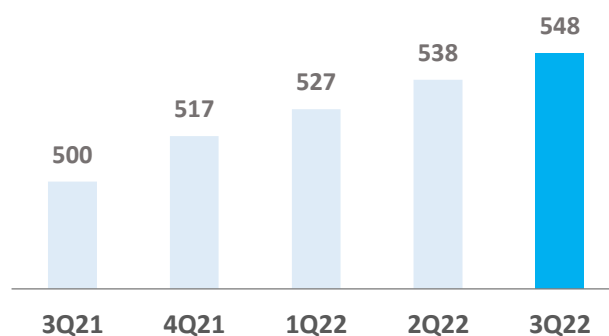
In 3Q22, the company opened 14 stores, of which 8 were in RS, 4 in PR and 2 in SC. Thus, at the end of the quarter we reached 548 stores in operation. There were 68 stores opened in the last 12 months, 46 of which in the first nine months of this year, numbers that represent two historical records for Panvel. For the year 2022, our plan is in line with the strategy of expanding in the South Region, especially outside the capital cities, in addition to increasing the service capacity of the digital channels.

In the period, the company transferred 3 (mature) branches to points with greater sales potential. Another (mature) branch was closed because it no longer met the profile, sales potential and profitability determined by the company's operating standards, considering indicators such as location, parking spaces and square footage. We remind you that the closure of branches not aligned with the Company's strategy is a tool for optimizing the use of our assets, freeing up resources and increasing the rates of return on our investments.

Opening of Stores

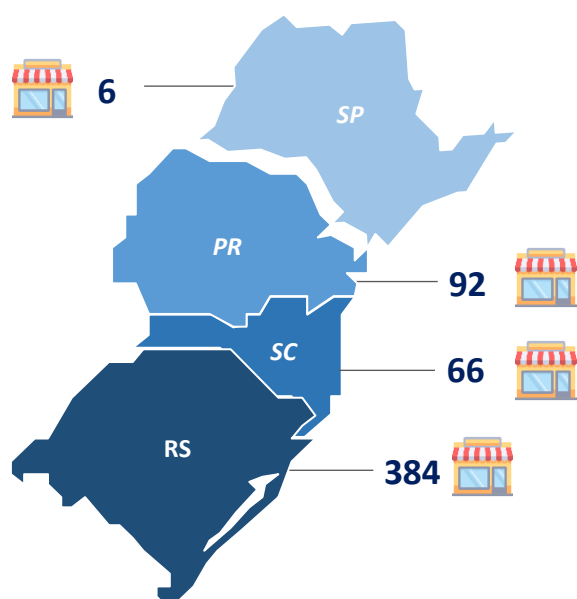


Number of Stores

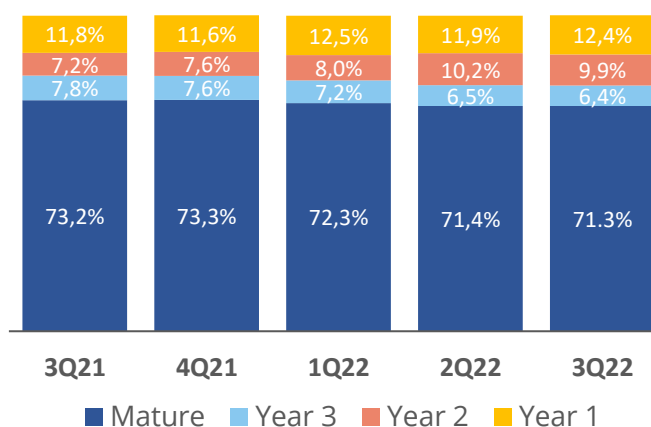


	3Q21	4Q21	1Q22	2Q22	3Q22
Open Stores	11	22	15	17	14
Transf./Closed	(5)	(5)	(5)	(6)	(4)

At the end of the period, the Company had 71.3% mature stores and 28.7% in the maturation process.



Store Portfolio by Maturity

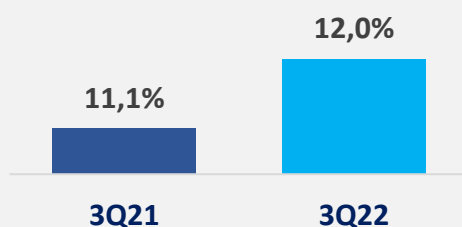


Market share

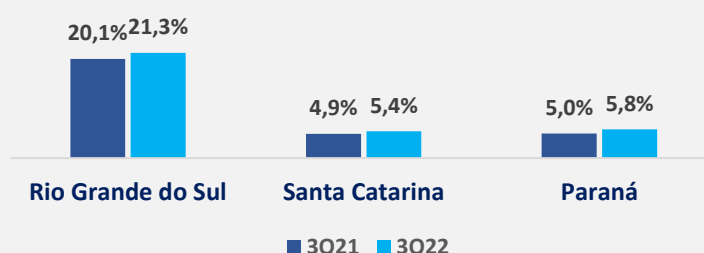
In the third quarter of 2022, once again Panvel stood out, with the participation in the South Region reaching 12.0%, an evolution of 0.9 p.p. over the same period of the previous year. It is worth noting that the growth in share occurred in **all states**, showing once again the consistency of our operation. The gains in market share were due both to the strong growth of the mature store base and to the quality of execution of our expansion. We continue to see many opportunities, especially in the interior of the three states that make up the Southern Region.

Another important highlight in the quarter is the share gain in all medicines categories, aligned with the outlined strategy of monitoring the journey of patients with chronic diseases and continuous use, and the increased participation of generics.

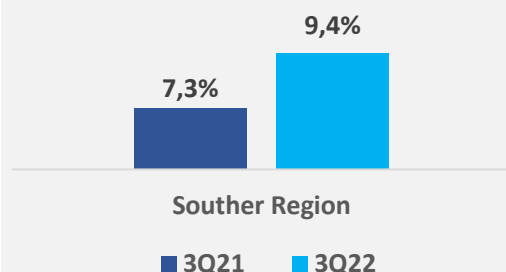
Market Share - Southern Region



Market Share by State

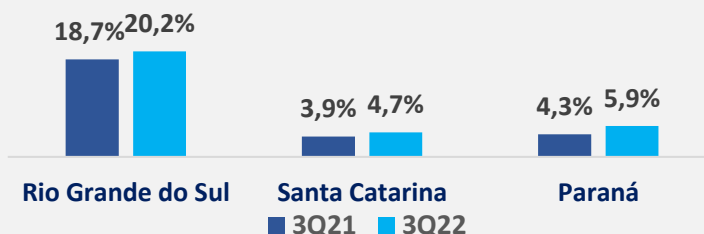


Market Share - Generic



Market Share - Drugs

* IQVIA Total Drug Data RX

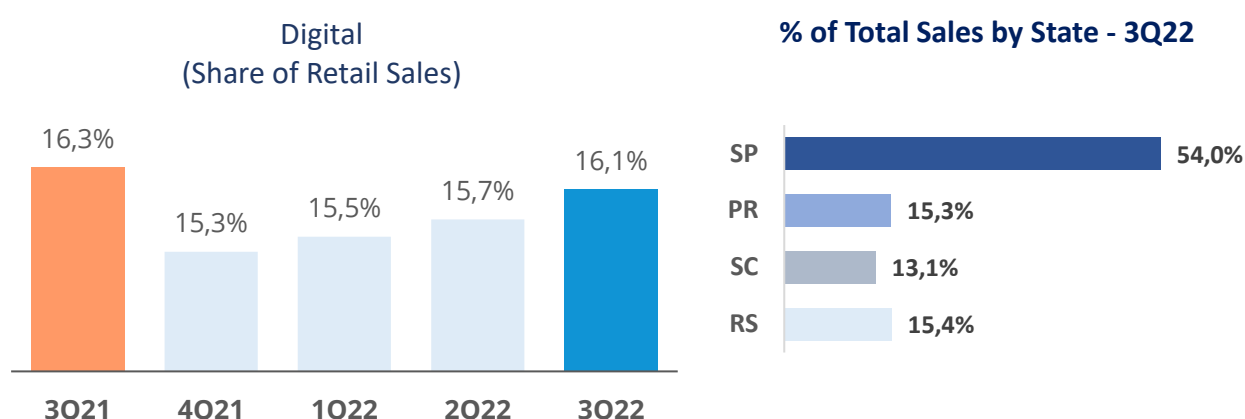


Source: IQVIA – *Sell-in / sell-out concept = distributor sales plus retail sales

E-commerce and digital initiatives

We maintained our position as a benchmark in Brazilian pharmaceutical retail, with the highest share of digital channels, and a competitive advantage as a result of the fluid and full Omni experience, provided in all our off-site sales channels (App, Site, Marketplaces, Alô Panvel). This share does not include sales attributed to Social Commerce tools (WhatsApp), nor sales attributed to digital discount coupons applied in physical stores.

