

Quarterly Information (ITR)

Dimed S.A. Distribuidora de Medicamentos

September 30, 2022

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Company Information / Capital Breakdown

Number of shares (unit)	Current quarter 09/30/2022
Paid-in Capital	
Common shares	150,377,481
Preferred shares	0
Total	150,377,481
Treasury shares	
Common shares	1,733,422
Preferred shares	0
Total	1,733,422

Individual Interim Financial Statements / Statement of Financial Position - Assets

(In thousands of reais)

Account Code	Account Description	Current quarter 09/30/2022	Prior year 12/31/2021
1	Total assets	2,564,323	2,372,275
1.01	Current assets	1,366,575	1,331,908
1.01.01	Cash and cash equivalents	19,337	51,590
1.01.02	Short-term investments	100,211	116,712
1.01.02.01	Short-term investments measured at fair value through profit or loss	100,211	116,712
1.01.02.01.03	Short-term investments	100,211	116,712
1.01.03	Accounts receivable	421,325	395,486
1.01.03.01	Trade accounts receivable	360,284	321,230
1.01.03.02	Other accounts receivable	61,041	74,256
1.01.04	Inventories	780,583	726,350
1.01.06	Taxes recoverable	45,119	41,770
1.01.06.01	Current taxes recoverable	45,119	41,770
1.01.06.01.01	Income and social contribution taxes recoverable	25,108	11,418
1.01.06.01.02	Other taxes recoverable	20,011	30,352
1.02	Noncurrent assets	1,197,748	1,040,367
1.02.01	Long-term receivables	54,335	52,019
1.02.01.07	Deferred taxes	39,614	35,736
1.02.01.07.01	Deferred income and social contribution taxes	39,614	35,736
1.02.01.09	Receivables from related parties	1,530	4,700
1.02.01.09.02	Receivables from subsidiaries	1,530	4,700
1.02.01.10	Other noncurrent assets	13,191	11,583
1.02.01.10.03	Other taxes recoverable	9,260	7,895
1.02.01.10.04	Judicial deposits	3,395	3,411
1.02.01.10.05	Other assets	536	277
1.02.02	Investments	73,715	64,639
1.02.02.01	Equity Interests	73,715	64,639
1.02.02.01.02	Interests held in subsidiaries	73,715	64,639
1.02.03	Property, plant and equipment	997,929	864,167
1.02.03.01	Property, plant and equipment in operation	419,776	342,936
1.02.03.02	Right-of-Use Lease	578,153	521,231
1.02.04	Intangible assets	71,769	59,542
1.02.04.01	Intangible assets	71,769	59,542
1.02.04.01.02	Intangible assets	71,769	59,542

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

(In thousands of reais)

Account Code	Account Description	Current quarter 09/30/2022	Prior year 12/31/2021
2	Total liabilities	2,564,323	2,372,275
2.01	Current liabilities	805,964	808,056
2.01.01	Social and labor obligations	79,340	50,483
2.01.01.01	Social obligations	13,549	12,544
2.01.01.02	Labor obligations	65,791	37,939
2.01.02	Trade accounts payable	377,380	470,117
2.01.02.01	Trade accounts payable - local	377,380	470,117
2.01.03	Tax obligations	37,171	27,505
2.01.03.01	Federal tax obligations	4,481	6,255
2.01.03.01.01	Income and social contribution taxes payable	5	0
2.01.03.01.02	Other federal tax obligations	4,476	6,255
2.01.03.02	State tax obligations	31,232	20,247
2.01.03.03	Local tax obligations	1,458	1,003
2.01.04	Loans and financing	246,320	189,137
2.01.04.02	Debentures	97,870	54,532
2.01.04.03	Financing through Lease	148,450	134,605
2.01.05	Other obligations	63,141	69,794
2.01.05.02	Other	63,141	69,794
2.01.05.02.01	Dividends and IOE payable	666	5,701
2.01.05.02.04	Profit sharing payable	0	12,158
2.01.05.02.05	Other liabilities	62,475	51,935
2.01.06	Provisions	2,612	1,020
2.01.06.01	Provisions for tax, social security, labor and civil contingencies	2,612	1,020
2.01.06.01.05	Other provisions	2,612	1,020
2.02	Noncurrent liabilities	667,361	518,024
2.02.01	Loans and financing	652,696	501,790
2.02.01.02	Debentures	172,857	79,286
2.02.01.03	Financing through Lease	479,839	422,504
2.02.02	Other obligations	6,793	0
2.02.02.02	Other	6,793	0
2.02.02.02.05	Other obligations	6,793	0
2.02.04	Provisions	7,872	16,234
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	7,872	16,234
2.02.04.01.01	Provisions for tax contingencies	392	908
2.02.04.01.02	Provisions for social security and labor contingencies	7,380	9,326
2.02.04.01.04	Provisions for civil contingencies	100	6,000
2.03	Equity	1,090,998	1,046,195
2.03.01	Paid-in capital	928,552	903,552
2.03.01.01	Capital	943,000	918,000
2.03.01.02	Share issue costs	-14,448	-14,448
2.03.02	Capital reserves	-29,430	-33,409
2.03.02.05	Treasury shares	-34,020	-36,690
2.03.02.07	Goodwill reserve	-269	0
2.03.02.08	Reserve for long-term incentive	4,859	3,281
2.03.04	Income reserves	137,662	176,052
2.03.04.01	Legal reserve	6,038	6,764

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

Account Code	Account Description	Current quarter 09/30/2022	Prior year 12/31/2021
2.03.04.07	Tax incentive reserve	131,624	131,624
2.03.04.08	Proposed additional dividends	0	13,390
2.03.04.10	Reserve for capital increase	0	24,274
2.03.05	Retained earnings/accumulated losses	54,214	0

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

Account Code	Account Description	Current quarter	Current	Same quarter of	Last
		07/01/2022 to 09/30/2022	YTD 01/01/2022 to 09/30/2022	Prior year 07/01/2021 to 09/30/2021	YTD 01/01/2021 to 09/30/2021
3.01	Revenue from Sales and/or Services	1,015,535	2,895,936	800,289	2,327,256
3.02	Cost of sales and/or services	-702,545	-1,999,888	-560,256	-1,616,627
3.03	Gross profit	312,990	896,048	240,033	710,629
3.04	Operating income/expenses	-277,922	-791,723	-214,802	-632,918
3.04.01	Selling expenses	-253,296	-737,616	-198,511	-592,113
3.04.01.01	Selling expenses	-253,296	-737,616	-198,511	-592,113
3.04.02	General and administrative expenses	-28,085	-77,076	-20,424	-66,356
3.04.04	Other operating income	2,149	13,893	2,904	26,359
3.04.06	Equity pickup	1,310	9,076	1,229	-808
3.05	Income before finance income (costs) and taxes	35,068	104,325	25,231	77,711
3.06	Finance income (costs)	-17,136	-46,720	-8,645	-11,264
3.06.01	Finance income	4,915	10,426	2,752	18,341
3.06.02	Finance costs	-22,051	-57,146	-11,397	-29,605
3.07	Income before income taxes	17,932	57,605	16,586	66,447
3.08	Income and social contribution taxes	312	4,609	-933	-10,218
3.08.01	Current	-89	731	-1,592	-8,371
3.08.02	Deferred	401	3,878	659	-1,847
3.09	Net income from continuing operations	18,244	62,214	15,653	56,229
3.11	Income/loss for the period	18,244	62,214	15,653	56,229
3.99	Earnings per share (reais / share)				
3.99.01	Basic earnings per share				
3.99.01.01	Registered common shares	0.12	0.42	0.1	0.38
3.99.02	Diluted earnings per share				
3.99.02.01	Registered common shares	0.12	0.42	0.1	0.37

Individual Interim Financial Statements / Statement of Comprehensive Income

(In thousands of reais)

Account Code	Account Description	Current quarter	Current	Same quarter of	Last
		07/01/2022 to 09/30/2022	YTD 01/01/2022 to 09/30/2022	Prior year 07/01/2021 to 09/30/2021	YTD 01/01/2021 to 09/30/2021
4.01	Net income for the period	18,244	62,214	15,653	56,229
4.03	Comprehensive income (loss) for the period	18,244	62,214	15,653	56,229

Individual Interim Financial Statements / Statement of Cash Flows (Indirect Method)

(In thousands of reais)

Account Code	Account Description	Current YTD	Last YTD
		01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
6.01	Net cash flow from operating activities	92,996	26,110
6.01.01	Cash flows from operations	225,629	179,454
6.01.01.01	Net income for the year	62,214	56,229
6.01.01.02	Depreciation and amortization	141,410	114,469
6.01.01.03	Provision for contingent liabilities	-2,562	8,151
6.01.01.04	Equity pickup	-9,076	808
6.01.01.05	Cost of permanent asset written off/sold	5,435	2,663
6.01.01.06	Allowance for expected credit losses	902	245
6.01.01.07	Provision for inventory losses	-145	-92
6.01.01.08	Tax credits from legal proceeding	-5,187	-36,534
6.01.01.09	Stock option plan or share subscription	3,324	1,435
6.01.01.10	Deferred income and social contribution taxes	-3,878	1,847
6.01.01.11	Net reimbursement of property, plant and equipment written off	-6,231	0
6.01.01.13	Interest expenses	50,096	25,351
6.01.01.18	Current income and social contribution taxes	-731	8,371
6.01.01.19	Other	-5,966	1,881
6.01.01.20	Discounts on leases payable	-3,976	-5,370
6.01.02	Changes in assets and liabilities	-132,633	-153,344
6.01.02.01	Trade accounts receivable	-40,103	-14,025
6.01.02.02	Inventories	-54,088	-119,309
6.01.02.03	Trade accounts payable	-93,649	-38,418
6.01.02.05	Taxes, contributions and social obligations	41,930	27,555
6.01.02.06	Judicial deposits	16	1,136
6.01.02.07	Taxes recoverable	473	2,216
6.01.02.08	Other asset groups	16,126	891
6.01.02.09	Other liability groups	-662	-9,767
6.01.02.12	Income and social contribution taxes (IRPJ and CSLL) paid	-2,676	-3,623
6.02	Net cash flows from investing activities	-106,092	57,553
6.02.01	Acquisition of property, plant and equipment	-116,844	-77,225
6.02.02	Acquisition of intangible assets	-24,253	-18,270
6.02.03	Claim reimbursement	11,479	0
6.02.04	Short-term investments	23,526	153,048
6.03	Net cash flows from financing activities	-19,157	-160,631
6.03.01	Payment of dividends and interest on equity	-25,500	-23,943
6.03.03	Acquisitions of own shares	-582	-18,750
6.03.04	Loans and financing raised	150,000	0
6.03.05	Payment of lease	-111,169	-89,438
6.03.06	Repayment of financing principal and interest	-33,351	-28,500
6.03.07	Shares granted - Matching shares plan	1,445	0
6.05	Increase (decrease) in cash and cash equivalents	-32,253	-76,968
6.05.01	Opening balance of cash and cash equivalents	51,590	92,080
6.05.02	Closing balance of cash and cash equivalents	19,337	15,112

