

# **Interim Financial Information**

## **Lojas Quero-Quero S.A.**

September 30, 2022  
with Independent Auditor's Report

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## Interim financial information

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**A free translation from Portuguese into English of Independent Auditor's Review Report on interim financial information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR) and the rules issued by the Brazilian Securities and Exchange Commission (CVM)**

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## **Independent auditor's review report on interim financial information**

The Shareholders, Board of Directors and Officers

**Lojas Quero-Quero S.A.**

### **Introduction**

We have reviewed the individual and consolidated interim financial information of Lojas Quero-Quero S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2022, which comprise the balance sheet as at September 30, 2022 and the statements of profit or loss and of comprehensive income (loss) for the three and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including other explanatory information.

The executive board is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this financial 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 the Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, 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 referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).



## **Other matters**

### *Statements of value added*

The quarterly information referred to above includes the individual and consolidated Statements of Value Added (SVA) for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's executive board and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information to conclude whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 - Statement of Added Value. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the individual and consolidated interim financial information taken as a whole.

### *Audit of corresponding figures*

The audit of the individual and consolidated balance sheet as at December 31, 2021 and the review of the individual and consolidated interim financial information for the quarter ended September 30, 2021, presented for comparison purposes, were carried out under the responsibility of other independent auditor, who issued unmodified audit and review reports, dated March 9, 2022, August 3, 2021 and November 4, 2021, respectively.

Porto Alegre, October 27, 2022.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC - SP015199/F

Arthur Ramos Arruda  
Accountant CRC-RS096102/O-0

## MESSAGE FROM THE MANAGEMENT

In the third quarter, Lojas Quero-Quero reached new important stages in its continuous growth trajectory. We opened the Company's 500th store, in the city of Nova Andradina – MS, a milestone that highlights not only its growth, but the many opportunities for the future, which go beyond the borders of the southern region of Brazil. With this inauguration, we celebrate ours 55<sup>th</sup> anniversary that, in essence, maintains the construction of lasting relationships with small and medium-sized countryside communities. This is only possible thanks to the dedication and commitment of our employees and all those who have contributed to our history over the years. Also, during the quarter, we were proud to receive two distinctions that illustrate our values and feelings as a Company. We were recognized by the Great Place to Work ranking as one of the 150<sup>th</sup> best companies to work for in Brazil, and ranked 1<sup>st</sup> in the 2022 IBEVAR– FIA Ranking, as the most admired company by its employees among Brazil construction material retailers.

During these 55 years of history, our objective has been and continues to be to offer our customers a complete home and construction solution, through strategies supported by the Company's pillars. In this way, like the other quarters, we maintained our investment with a view to the long term. We opened 16 new stores, totaling 44 stores throughout the year, in line with the 45 store openings in the same period of last year. In addition to the 500<sup>th</sup> store milestone, we reached 509 stores operating in more than 400 cities at the end of September. Although our focus, in the short term, remains on the Brazil's southern states where we see opportunities to expand to 160 more cities, we continue to gradually invest in the states of Mato Grosso Sul and São Paulo, where we have already reached 17 stores in operation.



The main macroeconomic indicators did not improve during the first half of the year, mainly in relation to consumption and consumer income, which was reflected in a challenging scenario for retail. At the same time, we have a strong comparison basis for sales, as a result of our strong performance between 3Q20 and 2Q21, when we gained market share, with an average growth of 34.9% in same-store sales (SSS). We achieved total retail sales growth of 64.5% in 3Q22 vs. 3Q19, representing a CAGR of 18.1% since 2019. That said, our performance is in line with what we had in the first half of the year, and we ended the first nine months (9M22) with a growth of 65.1% vs. 9M19, a period that for us represents a more adequate basis for comparison, due to the impact of the pandemic.

In the quarter, sales showed a total growth of 0.2% compared to the previous year, and a same store sale (SSS) decrease of 7.6% - an improvement, albeit subtle, when compared to the previous quarter. In general, the sales performance of the different categories was similar, although some performed below the historical average in last year's third quarter (3Q21). Thus, the current scenario has proved to be more

challenging than we initially expected, with a more competitive and promotional environment. This means that we have more pressured retail margins, unlike the quarters of strong demand and higher consumer disposable income, in which we achieved margins above the Company's history. With the intention of obtaining greater sales leverage in the third quarter, we chose to take a more promotional stance. However, given the return observed in sales, which, as mentioned earlier, remained very similar to previous quarters, we decided to gradually reduce promotions starting in September.

Therefore, we improved promotional strategies in order to leverage sales of the figital project, seeking to familiarize our customers more and more with this new format and with the new categories that we have included in our product mix. As a result of these actions, at the end of the quarter, figital sales represented 19% of the Company's sales, showing a consistent evolution each quarter. As a result, the project continues to demonstrate its potential and will be an important lever for sales growth in the medium and long term.

On the other hand, the performances of the Financial Services and Credit Card activities remained consistent throughout 2022, resuming their growth after a period in which both activities were impacted by the higher disposable income of our customers. This scenario meant that, throughout 2020 and 2021, there was a reduction in the demand for credit and in the default of portfolios. Today, despite the more challenging scenario than that experienced in 2019, the level of arrears of more than 90 days in the portfolio has remained in line with the level observed in that year, specifically at 11.8%, slightly below 2Q22, - a reflection of the constant improvements in our credit and collection operations, and a more conservative approach to granting credit. The VerdeCard card's total net portfolio grew 15.9% in the quarter vs. 3Q21, while the volume transacted grew 11.1%, with the growth of use inside and outside our stores. In this way, we continue to see an increase in the penetration of the VerdeCard card in retail sales, but still at levels lower than the pre-pandemic period.

In light of the current macroeconomic scenario, our efforts also focused on controlling the pace of growth in expenses. Even with the maintenance of the pace of expansion, the effort made to optimize expenses and renegotiate with suppliers, allowed us to achieve a total growth of expenses similar to the IPCA accumulated in the last twelve months. At the same time, we are reaching a normalized level of investments, which had been intensified with (i) the inauguration of the two new Distribution Centers, which are now completing one year of operation, and (ii) with the Figital platform, whose implementation was accelerated throughout the second half of 2021.

One data that reflects this attitude is the operating cash generation presented in this quarter. In the last two quarters, we reduced our adjusted net debt, even considering the continuous investments in expansion. Operating cash flow has always been a priority for the Company, and the initiatives adopted this year, referring to working capital, expenses and investments, contribute to this result. Given the additional investments made in the last twelve months, and the sales performance, we went through a period of operational deleveraging, with impacts on EBITDA and Net Result, however the initiatives adopted help to mitigate these impacts, and allow us to deliver nominal results in line with seen in 1Q22, although still below the company's potential. At the beginning of this quarter, we issued two new senior series of FIDC Verdecard, totaling R\$300 million, with the brAAA rating maintained by S&P Global Ratings.

This quarter, we released our Sustainability Report for the year 2021. Historically, we have adopted several initiatives aimed at increasingly sustainable growth, and we started to disclose and categorize them within the best ESG parameters in this report. Among the numerous initiatives, in addition to the recognitions from GPTW and IBEVAR mentioned above, we also received the silver seal in our emissions inventory, carried out in partnership with the Brazilian GHG Protocol Program – FGV, evolving from the bronze seal, which we received the previous year, and we are happy to once again have been recognized and cited in the Institutional Investor Latin America Small Caps ranking, among the top three retail companies in the event categories for analysts and investors, CFO, and especially ESG. Furthermore, we

are in the final phase of implementation of photovoltaic generation farms, which will be able to supply a large part of our current electricity consumption.

We continue with our growth strategy designed over the last few years, which began 55 years ago in a small town in the countryside, adapting when necessary, and without losing focus on the long term. We would like to once again thank those who have somehow contributed throughout this history so that Lojas Quero-Quero has reached the current level, shareholders, employees and their families, communities, customers and suppliers, and invite everyone to continue building the company of our dreams.



Clockwise: (i) Ivinhema – MS branch facade; (ii) Cambé - PR branch facade; (iii) Façade of the Presidente Venceslau - SP branch; (iv) Facade of the Reserva branch - PR; and (v) Facade of the Nova Andradina - MS branch.

# 3Q22 RESULTS RELEASE

Cachoeirinha, October 31st, 2022.

Gross Revenue, Net of Returns and Rebates grew 3.6% in the quarter (+59.7% vs. 3Q19) and 5.3% in 9M22 (+64.7% vs. 9M19, equivalent to a CAGR of 18.1%), totaling R\$691.9 million and R\$1,919.2 million, respectively in 3Q22 and 9M22. When compared to the pre-pandemic period (2019), the Same Store Sales (SSS) indicator maintained the high growth rate of 29.4% in SSS (+64.5% in total Retail sales), similar to the growth in 1H22 vs. 2019 (+28.5%), but showed a reduction in 3Q22 vs. 3Q21 of 7.6%, depending on the basis of comparison (+4.6% in 3Q21 and +35.4% in 3Q20).

Gross Profit totaled R\$189.0 million in 3Q22 (+34.6% vs. 3Q19) and R\$561.2 million in 9M22 (+49.3% vs. 9M19). Comparable gross margin (% of RBLD) was 27.3% in 3Q22, resulting from a more aggressive and promotional competitive environment, and higher interest rates that pressured the retail and financial services margin.

Operating Expenses totaled R\$173.2 million in the quarter, 6.8% higher vs. 3Q21 and R\$505.9 million in 9M22, an increase of 10.8% over the previous year, we continue to demonstrate good control of expenses; even considering (i) the high inflation scenario and (ii) investments in expansion (15.7% increase in the store base vs. 3Q21) and in new projects, both have not yet been fully reflected in the comparison basis.

EBITDA was R\$43.1 million in 3Q22 and R\$132.5 million in 9M22. Adjusted EBITDA was R\$20.4 million in the quarter and R\$68.5 million in 9M22.

Adjusted Net Income totaled a loss of R\$3.2 million in 3Q22 and a loss of R\$9.1 million in 9M22, excluding the impacts of the Stock Option Plan (SOP) and IFRS-16. The reported net loss was R\$7.6 million in 3Q22 and R\$22.3 million in 9M22.

Operating cash generation in the quarter, reducing Adjusted Net Debt from R\$230.9 million in 2Q22 to R\$196.4 million at the end of 3Q22. The main cash generation factor was the improvement in the dynamics between inventories and suppliers in the period.