Even with a strong comparison base, Digital sales grew 25.8% in 3Q22, reaching its highest participation in the year 2022, demonstrating the quality of our business model and our last-mile delivery structure. In this regard, Panvel also stands out as having the fastest last-mile delivery in Brazilian pharmacy retail. Investments in such a structure translate into solid and consistent indicators.



Digital Highlights

Scope of delivery within 1 hour: All the cities in which we are present

3Q22 Delivery Structure: 133 hybrid stores + 9 Mini DCs (dark stores)

Digital's Share in Retail Sales 3Q22: 16.1% (25.8% growth over 3Q21)

Number of Deliveries 3Q22: 875 thousand (54.1% growth vs 3Q21, and average of 291 thousand deliveries/month)

Service Level: 97% of on-time deliveries (3Q22)

Aligned with our strategy for each of the locations where we are present, we had another quarter of balance in Digital's share among the states in the Southern Region. Regarding the City of São Paulo, Panvel follows its strategy for the region, which aims to provide the best online experience, with the fastest delivery in pharmaceutical retail in Brazil without giving up profitability.

Digital maintains a high share of retail sales of Panvel, with a 16.1% share in 3Q22, shares well above the market average, with a 25.8% growth vs. 3Q21.

In 3Q22, in addition to the constant improvements aimed at bringing the best experience to our digital channel customers, we evolved in the development of the marketplace project, which as planned started operating in July/22. Currently, we already have eight sellers connected, representing an increase of 3,000 SKUs, always aiming to complement our customers' shopping basket with new SKUs related to the pillars of health and well-being.

Health Ecosystem

Panvel is a reference in health services in the South Region of the country, a fact reflected in the high market share in services such as tests and vaccines, besides other services that are part of our portfolio. Clients increasingly identify Panvel stores as a place to deal with and solve the most diverse issues related to health.

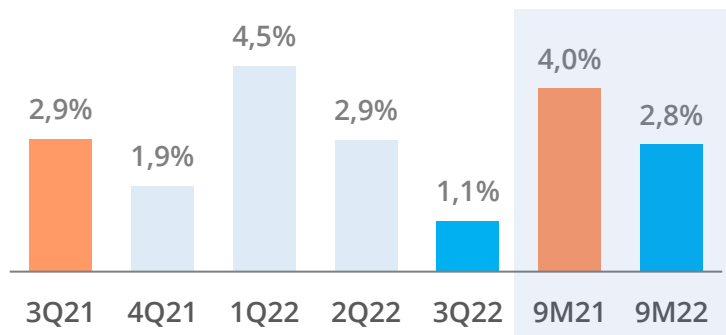
Panvel Clinic

Panvel Clinic 347 stores (+50 rooms vs. 3Q21)	Vaccination Rooms 86 (+14 rooms vs. 3Q21)	Services Provided: over 144 thousand (3Q22)
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With a robust structure and expertise in the provision of services, combined with the quality of service, we kept our leadership in services, with a 53.5% market share in the Southern Region, in 3Q22, as per IQVIA.

In line with the Company's expectations, over the course of 3Q22 services reduced their share of Retail sales, reaching 1.1% penetration. This drop in share was offset by growth in other categories within our sales mix, especially drugs.

Services
% Share in Retail Sales



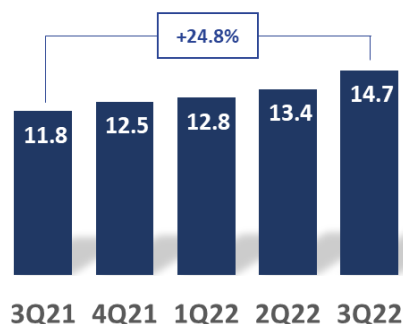
Panvel Saúde Empresarial

Panvel Saúde Empresarial offers a benefits program to employees of associated companies and to the companies themselves. For Health Insurance Providers, Self-Management, and Group Medicines, we offer the management and monitoring of its beneficiaries, the supply of special drugs and all products necessary to improve the quality of life of that population. In that context, the Special Drugs category presented a 54.5% growth in 3Q22 compared to the same period in 2021. Such improvement reflects the commitment and strength of our partnerships, which follow quality criteria in the health services offered in the B2B2C model, combined with a unique business model.

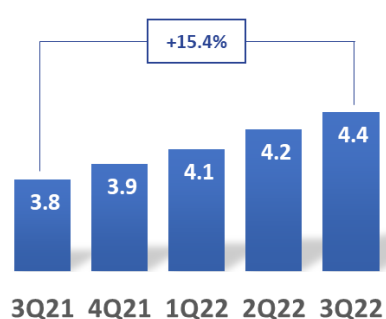
Our health insurance plans currently total about 6.4 million lives under management, representing 45.5% of Panvel's total sales in this 3Q22. Throughout the quarter we maintained a strong pace of growth in the customer base and health insurance plans, through partnerships that represent one of Panvel's main strengths in the South Region.

CRM

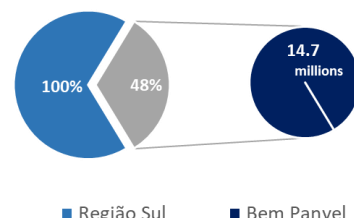
**Bem Panvel Customers Evolution
(in Millions)**



**Active Customers
Evolution (in Millions)**



**Bem Panvel – Population in the
Southern Region
(IBGE 2021)**

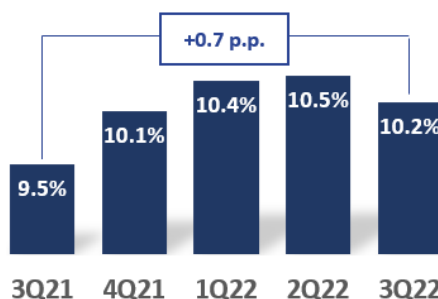


The unified base of the Bem Panvel Program has more than 14.7 million customers. This customer base represents 48% of the population of the country's southern region (IBGE data, 2021), as shown in the graph on the side. In this last quarter, our active-customer base grew more than 15% compared to the previous year, the frequency increased by more than 5%, and the average purchase increased by almost 10%. Our sales are leveraged both by the growth in the number of customers, as well as by the increase in the frequency of these customers in the store.

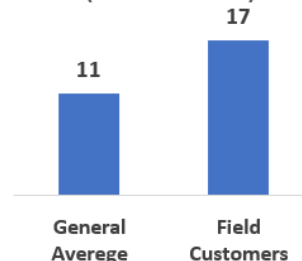
To support the company's omni strategy, we work on actions to encourage customer digitization, such as activating coupons in the App for in-store use, and publicizing long-tail items and the marketplace. In 3Q22, the share of Omni customers grew 0.7 pp compared to the previous year. We are providing our attendants with personalization tools, to increase sales and retain customers, such as the reminder of repurchase of medicines, a notice of items in the basket of digital channels and other CRM rules.

Customer Digitalization

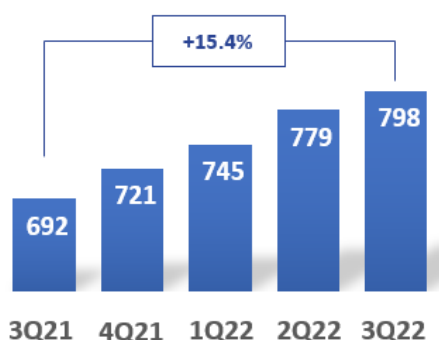
Omni Customers Evolution



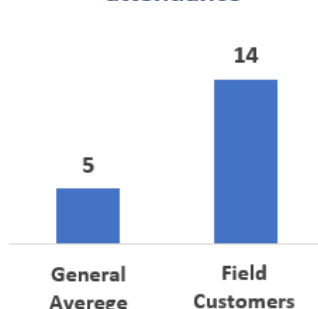
**Semester attendance
(Omni Customers)**



**Field Customers
Evolution**



**Semester
attendance**



It is important to highlight the growth of customers segmented as loyal in our base. These customers are 180% more frequent in stores than the average Panvel customer. In the case of Omni customers, the loyal base has an even higher frequency, as shown in the graph. These elements speak directly to the growth we are experiencing in our sales.