Individual Interim Financial Statements / Statement of Changes in Equity / SCE - 01/01/2022 to 09/30/2022

(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	3,979	-38,390	-8,000	0	-17,411
5.04.01	Capital increase	25,000	0	-25,000	0	0	0
5.04.03	Recognized options granted	0	1,445	0	0	0	1,445
5.04.04	Treasury shares acquired	0	-582	0	0	0	-582
5.04.06	Dividends	0	0	-13,390	0	0	-13,390
5.04.07	Interest on equity	0	0	0	-8,000	0	-8,000
5.04.08	Disposal/transfer of shares	0	-208	0	0	0	-208
5.04.09	Fair value – matching shares	0	3,324	0	0	0	3,324
5.05	Total comprehensive income	0	0	0	62,214	0	62,214
5.05.01	Net income for the period	0	0	0	62,214	0	62,214
5.07	Closing balances	928,552	-29,430	137,662	54,214	0	1,090,998

Individual Interim Financial Statements / Statement of Changes in Equity / SCE - 01/01/2021 to 09/30/2021

(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	897,552	-16,356	129,444	0	0	1,010,640
5.03	Adjusted opening balances	897,552	-16,356	129,444	0	0	1,010,640
5.04	Capital transactions with shareholders	6,000	-17,315	-20,263	-5,945	0	-37,523
5.04.01	Capital increase	6,000	0	-6,000	0	0	0
5.04.03	Recognized options granted	0	1,435	0	0	0	1,435
5.04.04	Treasury shares acquired	0	-18,750	0	0	0	-18,750
5.04.07	Interest on equity	0	0	-14,263	0	0	-14,263
5.04.08	Prepayment of interest on equity	0	0	0	-5,945	0	-5,945
5.05	Total comprehensive income	0	0	0	56,229	0	56,229
5.05.01	Net income for the period	0	0	0	56,229	0	56,229
5.07	Closing balances	903,552	-33,671	109,181	50,284	0	1,029,346

Individual Interim Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	Current	Last
		YTD 01/01/2022 to 09/30/2022	YTD 01/01/2021 to 09/30/2021
7.01	Revenues	3,253,739	2,616,880
7.01.01	Sales of goods, products and services	3,066,486	2,467,382
7.01.02	Other revenues	188,155	149,743
7.01.04	Reversal of/Allowance for expected credit losses	-902	-245
7.02	Materials acquired from third parties	-2,327,307	-1,895,664
7.02.01	Cost of sales	-2,103,655	-1,711,690
7.02.02	Materials, power, services from suppliers and other	-235,017	-211,371
7.02.03	Loss/recovery of assets	11,365	27,397
7.03	Gross value added	926,432	721,216
7.04	Retentions	-141,339	-114,655
7.04.01	Depreciation, amortization and depletion	-141,339	-114,655
7.05	Net value added	785,093	606,561
7.06	Value added received from transfers	20,512	18,425
7.06.01	Equity pickup	9,076	-808
7.06.02	Finance income	11,436	19,233
7.07	Total value added to be distributed	805,605	624,986
7.08	Value added distributed	805,605	624,986
7.08.01	Employee benefits expense	355,189	272,277
7.08.01.01	Salaries	299,232	224,941
7.08.01.02	Benefits	31,776	27,787
7.08.01.03	Unemployment compensation fund (FGTS)	24,181	19,549
7.08.02	Taxes, charges and contributions	312,040	250,179
7.08.02.01	Federal taxes	84,034	76,412
7.08.02.02	State taxes	221,596	171,153
7.08.02.03	Local taxes	6,410	2,614
7.08.03	Debt remuneration	76,162	46,301
7.08.03.01	Interest	58,285	30,710
7.08.03.02	Rental	17,877	15,591
7.08.04	Equity remuneration	62,214	56,229
7.08.04.01	Interest on equity (IOE)	8,000	5,945
7.08.04.03	Retained profits/loss for the period	54,214	50,284

Consolidated Interim Financial Statements / Statement of Financial Position - Assets

(In thousands of reais)

Account Code	Account Description	Current quarter 09/30/2022	Prior year 12/31/2021
1	Total assets	2,569,515	2,381,060
1.01	Current assets	1,432,112	1,395,084
1.01.01	Cash and cash equivalents	22,862	54,435
1.01.02	Short-term investments	141,388	155,216
1.01.02.01	Short-term investments measured at fair value through profit or loss	141,388	155,216
1.01.02.01.03	Short-term investments	141,388	155,216
1.01.03	Accounts receivable	422,918	399,456
1.01.03.01	Trade accounts receivable	361,633	324,615
1.01.03.02	Other accounts receivable	61,285	74,841
1.01.04	Inventories	796,732	739,036
1.01.06	Taxes recoverable	48,212	46,941
1.01.06.01	Current taxes recoverable	48,212	46,941
1.01.06.01.01	Income and social contribution taxes recoverable	25,433	11,693
1.01.06.01.02	Other taxes recoverable	22,779	35,248
1.02	Noncurrent assets	1,137,403	985,976
1.02.01	Long-term receivables	57,737	51,921
1.02.01.07	Deferred taxes	42,548	36,846
1.02.01.07.01	Deferred income and social contribution taxes	42,548	36,846
1.02.01.09	Receivables from related parties	1,530	3,030
1.02.01.09.03	Receivables from subsidiaries	1,530	3,030
1.02.01.10	Other noncurrent assets	13,659	12,045
1.02.01.10.03	Other taxes recoverable	9,260	7,895
1.02.01.10.04	Judicial deposits	3,865	3,875
1.02.01.10.05	Other assets	534	275
1.02.02	Investments	4	5
1.02.02.01	Equity Interests	4	5
1.02.02.01.05	Other investments	4	5
1.02.03	Property, plant and equipment	1,007,428	874,106
1.02.03.01	Property, plant and equipment in operation	429,275	352,875
1.02.03.02	Right-of-Use - Lease	578,153	521,231
1.02.04	Intangible assets	72,234	59,944
1.02.04.01	Intangible assets	72,234	59,944
1.02.04.01.02	Intangible assets	72,234	59,944

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

(In thousands of reais)

Account Code	Account Description	Current quarter 09/30/2022	Prior year 12/31/2021
2	Total liabilities	2,569,515	2,381,060
2.01	Current liabilities	809,521	814,974
2.01.01	Social and labor obligations	80,496	51,167
2.01.01.01	Social obligations	13,735	12,749
2.01.01.02	Labor obligations	66,761	38,418
2.01.02	Trade accounts payable	373,646	464,714
2.01.02.01	Trade accounts payable - local	373,646	464,714
2.01.03	Tax obligations	39,637	30,801
2.01.03.01	Federal tax obligations	5,354	7,776
2.01.03.01.01	Income and social contribution taxes payable	656	671
2.01.03.01.02	Other federal tax obligations	4,698	7,105
2.01.03.02	State tax obligations	32,825	22,018
2.01.03.03	Local tax obligations	1,458	1,007
2.01.04	Loans and financing	246,320	189,137
2.01.04.02	Debentures	97,870	54,532
2.01.04.03	Financing through Lease	148,450	134,605
2.01.05	Other obligations	66,272	77,431
2.01.05.02	Other	66,272	77,431
2.01.05.02.01	Dividends and IOE payable	666	5,701
2.01.05.02.04	Profit sharing payable	0	12,211
2.01.05.02.05	Other liabilities	65,606	59,519
2.01.06	Provisions	3,150	1,724
2.01.06.01	Provisions for tax, social security, labor and civil contingencies	3,150	1,724
2.01.06.01.05	Other provisions	3,150	1,724
2.02	Noncurrent liabilities	668,996	519,891
2.02.01	Loans and financing	652,696	501,790
2.02.01.02	Debentures	172,857	79,286
2.02.01.03	Financing through Lease	479,839	422,504
2.02.02	Other obligations	6,793	0
2.02.02.02	Other	6,793	0
2.02.02.02.05	Other obligations	6,793	0
2.02.04	Provisions	9,507	18,101
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	9,507	18,101
2.02.04.01.01	Provisions for tax contingencies	1,794	2,310
2.02.04.01.02	Provisions for social security and labor contingencies	7,613	9,791
2.02.04.01.04	Provisions for civil contingencies	100	6,000
2.03	Consolidated equity	1,090,998	1,046,195
2.03.01	Paid-in capital	928,552	903,552
2.03.01.01	Capital	943,000	918,000
2.03.01.02	Share issue costs	-14,448	-14,448
2.03.02	Capital reserves	-29,430	-33,409
2.03.02.05	Treasury shares	-34,020	-36,690
2.03.02.07	Goodwill reserve	-269	0
2.03.02.08	Reserve for long-term incentive	4,859	3,281
2.03.04	Income reserves	137,662	176,052
2.03.04.01	Legal reserve	6,038	6,764

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

Account Code	Account Description	Current quarter 09/30/2022	Prior year 12/31/2021
2.03.04.07	Tax incentive reserve	131,624	131,624
2.03.04.08	Proposed additional dividend	0	13,390
2.03.04.10	Reserve for capital increase	0	24,274
2.03.05	Retained earnings/accumulated losses	54,214	0

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

Account Code	Account Description	Current quarter 07/01/2022 to 09/30/2022	Current YTD 01/01/2022 to 09/30/2022	Same quarter of Last		YTD 01/01/2021 to 09/30/2021
				Current YTD 07/01/2021 to 09/30/2021	Prior year 01/01/2021 to 09/30/2021	
3.01	Revenue from Sales and/or Services	1,017,044	2,904,870	802,473		2,331,578
3.02	Cost of sales and/or services	-701,903	-1,998,911	-560,600		-1,615,956
3.03	Gross profit	315,141	905,959	241,873		715,622
3.04	Operating income/expenses	-280,827	-805,007	-217,331		-640,017
3.04.01	Selling expenses	-254,380	-740,363	-199,282		-598,121
3.04.01.01	Selling expenses	-254,380	-740,363	-199,282		-598,121
3.04.02	General and administrative expenses	-28,695	-78,727	-21,048		-68,581
3.04.04	Other operating income	2,248	14,083	2,999		26,685
3.05	Income before finance income (costs) and taxes	34,314	100,952	24,542		75,605
3.06	Finance income (costs)	-15,595	-42,782	-8,205		-10,310
3.06.01	Finance income	6,539	14,386	3,394		19,671
3.06.02	Finance costs	-22,134	-57,168	-11,599		-29,981
3.07	Income before income taxes	18,719	58,170	16,337		65,295
3.08	Income and social contribution taxes	-475	4,044	-684		-9,066
3.08.01	Current	-1,055	-1,659	-2,227		-9,908
3.08.02	Deferred	580	5,703	1,543		842
3.09	Net income from continuing operations	18,244	62,214	15,653		56,229
3.11	Consolidated income (loss) for the period	18,244	62,214	15,653		56,229
3.99	Earnings per share (reais / share)					
3.99.01	Basic earnings per share					
3.99.01.01	Registered common shares	0.12	0.42	0.1		0.38
3.99.02	Diluted earnings per share					
3.99.02.01	Registered common shares	0.12	0.42	0.1		0.37