## HIGHLIGHTS

Consolidated Information (R\$ million)	3Q22	3Q21	% 3Q22 vs 3Q21	3Q19	% 3Q22 vs 3Q19	9M22	9M21	% 9M22 vs 9M21	9M19	% 9M22 vs 9M19
Gross Revenue, Net of Returns and Rebates	691.9	668.0	3.6%	433.3	59.7%	1,919.2	1,822.8	5.3%	1,165.1	64.7%
Net Operating Revenue <sup>1</sup>	601.2	538.7	11.6%	348.8	72.3%	1,697.6	1,470.2	15.5%	953.3	78.1%
Gross profit	189.0	207.3	(8.9%)	140.4	34.6%	561.2	578.5	(3.0%)	375.9	49.3%
Gross Margin (% Net Revenue)	31.4%	38.5%	(7.1)p.p.	40.2%	(8.8)p.p.	33.1%	39.3%	(6.3)p.p.	39.4%	(6.4)p.p.
Gross Margin (% Gross Revenue)	27.3%	31.0%	(3.7)p.p.	32.4%	(5.1)p.p.	29.2%	31.7%	(2.5)p.p.	32.3%	(3.0)p.p.
Operating expenses	(173.2)	(162.2)	(6.8%)	(104.9)	(65.2%)	(505.9)	(456.5)	(10.8%)	(299.0)	(69.2%)
EBITDA	43.1	66.6	(35.4%)	48.0	(10.4%)	132.5	181.7	(27.1%)	113.0	17.2%
EBITDA Margin (% Net Revenue)	7.2%	12.4%	(5.2)p.p.	13.8%	(6.6)p.p.	7.8%	12.4%	(4.6)p.p.	11.9%	(4.1)p.p.
EBITDA Margin (% Gross Revenue)	6.2%	10.0%	(3.8)p.p.	11.1%	(4.9)p.p.	6.9%	10.0%	(3.1)p.p.	9.7%	(2.8)p.p.
Adjusted EBITDA <sup>2</sup>	20.4	49.9	(59.2%)	36.1	(43.5%)	68.5	136.2	(49.7%)	78.8	(13.0%)
Adjusted EBITDA Margin (% Net Revenue)	3.4%	9.3%	(5.9)p.p.	10.3%	(6.9)p.p.	4.0%	9.3%	(5.2)p.p.	8.3%	(4.2)p.p.
Adjusted EBITDA Margin (% Gross Revenue)	2.9%	7.5%	(4.5)p.p.	8.3%	(5.4)p.p.	3.6%	7.5%	(3.9)p.p.	6.8%	(3.2)p.p.
Net Income	(7.6)	15.6	N/A	13.3	N/A	(22.3)	43.1	N/A	14.2	N/A
Net Margin (% Net Revenue)	(1.3%)	2.9%	(4.2)p.p.	3.8%	(5.1)p.p.	(1.3%)	2.9%	(4.2)p.p.	1.5%	(2.8)p.p.
Net Margin (% Gross Revenue)	(1.1%)	2.3%	(3.4)p.p.	3.1%	(4.2)p.p.	(1.2%)	2.4%	(3.5)p.p.	1.2%	(2.4)p.p.
Adjusted Net Income (ex-SOP & ex-IFRS16)	(3.2)	20.7	N/A	13.8	N/A	(9.1)	57.0	N/A	15.8	N/A
Adjusted Net Margin ex-SOP & ex-IFRS16 (% Net Revenue)	(0.5%)	3.8%	(4.4)p.p.	3.9%	(4.5)p.p.	(0.5%)	3.9%	(4.4)p.p.	1.7%	(2.2)p.p.
Adjusted Net Margin ex-SOP & ex-IFRS16 (% Gross Revenue)	(0.5%)	3.1%	(3.6)p.p.	3.2%	(3.6)p.p.	(0.5%)	3.1%	(3.6)p.p.	1.4%	(1.8)p.p.
Same Store Sales Growth (SSS)	(7.6%)	4.6%		4.9%		(6.9%)	23.3%		5.7%	

(1) As of 2Q19, NOR (Net Operating Revenue) includes the effect of the change in the ICMS-ST/RS legislation (decree No. of ICMS-ST/RS (decree No. 56.150/2021)).

(2) Adjusted EBITDA is a non-accounting measure of the Company that corresponds to EBITDA plus non-recurring or non-operating items, less the impact of IFRS16/CPC06 (R2) as of 2019.



## CONSOLIDATED INCOME STATEMENTS

Consolidated Income Statements (R\$ million)	3Q22		% 3Q22 vs		% 3Q22 vs		9M22		% 9M22		% 9M22	
	3Q22	3Q21	3Q21	3Q19	3Q19	3Q19	9M22	9M21	vs 9M21	9M19	vs 9M19	9M19
Gross Revenue, net of returns and rebates	691.9	668.0	3.6%	433.3	59.7%		1,919.2	1,822.8	5.3%	1,165.1	64.7%	
Taxes	(90.7)	(129.3)	29.9%	(84.4)	(7.4%)		(221.6)	(352.6)	37.1%	(211.8)	(4.6%)	
Net operating revenue	601.2	538.7	11.6%	348.8	72.3%		1,697.6	1,470.2	15.5%	953.3	78.1%	
Goods sold	432.9	394.1	9.9%	235.2	84.1%		1,215.2	1,072.0	13.4%	661.0	83.8%	
Services provided	168.3	144.6	16.3%	113.7	48.0%		482.4	398.3	21.1%	292.3	65.0%	
Cost of sales and services	(412.2)	(331.3)	(24.4%)	(208.5)	(97.7%)		(1,136.4)	(891.8)	(27.4%)	(577.4)	(96.8%)	
Gross profit	189.0	207.3	(8.9%)	140.4	34.6%		561.2	578.5	(3.0%)	375.9	49.3%	
Operating income (expenses)	(173.2)	(162.2)	(6.8%)	(104.9)	(65.2%)		(505.9)	(456.5)	(10.8%)	(299.0)	(69.2%)	
Selling expenses	(120.3)	(111.1)	(8.3%)	(72.1)	(66.9%)		(348.2)	(310.4)	(12.2%)	(204.6)	(70.1%)	
General and administrative expenses	(53.8)	(49.9)	(7.8%)	(31.4)	(71.4%)		(157.2)	(137.8)	(14.1%)	(90.0)	(74.8%)	
Other operating expenses, net	0.8	(1.3)	N/A	(1.4)	N/A		(0.6)	(8.3)	93.2%	(4.4)	87.1%	
Operating profit (loss) before finance income (costs), net	15.7	45.1	(65.1%)	35.5	(55.7%)		55.3	122.0	(54.7%)	77.0	(28.2%)	
Finance income (costs), net	(26.9)	(19.1)	(40.9%)	(14.4)	(87.4%)		(84.5)	(50.5)	(67.3%)	(51.6)	(63.8%)	
Finance costs	(40.3)	(49.9)	19.1%	(18.6)	(117.0%)		(120.3)	(87.9)	(36.9%)	(63.9)	(88.2%)	
Finance income	13.4	30.7	(56.4%)	4.2	218.0%		35.8	37.4	(4.0%)	12.3	190.3%	
Profit before income tax and social contribution	(11.2)	26.0	N/A	21.1	N/A		(29.2)	71.5	N/A	25.4	N/A	
Current and deferred income tax and social contribution	3.6	(10.4)	N/A	(7.8)	N/A		7.0	(28.3)	N/A	(11.2)	162.1%	
Profit for the period	(7.6)	15.6	N/A	13.3	N/A		(22.3)	43.1	N/A	14.2	N/A	

## OPERATIONAL PERFORMANCE

The macroeconomic scenario did not improve during 3Q22, mainly in terms of consumption and income, but even so, the Company continues to present a resilient operating performance, demonstrating good ability to manage expenses and cash generation, without compromising its expansion plan. long term.

The Company ended the quarter with 509 stores, with 16 new stores during the quarter. Compared to 3Q21, growth was 15.7% and 16.7% in the store base and sales area, respectively.

Operational Information	3Q22		% 3Q22		% 3Q22	
	3Q22	3Q21	vs 3Q21	3Q19	vs 3Q19	vs 3Q19
Total stores	509	440	15.7%	334	52.4%	
Rio Grande do Sul	292	286	2.1%	262	11.5%	
Santa Catarina	83	72	15.3%	43	93.0%	
Paraná	117	81	44.4%	29	303.4%	
Mato Grosso do Sul	9	1	800.0%	-	-	
São Paulo	8	-	-	-	-	
Sales area (000s m <sup>2</sup> )	345	296	16.7%	220	57.0%	

Of the total 509 stores, 54 are in the traditional format, 316 Mais Construção I, 108 Mais Construção II and 31 Mais Construção III.

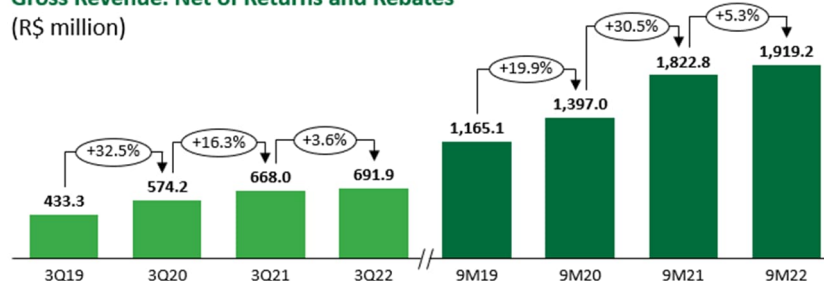
## FINANCIAL PERFORMANCE

### Gross Revenue, Net of Returns and Rebates (Gross Revenue)

Gross Revenue, Net of Returns and Rebates totaled R\$691.9 million in 3Q22, 3.6% higher compared to the same quarter of the previous year (and 59.7% higher vs. 3Q19, CAGR of 16.9%). Total revenue growth resulted from the performance of financial services revenue. In 9M22, Gross Revenue totaled R\$1,919.2 million, up 5.3% vs. 9M21 (+64.7% vs. 9M19, CAGR of 18.1%).