Service quality

Panvel continues to offer its clients a unique journey of satisfaction, quality, and experience, regardless of the channel where the purchase takes place. For this reason, Panvel is recognized by consumers for offering the best retail pharmacy experience, according to the indicators below (September 2022 data):



81

NPS - Panvel



80

NPS - Store



82

NPS - App



86

NPS - Website



72

NPS – Alô Panvel



4.7

App.



4.8

Play



8.6

Reclame Aqui



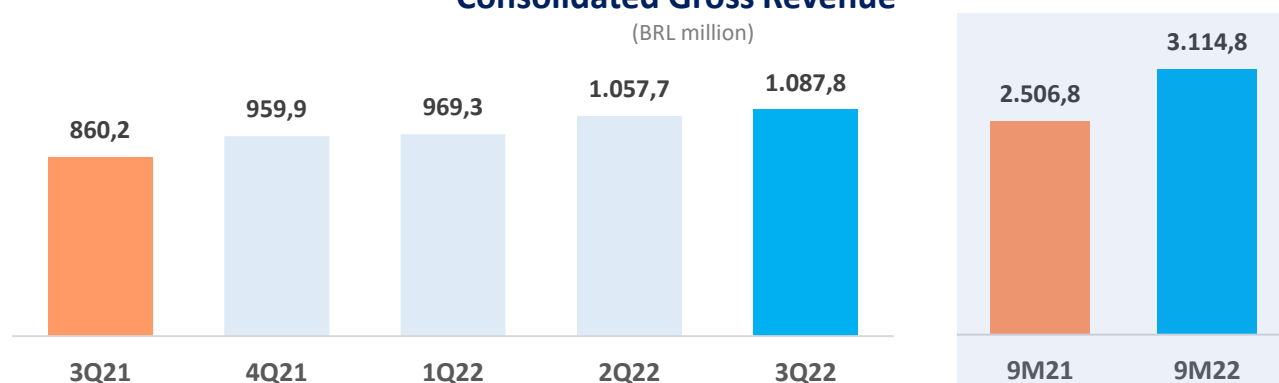
Panvel's NPS remained high in 3Q22, reaching 81 points. Panvel is the only Brazilian pharmaceutical retail chain that combines high penetration of digital channels with the fastest delivery of products in Brazil and an enviable quality, quantified by an NPS that remains at high levels.

Gross revenue

The consolidated gross revenue (which includes sales from retail, wholesale, and other business units of the Company), in 3Q22, was BRL 1.1 billion, which represents a 26.5% increase compared to 3Q21. In the 9 accumulated months of the year, the total gross revenue was BRL 3.1 billion, representing a growth of 24.3% in relation to the same period of the previous year. The strong sales growth in the period reinforces the quality of the execution of all our strategic pillars.

Consolidated Gross Revenue

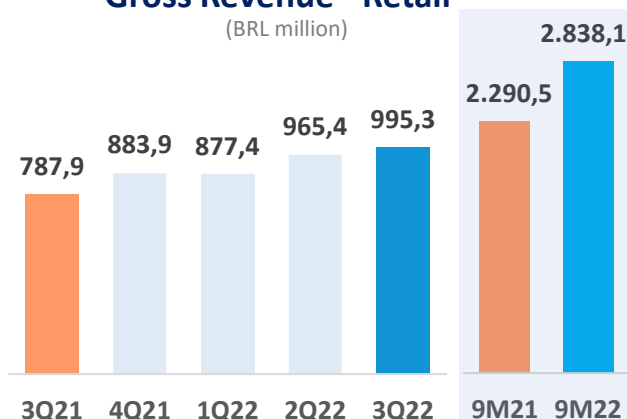
(BRL million)



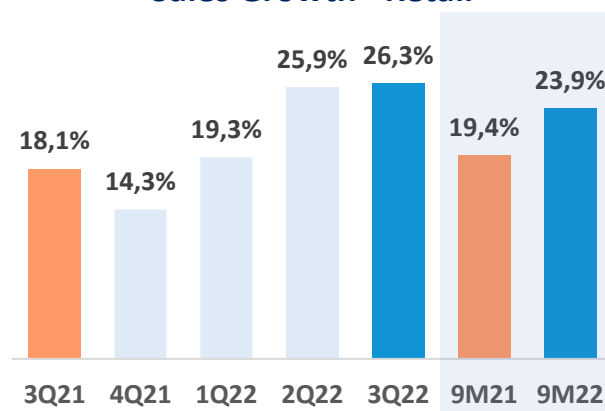
Retail

Gross Revenue - Retail

(BRL million)



Sales Growth - Retail



In 3Q22 retail gross revenue was BRL 995.3 million, a growth of 26.3% over the same period of the previous year. It is important to point out that this performance occurred on a strong comparison basis.

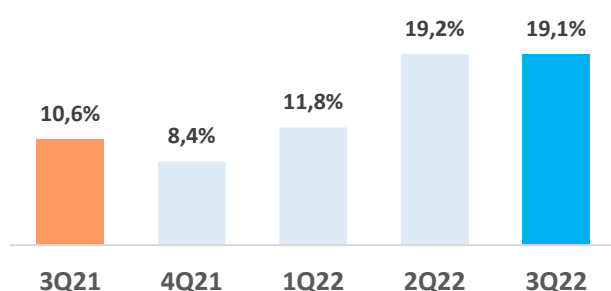
For Panvel, this quarter was another period of sales growth above the industry average. This behavior is translated by the increased flow of customers in our physical stores and in our digital channels, thanks to factors such as a strategy of drugs with a well-sized portfolio and efficient inventory management, ensuring a low level of out-of-stocks for the customer, in addition to maintaining our service quality indicators.

It is worth noting that the new stores also contributed significantly to this result, with accelerated maturation rates, reinforcing the success of our expansion strategy.

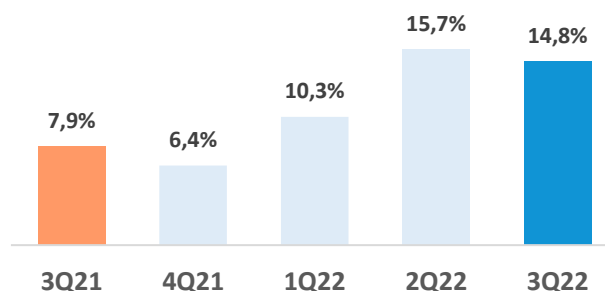
Same-Store Sales (SSS) grew by 19.1% in 3Q22 compared to 3Q21. It is a very robust rate, considering that growth takes place on a strong basis of comparison.

The performance of Mature Stores (Mature Same Store Sales or MSSS) was also relevant and had an excellent performance, with a 14.8% growth compared to 3Q21, a percentage much higher than the inflation rate of the period.