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

Account Code	Account Description	Current quarter	Current	Same quarter of	Last
		07/01/2022 to 09/30/2022	YTD 01/01/2022 to 09/30/2022	Prior year 07/01/2021 to 09/30/2021	YTD 01/01/2021 to 09/30/2021
4.01	Consolidated net income for the period	18,244	62,214	15,653	56,229
4.03	Consolidated comprehensive income for the period	18,244	62,214	15,653	56,229
4.03.01	Attributable to Controlling Shareholders	18,244	62,214	15,653	56,229

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

(In thousands of reais)

Account Code	Account Description	Current	Last
		YTD 01/01/2022 to 09/30/2022	YTD 01/01/2021 to 09/30/2021
6.01	Net cash flows from operating activities	93,247	26,761
6.01.01	Cash flows from operations	232,139	180,239
6.01.01.01	Net income for the year	62,214	56,229
6.01.01.02	Depreciation and amortization	142,203	115,259
6.01.01.03	Provision for contingent liabilities	-2,794	10,139
6.01.01.04	Cost of permanent asset written off/sold	5,510	2,804
6.01.01.05	Allowance for expected credit losses	902	245
6.01.01.06	Provision for inventory losses	-318	-212
6.01.01.08	Tax credits from legal proceeding	-5,187	-36,586
6.01.01.09	Deferred income and social contribution taxes	-5,703	-842
6.01.01.11	Stock option plan or share subscription	3,324	1,435
6.01.01.12	Interest expenses	50,096	25,351
6.01.01.17	Current income and social contribution taxes	1,659	9,908
6.01.01.18	Other	-9,560	1,879
6.01.01.19	Discounts on leases payable	-3,976	-5,370
6.01.01.20	Net reimbursement of property, plant and equipment written off	-6,231	0
6.01.02	Changes in assets and liabilities	-138,892	-153,478
6.01.02.01	Trade accounts receivable	-38,066	-17,065
6.01.02.02	Inventories	-57,378	-121,743
6.01.02.03	Trade accounts payable	-91,980	-39,231
6.01.02.05	Taxes, contributions and social obligations	40,514	27,198
6.01.02.06	Judicial deposits	10	1,137
6.01.02.07	Taxes recoverable	2,552	2,171
6.01.02.09	Other asset groups	14,798	-2,872
6.01.02.10	Other liability groups	-5,334	1,628
6.01.02.14	Income and social contribution taxes (IRPJ and CSLL) paid	-4,008	-4,701
6.02	Net cash flows from investing activities	-105,663	22,435
6.02.01	Acquisition of property, plant and equipment	-117,174	-78,132
6.02.02	Acquisition of intangible assets	-24,414	-18,279
6.02.03	Short-term investments	24,446	118,846
6.02.04	Claim reimbursement	11,479	0
6.03	Net cash flows from financing activities	-19,157	-160,631
6.03.01	Payment of dividends and interest on equity	-25,500	-23,943
6.03.02	Acquisitions of own shares	-582	-18,750
6.03.03	Loans/financing raised	150,000	0
6.03.05	Payment of leases	-111,169	-89,438
6.03.06	Repayment of financing principal and interest	-33,351	-28,500
6.03.11	Shares granted - Matching shares plan	1,445	0
6.05	Increase (decrease) in cash and cash equivalents	-31,573	-111,435
6.05.01	Opening balance of cash and cash equivalents	54,435	130,107
6.05.02	Closing balance of cash and cash equivalents	22,862	18,672

Consolidated Interim Financial Statements / Statement of Changes in Equity - SCE - 01/01/2022 to 09/30/2022

(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	Equity Consolidated
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	3,979	-38,390	-8,000	0	-17,411	0	-17,411
5.04.01	Capital increase	25,000	0	-25,000	0	0	0	0	0
5.04.03	Recognized options granted	0	1,445	0	0	0	1,445	0	1,445
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
5.04.07	Interest on equity	0	0	0	-8,000	0	-8,000	0	-8,000
5.04.08	Disposal/transfer of shares	0	-208	0	0	0	-208	0	-208
5.04.09	Fair value – matching shares	0	3,324	0	0	0	3,324	0	3,324
5.05	Total comprehensive income	0	0	0	62,214	0	62,214	0	62,214
5.05.01	Net income for the period	0	0	0	62,214	0	62,214	0	62,214
5.07	Closing balances	928,552	-29,430	137,662	54,214	0	1,090,998	0	1,090,998

Consolidated Interim Financial Statements / Statement of Changes in Equity - SCE - 01/01/2021 to 09/30/2021

(In thousands of reais)

Account	Account Description	Paid-in	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity	Noncontrolling interests	Equity Consolidated
Code		capital							
5.01	Opening balances	897,552	-16,356	129,444	0	0	1,010,640	0	1,010,640
5.03	Adjusted opening balances	897,552	-16,356	129,444	0	0	1,010,640	0	1,010,640
5.04	Capital transactions with shareholders	6,000	-17,315	-20,263	-5,945	0	-37,523	0	-37,523
5.04.01	Capital increase	6,000	0	-6,000	0	0	0	0	0
5.04.03	Recognized options granted	0	1,435	0	0	0	1,435	0	1,435
5.04.04	Treasury shares acquired	0	-18,750	0	0	0	-18,750	0	-18,750
5.04.07	Interest on equity	0	0	-14,263	0	0	-14,263	0	-14,263
5.04.08	Prepayments of interest on equity	0	0	0	-5,945	0	-5,945	0	-5,945
5.05	Total comprehensive income	0	0	0	56,229	0	56,229	0	56,229
5.05.01	Net income for the period	0	0	0	56,229	0	56,229	0	56,229
5.07	Closing balances	903,552	-33,671	109,181	50,284	0	1,029,346	0	1,029,346

Consolidated Interim Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	Current	Last
		YTD 01/01/2022 to 09/30/2022	YTD 01/01/2021 to 09/30/2021
7.01	Revenues	3,347,912	2,610,545
7.01.01	Sales of goods, products and services	3,160,781	2,460,057
7.01.02	Other revenues	188,033	150,733
7.01.04	Reversal of/Allowance for expected credit losses	-902	-245
7.02	Materials acquired from third parties	-2,410,010	-1,888,260
7.02.01	Cost of sales	-2,183,891	-1,697,651
7.02.02	Materials, power, services from suppliers and other	-237,467	-218,006
7.02.03	Loss/recovery of assets	11,348	27,397
7.03	Gross value added	937,902	722,285
7.04	Retentions	-142,132	-115,427
7.04.01	Depreciation, amortization and depletion	-142,132	-115,427
7.05	Net value added	795,770	606,858
7.06	Value added received from transfers	15,439	20,459
7.06.02	Finance income	15,439	20,459
7.07	Total value added to be distributed	811,209	627,317
7.08	Value added distributed	811,209	627,317
7.08.01	Employee benefits expense	357,192	273,879
7.08.01.01	Salaries	300,964	226,186
7.08.01.02	Benefits	31,917	27,961
7.08.01.03	Unemployment compensation fund (FGTS)	24,311	19,732
7.08.02	Taxes and contributions	316,487	252,095
7.08.02.01	Federal taxes	87,665	78,870
7.08.02.02	State taxes	222,165	170,149
7.08.02.03	Local taxes	6,657	3,076
7.08.03	Debt remuneration	75,316	45,114
7.08.03.01	Interest	58,315	30,974
7.08.03.02	Rental	17,001	14,140
7.08.04	Equity remuneration	62,214	56,229
7.08.04.01	Interest on equity (IOE)	8,000	5,945
7.08.04.03	Retained profits/loss for the period	54,214	50,284

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

1. Corporate information

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 548 stores distributed among the states of Rio Grande do Sul (384 stores), Santa Catarina (66 stores), Paraná (92 stores), and São Paulo (6 stores). In the 12-month period, Dimed opened 68 stores in total, 14 of which in the third quarter of 2022. In this quarter, it also closed 1 store and transferred 3 stores, since they had low expectation of performance improvement.

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. Impacts of COVID-19

In May 2020, the IASB issued amendments to IFRS 16 - Leases referring to COVID-19-related benefits granted to lessees under lease agreements. On July 7, 2020, the Brazilian SEC (CVM), through Rule No. 859/20, approved amendments to Accounting Pronouncement CPC 06 (R2) - Leases, which is equivalent to the IFRS in question, effective until June 30, 2022.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

1. Corporate information (Continued)

1.2. Impacts of COVID-19 (Continued)

In 3Q22, the Company continued to assess the impacts of COVID-19 on its operations and identified no significant increase in the credit risk of trade accounts receivable that could entail the reassessment of its assumptions relating to the allowance. Regarding the impairment of its assets, the Company also detected no material adverse impact on its cash and cash equivalents, inventories and permanent assets. The operation did not suffer major impacts due to the persistence of the COVID-19 pandemic and the Company will continue to apply protective measures, with a view to ensuring the safety of employees and customers.

1.3. Authorization for issue of the quarterly information

These individual and consolidated interim financial statements were authorized for issue by the Company's Board of Directors on November 10, 2022.

2. Summary of significant accounting policies

The significant accounting policies used to prepare these individual and consolidated interim financial statements are described below. These policies have been consistently applied to 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 September 30, 2022 has been prepared and is presented in accordance with CPC 21 (R1) - Interim Financial Reporting, issued by Brazil's Financial Accounting Standards Board ("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).

The 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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

2. Summary of significant accounting policies (Continued)

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

The 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 full set of financial statements for the year ended December 31, 2021.

The interim financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value (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 impacts on 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 that were applied to the individual and consolidated financial statements as at December 31, 2021. The Company adopted all the standards, revised standards and interpretations issued by Brazil's FASB (CPC) and regulators that were effective at September 30, 2022.

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 IFRS do not require presentation of this statement. As a result, under the 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	
		2022	2021
Laboratório Industrial Farmacêutico Lifar Ltda.	Production of cosmetics, food, medicines and toll manufacturing. Management and administration of own properties and/or third-party properties and marketplace activities.	99.99%	99.99%
Dimesul Gestão Imobiliária Ltda.		99.99%	99.99%

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

2. Summary of significant accounting policies (Continued)

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

Company	Activity	Indirect equity interest	
		2022	2021
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 eliminated in full in 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 the previous 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 interest.

2.2. Standards and interpretations not yet effective

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

The amendments to paragraphs 69 to 76 of IAS 1, correlated with CPC 26, which addresses the requirements for classifying liabilities with uncertain settlement in the statement of financial position as current or noncurrent is effective for annual reporting periods beginning on or after January 1, 2023. The Company is assessing the impact of these amendments on the current practice adopted.