Business Activities (R\$ million)	3Q22	3Q21	% 3Q22 vs 3Q21	3Q19	% 3Q22 vs 3Q19	9M22	9M21	% 9M22 vs 9M21	9M19	% 9M22 vs 9M19
Gross Revenue, Net of Returns and Rebates	691.9	668.0	3.6%	433.3	59.7%	1,919.2	1,822.8	5.3%	1,165.1	64.7%
Retail	519.6	518.4	0.2%	315.8	64.5%	1,424.2	1,409.5	1.0%	862.8	65.1%
Financial services	154.3	132.0	16.9%	101.1	52.5%	441.1	362.5	21.7%	255.7	72.5%
Credit card	18.0	17.6	2.4%	16.3	10.4%	53.9	50.8	6.1%	46.6	15.8%

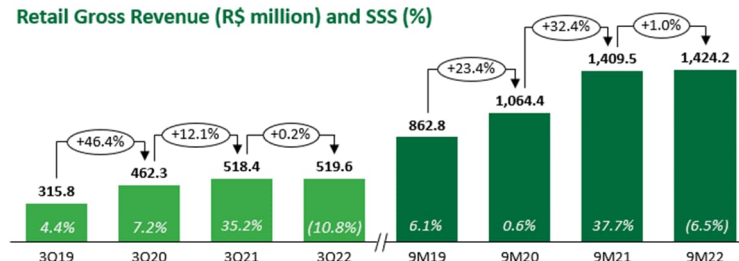
**Gross Revenue. Net of Returns and Rebates**  
(R\$ million)



The Retail business activity showed a positive growth of 0.2% in the quarter and represented 75.1% of total revenues. The maintenance of nominal revenue levels compared to the same period of the previous year is explained by (i) pressure on consumers' income due to higher inflation in the period and (ii) the normalization of post-pandemic consumption, with increased spending in bars, restaurants and travel. In 3Q22, sales of construction materials, home appliances and furniture showed a similar performance compared to the previous year. In 9M22, retail was positive by 1.0%.

As a result, the Company ended the third quarter with a growth in retail revenues of 64.5% vs. 3Q19, similar to 2Q22, and thus we ended the semester with a growth of 65.1% vs. 9M19, and CAGR of 18.2%. Same store sales (SSS) fell by 7.6% - an improvement, albeit a subtle one, when compared to the previous quarter of 10.8%.

**Retail Gross Revenue (R\$ million) and SSS (%)**

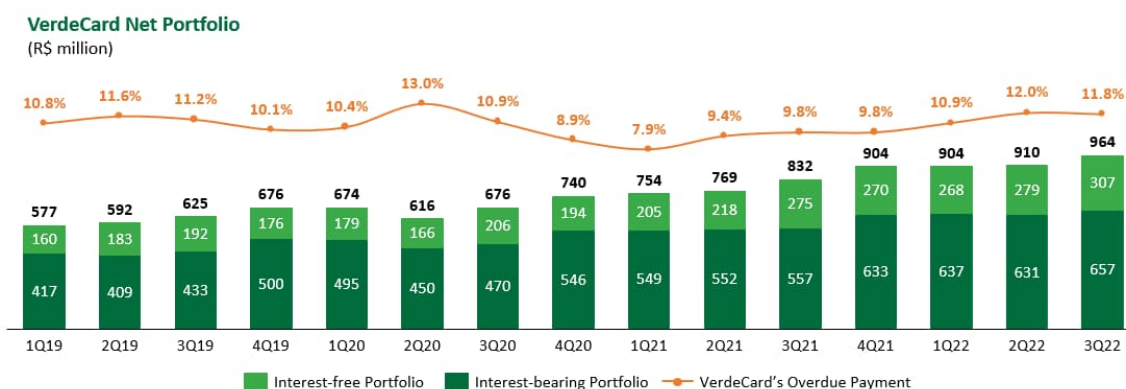


Since the beginning of the pandemic, Lojas Quero-Quero has invested in the Figital project (Infinity Store) in order to offer a greater mix of products to its customers and gain market share. In 3Q22, the sale of products in Figital format represented approximately 19% of the Company's sales vs. 18% in 2Q22 and 14% in 3Q21. This sequential increase is the result of (i) the expansion

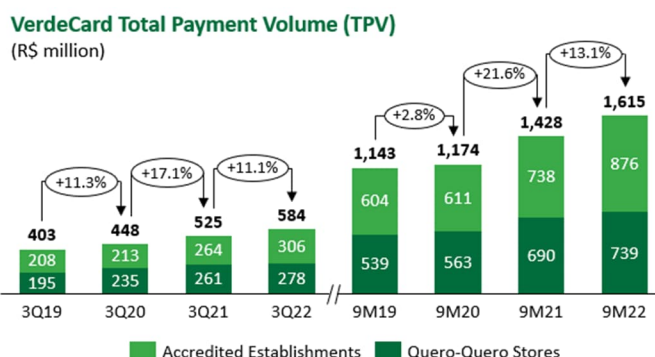
of the stores' virtual service formats, (ii) the implementation of the Infinity Store project and (iii) the greater mix of products available.

Financial Services Gross Revenue totaled R\$154.3 million in the quarter, an increase of 16.9% vs. 3Q21 (+52.5% vs. 3Q19). In 9M22, Gross Revenue totaled R\$441.1 million, an increase of 21.7% (+72.5% vs. 9M19). The net interest-bearing portfolio (originating from VerdeCard cards) at the end of the period was R\$657.0 million, an increase of 17.9% compared to 3Q21 (51.7% vs. 3Q19). Financial services revenue was higher than the growth in retail revenue as a result of (i) the gradual increase in the share of the VerdeCard card in purchases in our stores (on-us), although still below 2019 levels, and (ii) transfer the increase in interest rates that partially offset the higher cost of capital of the financial operation.

The overdue on the VerdeCard portfolio<sup>1</sup> remained at a controlled level at 11.8% at the end of September, after historically low levels in 2020 and 2021. The Company's conservative approach to credit, combined with improvements in concession and collection operations, allowed the delinquency indicators to be kept under control, even in a more challenging economic scenario when compared to the pre-pandemic period.



The Credit Card activity posted revenue growth of 2.4% in 3Q22 (10.4% vs. 3Q19) and 6.1% in 9M22 (15.8% vs. 9M19). The volume transacted with the Quero-Quero VerdeCard card in our stores was 6.4% higher compared to 3Q21 (42.8% vs. 7% vs. 3Q19). As in recent quarters, these data show a greater demand for credit, both due to the increased use of the card at affiliated locations (off-us) and within our stores (on-us).



<sup>1</sup> VerdeCard interest-bearing (FIDC and Partnerships) and interest-free gross portfolio over 90 days past due, divided by the VerdeCard interest-bearing (FIDC and Partnerships) and interest-free gross portfolio up to 360 days past due, end of the month balance.

## Net Operating Revenue

Net Operating Revenue totaled R\$601.2 million in 3Q22, compared to R\$538.7 million in the same quarter of the previous year, an increase of 11.6% (72.3% vs. 3Q19). In 9M22, it totaled R\$1,697.6 million, an increase of 15.5% compared to the same period in 2021 (78.1% vs. 9M19).

The portion of Net Operating Revenue referring to the Sale of Goods totaled R\$432.9 million in 3Q22, up 9.9% (84.1% vs. 3Q19). The portion referring to revenue from Services rendered totaled R\$168.3 million in 3Q22, 16.3% higher (48.0% vs. 3Q19). We highlight that this growth in Net Operating Revenue from the Sale of Goods above the growth in Gross Revenue, Net of Returns and Rebates (9.9% vs. 0.2%) is due to the effect of the reduction in Taxes on Sales of Goods arising from the adoption of ROT ST in the state of RS as of 1Q22, as previously disclosed. Due to this effect, Net Operating Revenue for this quarter is not directly comparable to 2021.

## Gross Profit

The Company ended 3Q22 with R\$189.0 million in Gross Profit, 8.9% lower (+34.6% vs. 3Q19). In 9M22, Gross Profit totaled R\$561.2 million, 3.0% lower than the same period in 2021 (+49.3% vs. 9M19).

Due to accounting changes arising from new tax rules, in our view, the best margin comparison is through gross margin over Gross Revenue, Net of Returns and Rebates. In this criterion, the consolidated margin was 27.3% in the quarter compared to the margin of 31.0% in 3Q21 and 29.9% in 2Q22. The retail margin over Gross Revenue, Net of Returns and Rebates was 21.6%, below previous levels (23.1% in 3Q21 and 22.4% in 3Q19).

In this quarter specifically, given the fiercer and more promotional competitive scenario, a pricing strategy focused on more promotions and discounts was put in place, with the objective of stimulating sales. However, given the lower-than-expected return on sales leverage, we decided to gradually return to our previous pricing strategy.

The financial services and credit card margin over Gross Revenue, Net of Returns and Rebates was 44.5% in 3Q22 compared to 58.5% in 3Q21, and 50.7% in 2Q22. As of 3Q21, we observed a pressure on the financial services and credit card margin due to the increase in the Selic rate reflected in the cost of funding and the gradual recovery of delinquency to historical levels of the loan portfolio. Following the market trend, financial products rates were adjusted during the second half of last year to partially balance the higher cost of capital, which explains the above-average increase in revenue for the Company (Financial Services revenue grew 16.9% in the quarter).

In order to facilitate the analysis between quarters and for greater comparability, we have included in our statements the margins using the Gross Revenue, Net of Returns and Rebates.

(In %)	3Q22	3Q21	% 3Q22 vs 3Q21	3Q19	% 3Q22 vs 3Q19	9M22	9M21	% 9M22 vs 9M21	9M19	% 9M22 vs 9M19
<b>Margins (% of Net Revenue)</b>										
Gross Margin (% Net Revenue)	31.4%	38.5%	(7.1p.p.)	40.2%	(8.8p.p.)	33.1%	39.3%	(6.3p.p.)	39.4%	(6.4p.p.)
Gross Margin - Goods sold (% Net Revenue)	25.9%	30.4%	(4.5p.p.)	30.1%	(4.2p.p.)	26.9%	30.8%	(3.8p.p.)	31.1%	(4.1p.p.)
Gross Margin - Services provided (% Net Revenue)	45.6%	60.6%	(15.0p.p.)	61.2%	(15.6p.p.)	48.5%	62.5%	(13.9p.p.)	58.4%	(9.8p.p.)
EBITDA Margin (% Net Revenue)	7.2%	12.4%	(5.2p.p.)	13.8%	(6.6p.p.)	7.8%	12.4%	(4.6p.p.)	11.9%	(4.1p.p.)
Adjusted EBITDA Margin (% Net Revenue)	3.4%	9.3%	(5.9p.p.)	10.3%	(6.9p.p.)	4.0%	9.3%	(5.2p.p.)	8.3%	(4.2p.p.)
Net Margin (% Net Revenue)	(1.3%)	2.9%	(4.2p.p.)	3.8%	(5.1p.p.)	(1.3%)	2.9%	(4.2p.p.)	1.5%	(2.8p.p.)
Adjusted Net Margin ex-SOP & ex-IFRS16 (% Net Revenue)	(0.5%)	3.8%	(4.4p.p.)	3.9%	(4.5p.p.)	(0.5%)	3.9%	(4.4p.p.)	1.7%	(2.2p.p.)
<b>Margins (% Gross Revenue)</b>										
Gross Margin (% Gross Revenue) <sup>1</sup>	27.3%	31.0%	(3.7p.p.)	32.4%	(5.1p.p.)	29.2%	31.7%	(2.5p.p.)	32.3%	(3.0p.p.)
Gross Margin Retail (% Gross Revenue) <sup>2</sup>	21.6%	23.1%	(1.5p.p.)	22.4%	(0.8p.p.)	23.0%	23.4%	(0.4p.p.)	23.8%	(0.8p.p.)
Gross Margin Financial Services & Credit Card (% Gross Revenue)	44.5%	58.5%	(14.0p.p.)	59.2%	(14.7p.p.)	47.3%	60.2%	(12.9p.p.)	56.5%	(9.2p.p.)
EBITDA Margin (% Gross Revenue)	6.2%	10.0%	(3.8p.p.)	11.1%	(4.9p.p.)	6.9%	10.0%	(3.1p.p.)	9.7%	(2.8p.p.)
Adjusted EBITDA Margin (% Gross Revenue)	2.9%	7.5%	(4.5p.p.)	8.3%	(5.4p.p.)	3.6%	7.5%	(3.9p.p.)	6.8%	(3.2p.p.)
Net Margin (% Gross Revenue)	(1.1%)	2.3%	(3.4p.p.)	3.1%	(4.2p.p.)	(1.2%)	2.4%	(3.5p.p.)	1.2%	(2.4p.p.)
Adjusted Net Margin ex-SOP & ex-IFRS16 (% Gross Revenue)	(0.5%)	3.1%	(3.6p.p.)	3.2%	(3.6p.p.)	(0.5%)	3.1%	(3.6p.p.)	1.4%	(1.8p.p.)