Same-Store Growth



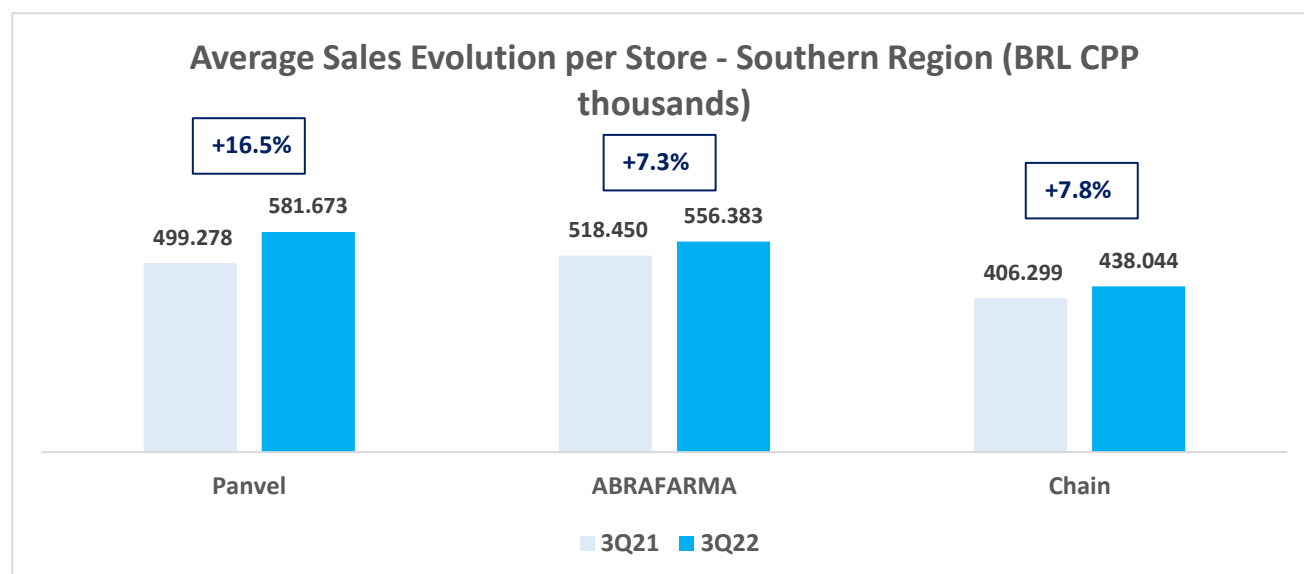
Mature Same-Store Growth



Throughout 3Q22, we had average sales of BRL 605 thousand/store, 15.3% over the same period last year, and 18.3% over the average for 2021. It is important to highlight that this is the first full quarter in which average sales exceed BRL 600 thousand/store, an important milestone for the company and that reinforces our strategic commitment to raise our productivity.

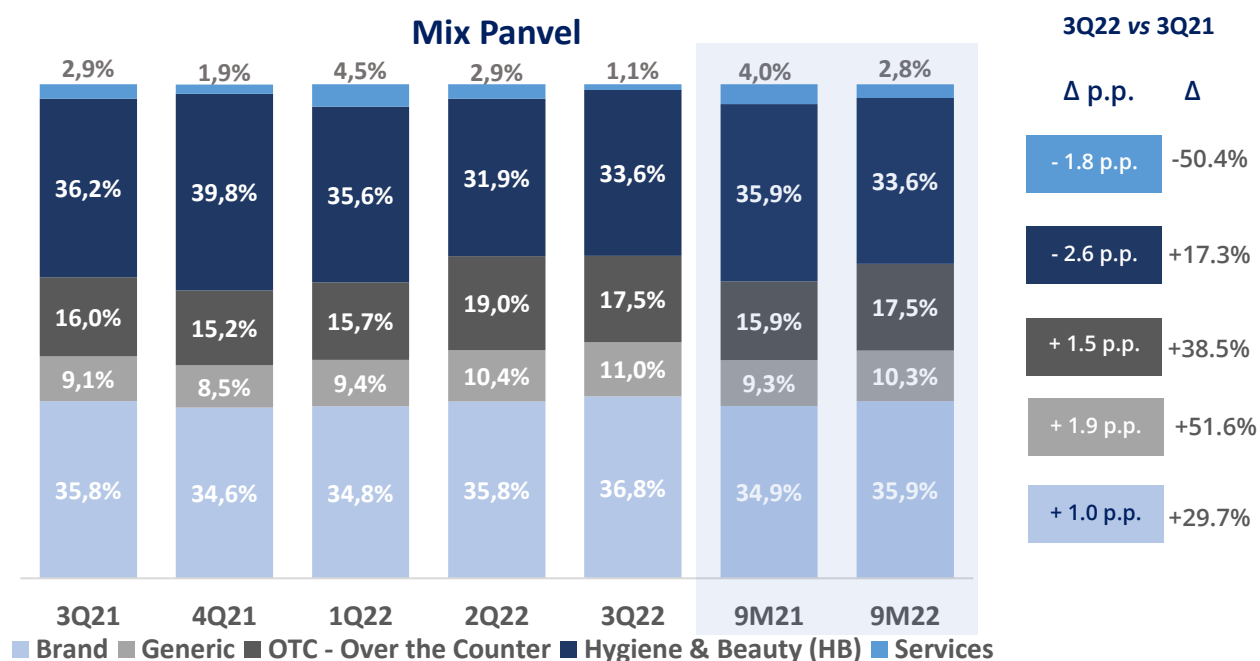
We emphasize that this growth was achieved in a quarter that finds a strong comparison base and with the opening of 68 stores in the last 12 months, demonstrating how the new crop of stores has been ramping up.

IQVIA's analysis of average sales data in the Southern Region, comparing Panvel with its competitors, reinforces the success of our strategy, presenting a sales growth rate that is more than double that of the other players in the region.



BRL CPP: Consumer Product Purchase is the measurement unit used by IQVIA.

Retail sales mix



In this quarter, we once again saw the **overall drugs** show very strong growth, in line with the Company's strategy and ongoing projects. Drugs grew by 31.5% growth compared to 3Q21.

It is worth noting that the Company was effective in managing its product mix, since the rapid reduction in sales of Covid Tests and Vaccines was more than offset by growth in other categories, not affecting Panvel's sales growth rate.

The **Services** pillar reached a representation of 1.1% of Retail sales, a drop that was already expected. Even with this reduction, Services remain an important strategic pillar for the Company

The **OTC** category was one of the major highlights of the period, with a growth of 38.5% in relation to 3Q21. Within this category, the highlights were Influenza and Colds (+89.3%), Pain and Fever (+24.5%), Gastrointestinal (+27.4%), Wounds and Bruises (32.5%), Specialized Nutrition (+36.2%), and Diabetes (46.3%).

The **Generics** category was also a highlight in the period, with a growth of 51.6% in the quarter, and an expansion of 1.9 p.p. in the representativity within the Mix. In addition to playing an important role in bringing more customers to the stores, this category is a key lever for maintaining a healthy Gross Margin.

The **Hygiene and Beauty (HB)** category, on the other hand, grew by 17.3% compared to 3Q21. The loss of share within the mix is mainly due to the strong growth of drugs, in addition to the reduction in sales of products related to the Covid basket, such as masks. The performance of categories such as Food (+62.4%), Children (+28.1%), Makeup (+43.9%), Facial Care (+22.0%), Oral Care (+20.2%), and Intimate Care (+26.6%) stand out.

Panvel Products



The sale of Panvel Products grew 10.8% in relation to 3Q21, reaching a share of 6.5% in total retail sales. In relation to the hygiene and beauty mix, the own label reached a representation of 18.9%. These numbers reinforce the positioning of Panvel Products as a benchmark in Brazilian pharmaceutical retail.

Reflecting the increased demand for care and beauty products, the Panvel Make Up brand, a strategic pillar of the group, presented a 51.5% growth in sales, consolidating its leadership in the

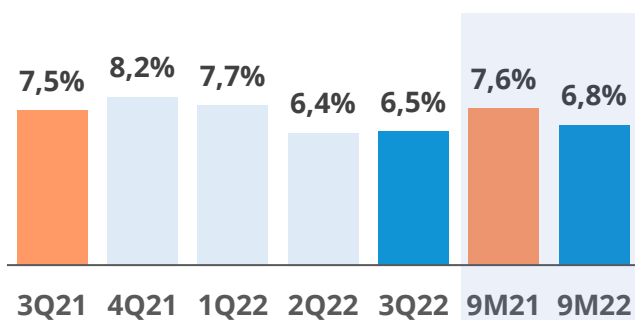
makeup category. Our face care line, Panvel Faces, also showed robust growth of 31%, as did our Basic Care line, which grew 38.3%.

The quality of our own brand products preserves the trust and loyalty of the public. The Panvel Baby brand, a baby care product line and one of the group's main brands, grew 24.5% in the period.

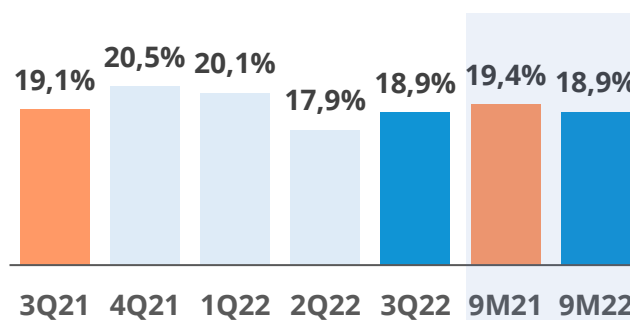
Reflecting the brand's movement to make available a line of current products, in line with the trend of a more conscious consumption with the preservation of the environment and animal welfare, the Vert line, composed of natural and vegan items, showed a significant evolution in sales of 203.1% in this third quarter.