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

This amendment addresses the application of materiality judgment for disclosure of accounting policies, instead of applying the concept of significant policies. The Company is assessing the impact of these amendments on the current practice adopted.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.2. Standards and interpretations not yet effective (Continued)

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

This amendment is effective from January 1, 2023 and 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. The Company is assessing the impact of these amendments on the current practice adopted.

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

This amendment is effective from January 1, 2023 and its purpose is to clarify how entities should account for deferred taxes 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. The Company is assessing the impact of these amendments on the current practice adopted.

3. Significant accounting estimates and judgments

In preparing these interim financial statements, the Company is required 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, measurement 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 impacts 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. Every month, the Company assesses and writes off items that are already past due and damaged.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

3. Significant accounting estimates and judgments (Continued)

3.2. Allowance for expected credit losses

The allowance for expected credit losses is based on certain assumptions and involves management's judgment, consistently with the accounting policies disclosed in Note 2.5.4 to the financial statements as at December 31, 2021. 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 costs

The estimates for the accounting recognition of cost negotiations 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, 2021. These amounts are stated in Note 27, under "Reimbursement of capital contribution costs".

3.5. Income taxes

There are uncertainties with respect to the interpretation of complex tax regulations and the amount and timing of future taxable profit. Considering the wide scope of the tax legislation as well as the long-term nature and complexity of existing contracts, differences between actual results and the assumptions adopted, or future changes in such assumptions, could require future adjustments to tax income and expenses already recorded.

In 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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

3. Significant accounting estimates and judgments (Continued)

3.5. Income taxes (Continued)

The Company recognizes provisions based on reliable estimates for possible consequences from audits by the taxation 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 relevant taxation authority. These different interpretations may arise in a wide range of issues, depending on the prevailing conditions in the 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 some states where it operates. These incentives were considered an investment grant under the terms of Supplementary Law No. 160/2017. These incentives, when computed, are allocated to the Tax Incentive Reserve (Note 22). Incentive-related resources are not distributed as dividends. In compliance with ICPC 22 (IFRIC 23) and with the support of its legal advisors, management analyzed the acceptability of the tax treatment described, and concluded that it is likely that the taxation 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.

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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

Risk management is conducted by the Company's Controller's office. The Controller's office, 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 Dimed to the cash flow interest rate risk. Borrowings and investments issued at fixed rates expose Dimed to the fair value interest rate risk. At September 30, 2022 and December 31, 2021, Dimed's borrowings and investments at variable and fixed rates were in Brazilian reais.

Dimed analyzes its exposure to interest rate in a dynamic manner. Scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing, as well as new investment possibilities for cash surplus. Based on these scenarios, Dimed 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.

Sensitivity analysis

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

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

4.1.1. Market risk (Continued)

a) *Interest rate risk* (Continued)

Sensitivity analysis (Continued)

Index/Transaction	Scenario I	Increase in interest rates		Decrease in interest rates	
	Probable	Possible +25%	Remote +50%	Possible -25%	Remote -50%
CDI Average	13.36%	16.72%	20.09%	10.00%	6.63%
Short-term investments	20,295	25,403	30,510	15,186	10,075
Debentures	(29,944)	(36,712)	(43,366)	(23,069)	(16,070)

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 function 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 the Executive Board. The use of credit limits is regularly monitored by management. Sales to customers of retail branches are settled in local currency, checks, healthcare plans or by means of the main credit cards used in the market.

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

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

4. Financial risk management (Continued)

4.1. Financial risk factors (Continued)

4.1.2. Credit risk (Continued)

Cash flow projection is made on a corporate-level basis by 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 sufficient cash to meet its operating needs. It also keeps sufficient margin of credit facilities, under repurchase agreements, 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 September 30, 2022, the Company had short-term investments amounting to R\$100,211 and R\$141,388 in the individual and consolidated interim financial statements, respectively, 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.

	Consolidated				
	Contractual cash flow	Within 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years
At September 30, 2022					
Trade accounts payable	373,646	373,646	-	-	-
Lease	628,289	148,450	141,699	210,889	127,251
Debenture - Banco Bradesco	314,230	117,692	196,538	-	-
Total	1,316,165	639,788	338,237	210,889	127,251

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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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 December 31, 2021					
Trade accounts payable	464,714	464,714	-	-	-
Lease	557,109	134,605	124,768	185,690	112,046
Debenture - Banco Bradesco	145,653	55,683	21,103	68,867	-
Total	1,167,476	655,002	145,871	254,557	112,046

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 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 the other companies operating in the same industry, the Company monitors capital based on the financial leverage ratio. This ratio corresponds to 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), less 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.

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. The financial leverage ratios at September 30, 2022 and December 31, 2021 are as follows:

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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4. Financial risk management (Continued)

4.2. Capital management (Continued)

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Total loans (Note 17)	270,727	133,818	270,727	133,818
Less:				
Cash and cash equivalents (Note 6)	(19,337)	(51,590)	(22,862)	(54,435)
Short-term investments (Note 6)	(100,211)	(116,712)	(141,388)	(155,216)
Net debt - A	151,179	(34,484)	106,477	(75,833)
Total equity	1,090,998	1,046,195	1,090,998	1,046,195
Total capital - B	1,242,177	1,011,711	1,197,475	970,362
Ratio - % - A/B (*)	12.17	-3.41	8.89	-7.81

5. Financial instruments by category

5.1. Classification of financial assets

At September 30, 2022 and December 31, 2021, financial assets are classified as follows:

	09/30/2022			
	Individual		Consolidated	
	Amortized cost	Fair value through profit or loss	Amortized cost	Fair value through profit or loss
Cash and cash equivalents	-	19,337	-	22,862
Short-term investments	-	100,211	-	141,388
Trade and other accounts receivable	421,325	-	422,918	-
	421,325	119,548	422,918	164,250

	12/31/2021			
	Individual		Consolidated	
	Amortized cost	Fair value through profit or loss	Amortized cost	Fair value through profit or loss
Cash and cash equivalents	-	51,590	-	54,435
Short-term investments	-	116,712	-	155,216
Trade and other accounts receivable	395,486	-	399,456	-
	395,486	168,302	399,456	209,651

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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5. Financial instruments by category (Continued)

5.2. Classification of financial liabilities

	Individual		Consolidated	
	Amortized cost		Amortized cost	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Trade accounts payable	377,380	470,117	373,646	464,714
Loans and financing	270,727	133,818	270,727	133,818
Lease obligations	628,289	559,109	628,289	559,109
	1,276,396	1,163,044	1,272,662	1,157,641

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 statements at September 30, 2022 was R\$273,419, calculated at current market rates, considering their nature, term and risks, and can be compared with their carrying amount of R\$270,727.

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: quoted (unadjusted) prices 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 impact 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 September 30, 2022.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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6. Cash and cash equivalents and marketable securities

6.1. Cash and cash equivalents

	Average rate (% p.a.)	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash on hand (retail branches)	-	5,069	4,634	5,085	4,654
Short-term bank deposits	-	1,279	9,521	1,925	10,661
Short-term investments – fixed income (*)	91% of CDI	12,989	37,435	15,852	39,120
		19,337	51,590	22,862	54,435

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

6.2. Marketable securities

	Average rate (% p.a.)	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Boutique investment fund	100% of CDI	100,211	116,712	139,036	155,216
Investment fund	107% of DI	-	-	2,352	-
		100,211	116,712	141,388	155,216

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

Type	Consolidated	
	09/30/2022	12/31/2021
Investment funds	99,864	5,364
Bank Deposit Certificate (CDB)	687	4,062
Debentures	7,344	27,880
Time deposits with special guarantee (DPGE)	-	2,103
Financial Bills	3,014	71,600
Financial Treasury Bills (LFT)	29,371	15,978
National Treasury Notes (LTN-O)	-	28,229
Commercial paper	805	-
Supplementary Subordinated Financial Bills (LFSC)	303	-
	141,388	155,216

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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

7. Trade accounts receivable

7.1. Breakdown of accounts receivable

Trade accounts receivables include receivables for the sale of goods:

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Trade accounts receivable	79,516	67,661	80,864	71,046
Accounts receivable - credit cards	287,729	259,481	287,729	259,481
Provision for financial charges	(698)	(551)	(697)	(551)
Allowance for expected credit losses	(6,263)	(5,361)	(6,263)	(5,361)
Trade accounts receivable, net	360,284	321,230	361,633	324,615

Aging list of trade accounts receivable:

	09/30/2022	12/31/2021
Falling due		
Within 30 days	193,281	158,431
31 to 60 days	90,364	77,988
61 to 90 days	36,796	37,501
91 to 120 days	18,277	17,788
121 to 150 days	10,496	10,829
151 to 180 days	4,608	5,291
Above 180 days	2,614	4,964
	356,436	312,792
Overdue		
Within 30 days	3,864	3,203
31 to 90 days	2,277	698
Above 90 days	4,667	10,449
	10,808	14,350
Provision for finance charges	(697)	(551)
Allowance for expected credit losses	(6,263)	(5,361)
Total Individual	360,284	321,230
Trade accounts receivable (Lifar) – Falling due	1,079	2,708
Trade accounts receivable (Lifar) – Overdue	270	677
Total - Consolidated	361,633	324,615

7.2. Expected credit losses

The allowance for expected credit losses is recorded based on the CPC48/IFRS 9 methodology. The expected loss is based on the analysis of portfolio performance, taking into account the probability of default and the loss for each maturity date.

Changes in provision for impairment of accounts receivable are as follows:

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Notes to quarterly information (Continued)
September 30, 2022
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7. Trade accounts receivable (Continued)

7.2 Expected credit losses (Continued)

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Balance at beginning of period	(5,361)	(4,982)	(5,361)	(4,982)
Supplemental provision	(1,712)	(1,703)	(1,712)	(1,703)
Provision amounts written off	810	1,324	810	1,324
	(6,263)	(5,361)	(6,263)	(5,361)

Recognition and derecognition of the allowance for expected credit losses were recorded in the statement of profit or loss for the year as "Net credit losses". The amounts charged to the allowance account are usually 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.