<sup>1</sup>Gross Margin = Gross Profit/Gross Revenue, Net of Returns and Rebates. Used to maintain revenue comparability due to tax changes.

<sup>2</sup>Retail Gross Margin = Gross Profit from Sales of Goods/Gross Revenue, Net of Returns and Rebates from the Retail business activity.

<sup>3</sup>Financial Services and Credit Card Gross Margin = Gross Profit from Services Provided / (Gross Revenue, Net of Returns and Rebates from the Financial Services business activity + Gross Revenue, Net of Returns and Rebates from the Credit Card business activity) .

## Operational Expenses

In 3Q22, Operating Expenses totaled R\$173.2 million in the quarter, up 6.8% (65.2% vs. 3Q19), and R\$505.9 million in 9M22, up 10.8% (69.2% vs. 9M19).

Operating Expenses (R\$ million)	3Q22	3Q21	% 3Q22 vs 3Q21	3Q19	% 3Q22 vs 3Q19	9M22	9M21	% 9M22 vs 9M21	9M19	% 9M22 vs 9M19
Operational expenses	(173.2)	(162.2)	(6.8%)	(104.9)	(65.2%)	(505.9)	(456.5)	(10.8%)	(299.0)	(69.2%)
Selling expenses	(120.3)	(111.1)	(8.3%)	(72.1)	(66.9%)	(348.2)	(310.4)	(12.2%)	(204.6)	(70.1%)
General and administrative expenses	(53.8)	(49.9)	(7.8%)	(31.4)	(71.4%)	(157.2)	(137.8)	(14.1%)	(90.0)	(74.8%)
Other operating expenses, net	0.8	(1.3)	N/A	(1.4)	N/A	(0.6)	(8.3)	93.2%	(4.4)	87.1%

**Selling Expenses:** increase of 8.3% in the quarter compared to the same period of the previous year. This performance is lower than the 15.7% increase in the store base (69 new stores compared to 3Q21) and evidences our efforts to control expenses to adapt its operation to the current scenario. The variable nature of part of the expenses within the operating model, the price renegotiation initiatives with suppliers in order to avoid the full pass-through of inflation in contractual readjustments and the cuts in non-essential expenses allowed us to control expenses, in line with our pillars operational.

**General and Administrative Expenses:** increase of 7.8% in the quarter compared to the same period of the previous year. As of this quarter, investments related to the opening of distribution centers carried out in 2021, which had been distorting the basis of comparison in recent quarters, became comparable. As a result, expenses with the Figital platform, which still impact the growth in 3Q22, had a nominal increase of R\$ 1.2 million in the quarter compared to the previous year. Disregarding these investments, the evolution of general and administrative expenses was lower than the inflation of the period (5.4% vs. 7.2% considering the IPCA of September accumulated in the last twelve months).

**Other operating expenses, net:** positive balance of R\$0.8 million in 3Q22, compared to expenses of R\$1.3 million in 3Q21.

## Financial Result

In the third quarter of 2022, the Net Financial Result was an expense of R\$26.9 million, 40.9% higher than in 3Q21. The performance reflects (i) the impact of IFRS-16 due to the company's pace of expansion, (ii) higher discount rate given the recent slope of long-term interest rates in

Brazil, which increases the adjustment to present value of the accounts of the balance sheet and (iii) the increase in the cost of debt in line with the increase in the interest rate.

Finance income (R\$ million)	3Q22	3Q21	% 3Q22 vs 3Q21	3Q19	% 3Q22 vs 3Q19	9M22	9M21	% 9M22 vs 9M21	9M19	% 9M22 vs 9M19
Finance income (costs), net	(26.9)	(19.1)	(40.9%)	(14.4)	(87.4%)	(84.5)	(50.5)	(67.3%)	(51.6)	(63.8%)
Finance costs	(40.3)	(49.9)	19.1%	(18.6)	(117.0%)	(120.3)	(87.9)	(36.9%)	(63.9)	(88.2%)
Finance income	13.4	30.7	(56.4%)	4.2	218.0%	35.8	37.4	(4.0%)	12.3	190.3%

## Net Income

The Company recorded an Adjusted Net Loss (excluding the effect of the Stock Option Plan and the effect of the adoption of IFRS-16) of R\$3.2 million in 3Q22, and a Net Loss of R\$7.6 million. In 9M22, the Company recorded an Adjusted Net Loss of R\$9.1 million, and a Net Book Loss of R\$22.3 million.

In 3Q22, the Company's Net Income (Loss) was influenced by (i) higher interest rates and higher inflation, which impact consumer purchasing power and Company costs, (ii) the competitive scenario, which resulted in a more promotional strategy by the Company, and (iii) the additional investments made over the past year that are still in the maturation phase and, therefore, distort the comparison between the periods.

Adjusted Net Profit Reconciliation (\$ million)	3Q22	3Q21	% 3Q22 vs 3Q21	3Q19	% 3Q22 vs 3Q19	9M22	9M21	% 9M22 vs 9M21	9M19	% 9M22 vs 9M19
Profit (Loss) for the period	(7.6)	15.6	N/A	13.3	(157.3%)	(22.3)	43.1	N/A	14.2	N/A
Net Margin (% Net Revenue)	(1.3%)	2.9%	(4.2)p.p.	3.8%	(5.1)p.p.	(1.3%)	2.9%	(4.2)p.p.	1.5%	(2.8)p.p.
Net Margin (% Gross Revenue)	(1.1%)	2.3%	(3.4)p.p.	3.1%	(4.2)p.p.	(1.2%)	2.4%	(3.5)p.p.	1.2%	(2.4)p.p.
(+) Stock Option Plan (SOP)	2.2	3.0	(26.5%)	-	-	7.3	8.7	(16.5%)	-	-
(+) Impact of the IFRS16/CPC06's adoption	2.3	2.2	3.1%	0.4	441.9%	5.935	5.136	15.6%	1.569	278.3%
(=) Adjusted Profit (Loss) ex-SOP and ex-IFRS16	(3.2)	20.7	N/A	13.8	(123.1%)	(9.1)	57.0	N/A	15.8	N/A
Adjusted Net Margin ex-SOP and ex-IFRS16 (% Net Revenue)	(0.5%)	3.8%	(4.4)p.p.	3.9%	(4.5)p.p.	(0.5%)	3.9%	(4.4)p.p.	1.7%	(2.2)p.p.
Adjusted Net Margin ex-SOP and ex-IFRS16 (% Gross Revenue)	(0.5%)	3.1%	(3.6)p.p.	3.2%	(3.6)p.p.	(0.5%)	3.1%	(3.6)p.p.	1.4%	(1.8)p.p.

## EBITDA and Adjusted EBITDA

EBITDA totaled R\$43.1 million in 3Q22, with a reduction of 35.4% in the quarter. In 9M22, it totaled R\$132.5 million, with a decrease of 27.1% (+17.2% vs. 9M19). Adjusted EBITDA totaled R\$20.4 million in the quarter, down 59.2%, and R\$68.5 million in 9M22, down 49.7% (-13.0% vs. 9M19).

EBITDA as a % of RBLD was 6.2% in 3Q22, while Adjusted EBITDA Margin (% of RBLD) was 2.9% in 3Q22. The EBITDA margin as a % of Net Operating Revenue reflects the adoption of the ROT ST in RS in 2022 and as previously highlighted, the results are not comparable.

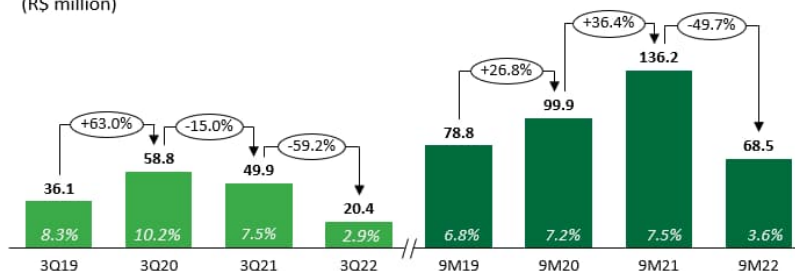
EBITDA and Adjusted EBITDA decreased in relation to the previous year due to (i) the slowdown in sales, partially offset by the good control of expenses; (ii) pressure on gross margin, given the more competitive scenario and higher interest rates; and (iii) the investments made in expansion, with the acceleration of the pace of opening of new stores and the opening of two new distribution centers, as well as the investments made in the Digital project.