We also saw the Panvel House and Panvel Accessories lines grow 77.5% and 52.6%, respectively, demonstrating that the strength of our own label products goes beyond personal care and hygiene.

Share of Private Label in Retais Sales (%)



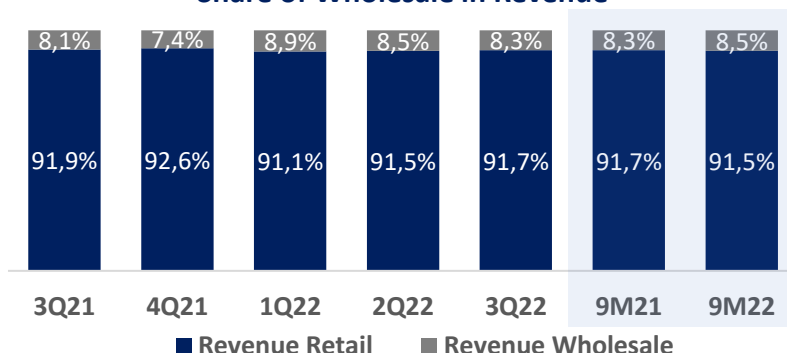
Share of Private Label in HB Sales (%)



Wholesale

In 3Q22, Wholesale represented 8.3% of the Company's total sales, with a growth of 30.6% in revenue. As already observed throughout this year, the numbers of our Wholesale operation have been showing growth, both in sales and Gross Margin, increasing the healthiness of the business.

Share of Wholesale in Revenue



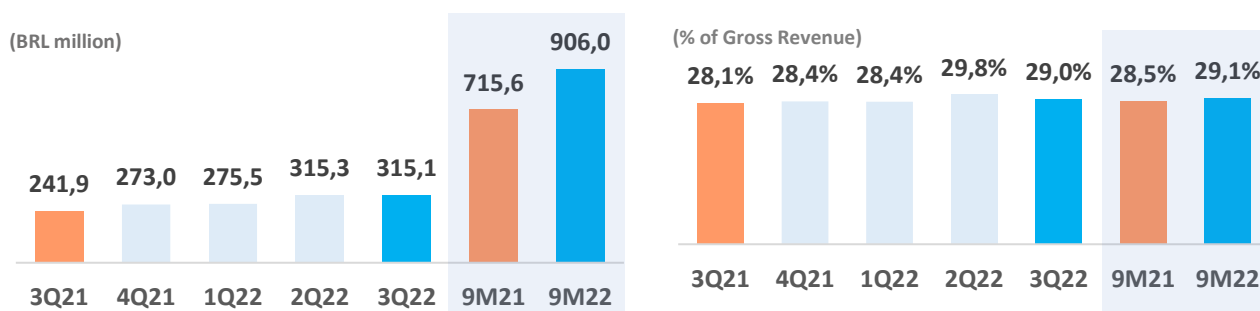
Gross margin

The Company delivered a Consolidated Gross Margin (including retail, wholesale, and other business units) of BRL 315.1 million in 3Q22, which represents 29.0% of gross revenue for the period, an increase of 0.9 p.p. compared to 3Q21.

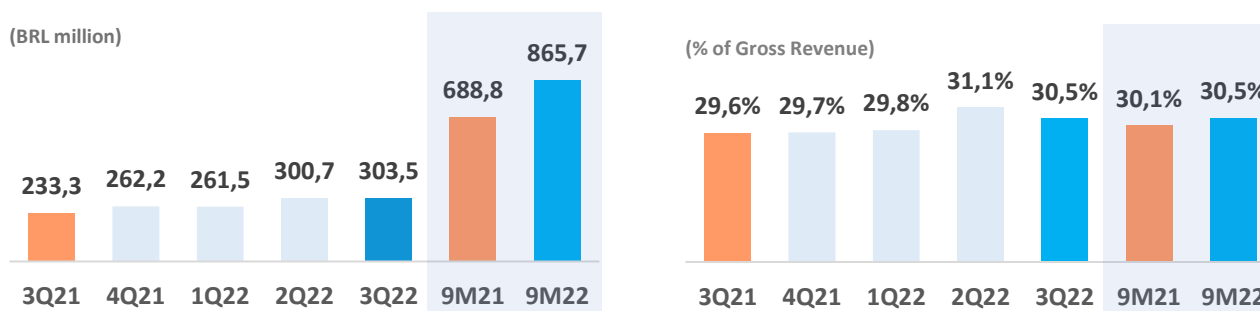
The Gross Retail Margin was BRL 303.5 million, equivalent to 30.5% of Gross Revenue in 3Q22, with an expansion of 0.9 p.p. compared to 3Q21. This expansion is explained by the strong performance of categories such as OTCs and Generics, in addition to the growth of important categories of Hygiene and Beauty, which more than offset the reduction observed in the share of Services in total Retail sales.

The Wholesale Gross Margin remained high, representing 12.0% of the Gross Revenue of this business unit in 3Q22, a strong growth of 3.6 p.p. compared to 3Q21. This evolution is related to the sale of a healthier product mix, impacted mainly by Generics. We expect this favorable effect on the wholesale product mix to continue over the next quarters.