8. Inventories

8.1 Breakdown of inventories

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Goods for resale	774,647	720,690	776,453	722,775
Finished products	-	-	4,852	4,652
Raw materials	-	-	4,913	1,897
Consumables/storeroom supplies	6,267	6,136	10,845	10,361
(-) Provision for inventory losses	(331)	(476)	(331)	(649)
	780,583	726,350	796,732	739,036

8.2 Expected inventory losses

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Opening balance	(476)	(287)	(649)	(408)
Supplemental provision	(2,291)	(1,177)	(2,490)	(1,506)
Provision amounts written off	2,436	988	2,808	1,265
Balance at end of year	(331)	(476)	(331)	(649)

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Notes to quarterly information (Continued)
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9. Income and social contribution taxes recoverable

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Corporate Income Tax - IRPJ	19,868	10,679	20,151	10,915
Social Contribution Tax on Net Profit - CSLL	5,240	739	5,282	778
	25,108	11,418	25,433	11,693

The Company closed the proceeding referring to the res judicata decision on the lawsuit that challenged the exclusion of the matching ICMS credits from the IRPJ and CSLL tax bases, determining that the matching tax credits should not be included in the IRPJ and CSLL tax bases, therefore recognizing the right to the credit. The proceeding related to this tax credit became final and unappealable on 04/23/2021, and the Brazilian IRS (SRF) authorized it on 07/02/2021. With the support of a specialized consulting firm, Dimed calculated and recorded the credits in the second quarter of 2021, in the total amount of R\$17,708, of which R\$12,167 refer to principal and R\$5,542 refer to monetary restatement. In the third and fourth quarters of 2021, part of this amount was offset, remaining R\$4,692 in credits, of which R\$3,346 refer to principal and R\$1,346 refer to monetary restatement. The balance restated as at September 2022 and offset in full at that reporting date amounted to R\$1,387, of which R\$908 refer to principal and R\$470 refer to monetary restatement.

In the first quarter of 2022, the Company calculated and determined tax credits relating to the res judicata decision on the lawsuit in which it claimed that IRPJ and CSLL should not be levied on the reimbursed amounts referring to insurance indemnity, thus recognizing the right to the credit. Accordingly, Dimed 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, by virtue of the final and unappealable decision. The Company filed a request to validate the credits with the Brazilian IRS (SRF), which was approved on March 31, 2022. The credits have not yet been offset, but they are expected to be offset within 12 months. As at September 30, 2022, the restated balance is R\$17,998, of which R\$12,811 refer to principal and R\$5,187 refer to monetary restatement.

On September 24, 2021, the Federal Supreme Court of Brazil ("STF") ruled for the non-levy of IRPJ and CSLL on the amounts related to the Brazil's Central Bank benchmark rate (SELIC), which are received by the taxpayer due to unduly paid tax amounts. The decision is grounded on the understanding that the arrears interest and monetary restatement, due to their indemnity nature, do not reflect an equity increase, as their function is to repair the monetary losses suffered over the period of discussion of the unduly paid tax amounts. On June 8, 2010, the Company filed a lawsuit challenging the matter, which, considering its current stage, does not yet have all the necessary requirements, in light of IAS 37/CPC 25, for recording any income and social contribution tax credits.

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Notes to quarterly information (Continued)
September 30, 2022
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10. Taxes recoverable

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Current				
State Value Added Tax - ICMS	3,960	3,143	4,275	3,483
Contribution Tax on Gross Revenue for Social Integration Program – PIS	776	1,039	781	1,044
Contribution Tax on Gross Revenue for Social Security Financing – COFINS	3,575	4,788	3,587	4,813
Credit relating to the exclusion of the ICMS from the PIS and COFINS tax base	11,494	21,382	13,890	25,866
Other	206	-	246	42
	20,011	30,352	22,779	35,248
Noncurrent				
State Value Added Tax - ICMS	9,260	7,895	9,260	7,895
	9,260	7,895	9,260	7,895

ICMS on PIS and COFINS tax base

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

Considering that the Company’s lawsuits were filed in 2006, the amounts recoverable were calculated retrospectively to November 2001, since the decision of the Federal Court of Appeals of the 4th Chapter determined a 5-year statute barring period, considering that the lawsuit was filed after the effectiveness of Supplementary Law No. 118/2005.

The calculations were prepared with the support of a specialized consulting firm, based on the sales invoices for the entire year, reconciled with the information from accessory obligations. Accordingly, Dimed calculated and recorded the credits in 2021, in the total amount of R\$20,954. At December 31, 2021, the credits totaled R\$21,382, of which R\$12,325 refer to principal and R\$9,057 refer to monetary restatement. At September 30, 2022, the restated credit, after the 2022 offsetting, amounts to R\$11,494 (R\$7,904 in principal and R\$3,590 in monetary restatement).

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
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10. Taxes recoverable (Continued)

In the last quarter of 2020, subsidiary LIFAR was also awarded a res judicata decision on the proceeding to exclude the ICMS from the PIS and COFINS tax base, based on the ICMS recorded in sales invoices, therefore, the amount of R\$5,850 was determined and recorded in 2020. At December 31, 2021, these credits totaled R\$2,396 (R\$4,484 at December 31, 2021).

Management expects that Dimed's and its subsidiary LIFAR's tax credits be offset within up to 12 months.

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Notes to quarterly information (Continued)
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11. Investments in subsidiaries

11.1 Changes in investments

Investments in subsidiaries are accounted for using the equity method as follows:

		09/30/2022						
	Capital	Units of interest held (unit)	(%) Equity interest	Equity	Net income for the period	Opening balance at January 1	Equity pickup	Total investment
Laboratório Industrial Farmacêutico Lifar Ltda.	500	499,999	99.99%	30,369	2,464	26,750	2,147	28,897
Dimesul Gestão Imobiliária Ltda.	8,978	19,999	99.99%	44,818	6,929	37,889	6,929	44,818
						64,639	9,076	73,715
		12/31/2021						
	Capital	Units of interest held (unit)	(%) Equity interest	Equity	Net income (loss) for the period	Opening balance at January 1	Equity pickup	Total investment
Laboratório Industrial Farmacêutico Lifar Ltda.	500	499,999	99.99%	27,905	(3,042)	29,538	(2,788)	26,750
Dimesul Gestão Imobiliária Ltda.	8,978	19,999	99.99%	37,890	2,521	35,368	2,521	37,889
						64,906	(267)	64,639

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Notes to quarterly information (Continued)
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11. Investments in subsidiaries (Continued)

11.2 Breakdown of investments

Information on subsidiaries is shown below:

Subsidiaries 2022	09/30/2022			
	Control	Assets	Liabilities	Equity
Laboratório Industrial Farmacêutico Lifar Ltda.	Direct equity interest	41,335	10,966	30,369
Lifar Distribuidora de Produtos Farmacêuticos Ltda.	Indirect equity interest	14,672	4,812	9,860
Dimesul Gestão Imobiliária Ltda.	Direct equity interest	45,073	255	44,818

Subsidiaries 2021	12/31/2021			
	Control	Assets	Liabilities	Equity
Laboratório Industrial Farmacêutico Lifar Ltda.	Direct equity interest	39,677	11,772	27,905
Lifar Distribuidora de Produtos Farmacêuticos Ltda.	Indirect equity interest	12,550	4,489	8,061
Dimesul Gestão Imobiliária Ltda.	Direct equity interest	41,983	4,094	37,889

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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12. Property, plant and equipment

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

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

Individual	Properties	Machinery and equipment	Furniture and fixtures	Facilities	Computers and peripherals	Vehicles and aircraft	Improvements	Right of use	Total
Balance at December 31, 2021									
Cost	76,658	60,572	40,388	120,950	63,309	7,860	148,943	782,922	1,301,602
Accumulated depreciation	(8,372)	(16,610)	(18,879)	(51,104)	(43,597)	(2,410)	(34,772)	(261,691)	(437,435)
Net book balance	68,286	43,962	21,509	69,846	19,712	5,450	114,171	521,231	864,167
Acquisitions	13,310	6,900	6,746	17,196	9,482	21,318	41,892	156,985	273,829
Write-offs	-	(1,463)	(254)	(848)	(83)	(5,248)	(1,748)	(496)	(10,140)
Depreciation	(864)	(3,016)	(2,689)	(7,985)	(5,925)	(717)	(9,164)	(99,567)	(129,927)
Balance at September 30, 2022	80,732	46,383	25,312	78,209	23,186	20,803	145,151	578,153	997,929
Cost	89,969	65,616	46,872	131,190	71,860	21,550	192,090	939,907	1,559,054
Accumulated depreciation	(9,237)	(19,233)	(21,560)	(52,981)	(48,674)	(747)	(46,939)	(361,754)	(561,125)
Net book balance	80,732	46,383	25,312	78,209	23,186	20,803	145,151	578,153	997,929

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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12. Property, plant and equipment (Continued)

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

Consolidated	Properties	Machinery and equipment	Furniture and fixtures	Facilities	Computers and peripherals	Vehicles and aircraft	Improvements	Right of use	Total
Balance at December 31, 2021									
Cost	82,848	67,345	41,006	124,547	63,894	7,938	153,784	782,922	1,324,284
Accumulated depreciation	(11,920)	(19,943)	(19,353)	(53,432)	(44,078)	(2,488)	(37,273)	(261,691)	(450,178)
Net book balance	70,928	47,402	21,653	71,115	19,816	5,450	116,511	521,231	874,106
Acquisitions	13,310	6,993	6,748	17,268	9,505	21,368	41,982	156,985	274,159
Write-offs	(43)	(1,494)	(253)	(849)	(83)	(5,248)	(1,749)	(496)	(10,215)
Depreciation	(882)	(3,247)	(2,711)	(8,224)	(5,964)	(719)	(9,308)	(99,567)	(130,622)
Balance at September 30, 2022	83,313	49,654	25,437	79,310	23,274	20,851	147,436	578,153	1,007,428
Cost	95,021	72,272	47,492	134,858	72,467	21,677	197,022	939,907	1,580,716
Accumulated depreciation	(11,708)	(22,618)	(22,055)	(55,548)	(49,193)	(826)	(49,586)	(361,754)	(573,288)
Net book balance	83,313	49,654	25,437	79,310	23,274	20,851	147,436	578,153	1,007,428

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Notes to quarterly information (Continued)
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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 are as follows:

	<u>Average depreciation rate (% p.a.)</u>	
	<u>2022</u>	<u>2021</u>
Properties	1.7	1.7
Machinery and equipment	6	6
Furniture and fixtures	9	9
Facilities	10	10
Computers and peripherals	25	25
Vehicles	20	20
Improvements	7	7

12.4 Right of Use

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

<u>Breakdown of right of use</u>		<u>Individual and Consolidated</u>
<u>Description</u>	<u>Useful life (years)</u>	<u>09/30/2022</u>
Properties	2 to 17	577,637
Vehicles	2 to 3	516
Total		578,153

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Notes to quarterly information (Continued)
September 30, 2022
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13. Intangible assets

13.1. Summary of changes in intangible assets (Individual)

Individual	Goodwill	Software	Trademarks e formulas	Total
Balance at December 31, 2021				
Cost	25,341	89,792	361	115,494
Accumulated amortization	(18,072)	(37,867)	(13)	(55,952)
Net book balance	7,269	51,925	348	59,542
Acquisitions	1,151	23,102	-	24,253
Write-offs	(43)	(500)	-	(543)
Amortization	(1,210)	(10,273)	-	(11,483)
Balance at September 30, 2022	7,167	64,254	348	71,769
Cost	25,999	112,399	361	138,759
Accumulated amortization	(18,832)	(48,145)	(13)	(66,990)
Net book balance	7,167	64,254	348	71,769