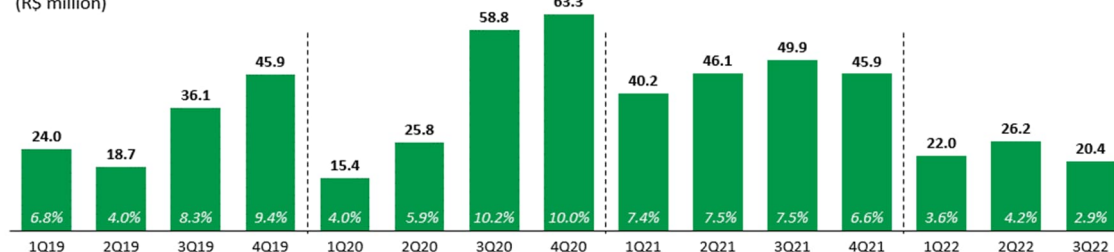
EBITDA and Adjusted EBITDA reconciliation (R\$ million)	3Q22	3Q21	% 3Q22 vs 3Q21	3Q19	% 3Q22 vs 3Q19	9M22	9M21	% 9M22 vs 9M21	9M19	% 9M22 vs 9M19
Profit for the period	(7.6)	15.6	N/A	13.3	N/A	(22.3)	43.1	N/A	14.2	N/A
(+) Income tax and social contribution	(3.6)	10.4	N/A	7.8	N/A	(7.0)	28.3	N/A	11.2	N/A
(+) Finance income (costs), net	26.9	19.1	40.9%	14.4	87.4%	84.5	50.5	67.3%	51.6	63.8%
(+) Depreciation and Amortization	27.3	21.6	26.7%	12.5	118.2%	77.3	59.7	29.5%	36.1	114.2%
(=) EBITDA	43.1	66.6	(35.4%)	48.0	(10.4%)	132.5	181.7	(27.1%)	113.0	17.2%
EBITDA Margin (% Net Revenue)	7.2%	12.4%	(5.2)p.p.	13.8%	(6.6)p.p.	7.8%	12.4%	(4.6)p.p.	11.9%	(4.1)p.p.
EBITDA Margin (% Gross Revenue)	6.2%	10.0%	(3.8)p.p.	11.1%	(4.9)p.p.	6.9%	10.0%	(3.1)p.p.	9.7%	(2.8)p.p.
(+) Stock Option Plan (SOP)	2.2	3.0	(26.5%)	-	-	7.3	8.7	(16.5%)	-	-
(-) Impact of the adoption of IFRS16 / CPC06	(24.9)	(19.7)	(26.2%)	(12.0)	(107.7%)	(71.3)	(54.2)	(31.6%)	(34.3)	(108.0%)
(=) Adjusted EBITDA	20.4	49.9	(59.2%)	36.1	(43.5%)	68.5	136.2	(49.7%)	78.8	(13.0%)
Adjusted EBITDA Margin (% Net Revenue)	3.4%	9.3%	(5.9)p.p.	10.3%	(6.9)p.p.	4.0%	9.3%	(5.2)p.p.	8.3%	(4.2)p.p.
Adjusted EBITDA Margin (% Gross Revenue)	2.9%	7.5%	(4.5)p.p.	8.3%	(5.4)p.p.	3.6%	7.5%	(3.9)p.p.	6.8%	(3.2)p.p.

Adjusted EBITDA represents a non-accounting measurement prepared by the Company that corresponds to EBITDA plus non-recurring or non-operating items, less the impact of IFRS16/CPC06 (R2) (Technical Pronouncement CPC 06 (R2) - Leases) adopted in 2019

### Adjusted EBITDA and EBITDA Adjusted Margin (R\$ million)



### Adjusted EBITDA and Adjusted EBITDA Margin (R\$ million)



For comparison purposes, the margin shown in the chart above is calculated using Gross Revenue Net of Returns as a basis.

## Adjusted Net Debt

As of September 30, 2022, the Company's Adjusted Net Debt was R\$196.4 million, a sequential improvement over the previous quarter, which recorded Adjusted Net Debt of R\$230.9 million. The improvement is mainly attributed to the readjustment of the level of inventories and suppliers that has been carried out since the beginning of the year. Over the past year, we made investments in working capital to support long-term growth and improve the level of service, given the difficulties encountered in the supply chain. The financial leverage indicator, Adjusted Net Debt divided by the Adjusted EBITDA of the last twelve months, was 1.7x.

Net Debt and Adjusted Net Debt (R\$ million)	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	4Q19	3Q19
Borrowings and financing	338.6	364.0	393.8	267.8	299.6	333.1	319.9	375.7	402.9	416.2	393.3	336.0	268.1
Current	99.9	102.1	111.8	109.5	118.7	124.9	139.3	167.9	167.8	156.4	121.1	69.2	96.7
No Current	238.7	261.9	282.0	158.3	180.9	208.3	180.6	207.8	235.0	259.8	272.2	266.8	171.3
(-) Cash and Financial Investments	(418.8)	(212.6)	(223.6)	(341.2)	(448.6)	(546.3)	(286.4)	(507.0)	(629.7)	(295.4)	(190.7)	(270.3)	(187.4)
Cash and cash equivalents	(340.9)	(142.4)	(156.3)	(256.4)	(365.7)	(474.1)	(254.4)	(475.4)	(598.0)	(263.9)	(173.3)	(240.3)	(152.6)
Short-term investments	(77.9)	(70.2)	(67.3)	(84.9)	(82.8)	(72.2)	(31.9)	(31.5)	(31.7)	(31.5)	(17.4)	(30.0)	(34.8)
Net debt	(80.1)	151.5	170.2	(73.4)	(149.0)	(213.2)	33.5	(131.2)	(226.8)	120.8	202.6	65.7	80.6
(+) Cash and Financial Investments FIDC	276.5	79.4	96.5	146.1	302.8	323.7	63.5	40.2	67.6	64.0	41.4	29.9	98.7
Cash and cash equivalents FIDC	206.4	16.3	35.2	67.1	225.4	256.9	37.3	14.1	41.6	38.0	29.3	1.9	65.9
Short-term investments FIDC	70.2	63.1	61.3	79.0	77.4	66.8	26.3	26.1	26.0	26.1	12.2	27.9	32.8
Adjusted Net Debt	196.4	230.9	266.6	72.7	153.9	110.6	97.0	(91.0)	(159.2)	184.9	244.0	95.6	179.4
Adjusted Net Debt / Adjusted EBITDA LTM	1.7	1.6	1.6	0.4	0.8	0.5	0.5	(0.6)	(1.1)	1.5	2.0	0.7	1.6

## Investments

In 3Q22, the Company's investments totaled R\$19.9 million, including store openings, project implementation, investments in logistics and IT. In this quarter, 16 new stores were opened, compared to 19 stores in 3Q21 and 16 stores in 2Q20. We also concluded the transformation of 6 existing stores, which were transformed to the Mais Construção I, II and III models.

Investments (R\$ million)	3Q22	3Q21	% 3Q22 vs 3Q21	3Q19	% 3Q22 vs 3Q19	9M22	9M21	% 9M22 vs 9M21	9M19	% 9M22 vs 9M19
New stores	5.7	6.2	(8.1%)	4.7	19.4%	16.9	15.9	6.0%	10.5	61.2%
Store Renovations and Projects	3.2	5.3	(39.8%)	3.7	(13.1%)	8.9	12.7	(29.9%)	9.1	(2.6%)
Logistics, IT and Others	4.6	13.6	(66.1%)	4.3	6.4%	25.5	32.7	(22.0%)	13.3	91.3%
<b>Total Investments</b>	<b>13.5</b>	<b>25.1</b>	<b>(46.3%)</b>	<b>12.8</b>	<b>5.6%</b>	<b>51.2</b>	<b>61.2</b>	<b>(16.4%)</b>	<b>32.9</b>	<b>55.7%</b>

## ABOUT QUERO-QUERO

Company founded in 1967, in the city of Santo Cristo, in the interior of Rio Grande do Sul.

Lojas Quero-Quero is the largest retailer specializing in construction materials in Brazil in terms of number of stores, totaling 509 stores in Rio Grande do Sul, Santa Catarina, Paraná, Mato Grosso do Sul and São Paulo. The Company offers its customers a complete solution in building materials, complemented by home appliances and furniture. In addition, it offers financial services through the VerdeCard credit card.



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

## Lojas Quero-Quero S.A.

Balance sheets

September 30, 2022

(In thousands of reais)

Assets	Notes	Parent		Consolidated	
		09/30/22	12/31/21	09/30/22	12/31/21
<b>Current</b>					
Cash and cash equivalents	6	9,720	117,335	340,867	256,351
Short-term investments	7	7,725	5,849	77,910	84,889
Trade accounts receivable	8	156,479	150,272	843,817	833,144
Inventories	10	460,969	457,978	460,969	457,978
Recoverable taxes	11	101,677	139,567	108,863	143,529
Prepaid expenses		4,966	4,694	3,929	3,446
Other receivables	13	26,243	33,203	30,177	43,720
<b>Total current assets</b>		<b>767,779</b>	<b>908,898</b>	<b>1,866,532</b>	<b>1,823,057</b>
<b>Noncurrent</b>					
<b>Long-term assets</b>					
Trade accounts receivable	8	940	16	60,773	34,665
Deferred income tax and social contribution	12	141,583	127,039	145,478	133,455
Recoverable taxes	11	29,300	49,427	29,300	49,427
Judicial deposits		16,941	13,294	17,614	13,898
Prepaid expenses		2,701	2,496	3	4
Other receivables	13	157	487	158	490
FIDC Verdecard	9	222,746	236,964	-	-
<b>Total long-term assets</b>		<b>414,368</b>	<b>429,723</b>	<b>253,326</b>	<b>231,939</b>
Investments	15	68,757	63,303	-	-
Property and equipment	16	656,969	587,619	656,978	587,631
Intangible assets	17	30,242	27,532	54,373	49,443
<b>Total noncurrent assets</b>		<b>1,170,336</b>	<b>1,108,177</b>	<b>964,677</b>	<b>869,013</b>
<b>Total assets</b>		<b>1,938,115</b>	<b>2,017,075</b>	<b>2,831,209</b>	<b>2,692,070</b>

See accompanying notes.