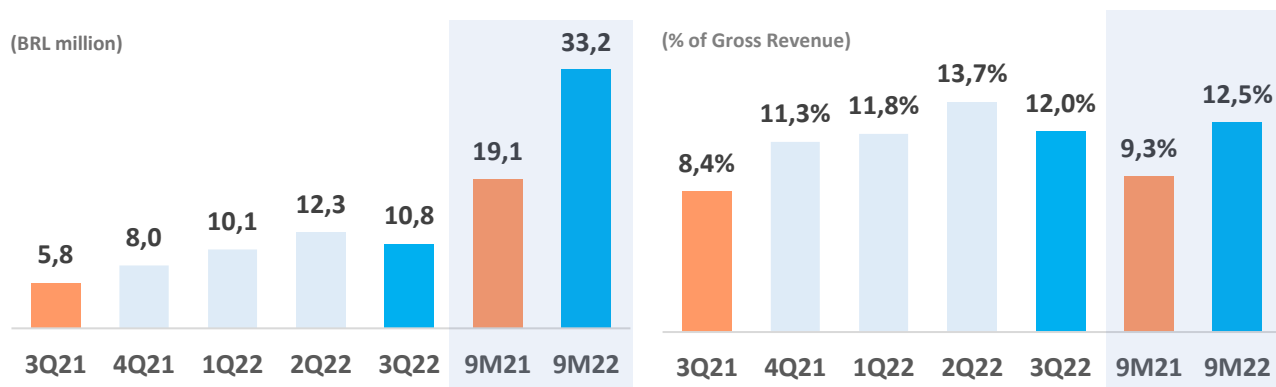
GROSS MARGIN – GROUP



GROSS MARGIN – RETAIL

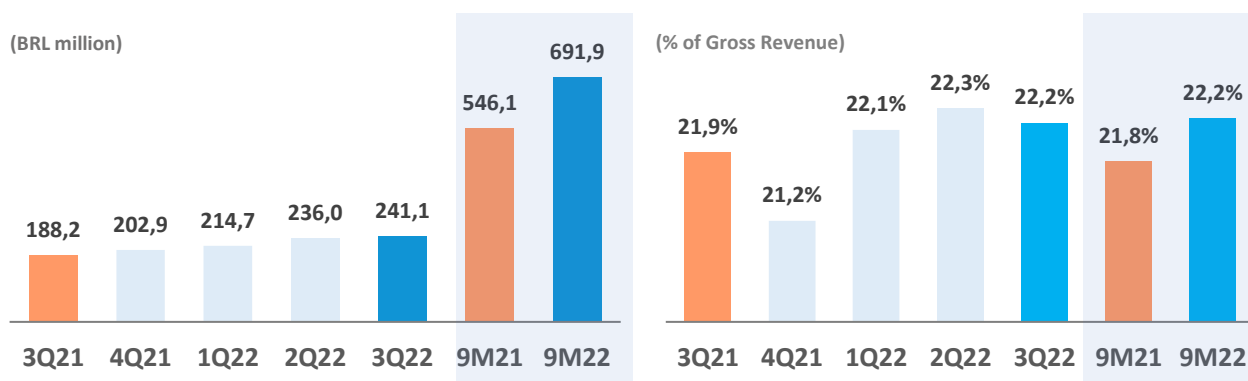


GROSS MARGIN - WHOLESALE



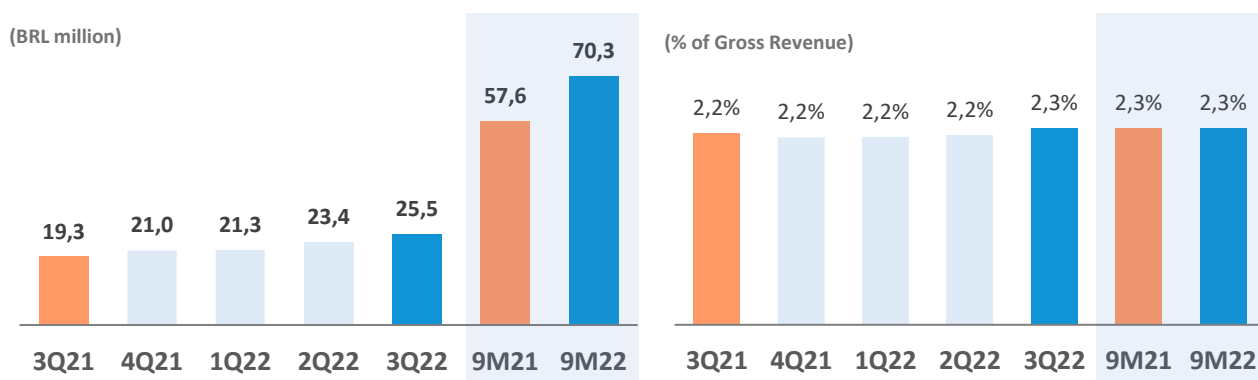
Selling Expenses

Total Selling Expenses in 3Q22 was BRL 241.1 million, which represented 22.2% of Gross Revenue, a 0.3 p.p. increase compared to 3Q21, and a reduction of 0.1 p.p. compared to 2Q22. The maintenance of selling expenses at this level in the last three quarters is related to inflationary effects that mainly impacted accounts such as Personnel, Rent and Logistics, in addition to the accelerated pace of store expansion.



General and administrative expenses

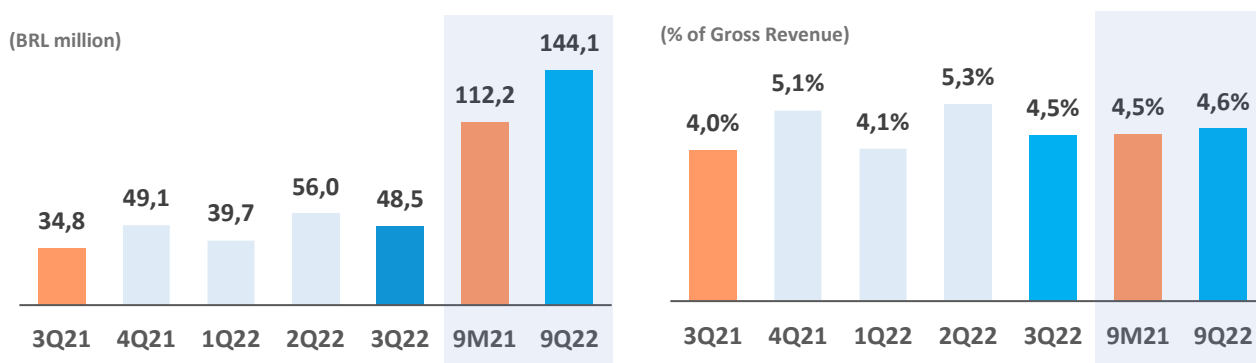
General and Administrative Expenses totaled BRL 25.5 million in 3Q22, representing 2.3% of Gross Revenue and a growth of only 0.1 p.p. over the same period in the previous year, remaining at healthy levels. This result reinforces the Company's commitment to cost-control and the constant search for greater operational efficiency, even in a scenario of inflationary pressure.



EBITDA

In 3Q22, we reached an adjusted EBITDA of BRL 48.5 million, 39.1% higher than the same period in 2021, and with a margin equivalent to 4.5% of Gross Revenue, an expansion of 0.5 p.p. in the period. This strong margin expansion is related to the effects mentioned above, and reflects the Panvel Group's operational excellence.

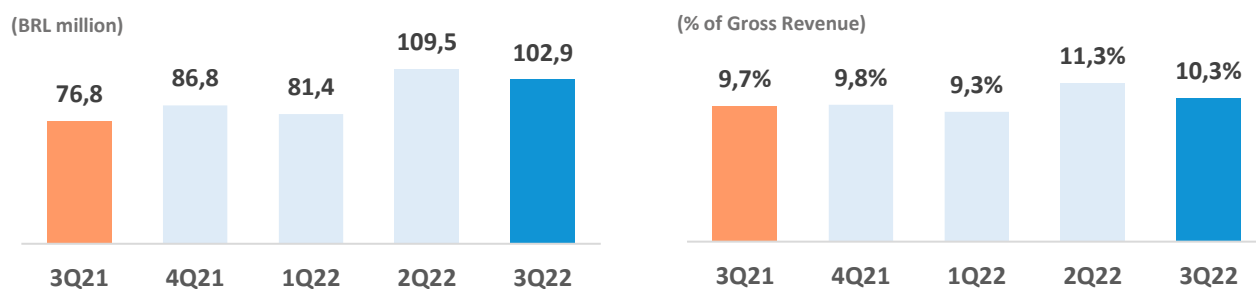
ADJUSTED EBITDA



EBITDA Reconciliation	3Q21	3Q22	Var. %
(BRL million)			
Net Profit	18.4	22.7	23.4%
(+) Income Tax	2.5	2.8	10.0%
(+) Financial Results	0.2	5.0	-
EBIT	21.1	30.4	44.1%
(+) Depreciation and amortization	11.8	14.3	21.2%
EBITDA	32.9	44.8	36.2%
Interests/Distributions	0.0	2.7	-
Asset Write-offs	0.8	0.3	(56.6%)
Other Adjustments	1.1	0.6	(45.2%)
Adjusted EBITDA	34.8	48.5	39.1%
Adjusted EBITDA Margin	4.0%	4.5%	0.5 pp

Retail EBITDA

Retail EBITDA represents the income generated by the stores and is calculated using the formula described below:



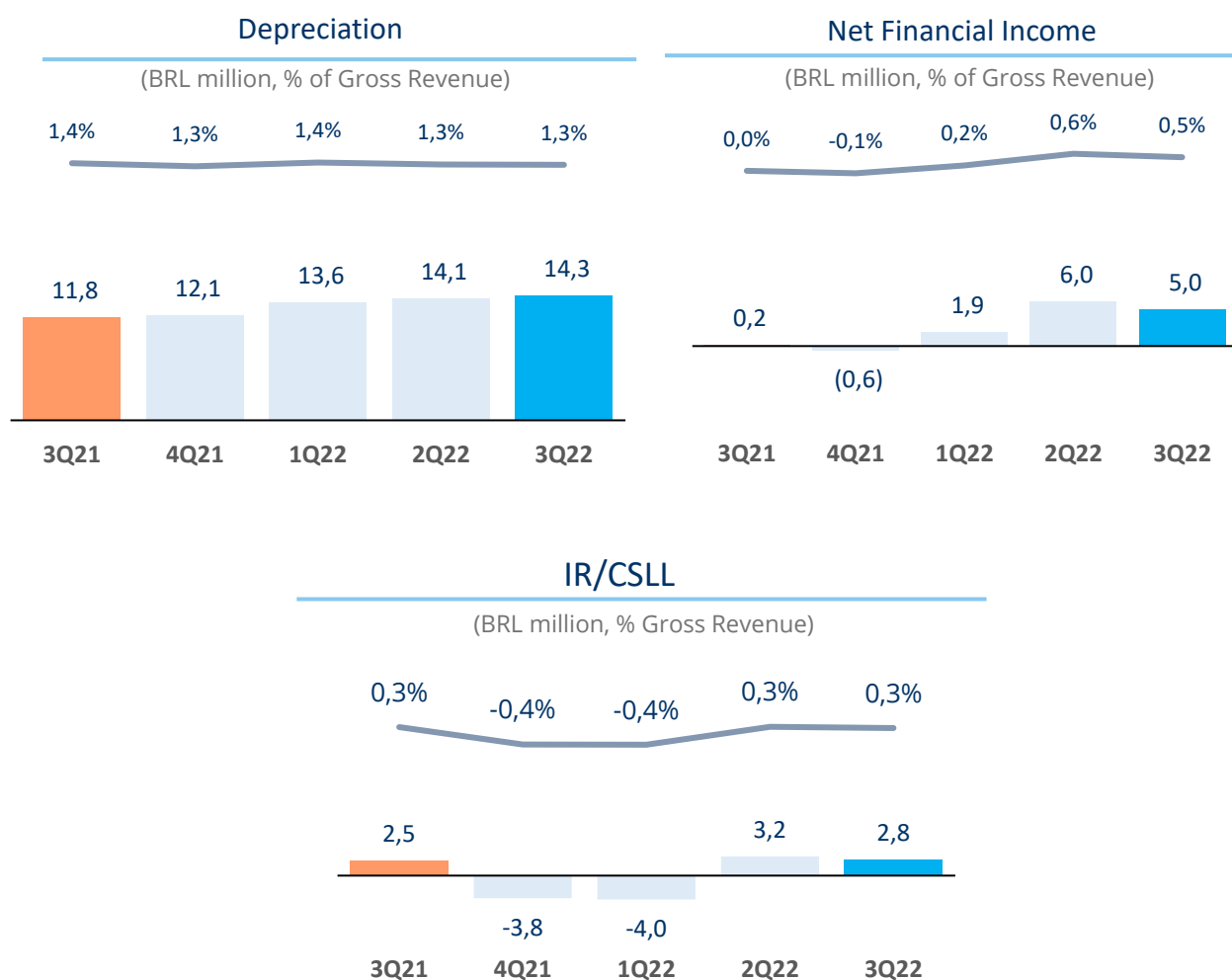
Retail Gross Revenue (-) COGS/Taxes/Discounts/Returns = Retail Gross Margin (-) Store Selling Expenses (+) Store Depreciation = Retail EBITDA.