13.2. Summary of changes in intangible assets (Consolidated)

Consolidated	Goodwill	Software	Trademarks e formulas	Total
Balance at December 31, 2021				
Cost	25,342	90,641	513	116,496
Accumulated amortization	(18,072)	(38,315)	(165)	(56,552)
Net book balance	7,270	52,326	348	59,944
Acquisitions	1,151	23,210	53	24,414
Write-offs	(43)	(500)	-	(543)
Amortization	(1,211)	(10,370)	-	(11,581)
Balance at September 30, 2022	7,167	64,666	401	72,234
Cost	25,999	113,355	566	139,920
Accumulated amortization	(18,832)	(48,689)	(165)	(67,686)
Net book balance	7,167	64,666	401	72,234

Dimed S.A. Distribuidora de Medicamentos

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

13.3. Other information

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

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

	Average amortization rate (% p.a.)	
	2022	2021
Goodwill	25	25
Software	18	18
Trademarks e formulas	10	10

14. Deferred income and social contribution taxes, net

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

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

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

Temporary additions	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Provision for inventory losses	331	476	331	483
Provision for labor indemnities	7,380	9,326	7,613	9,326
Provision for civil contingencies	100	6,000	100	6,000
Provision for profit sharing	5,114	12,990	5,114	12,990
Provision for tax contingencies	392	908	1,794	908
Allowance for expected credit losses	6,263	5,361	6,263	5,361
Provision for financial discount	697	552	697	551
Provision for credit card fee	4,453	5,179	4,453	5,179
Provision for bonus - employees	673	600	673	600
Net effect of depreciation and interest (IFRS 16) with lease payment	50,137	33,260	50,137	33,260
Fair value – matching shares	5,995	2,670	5,995	2,670
Provision for collective bargaining	1,250	1,220	1,308	1,220
Provision for commissions	341	-	341	-
Provision for professional fees	2,612	1,020	3,683	1,026
Total tax base	85,738	79,562	88,502	79,574
Income tax at the rate of 25%	21,434	19,891	22,125	19,893
Income tax on tax loss	9,942	11,723	12,005	13,230
Social contribution tax at the rate of 9%	7,716	7,161	7,965	7,162
Social contribution tax on tax loss	4,325	4,947	5,070	5,505
Total deferred tax assets	43,417	43,722	47,165	45,790
Temporary exclusions				
Exclusion of ICMS from the PIS and COFINS tax base	(8,843)	(19,788)	(11,240)	(22,604)
Adjustments due to leases	(2,340)	(3,701)	(2,340)	(3,701)
Total tax base	(11,183)	(23,489)	(13,580)	(26,305)
Income tax at the rate of 25%	(2,796)	(5,872)	(3,395)	(6,576)
Social contribution tax at the rate of 9%	(1,007)	(2,114)	(1,222)	(2,368)
Total deferred tax liabilities	(3,803)	(7,986)	(4,617)	(8,944)
Total deferred taxes, net	39,614	35,736	42,548	36,846

The Company and its subsidiary LIFAR will subject to the IRPJ and CSLL taxation the PIS and COFINS credits arising from the lawsuits to exclude the ICMS from the PIS and COFINS tax base, on which a res judicata decision has been awarded, to the extent that they are the subject of requests for offsetting. Accordingly, a deferred liability was recognized on the amounts that will be realized as the referred to offsets occur, in the amounts of R\$11,494 in the Individual and R\$13,890 in the Consolidated interim financial statements as at September 30, 2022 (R\$19,788 and R\$22,604 in the Individual and Consolidated financial statements, respectively, as at December 31, 2021).

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)

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

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

	09/30/2022	
	Individual	Consolidated
2022	21,709	23,581
2023	5,427	5,896
2024	5,427	5,896
2025	5,427	5,896
2026	5,427	5,896
	43,417	47,165

15. Reconciliation of income and social contribution taxes

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Income before income and social contribution taxes	57,605	66,447	58,170	65,295
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	(19,586)	(22,592)	(19,778)	(22,200)
Managing officers' profit sharing	-	(373)	-	(373)
Interest on Equity - Benefit	2,720	2,021	2,720	2,021
Equity pickup	3,086	275	-	-
IRPJ/CSLL - Tax credits (*)	16,714	-	16,714	-
Tax incentives – Worker's Meal Program (PAT)	93	151	94	199
Tax incentives - investment grant - matching credit	3,448	2,556	3,448	2,556
Tax incentives - investment grant - Other credits	973	4,137	973	4,137
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	-	-	2,822	793
Taxation under the taxable profit based on a percentage of gross revenue regime using gross revenue for the tax base	-	-	(1,372)	(546)
Tax incentives – Technological innovation – Benefit	2,478	3,727	2,848	3,727
Effect of the portion exempt from the 10% surtax of income tax – benefit	-	18	-	18
Other nondeductible expenses	(5,317)	(138)	(4,425)	602
Income and social contribution taxes in profit or loss for the period	4,609	(10,218)	4,044	(9,066)
Current income and social contribution taxes	731	(8,371)	(1,659)	(9,908)
Deferred income and social contribution taxes	3,878	(1,847)	5,703	842
Income and social contribution taxes in profit or loss for the period	4,609	(10,218)	4,044	(9,066)
Effective rate	-8.0%	15.4%	-5.8%	13.9%

(*) 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)
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16. Trade accounts payable

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Trade accounts payable - local	371,106	464,014	373,646	464,714
Trade accounts payable - related parties	6,274	6,103	-	-
Total	377,380	470,117	373,646	464,714

17. Loans and financing

	Rate range (% p.a.)	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Domestic currency					
Debenture - Banco Bradesco	110% of the CDI	270,727	133,818	270,727	133,818
		270,727	133,818	270,727	133,818
Current		97,870	54,532	97,870	54,532
Noncurrent		172,857	79,286	172,857	79,286

In the second quarter of 2022, the Company's 4th Indenture of non-privileged non-rated unsecured nonconvertible debentures was issued. This issue has a total amount of R\$150,000, with a 3-year period, semiannual repayments from the 12th month, payment of semiannual interest, and remuneration equal to CDI+ 1.4%. This funding is intended for general corporate use.

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. The Company has debentures with contractual clauses that require maintaining financial ratios on a quarterly basis as summarized below:

Dimed S.A. Distribuidora de Medicamentos

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

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

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

17.2. 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 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 covenants at September 30, 2022.

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

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

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

- Default on debts and/or other contracts with the financial institutions that granted credit facilities;
- Enforcement of a court order or out-of-court order that may affect Dimed's ability to pay;
- Transfer of debt to third parties, without the approval of the financial institution that granted the credit facility;
- Changes in Dimed'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 covenants at September 30, 2022.

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

	Individual and Consolidated		
	Finance lease	Borrowings, financing and debentures	Interest on equity payable
Total			
Balance at December 31, 2021	557,109	133,818	5,701
Changes in cash	(111,169)	116,649	(25,500)
Borrowings	-	150,000	-
Payment of IOE	-	-	(25,500)
Leases and debentures payable	(111,169)	(26,428)	-
Interest paid	-	(6,923)	-
Non-cash changes	182,349	20,260	20,465
Remeasurement of contracts and new contracts - IFRS 16	156,489	-	-
IOE allocation	-	-	20,465
Discount on leased properties	(3,976)	-	-
Recognized interest	29,836	20,260	-
Balance at September 30, 2022	628,289	270,727	666

The balances of loans and financing at September 30, 2022 and December 31, 2021 are presented at amortized cost. The maturity of loans and financing is presented in Note 4.1 (c) Liquidity risk.

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Notes to quarterly information (Continued)
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18. Tax obligations

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Corporate Income Tax (IRPJ)	4	-	390	437
Social Contribution Tax on Net Profit (CSLL)	1	-	267	234
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	279	114	281	174
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	1,305	548	1,315	826
Withholding Income Tax (IRRF)	2,490	5,224	2,542	5,291
State Value-Added Tax (ICMS)	31,232	20,247	32,825	22,018
Other obligations	1,860	1,372	2,017	1,821
Total	37,171	27,505	39,637	30,801

19. Profit sharing payable

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Bonus - Executive Board	-	3,441	-	3,441
Employees' profit sharing	-	8,717	-	8,770
Total	-	12,158	-	12,211

The Company paid the profit sharing advance in the third quarter of 2022, in the amount disclosed in Note 28 – Expenses by Nature. Accordingly, the provision recorded was reversed.

20. Lease obligations

The Company had obligations arising from an aircraft lease agreement, which was settled in the second quarter of 2022.

	Individual and Consolidated		
	Within 1 year	From 1 to 5 years	Total
At September 30, 2022			
Lease	-	-	-
At December 31, 2021			
Lease	1,454	1,164	2,618

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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20. Lease obligations (Continued)

Changes in the Company's lease liability balance through September 30, 2022 were as follows:

	Individual and Consolidated		
	Properties	Vehicles	Total
Balance at December 31, 2021	553,198	1,293	554,491
Remeasurement of contracts and new contracts	156,731	254	156,985
Write-offs	(496)	-	(496)
Interest	29,689	147	29,836
Discounts obtained	(3,976)	-	(3,976)
Payment of lease	(107,512)	(1,039)	(108,551)
Balance at September 30, 2022	627,634	655	628,289
Current	148,142	308	148,450
Noncurrent	479,492	347	479,839

The nominal discount rate adopted by the Company was between 5% and 9.97% 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. The inputs are the following:

- Nominal average discount rate applied - between 5% and 9.97% p.a.; and
- Inflation component to be used in projecting the flows (Extended Consumer Price Index - IPCA, based on National Treasury Notes - NTN-B) - 3.6% p.a.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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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 provision for contingencies

The proceedings considered as possible or probable losses, in the opinion of the Company's legal advisors, at September 30, 2022 and December 31, 2021, are presented below. Provisions are recognized for proceedings assessed as probable losses, as follows:

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Civil	100	6,000	100	6,000
Labor and tax	7,772	10,234	9,407	12,101
Noncurrent	7,872	16,234	9,507	18,101
Judicial deposits	3,395	3,411	3,865	3,875

21.2 Changes in provisions for contingencies

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

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Civil, labor and tax				
Balance at beginning of year	16,234	14,074	18,101	14,419
New provisions	2,072	12,514	2,137	15,865
Write-off due to payment	(4,534)	(3,666)	(4,534)	(3,666)
Reversal/reclassification	(5,900)	(6,688)	(6,197)	(8,517)
Closing balance	7,872	16,234	9,507	18,101

In the third quarter of 2022, the Company reversed the provision for the main civil claim, which discussed the advance payment of toll allowance, due to a settlement between the parties, and the amount was reclassified to accounts payable. The provision amount was sufficient to support the amount agreed between the parties, thus not affecting profit or loss for the period.