Liabilities and equity	Notes	Parent		Consolidated	
		09/30/22	12/31/21	09/30/22	12/31/21
<b>Current</b>					
Trade accounts payable	18	300,217	434,477	300,217	434,477
Trade accounts payable - agreement	18	-	41,324	-	41,324
Loans and financing	19	99,891	109,494	99,891	109,494
Senior shares - FIDC Verdecard	9	-	-	165,962	132,122
Lease liabilities	31	64,262	57,991	64,262	57,991
Payables to accredited establishments	30	-	-	155,542	147,685
Taxes and contributions payable	22	11,236	19,310	12,686	20,176
Payroll and vacation payable		77,313	71,591	83,077	75,491
Deferred revenue		78	78	78	78
Dividends payable		-	15,122	-	15,122
Onlending		14,563	16,548	14,563	16,548
Other payables	23	69,543	65,921	83,309	76,098
<b>Total current liabilities</b>		<b>637,103</b>	<b>831,856</b>	<b>979,587</b>	<b>1,126,606</b>
<b>Noncurrent</b>					
Loans and financing	19	238,749	158,314	238,749	158,314
Senior shares - FIDC Verdecard	9	-	-	548,674	378,320
Accounts payable for investment acquisition	20	20,119	18,476	20,119	18,476
Deferred revenue		98	157	98	157
Lease liabilities	31	450,111	395,479	450,111	395,479
Provision for tax, labor and civil contingencies	21	22,609	23,131	24,545	25,056
Other payables	23	48,957	48,153	48,957	48,153
<b>Total noncurrent liabilities</b>		<b>780,643</b>	<b>643,710</b>	<b>1,331,253</b>	<b>1,023,955</b>
<b>Equity</b>					
Capital	24	450,563	450,563	450,563	450,563
Capital reserve	24	(8,288)	(15,548)	(8,288)	(15,548)
Legal reserve		7,227	7,227	7,227	7,227
Tax incentive reserve		11,243	11,243	11,243	11,243
Income reserve		81,896	88,024	81,896	88,024
Accumulated losses		(22,272)	-	(22,272)	-
<b>Total equity</b>		<b>520,369</b>	<b>541,509</b>	<b>520,369</b>	<b>541,509</b>
<b>Total liabilities and equity</b>		<b>1,938,115</b>	<b>2,017,075</b>	<b>2,831,209</b>	<b>2,692,070</b>

## Lojas Quero-Quero S.A.

### Statements of profit or loss

Three and nine-month periods ended September 30, 2022 and 2021

(In thousands of reais)

		Parent		Consolidated	
		Nine-month period ended			
	Notes	09/30/22	09/30/21	09/30/22	09/30/21
Operating revenue, net	25	1,268,597	1,128,699	1,697,586	1,470,241
Goods sold		1,215,201	1,071,954	1,215,201	1,071,954
Services rendered		53,396	56,745	482,385	398,287
Cost of goods sold and services rendered	26 and 28	(898,034)	(749,711)	(1,136,378)	(891,765)
Gross profit		370,563	378,988	561,208	578,476
Operating income (expenses)					
Selling expenses	28	(344,760)	(305,172)	(348,160)	(310,394)
General and administrative expenses	28	(91,977)	(80,612)	(157,220)	(137,802)
Share of income (loss) of subsidiaries	15	11,826	7,401	-	-
Other operating income (expenses), net	27 and 28	574	(7,721)	(563)	(8,280)
		(424,337)	(386,104)	(505,943)	(456,476)
Operating income (loss) before finance income (costs)		(53,774)	(7,116)	55,265	122,000
Finance income (costs), net					
Finance costs	29	(118,597)	(86,821)	(120,329)	(87,865)
Finance income	29	135,555	160,064	35,841	37,353
Total finance income (costs), net		16,958	73,243	(84,488)	(50,512)
Income (loss) before income tax and social contribution		(36,816)	66,127	(29,223)	71,488
Current income tax and social contribution	12	-	(16,301)	(5,072)	(20,322)
Deferred income tax and social contribution	12	14,544	(6,677)	12,023	(8,017)
Net income (loss) for the period		(22,272)	43,149	(22,272)	43,149
Attributable to:					
Controlling shareholders		(22,272)	43,149	(22,272)	43,149
Earnings (loss) per share					
Basic		(0.11892)	0.23039	(0.11892)	0.23039
Diluted		(0.11892)	0.22857	(0.11892)	0.22857

See accompanying notes.

## Lojas Quero-Quero S.A.

Statements of profit or loss (Continued)

Three and nine-month periods ended September 30, 2022 and 2021

(In thousands of reais)

		Parent		Consolidated	
		Three-month period ended			
	Notes	09/30/22	09/30/21	09/30/22	09/30/21
Operating revenue, net	25	454,576	412,245	601,180	538,667
Goods sold		432,925	394,051	432,925	394,051
Services rendered		21,651	18,194	168,255	144,616
Cost of goods sold and services rendered	26 and 28	(323,789)	(276,816)	(412,214)	(331,334)
Gross profit		130,787	135,429	188,966	207,333
Operating income (expenses)					
Selling expenses	28	(119,573)	(109,606)	(120,283)	(111,113)
General and administrative expenses	28	(29,594)	(28,861)	(53,779)	(49,868)
Share of income (loss) of subsidiaries	15	4,347	2,013	-	-
Other operating income (expenses), net	27 and 28	415	(900)	838	(1,261)
		(144,405)	(137,354)	(173,224)	(162,242)
Operating income (loss) before finance income (costs)		(13,618)	(1,925)	15,742	45,091
Finance income (costs), net					
Finance costs	29	(39,964)	(49,448)	(40,341)	(49,850)
Finance income	29	39,518	74,950	13,408	30,733
Total finance income (costs), net		(446)	25,502	(26,933)	(19,117)
Income (loss) before income tax and social contribution		(14,064)	23,577	(11,191)	25,974
Current income tax and social contribution	12	-	(7,900)	(1,918)	(9,778)
Deferred income tax and social contribution	12	6,424	(126)	5,469	(645)
Net income (loss) for the period		(7,640)	15,551	(7,640)	15,551
Attributable to:					
Controlling shareholders		(7,640)	15,551	(7,640)	15,551
Earnings (loss) per share					
Basic		(0.04079)	0.08303	(0.04079)	0.08303
Diluted		(0.04080)	0.08238	(0.04080)	0.08238

See accompanying notes.

## Lojas Quero-Quero S.A.

Statements of comprehensive income (loss)

Three and nine-month periods ended September 30, 2022 and 2021

(In thousands of reais)

	Parent		Consolidated	
	Nine-month period ended			
	09/30/22	09/30/21	09/30/22	09/30/21
Net income (loss) for the period	(22,272)	43,149	(22,272)	43,149
<b>Total comprehensive income (loss)</b>				
<b>attributable to shareholders of Lojas Quero-Quero S.A.</b>	<b>(22,272)</b>	<b>43,149</b>	<b>(22,272)</b>	<b>43,149</b>

	Parent		Consolidated	
	Three-month period ended			
	09/30/22	09/30/21	09/30/22	09/30/21
Net income (loss) for the period	(7,640)	15,551	(7,640)	15,551
<b>Total comprehensive income (loss)</b>				
<b>attributable to shareholders of Lojas Quero-Quero S.A.</b>	<b>(7,640)</b>	<b>15,551</b>	<b>(7,640)</b>	<b>15,551</b>

See accompanying notes.

## Lojas Quero-Quero S.A.

Statements of changes in equity  
 Nine-month periods ended September 30, 2022 and 2021  
 (In thousands of reais)

	Capital reserves					Income reserve			Retained earnings (accumulated losses)	Total equity
	Capital	Capital reserve	Stock option plan reserve	Share issue costs	Legal reserve	Tax incentive reserve	Income reserve	Additional dividends proposed	Investment and expansion reserve	
<b>Balances at January 1, 2021</b>	<b>450,563</b>	<b>592</b>	<b>4,503</b>	<b>(31,470)</b>	<b>3,816</b>	<b>6,916</b>	<b>44,407</b>	-	-	<b>479,327</b>
Share issue costs	-	-	-	(200)	-	-	-	-	-	(200)
Stock option plan	-	-	8,696	-	-	-	-	-	-	8,696
Income for the period	-	-	-	-	-	-	-	-	43,149	43,149
<b>Balances at September 30, 2021</b>	<b>450,563</b>	<b>592</b>	<b>13,199</b>	<b>(31,670)</b>	<b>3,816</b>	<b>6,916</b>	<b>44,407</b>	-	-	<b>530,972</b>
<b>Balances at January 1, 2022</b>	<b>450,563</b>	<b>592</b>	<b>15,530</b>	<b>(31,670)</b>	<b>7,227</b>	<b>11,243</b>	<b>44,407</b>	<b>6,128</b>	<b>37,489</b>	<b>541,509</b>
Stock option plan	-	-	7,260	-	-	-	-	-	-	7,260
Loss for the period	-	-	-	-	-	-	-	-	-	(22,272)
Setup of investment and expansion reserve	-	-	-	-	-	-	(44,407)	-	44,407	-
Allocation of income:	-	-	-	-	-	-	-	(6,128)	-	(6,128)
Dividend and interest on equity	-	-	-	-	-	-	-	(6,128)	-	(6,128)
<b>Balances at September 30, 2022</b>	<b>450,563</b>	<b>592</b>	<b>22,790</b>	<b>(31,670)</b>	<b>7,227</b>	<b>11,243</b>	<b>-</b>	<b>-</b>	<b>81,896</b>	<b>520,369</b>

See accompanying notes.

## Lojas Quero-Quero S.A.

Statements of cash flows - Indirect method  
 Nine-month periods ended September 30, 2022 and 2021  
 (In thousands of reais)

Notes	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Cash flows from operating activities</b>				
Income (loss) for the period	(22,272)	43,149	(22,272)	43,149
<b>Adjustments to reconcile income (loss) for the period to cash and cash equivalents used in operating activities:</b>				
Depreciation and amortization	16 and 17	75,171	58,062	77,266
Reversal of tax credits - depreciation and amortization		3,237	2,442	3,237
Tax credits - lease liabilities	31	1,445	969	1,445
Allowance for expected credit losses		479	753	31,244
Share of income (loss) of subsidiaries	15	(11,826)	(7,401)	-
Gain on disposal and/or cost of property and equipment and intangible assets written off	27	(385)	-	(385)
Financial charges on accounts payable for investment acquisition	20	1,643	446	1,643
Financial charges on loans and financing	19	38,150	16,024	38,150
Adjustment to present value of lease liabilities	31	30,430	21,843	30,430
Stock option plan		7,260	8,696	7,260
Provision for tax, labor and civil contingencies	27	(293)	(5,540)	(280)
Provision for inventory losses	10	650	514	650
Allocation of deferred revenue		(59)	(1,195)	(59)
Deferred income tax and social contribution	12	(14,544)	6,677	(12,023)
<b>Adjusted income</b>		<b>109,086</b>	<b>145,439</b>	<b>156,306</b>
<b>Net cash from (used in) operating activities</b>				
		<b>(6,215)</b>	<b>(134,913)</b>	<b>189,869</b>
<b>Cash flows from investing activities</b>				
Short-term investments		(1,876)	(34)	6,979
Acquisition of property and equipment	16	(39,263)	(48,301)	(39,263)
Proceeds from the sale of property and equipment and intangible assets		612	-	612
Additions to intangible assets	17	(3,503)	(5,524)	(7,815)
Dividends and interest on equity received		8,496	16,211	-
<b>Net cash used in investing activities</b>		<b>(35,534)</b>	<b>(37,648)</b>	<b>(39,487)</b>
				<b>(109,110)</b>

## Lojas Quero-Quero S.A.

Statements of cash flows - indirect method (Continued)  
 Nine-month periods ended September 30, 2022 and 2021  
 (In thousands of reais)

	Notes	Parent		Consolidated	
		09/30/22	09/30/21	09/30/22	09/30/21
<b>Cash flows from financing activities</b>					
Share issue costs		-	(200)	-	(200)
Dividends and interest on equity paid		(21,250)	(15,123)	(21,250)	(15,123)
Financing raising - third parties	19	150,000	30,000	150,000	30,000
Payment of interest on financing and intercompany loans	19	(28,778)	(18,699)	(28,778)	(18,699)
Payment of principal of financing	19	(88,540)	(103,465)	(88,540)	(103,465)
Payment of lease liabilities		(77,298)	(58,523)	(77,298)	(58,523)
<b>Net cash used in financing activities</b>		<b>(65,866)</b>	<b>(166,010)</b>	<b>(65,866)</b>	<b>(166,010)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>					
		<b>(107,615)</b>	<b>(338,571)</b>	<b>84,516</b>	<b>(109,706)</b>
Cash and cash equivalents at beginning of period	6	117,335	417,497	256,351	475,437
Cash and cash equivalents at end of period	6	9,720	78,926	340,867	365,731

See accompanying notes.