Retail EBITDA in 3Q22 was BRL 102.9 million, equivalent to 10.3% of Gross Revenue, with a 0.6 p.p. increase in the annual comparison. This growth is a result of the expansion of the Retail Gross Margin in the period and the strong performance of the mature store base, which offset the effects of accelerating expansion.

Depreciation, net financial income, and IR/CSLL

Depreciation remained stable in 3Q22, even with the store expansion, due to the strong sales growth in the period and the respective operating leverage.

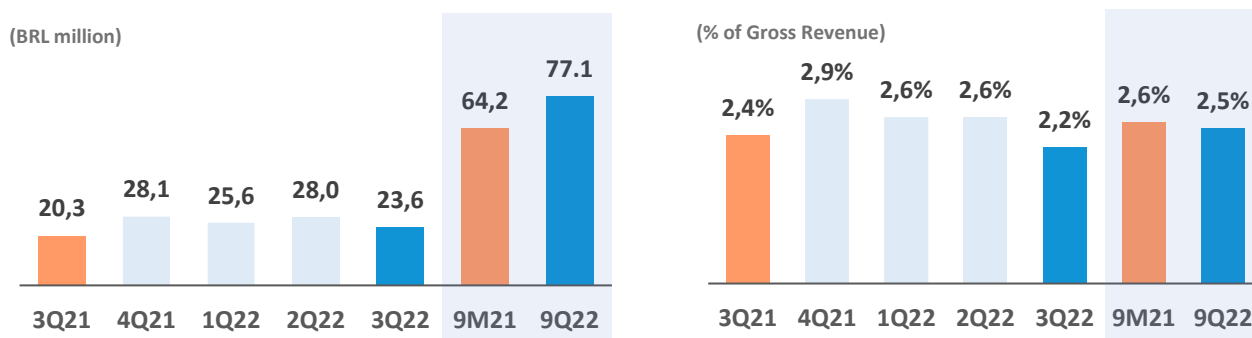
Net financial expenses increased 0.5 p.p. in the quarterly comparison, from net revenue of BRL 0.2 million to a net expense of BRL 5.0 million. This movement is a direct result of the reduction in the net cash position, in line with the Company's expectations.



Net Profit

Adjusted net profit in 3Q22 was BRL 23.6 million, representing a net margin of 2.2% and a growth of 16.1% compared to 3Q21. The growth in net income in a lower proportion than the EBITDA is related to the increase in financial expenses, an expected effect for the period. This indicator, within a scenario of relevant inflationary challenges, reinforces Grupo Panvel's ability to deliver consistent results quarter after quarter.

NET PROFIT

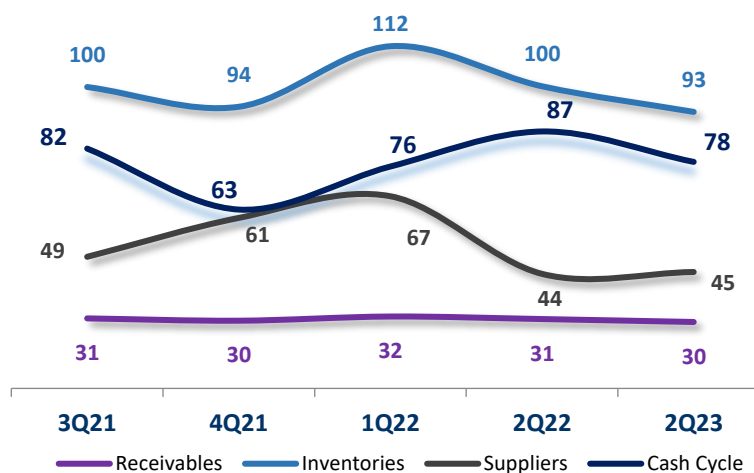


The table below shows the reconciliation of Net Profit and non-recurring adjustments in the period.

Net Profit Reconciliation	3Q21	3Q22	Var. %
(BRL million)			
Net Profit	18.4	22.7	23.4%
Asset Write-offs	0.8	0.3	-62.5%
Other Adjustments	1.1	0.6	(45.5%)
Adjusted Net Profit	20.3	23.5	16.3%
Adjusted Net Margin	2.4%	2.2%	-0.2 pp

Cash cycle

The Company reduced its cash cycle by 4 days compared to 3Q21, reinforcing its commitment to increasing the efficiency of the operation. Inventory days were reduced by 7 days in comparison with 3Q21, partially offset by the reduction in supplier days in the period. The Company expects to continue to improve its cash cycle in the coming quarters.



Cash flow

The Company had a positive free cash flow of BRL 35.7 million in 2Q22, an improvement over the same period in 2021.

Cash flow	3Q21	3Q22	Var.
Net profit for the period	18,411	22,661	23.1%
IRPJ/CSLL	2,507	2,750	9.7%
Financial Income	160	5,035	-
EBIT	21,078	30,446	44.4%
Depreciations and Amortizations	11,833	14,331	21.1%
EBITDA	32,911	44,777	36.1%
Cash Cycle	41,866	38,304	(8.5%)
Other variations in assets and liabilities	7,415	(239)	(96.5%)
Operating cash Flow	82,192	82,842	1.4%
Investments	(35,660)	(47,115)	32.1%
Free Cash Flow	46,532	35,727	(22.1%)
Interest on Equity	(5,945)	(8,004)	34.6%
Treasury shares	(6,061)	(3)	-
Total Cash Flow	34,526	27,720	(18.3%)

Indebtedness

The Company's gross indebtedness level at the end of 3Q22 was BRL 270.7 million and, after deducting cash and cash equivalents (BRL 164.2 million), the Net Debt at the end of the period was BRL 106.5 million. The cash generation allowed the reduction of Net Debt and leverage in relation to the second quarter of the year, in line with the planning.

We believe that the capital structure remains solid, with low leverage, and supports the continuity of the Company's expansion plan. We understand that this low level of indebtedness represents a differential for the Company within the country's current macroeconomic scenario.

Net Debt	3Q21	4Q21	1Q22	2Q22	3Q22
Short-Term Debt	57,3	56,0	60,5	88,2	97,9
Long-Term Debt	107,3	80,4	80,1	172,9	172,9
Gross Debt	164,6	136,4	139,6	261,2	270,7
(-) Cash, Equivalents, and Financial Investments	205,5	209,7	95,9	127,0	164,2
Net Debt / Net Cash	(41,0)	(73,2)	43,7	134,2	106,5
Net liabilities/EBITDA LTM	n/a	n/a	0,27x	0,75x	0,55x

Investments

In line with the Company's planning, total investments of BRL 47.1 million were made in the third quarter, an increase of 32.1% compared to 3Q21. We remain in a strong investment cycle, focusing on opening stores, technology and logistics, and we understand that the impacts on the short-term result are a necessary step in building our vision for the future of the Company.