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Notes to quarterly information (Continued)
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21. Provisions (Continued)

21.1. Civil

At September 30, 2020, the Company was a party to 36 civil lawsuits considered as possible losses, estimated at R\$1,967 (individual and consolidated) (approximately R\$46 million (individual and consolidated) at December 31, 2021).

The Company maintained the lawsuit referring to Law No. 10209/2001 (Toll Allowance Law) classified as a possible loss, in the amount of R\$48,615 as at June 30, 2022, as disclosed until the second quarter of 2022. In the third quarter of 2022, the parties agreed on a settlement, with no additional impacts on profit or loss.

21.2. Labor

The most recurring labor claims involve overtime and salary differences. At September 30, 2022, the Company had 439 possible loss labor lawsuits in the consolidated interim financial statements, estimated at R\$29,150, of which 428 lawsuits in the amount of R\$28,691 correspond to parent company's lawsuits (R\$20,272 in Individual and R\$20,823 in Consolidated at December 31, 2021).

21.3. Tax

At September 30, 2022, the Company was a party to approximately 61 tax lawsuits assessed as possible losses, estimated at approximately R\$750 (R\$978 at December 31, 2021) in the individual and consolidated interim financial statements. The difference between the current amount and the one disclosed in previous quarters is mainly due to three administrative proceedings, which were not submitted to courts and were filed with a favorable outcome for the Company.

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Notes to quarterly information (Continued)
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22. Investments grants and matching credits

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

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

In 2017, Supplementary Law No. 160/17 was approved and it is intended to promote important changes regarding tax benefits granted unilaterally by the Brazilian states. New rules were established for the classification of these tax benefits as "investment grants", thus exempting them from IRPJ and CSLL. Until September 2022, the total amount of R\$10,141 (R\$11,310 at December 31, 2021), referring to ICMS matching credit grant, was recognized in the statement of profit or loss.

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Notes to quarterly information (Continued)
September 30, 2022
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23. Equity

23.1. Capital

At the Special General Meeting held on March 20, 2020, the shareholders approved the proposal of splitting all existing shares issued by the Company, both common and preferred shares, with each one (1) existing share corresponding to thirty (30) shares. Consequently, the Company's capital is now represented by 121,994,700 common shares and 13,485,690 preferred shares.

At the Special General Meeting held on July 17, 2020, a capital increase from R\$410,000 to R\$432,000 was approved, through capitalization of part of the Legal Reserve, in the amount of R\$4,832, and part of Reserve for capital increase, in the amount of R\$17,168, without issue of new shares.

On July 22, 2020, as a result of the Follow-on operation carried out by the Company, capital was increased by R\$480,000. Accordingly, at December 31, 2020, the Company's capital amounted to R\$912,000 (R\$897,552 net of share issue costs) fully paid in (R\$410,000 at December 31, 2019), represented by 137,994,700 common shares and 13,485,690 preferred shares, all of the same class and with no par value.

At the Annual and Special General Meeting held on April 30, 2021, the shareholders approved, respectively, the managing officers' accounts, the management report, the financial statements and the independent auditor's report for the year ended December 31, 2020, and the capital increase, from R\$912,000 to R\$918,000, through the capitalization of a portion of the Legal Reserve, in the amount of R\$1,006 and of the Reserve for capital increase, in the amount of R\$4,994, without issue of new shares.

At the General and Special Meeting and the Preferred Shareholders' Meeting held on May 24, 2021, the conversion of all preferred shares of the Company was approved.

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

23.1. Capital (Continued)

The period during which the Company's preferred shareholders could request the conversion of preferred shares held by them into common shares, in the proportion of 0.8 (eight tenths) of a common share for each 1 (one) converted preferred share, ended June 14, 2021 ("Voluntary Conversion"). Under the Voluntary Conversion, on June 23, 2021, the holders of 5,514,545 preferred, registered, book-entry shares with no par value, equivalent to 40.8918% of total preferred shares issued by the Company at the time, requested the conversion of their shares into 4,411,636 common, registered, book-entry shares with no par value issued by the Company. This operation was conducted on July 7, 2021, and the Company's capital then comprised 142,406,336 common shares and 7,971,145 preferred shares. Each common share entitles the holder thereof to one vote at the General Meetings.

On July 26, 2021, the period for preferred shareholders to exercise the right to withdraw from the resolution at a special general preferred shareholders' meeting, held on May 24, 2021, ended. At the end of the period of withdrawal rights, on August 4, 2021, the Company converted ("Compulsory Conversion") all of its preferred shares, and its capital then comprised 150,377,481 common shares only. Each common share entitles the holder thereof to one vote at the General Meetings.

At the Special General Meeting held on May 24, 2022, a capital increase from R\$918,000 to R\$943,000 was approved, through capitalization of part of the Legal Reserve, in the amount of R\$726, and part of Reserve for capital increase, in the amount of R\$24,274, without issue of new shares. The Company's capital comprises 150,377,481 book-entry registered common shares without par value.

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

23.2. Treasury shares

At the Board of Directors' Meeting held on August 13, 2020, the creation of a Share Buyback Program issued by the Company was approved, without reducing capital. At the Board of Directors' Meeting held on August 16, 2021, the Company approved the renewal of its Share Buyback Plan. The program is 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 creation of a 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 - Share-based incentive plan).

At September 30, the Company had 1,733,422 treasury shares (1,849,157 at December 31, 2021), whose average cost value was R\$34,020 (R\$36,690 at December 31, 2021). The share market price at September 30, 2022 is R\$11.78 (R\$17.79 at December 31, 2021).

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 June 2022, the segregated amount corresponding to net matching shares of the first vesting of the 2020 program was R\$944. In the second quarter, the treasury shares account was also impacted by the granting of shares of the 3rd matching shares program by R\$2,310.

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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 12/31/2021	(1,849,157)	(36,690)
Acquisition of shares	(50,000)	(582)
Options granted	117,652	2,308
Recognized options granted	48,083	944
Balance at 09/30/2022	(1,733,422)	(34,020)

	Share price		
	Minimum	Maximum	Average
From 01/01/2021 to 12/31/2021	11.98	22.94	17.79
From 01/01/2022 to 09/30/2022	9.09	14.44	11.78

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 the balance of this reserve was approved by the shareholders at the Annual General Meeting held on July 17, 2020. In this quarter, the balance of this reserve was fully used to pay in capital, as mentioned in item b) above. In December 2021, the amount of R\$24,274 was accounted for as a reserve for future capital increase, and this balance was paid in as Capital at the meeting held on May 24, 2022.

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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

23. Equity (Continued)

23.3. Income reserves (Continued)

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. In the second quarter of 2022, the amount of R\$13,390 was reclassified to Current Liabilities, under Interest on Equity Payable account, classified until then as Additional Proposed Dividend. This change was approved in the minutes of the annual and special general meeting held on April 29, 2022.

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.

On August 6, 2021, the Company resolved on the payment of interest on equity to its shareholders in the amount of R\$6,000, effectively paying, until December 31, 2021, the amount of R\$5,946 (net of income tax equivalent to R\$5,275), which was credited on August 31, 2021, based on the shareholding position of August 20, 2021. From the resolution on August 6, 2021, the unit value per share, net of IRRF, was R\$0.03 per common share.

On December 17, 2021, the Company decided to distribute R\$20,000 to be paid in 3 (three) installments, respectively on 03/31/2022, 04/29/2022 and 05/31/2022. The total amount distributed by the Company, approved on December 17, 2021, also comprises the remaining amount of R\$55, referring to the distribution approved on August 6, 2021. On December 17, 2021, the unit value per share, net of IRRF, was R\$0.114453201.

Of the gross amount resolved and approved in 2021, equivalent to R\$25,946, R\$20,000 were paid in 2022, R\$13,333 of which in the second quarter.

On August 12, 2022, at a meeting of the Board of Directors, payment of interest on equity, in the amount of R\$8,000, was resolved and approved to be validated at the Annual General Meeting, in 2023. Information about this event was disclosed through a notice to shareholders on that same date. On August 31, 2022, the amount was paid.

Dimed S.A. Distribuidora de Medicamentos

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

23.4. Capital reserves

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

24. Share-based incentive plan - 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 Share-based Incentive Plan ("Dimed's Matching Shares Plan" or "the Plan"). The purpose of the Company's Share-Based Incentive Plan is to rule the possibility of granting share-based incentives 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 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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

24. Share-based incentive plan - Individual (Continued)

24.1. Conditions of the Matching shares plan (Continued)

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

Anniversary	Mature Matching Shares
1st anniversary of the Grant Date	-
2nd anniversary of the Grant Date	1/3 (one third) of the total Matching Shares
3rd anniversary of the Grant Date	1/3 (one third) of the total Matching Shares
4th 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 depositary institution of the Company's book-entry shares.

24.2. Changes in the Matching shares plan

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

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

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

24. Share-based incentive plan - Individual (Continued)

24.2. Changes in the Matching shares plan (Continued)

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. In the third quarter, 592 shares were transferred, with rectification of the position originally granted to participants.

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

	<u>Own Shares</u>	<u>Matching Shares</u>
Balance at September 2020	71,026	201,641
Dissenting holders	-	-
Balance at December 2020	71,026	201,641
Options granted	53,968	168,993
Dissenting holders	-	(2,713)
Balance at December 2021	124,994	367,921
Options granted	117,652	348,466
Dissenting holders	-	(210)
Options exercised (*)	-	(66,305)
Balance at September 2022	242,646	649,872

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

24.3. Amounts recognized in the period

Until the third quarter of 2022, the Company recognized a total fair value of R\$3,324 (R\$1,435 in the third quarter of 2021) for the matching share programs. The expense recognized in the current quarter was R\$1,179, matched against selling (R\$1,037) and administrative (R\$142) expenses.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

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.