## Lojas Quero-Quero S.A.

Statements of value added  
Nine-month periods ended September 30, 2022 and 2021  
(In thousands of reais)

	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Revenues</b>				
Sales of goods, products and services	1,476,932	1,467,088	1,912,573	1,815,276
Other operating income	13,261	27,859	14,029	28,159
Allowance for expected credit losses, net of reversals	(479)	(753)	(31,244)	(26,168)
Losses on receivables	-	-	(65,471)	(43,559)
<b>Bought-in inputs from third parties</b>				
Costs of products, goods and services sold	(933,592)	(946,224)	(1,077,466)	(1,022,614)
Materials, energy, third-party services and other	(46,006)	(36,964)	(94,437)	(81,745)
Loss and recovery of assets	(650)	(514)	(650)	(514)
<b>Gross value added</b>	<b>509,466</b>	<b>510,492</b>	<b>657,334</b>	<b>668,835</b>
<b>Depreciation and amortization</b>	<b>(75,171)</b>	<b>(58,062)</b>	<b>(77,266)</b>	<b>(59,682)</b>
<b>Net value added produced by the Company</b>	<b>434,295</b>	<b>452,430</b>	<b>580,068</b>	<b>609,153</b>
<b>Value added received in transfer</b>				
Share of income (loss) of subsidiaries	11,826	7,401	-	-
Finance income	135,555	160,064	35,841	37,353
<b>Total value added to be distributed</b>	<b>581,676</b>	<b>619,895</b>	<b>615,909</b>	<b>646,506</b>
<b>Distribution of value added</b>				
Personnel and charges:				
Direct compensation	208,133	196,306	218,130	204,486
Benefits	23,858	23,822	26,374	25,645
Severance Pay Fund (FGTS)	18,418	15,650	19,356	16,446
	<b>250,409</b>	<b>235,778</b>	<b>263,860</b>	<b>246,577</b>
Taxes, charges and contributions:				
Federal	81,031	114,644	95,087	125,711
State	123,180	92,783	123,180	92,783
Local	4,133	3,234	5,536	4,740
	<b>208,344</b>	<b>210,661</b>	<b>223,803</b>	<b>223,234</b>
Debt remuneration:				
Interest	118,597	86,821	120,328	87,864
Rental	15,809	12,536	16,059	12,889
Other	10,789	30,950	14,131	32,793
	<b>145,195</b>	<b>130,307</b>	<b>150,518</b>	<b>133,546</b>
Equity remuneration:				
Retained profits (losses)	(22,272)	43,149	(22,272)	43,149
	<b>(22,272)</b>	<b>43,149</b>	<b>(22,272)</b>	<b>43,149</b>
<b>Value added distributed</b>	<b>581,676</b>	<b>619,895</b>	<b>615,909</b>	<b>646,506</b>

See accompanying notes.



# **Lojas Quero-Quero S.A.**

Notes to interim financial information

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

## **1. Operations**

Lojas Quero-Quero S.A. (the “Company”) is a publicly-held corporation since August 2020, listed at the Novo Mercado special segment of B3 S.A. - Brasil, Bolsa, Balcão, under ticker symbol LJQQ3, with head office in the city of Cachoeirinha, at Avenida General Flores da Cunha, 1943, Rio Grande do Sul State. It is engaged in retail trade activities in general, primarily offering building materials, household appliances and furniture, and related activities such as import, rendering of correspondent bank services and intermediation of extended warranty sales, on its own account or through subsidiaries Quero-Quero VerdeCard Instituição de Pagamento S.A. (“Verde”) and Sentinela dos Pampas - Administradora e Corretora de Seguros Ltda. (“Sentinela dos Pampas”).

The Company has entered into a non-exclusive partnership agreement with third-party financial institutions, which provide financing for interest-bearing installment purchases made by its customers, and it receives compensation from such institutions on using the customer base, channels and operational infrastructure to provide financial products based on a percentage rate calculated on income obtained, as well as to provide services involving the use of the Company’s funds.

## **2. Presentation of interim financial information**

### **2.1. Basis of preparation**

This interim financial information was prepared in accordance with the Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission (“CVM”).

The individual and consolidated interim financial information is presented in Brazilian reais (R\$), which is the Company and its subsidiaries’ functional currency, unless otherwise stated.

The individual and consolidated interim financial information was prepared based on the historical cost, except for certain financial instruments measured at their fair values. All significant information related to the interim financial information itself, and only such information, is being disclosed and corresponds to the information used to manage the Company’s operations.

## **Lojas Quero-Quero S.A.**

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### **2. Presentation of interim financial information (Continued)**

#### **2.1. Basis of preparation (Continued)**

The individual and consolidated interim financial information for the period ended September 30, 2022 has been prepared assuming that the Company will continue as a going concern, which includes the realization of assets and settlement of liabilities in the ordinary course of business.

The interim financial information for the nine-month period ended September 30, 2022 was analyzed by the Audit Committee and approved by the Company's Board of Directors on October 27, 2022.

#### **2.2. Basis of consolidation and investments in subsidiaries**

The consolidated interim financial information comprises the interim financial information of the Company and its subsidiaries Verde and Sentinela dos Pampas.

In the Company's individual interim financial information, subsidiaries' interim financial information is recognized under the equity method.

All intercompany transactions, balances, revenues and expenses are fully eliminated in the consolidated interim financial information.

The Company also consolidates the financial statements of FIDC Verdecard, since it represents a special-purpose entity whose activities are substantially conducted according to the operational and financial needs of the Company, which is exposed to most of the risks and rewards associated with the Fund, through ownership of all subordinated shares. In FIDC Verdecard consolidation process, the assets and liabilities, as well as gains and losses on transactions between the Company and FIDC Verdecard were eliminated.

### **3. Summary of significant accounting practices**

The accounting practices and calculation methods adopted in preparing this interim financial information as of September 30, 2022 are the same adopted in preparing the Company's annual financial statements for the year ended December 31, 2021.

## **Lojas Quero-Quero S.A.**

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### **3. Summary of significant accounting practices (Continued)**

In cases where there were no significant changes in the nature of the Company's book balances or policies, the information disclosed in the annual financial statements for the year ended December 31, 2021 was not fully disclosed in this interim financial information. Accordingly, this interim financial information should be read together with the annual financial statements for the year ended December 31, 2021, approved by the Company's Board of Directors on March 8, 2022.

### **4. Critical accounting judgments and sources of estimates uncertainty**

The application of accounting policies requires management to exercise judgment and make estimates, which are based on past experience and subjective risk assessment. As a result, the actual effects of estimated events could differ from estimates, thus requiring continuous reassessment.

The effects of accounting estimate reviews are recognized in the period in which estimates are reviewed, if the review affects only that period, or in subsequent periods if the review also affects future periods.

Significant assets and liabilities subject to those estimates and assumptions include the provision for impairment, allowance for expected credit losses, provision for adjustment to realizable value of inventories, deferred income tax, and provision for tax, labor and civil contingencies.

#### **4.1. COVID-19**

Since the beginning of the pandemic in 2020, the Company carries out, and updates it on a quarterly basis, an analysis of assets and liabilities subject to accounting estimates such as provision for impairment, allowance for expected credit losses, provision for adjustment to realizable value of inventories, deferred income tax, provision for civil, tax and labor contingencies and measurement of fair value of financial instruments, in addition to renewing the analyses regarding the Company's going concern. According to management's estimates and the pandemic impact monitoring, there are no effects that should be reported in the Company's individual and consolidated interim financial information, nor there are effects on the Company's continuity and/or estimates that would require changes in the conclusions on this individual and consolidated interim financial information.

The Company will continue to monitor and assess the impacts and, if necessary, it will recognize the appropriate provisions and disclosures on a timely basis.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 5. New and revised standards and interpretations

#### 5.1. New and revised standards and interpretations already issued but not yet adopted

Standard	Description	Applicable to annual reporting periods beginning on or after
Amendments to IAS 1 - Classification of liabilities as current and noncurrent	Clarifies aspects to be considered for the classification of liabilities as current or noncurrent.	01/01/2023
Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	Clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error.	01/01/2023

The Company is assessing the impacts of the amendments to standards listed above, but it does not expect any significant effects arising from their adoption.

### 6. Cash and cash equivalents

Yield	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
Cash and banks	4,514	3,144	7,980	10,431
Cash equivalents:	4,514	3,144	7,980	10,431
Interest-bearing bank account	2% to 12% of the CDI	3,244	7,528	11,715
Bank Deposit Certificates (CDB)	70% to 128% of the CDI	1,962	106,663	112,217
Financial Treasury Bills (LFT)	100% of SELIC	-	-	2,614
Repurchase agreements (a)	97% to 99% of the CDI	-	-	206,341
	5,206	114,191	332,887	245,920
<b>Total</b>	<b>9,720</b>	<b>117,335</b>	<b>340,867</b>	<b>256,351</b>

(a) This refers to repurchase agreements executed by FIDC Verdecard, in which the fund purchases government securities with a resale commitment on a defined future date, and defined profitability or pre-established remuneration parameter.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 7. Short-term investments

	Yield	Parent		Consolidated	
		09/30/22	12/31/21	09/30/22	12/31/21
Bank Deposit Certificates (CDB)	99% to 128% of the CDI	7,725	5,849	7,725	5,849
Financial Treasury Bills (LFT)	100% of SELIC	-	-	70,185	79,040
<b>Total</b>		<b>7,725</b>	<b>5,849</b>	<b>77,910</b>	<b>84,889</b>

As at September 30, 2022, short-term investments in Bank Deposit Certificate ("CDB"), in the amount of R\$7,725 (R\$5,849 as at December 31, 2021), are related to collaterals issued to ensure compliance with a private operating agreement entered into with business partners, and also according to Note 19, are used as collateral for a credit facility taken out from a financial institution. In relation to Financial Treasury Bills ("LFT"), the purpose is to ensure the return on FIDC VerdeCard's cash, with no expected immediate use, which can be redeemed in case of the fund's extraordinary cash requirement; otherwise, the investment must be held to maturity.