BRL thousands	3Q21	3Q22	Δ	9M21	9M22	Δ
Opening Stores	19,359,953	25,106,354	29.7%	47,851,663	62,769,804	31.2%
Renovation of Stores	3,007,995	3,275,053	8.9%	8,356,263	8,855,482	6.0%
IT	7,510,142	8,899,641	18.5%	19,485,708	23,323,178	19.7%
Logistics and Others	5,778,829	9,833,539	70.2%	15,111,638	44,874,122	197.0%
Total	35,656,919	47,114,587	32.1%	90,805,272	139,822,587	54.0%

Environmental, Social and Corporate Governance (ESG)

As informed in the last results release, we are making great strides in the 4 pillars of our environmental, social, and corporate responsibility platform, which are **Our People, Our Home, Our Customers, and Our Partners**. We have already had important achievements throughout this year, and it is worth highlighting some points in this quarter.

Our Home

- We concluded the installation of LED lighting in 100% of our stores, thus reducing the environmental impact on energy consumption and the environment caused by conventional bulbs and also providing visual comfort in the environments.
- In the Environmental Impact commitment, we recycled 710 tons of waste in our Distribution Centers and Eldorado do Sul principal place of business.
- Our Right Destination program has already collected and treated 9 tons of drugs, thus avoiding the incorrect disposal in households that could cause risks to the environment and health.

Our People

- We have updated the *Troco Amigo* Program with a great news: the possibility of making donations via Credit Card and Pix. With this functionality, we will accelerate the program's collection and contribute even more to the hospitals in the regions served by Panvel.

Capital markets

In the third quarter of 2022, the Company's shares followed the movement of companies in the retail sector, as well as companies qualified as small caps. In this same period (YTD 09/2022), the Company's share dropped 11.71%.

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



IFRS 16: Impacts

The standard introduced by IFRS 16/CPC 06 (R2) establishes new procedures regarding the accounting method for a few rental agreements. For those who fit the new standard, accounting records are made to recognize the amounts in the Company's Assets (rights to use) and Liabilities (future commitments), resulting in a change in accounting records between rent, depreciation, and interest expenses.

To maintain historical comparability, figures herein are presented using the old methodology (IAS 17). Data and financial statements under IFRS 16 are available on the Company's and CVM's websites.

Statement of Profit and Loss	3Q22		
	IAS 17	Reclassification	IFRS 16
(BRL million)			
Gross Revenue	1,087,787	-	1,087,787
Gross Profit	315,141	-	315,141
% GI	29.0%	0.0%	29.0%
Sales Expenses	(241,137)	37,986	(203,151)
Administrative Expenses	(25,546)	-	(25,546)
Total Expenses	(266,683)	37,986	(228,696)
% GI	24.5%	-3.5%	21.0%
Adjusted EBITDA	48,458	37,986	86,445
% GI	4.5%	3.5%	7.9%
Depreciation and amortization	(14,331)	(34,118)	(48,448)
Part. Adm/PLR	(2,732)	-	(2,732)
Other adjustments	(950)	-	(950)
Financial Income	(5,035)	(10,560)	(15,595)
IRPJ/CSLL	(2,750)	2,275	(475)
Net Profit	22,660	(4,416)	18,244
% GI	2.1%	-0.4%	1.7%

Balance Sheet	3Q22		
	IAS 17	Reclassification	IFRS 16
(BRL million)			
Asset	1,974,855	594,660	2,569,515
Current Assets	1,432,342	(230)	1,432,112
Clients	361,863	(230)	361,633
Non-Current Assets	542,513	594,890	1,137,403
Deferred Assets	25,810	16,738	42,548
Property, Plant and Equipment	429,276	578,152	1,007,428
Liabilities and Shareholders	1,974,855	594,660	2,569,515
Current Liabilities	661,071	148,450	809,521
Leases	0	148,450	148,450
Non-Current Liabilities	189,157	479,839	668,996
Leases	(0)	479,839	479,839
Equity	1,124,626	(33,628)	1,090,998
Retained Profits	87,841	(33,628)	54,213

Balance Sheet

ASSETS	Former Standard (IAS 17)		
	3Q21	3Q22	Var. %
(in thousands)			
Current Assets	1,314,466	1,432,112	9,0%
Cash and cash equivalents	18,672	9,362	-49,9%
Financial Investments	186,855	154,888	-17,1%
Clients	303,193	361,633	19,3%
Inventory	696,776	796,732	14,3%
Recoverable income tax and social security contribution	14,750	25,433	72,4%
Recoverable taxes	32,402	22,779	-29,7%
Other trade receivables	61,819	61,285	-0,9%
Non-Current Assets	433,051	555,578	28,3%
Deferred taxes	22,802	28,085	23,2%
Recoverable taxes	7,429	9,260	24,6%
Court deposits	5,287	3,865	-26,9%
Credits with related parties	10,738	1,530	-85,8%
Other assets	321	534	66,4%
Investments	5	4	-20,0%
Property, Plant and Equipment	330,908	440,067	33,0%
Intangible Assets	55,559	72,234	30,0%
Total Assets	1,747,517	1,987,690	13,7%
Former Standard (IAS 17)			
LIABILITIES			
	3Q21	3Q22	Var. %
(in thousands)			
Current Liabilities	562,065	663,373	18.0%
Suppliers	335,031	373,646	11.5%
Loans and financing	55,867	97,870	75.2%
Lease - IFRS 16	1,453	2,302	58.4%
Salaries and social charges	66,148	80,496	21.7%
Interests payable	100	-	-
Taxes, fees, and contributions	35,638	39,637	11.2%
Dividends and interest on equity	1,583	666	-57.9%
Other accounts payable	64,592	65,606	1.6%
Other Provisions	1,653	3,150	90.6%
Non-Current Liabilities	136,954	204,107	49.0%
Loans and financing	105,714	172,857	63.5%
Lease - IFRS 16	1,539	14,950	871.4%
Other Obligations	7,709	6,793	-11.9%
Civil, labor, and social security tax provisions	21,992	9,507	-56.8%
Equity	1,048,499	1,120,210	6.8%
Capital	918,000	943,000	2.7%
Capital transactions with members	-48,118	(14,448)	-70.0%
Capital reserve	-	(29,429)	-
Profit reserve	109,181	137,662	26.1%
Retained Profits	69,436	83,425	20.1%
Total Liabilities and Shareholder's Equity	1,747,517	1,987,690	13.7%

Income Statement

Income Statement (DRE)	3Q21	3Q22	Var. %	9M21	9M22	Var. %
(in thousands)						
Gross revenue	860,143	1,087,787	26.5%	2,506,693	3,114,783	24.3%
Taxes and returns	(57,670)	(70,743)	22.7%	(175,115)	(209,913)	19.9%
Net revenue	802,473	1,017,044	26.7%	2,331,578	2,904,870	24.6%
Cost of goods sold	(560,600)	(701,903)	25.2%	(1,615,956)	(1,998,911)	23.7%
Gross Profit	241,873	315,141	30.3%	715,622	905,959	26.6%
Expenses	(220,795)	(284,696)	28.9%	(651,103)	(817,151)	25.5%
With sales	(203,147)	(258,249)	27.1%	(609,608)	(752,507)	23.4%
General and administrative	(21,048)	(28,695)	36.3%	(68,582)	(78,727)	14.8%
Other operating income	3,400	2,248	-33.9%	27,087	14,083	-48.0%
Financial Income	(160)	(5,035)	-	10,504	(12,946)	-223.2%
Financial expenses	(3,555)	(11,574)	225.6%	(9,168)	(27,332)	198.1%
Financial revenue	3,395	6,539	92.6%	19,672	14,386	-26.9%
Profit before IR (income tax), social contribution, and interests	20,918	25,410	21.5%	75,023	75,862	1.1%
Income tax and social contribution	(2,507)	(2,750)	9.7%	(12,639)	(1,971)	-84.4%
Net income for the year	18,411	22,660	23.1%	62,384	73,891	18.4%