	09/30/2022
	Registered common shares
Denominator	
Total weighted average number of shares	150,377,481
Weighted number of treasury shares	(1,815,462)
Weighted average number of outstanding shares	148,562,019
% of shares in relation to the total number	100%
Numerator	
Net income attributable to each class of share	62,214,912
Weighted average number of outstanding shares	148,562,019
Basic earnings per share (R\$)	0.42
Numerator	
Net income attributable to each class of share	62,214,912
Weighted average number of outstanding shares	148,562,019
Weighted average number of matching shares	543,498
Diluted earnings per share (R\$)	0.42

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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25. Earnings per share

25.2. Diluted (Continued)

	12/31/2021
	Registered common shares
Denominator	
Total weighted average number of shares	151,028,925
Weighted number of treasury shares	(1,437,899)
Weighted average number of outstanding shares	149,591,026
% of shares in relation to the total number	100%
Numerator	
Net income attributable to each class of shares (R\$)	79,426,519
Weighted average number of outstanding shares	149,591,026
Basic earnings per share (R\$)	0.53
Numerator	
Net income attributable to each class of shares (R\$)	79,426,519
Weighted average number of outstanding shares	149,591,026
Weighted average number of matching shares	318,835
Diluted earnings per share (R\$)	0.53

25.3. Migration to the Novo Mercado (B3)

Throughout 2021, the Company made progress in its commitment to shareholders, to raise its Corporate Governance standard to the highest level at B3 (Brasil, Bolsa, Balcão). The migration process to the Novo Mercado was completed and shares began to be traded at this level on September 24, 2021. The process started at the beginning of 2021, upon approval of the conversion of preferred shares into common shares, on August 3, 2021, date on which the Company became holder of common shares only. Throughout the referred process, the Company also complied with the necessary requirements, such as the creation of internal committees, amendment to the Company's by-laws and the election of independent members for the Board of Directors.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

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:

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Gross sales of products and services	3,103,336	2,497,397	3,114,770	2,506,762
Sales taxes	(170,549)	(140,126)	(172,554)	(144,281)
Returns and unconditional discounts	(36,851)	(30,015)	(37,346)	(30,903)
Net revenue	2,895,936	2,327,256	2,904,870	2,331,578

27. Cost of sales and services

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Cost of sales	(2,147,069)	(1,742,677)	(2,129,769)	(1,725,089)
Cost of sales	-	-	(16,323)	(16,917)
Reimbursement of capital contribution costs	161,182	137,628	161,182	137,628
Revenue – campaign funds	1,001	1,270	1,001	1,270
Taxes on funds	(15,002)	(12,848)	(15,002)	(12,848)
	(1,999,888)	(1,616,627)	(1,998,911)	(1,615,956)

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.

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

28. Expenses by nature

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Selling expenses				
Personnel and third-party service expenses	(416,380)	(327,379)	(418,793)	(328,968)
Lease expenses	(24,818)	(20,888)	(24,164)	(19,976)
Discount on leased properties (*)	3,976	5,370	3,976	5,370
Freight expenses	(37,756)	(31,681)	(38,155)	(32,036)
Credit card fees	(31,282)	(24,780)	(31,283)	(24,780)
Advertising	(18,226)	(13,883)	(18,369)	(14,022)
Utilities and services	(22,866)	(20,747)	(22,910)	(20,795)
Depreciation and amortization expenses	(134,379)	(109,689)	(134,427)	(109,735)
Employee profit sharing	(5,762)	(4,089)	(5,800)	(4,122)
Managing officers' profit sharing	(3,129)	-	(3,129)	-
Maintenance expenses	(8,056)	(5,626)	(8,059)	(5,627)
Consumables	(11,083)	(10,557)	(11,157)	(10,648)
Travel and sales representation expenses	(1,904)	(1,471)	(1,913)	(1,479)
Packaging materials	(6,079)	(5,207)	(6,079)	(5,207)
Inventory losses	(19,908)	(11,103)	(20,528)	(12,929)
Other	36	(10,383)	427	(13,167)
	(737,616)	(592,113)	(740,363)	(598,121)

(*) Due to the COVID-19 pandemic, until the second quarter of 2022, the Company obtained specific discounts on payments of rent of certain properties, classified as leases, according to accounting pronouncement no. 16/2020. There were no changes in the term of these contracts while the practical expedient was in force, thus remeasurement was not necessary.

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
General and administrative expenses				
Personnel and third-party service expenses	(48,444)	(44,917)	(49,720)	(46,579)
Lease expenses	(457)	(353)	(381)	(346)
Utilities and services	(1,156)	(1,012)	(1,215)	(1,066)
Depreciation and amortization expenses	(6,960)	(4,966)	(7,095)	(5,126)
Employee profit sharing	(1,094)	(493)	(1,094)	(493)
Managing officers' profit sharing	(327)	-	(330)	-
Bank expenses	(1,139)	(1,105)	(1,147)	(1,115)
Management personnel compensation	(4,594)	(3,753)	(4,594)	(3,753)
Maintenance expenses	(6,588)	(4,952)	(6,700)	(5,030)
Consumables	(351)	(358)	(377)	(404)
Other administrative expenses	(5,966)	(4,447)	(6,074)	(4,669)
	(77,076)	(66,356)	(78,727)	(68,581)

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
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29. Other operating income (expenses)

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Additional revenue	1,111	652	1,182	926
Revenue from property lease	189	182	189	182
Credit recovery	7,038	5,821	7,038	5,821
Reimbursement of cash difference	199	196	199	196
Cost of disposal of PPE	(1,343)	(2,130)	(1,300)	(2,106)
Other operating income (expenses)	6,697	(39)	6,775	(11)
Recovery of tax credits (*)	-	22,944	-	22,944
Equity interests (**)	-	(1,267)	-	(1,267)
	13,893	26,359	14,083	26,685

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

(**) Refers to the Share-based Incentive Plan created in September 2020, aimed at regulating the possibility of granting incentives in connection with common shares issued by the Company to managing officers and employees who maintain employment relationship or administrative position. Additional information is disclosed in Note 24.

30. Finance income and costs

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Finance income				
Interest on assets	1,986	105	2,002	244
Monetary differences	-	-	-	25
Short-term investment income	7,025	4,933	10,618	6,051
Financial discounts obtained	1,370	605	1,519	613
Taxes on finance income	(1,010)	(892)	(1,054)	(904)
Monetary restatement of tax credits (*)	1,055	13,590	1,301	13,642
	10,426	18,341	14,386	19,671

(*) 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.

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Finance costs				
Interest on financing	(20,448)	(4,537)	(20,448)	(4,537)
Interest expenses	(171)	(235)	(177)	(297)
Financing charges	(124)	(173)	(124)	(173)
Discounts granted/bonus	(5,211)	(3,057)	(5,345)	(3,311)
Interest on lease	(29,836)	(20,813)	(29,836)	(20,813)
Other finance costs	(1,356)	(790)	(1,238)	(850)
	(57,146)	(29,605)	(57,168)	(29,981)

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

31. Transactions with related parties

31.1. Balances and transactions

The total amounts of transactions carried out by Dimed, through September 30, 2022, with related parties are described below:

	Dimesul Gestão Imobiliária Ltda.		Laboratório Industrial e Farmacêutico Lifar Ltda.	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Trade accounts payable	-	-	6,274	6,103
Related parties – intercompany loans	-	-	-	(1,670)
	Dimesul Gestão Imobiliária Ltda.		Laboratório Industrial e Farmacêutico Lifar Ltda.	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Purchase of goods and services	-	-	32,076	32,706
Revenue from services rendered	1,268	1,956	81	-
Finance costs	264	408	-	-
Accounts receivable from shareholders				
	09/30/2022	12/31/2021		
Share issue costs (secondary offering)			1,530	3,030

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

31.2. Key management personnel compensation

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

	Individual	
	09/30/2022	09/30/2021
Fixed compensation	4,594	3,753
Social charges	1,287	1,051
Equity interest	3,455	1,267
Total	9,336	6,071

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

31. Transactions with related parties (Continued)

31.2. Key management personnel compensation (Continued)

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 Share-based Incentive Plan 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\$2,308 was recorded in 2021, 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 2022, the Company recognized the amount of R\$648 as fair value in the first quarter, which corresponds to the Matching shares of managing officers, and R\$1,231 in the second quarter and R\$1,028 in the third quarter, totaling R\$2,906 in the period. 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 September 30, 2022, 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:

Policies	Amounts in R\$ thousands
Vehicle	FIPE Table + Property Damage + Bodily Injury
Fire	R\$529,445
Civil liability	R\$31,200
Transportation	R\$1,500 per transportation
Aircraft	R\$23,292*
Civil liability – aircraft	R\$108,126*

* Policy issued in US Dollar, amount translated at the average rate (dollar) of September 30, 2022 (R\$5.4063).

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

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

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
(In thousands of reais)

33. Segment reporting (Continued)

	Retail		Wholesale		Corporate		Dimed S.A.	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Continuing operations								
Net revenue from sales and services	2,672,824	2,150,299	232,046	181,279	-	-	2,904,870	2,331,578
Cost of sales and services	(1,808,753)	(1,460,895)	(190,158)	(155,061)	-	-	(1,998,911)	(1,615,956)
Gross profit	864,071	689,404	41,888	26,218	-	-	905,959	715,622
Selling expenses	-	-	-	-	(740,363)	(598,121)	(740,363)	(598,121)
Other operating income (expenses), net	-	-	-	-	14,083	26,685	14,083	26,685
Administrative expenses	-	-	-	-	(78,727)	(68,581)	(78,727)	(68,581)
Operating income before finance income (costs)	864,071	689,404	41,888	26,218	(805,007)	(640,017)	100,952	75,605
Finance income (costs)	-	-	-	-	(42,782)	(10,310)	(42,782)	(10,310)
Finance income	-	-	-	-	14,386	19,671	14,386	19,671
Finance costs	-	-	-	-	(57,168)	(29,981)	(57,168)	(29,981)
Operating income before income and social contribution taxes	864,071	689,404	41,888	26,218	(847,789)	(650,327)	58,170	65,295
Current	-	-	-	-	(1,659)	(9,908)	(1,659)	(9,908)
Deferred	-	-	-	-	5,703	842	5,703	842
Net income for the year	864,071	689,404	41,888	26,218	(843,745)	(659,393)	62,214	56,229

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
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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 September 30, 2022. Based on the examinations carried out, considering, furthermore, the unqualified independent auditor's report issued by Ernst & Young Auditores Independentes, dated November 10, 2022, 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, November 10, 2022.

João Verner Juenemann

Claudio Roberto Ely

Nelson Bertoletti

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
September 30, 2022
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Reports and Representations / Officers' Representation on Quarterly Information

In accordance with item VI of paragraph 1, article 25 of CVM Ruling No. 480 of December 7, 2009, 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 September 30, 2022.

Eldorado do Sul, November 10, 2022.

Julio Ricardo Mottin Neto - CEO
Roberto Coimbra Santos - Executive Officer
Antônio Carlos Tocchetto Napp - Chief Investor Relations and Financial Officer

Dimed S.A. Distribuidora de Medicamentos

Notes to quarterly information (Continued)
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Reports and Representations / Officers' Representation on the Independent Auditor's Review Report

In accordance with item VI of paragraph 1, article 25 of CVM Ruling No. 480 of December 7, 2009, the Executive Board's members of DIMED S/A DISTRIBUIDORA DE MEDICAMENTOS, undersigned, represent that they reviewed and discussed the information and opinions contained in the Independent Auditor's Review Report on the Company's Interim Financial Statements for the quarter ended September 30, 2022, issued on November 10, 2022.

Eldorado do Sul, November 10, 2022.

Julio Ricardo Mottin Neto - CEO

Roberto Coimbra Santos - Executive Officer

Antônio Carlos Tocchetto Napp - Chief Investor Relations and Financial Officer

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 – Interim Financial Reporting 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 September 30, 2022, comprising the statement of financial position as of September 30, 2022 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods then ended, and of changes in equity and of cash flows for the nine-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 are 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 nine-month period ended September 30, 2022, 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, November 10, 2022.

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

Guilherme Ghidini Neto
Accountant CRC-RS 067795/O-5