### 8. Trade accounts receivable and related-party receivables

	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
Credit cards - own (VerdeCard)	102,987	86,303	-	-
Credit cards- third parties (a)	36,478	34,248	36,478	34,248
Other accounts receivable - VerdeCard	-	2,124	-	-
Other credits and financing	271	183	271	183
Own financing - Stores (b)	26,478	34,578	87,415	95,264
Own financing - VerdeCard accredited establishments (c)	-	-	65,615	80,474
Receivables - FIDC VerdeCard (d)	-	-	839,848	750,368
Accounts receivable for the sale of financial products	2,974	2,074	3,338	2,335
	<b>169,188</b>	<b>159,510</b>	<b>1,032,965</b>	<b>962,872</b>
Allowance for expected credit losses	(5,850)	(5,601)	(122,456)	(91,442)
Adjustment to present value	(5,919)	(3,621)	(5,919)	(3,621)
<b>Total</b>	<b>157,419</b>	<b>150,288</b>	<b>904,590</b>	<b>867,809</b>
<b>Current</b>				
Trade accounts receivable	54,432	61,858	843,817	833,144
Related-party receivables (Note 14)	102,047	88,414	-	-
	<b>156,479</b>	<b>150,272</b>	<b>843,817</b>	<b>833,144</b>
<b>Noncurrent</b>				
Trade accounts receivable	-	3	60,773	34,665
Related-party receivables (Note 14)	940	13	-	-
	<b>940</b>	<b>16</b>	<b>60,773</b>	<b>34,665</b>

(a) This refers to financing of customer purchases made at the store chain using third-party credit cards.

(b) This refers to financing of customer purchases made at the store chain without contractual charges. In the Consolidated interim financial information, the amount of own financing - stores includes financing by Verde through VerdeCard credit card, referring to customer purchases made at the store chain. These accounts receivable have installments with maturities exceeding 12 months from the balance sheet date, which correspond to the amount of R\$18 (R\$451 as at December 31, 2021), recorded in noncurrent assets.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 8. Trade accounts receivable and related-party receivables (Continued)

- (c) This refers to financing of customer purchases made at the chain of accredited establishments using VerdeCard credit card. These accounts receivable have installments with maturities exceeding 12 months from the balance sheet date, which correspond to the amount of R\$2,415 (R\$15 as at December 31, 2021), recorded in noncurrent assets.
- (d) This refers to financing of interest-bearing customer purchases acquired by FIDC Verdecard through permanent assignment of receivables originated by third-party financial institutions, as well as to financing of non-interest-bearing customer purchases acquired by FIDC Verdecard through permanent assignment of receivables originated by Verde. These accounts receivable have installments with maturities exceeding 12 months from the balance sheet date, which correspond to the amount of R\$58,340 (R\$34,199 as at December 31, 2021), recorded in noncurrent assets. The receivables portfolio of FIDC Verdecard is disclosed as Receivables - FIDC Verdecard, while the allowance for losses on this portfolio is presented in the allowance for expected credit losses, in the Company's consolidated interim financial information.

On July 14, 2022, FIDC Verdecard issued the 7<sup>th</sup> and 8<sup>th</sup> series of senior shares amounting to R\$300,000, equivalent to 300,000 (three hundred thousand) senior shares, with three and five-year terms, respectively, and, therefore, Verde definitively assigned R\$75,000 in receivables of its own financing - stores and VerdeCard accredited establishments to FIDC Verdecard for payment of subordinated shares.

The table below shows receivables for each aging list.

	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
Falling due	160,592	147,146	825,438	796,753
Overdue within 30 days	1,877	6,073	58,784	51,258
Overdue from 31 to 60 days	614	539	25,825	21,723
Overdue from 61 to 90 days	276	308	17,763	15,293
Overdue from 91 to 180 days	523	590	37,902	30,594
Overdue from 181 to 360 days	561	526	62,508	42,923
Overdue above 360 days	4,745	4,328	4,745	4,328
<b>Total</b>	<b>169,188</b>	<b>159,510</b>	<b>1,032,965</b>	<b>962,872</b>

The Company measures the allowance for losses in an amount equivalent to the expected credit losses on realization of receivables. The expected credit losses on trade accounts receivable are estimated using an allowance matrix based on past default experience (loss history) and considers economic factors to recognize the allowance for expected credit losses. The Company adopts the criterion of provisioning 100% for receivables past due over 180 days. The table below shows the allowance amounts for each aging list.

	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
Falling due	51	115	64	119
Overdue within 30 days	62	88	4,814	3,212
Overdue from 31 to 60 days	102	121	9,876	8,444
Overdue from 61 to 90 days	77	124	9,986	8,385
Overdue from 91 to 180 days	252	299	30,463	24,031
Overdue from 181 to 360 days	561	526	62,508	42,923
Overdue above 360 days	4,745	4,328	4,745	4,328
<b>Total</b>	<b>5,850</b>	<b>5,601</b>	<b>122,456</b>	<b>91,442</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 8. Trade accounts receivable and related-party receivables (Continued)

The credit risk concentration is limited because the customer base is broad; furthermore, the Company's sales, made using VerdeCard credit card, are financed by partner financial institutions, as disclosed in Note 30.1.a.

The Company understands that the allowance model currently used for measuring expected losses is able to capture the default risks assumed by the Company, since the model already includes implicitly in its estimates the recent customer behavior, mainly related to the change caused by the COVID-19 pandemic, either in unemployment, income or payment situation. Therefore, there was no change in estimation techniques or significant assumptions made over the current reporting period.

Changes in the allowance for expected credit losses for the period were as follows:

	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Opening balance</b>	(5,601)	(4,680)	(91,442)	(56,850)
Addition to allowance, net	(249)	(810)	(96,490)	(68,583)
Write-offs	-	-	65,476	42,551
<b>Closing balance</b>	<b>(5,850)</b>	<b>(5,490)</b>	<b>(122,456)</b>	<b>(82,882)</b>

Adjustment to present value of trade accounts receivable:

	Parent and Consolidated	
	09/30/22	09/30/21
<b>Balance at beginning of period</b>	(3,621)	(582)
Adjustment to present value on installment sales and/or installment credit card	(14,771)	(6,908)
Realization of adjustment to present value	12,473	4,231
<b>Balance at end of period</b>	<b>(5,919)</b>	<b>(3,259)</b>

The Company calculated the adjustment to present value of trade accounts receivable using the monthly rate of 1.04% (0.61% as at September 30, 2021).

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 9. Receivables Investment Fund ("FIDCs")

In March 2018, the Receivables Investment Fund (FIDC Verdecard) was incorporated as a closed-end fund, the purpose of which is investing in receivables. It is governed by Resolution No. 2907 of the Central Bank of Brazil, CVM Ruling No. 356, its Regulation and other applicable laws and regulations, primarily engaged in acquiring receivables from customer purchases made using VerdeCard credit card. FIDC Verdecard will be operational for a 10-year period from the beginning of its operation, which may be extended at the discretion of the Fund's Shareholders at the Annual Shareholders' Meeting. Nevertheless, the shares will be subject to amortization over the Fund's duration period.

As at September 30, 2022, FIDC Verdecard's equity structure is broken down as follows:

Shares	Yield	(%) Fund's equity	Number of shares - 09/30/22	Share value - 09/30/22
Subordinated shares	(*)	27.87%	193,643	278,432
Senior shares - 2 <sup>nd</sup> series	CDI + 2.10% p.a.	1.58%	95,000	15,843
Senior shares - 3 <sup>rd</sup> series	IPCA + 7.00% p.a.	6.00%	120,000	59,957
Senior shares - 4 <sup>th</sup> series	CDI + 0.90% p.a.	6.12%	100,000	61,144
Senior shares - 5 <sup>th</sup> series	CDI + 1.85% p.a.	8.35%	100,000	83,382
Senior shares - 6 <sup>th</sup> series	CDI + 2.35% p.a.	20.03%	200,000	200,120
Senior shares - 7 <sup>th</sup> series	CDI + 1.40% p.a.	5.51%	55,000	55,031
Senior shares - 8 <sup>th</sup> series	CDI + 1.80% p.a.	24.54%	245,000	245,142
<b>Total</b>			<b>1,108,643</b>	<b>999,051</b>

Shares	Yield	(%) Fund's equity	Number of shares - 12/31/21	Share value - 12/31/21
Subordinated shares	(*)	36.46%	143,097	296,206
Senior shares - 2 <sup>nd</sup> series	CDI + 2.10% p.a.	4.88%	95,000	39,617
Senior shares - 3 <sup>rd</sup> series	IPCA + 7.00% p.a.	11.09%	120,000	90,122
Senior shares - 4 <sup>th</sup> series	CDI + 0.90% p.a.	10.61%	100,000	86,177
Senior shares - 5 <sup>th</sup> series	CDI + 1.85% p.a.	12.32%	100,000	100,084
Senior shares - 6 <sup>th</sup> series	CDI + 2.35% p.a.	24.64%	200,000	200,176
<b>Total</b>			<b>758,097</b>	<b>812,382</b>

(\*) The Company's exposure to the activities of FIDC VerdeCard is limited to the amount of subordinated shares subscribed; therefore, the exposure of subordinated shareholders as at September 30, 2022 is limited to the amount of R\$278,432 (R\$296,206 as at December 31, 2021). The Fund's Regulation defines that subordinated shares must represent at least 25% of the senior shares.

The Company operates as a collecting agent in the event of default in receivables, and constantly manages the FIDC Verdecard portfolio.



## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 9. Receivables Investment Fund ("FIDCs") - Continued

For the nine-month period ended September 30, 2022, FIDC Verdecard's balance sheet and statement of profit or loss are broken down as follows:

<b>Assets</b>	<b>09/30/22</b>	<b>12/31/21</b>
Cash and cash equivalents	206,351	67,063
Financial investments	70,185	79,039
Trade accounts receivable	723,242	664,526
Prepaid expenses	44	-
Other receivables	100	3,373
<b>Total assets</b>	<b>999,922</b>	<b>814,001</b>
<b>Liabilities</b>		
Accounts payable	871	1,619
Equity	999,051	812,382
<b>Total liabilities and equity</b>	<b>999,922</b>	<b>814,001</b>

<b>Statement of profit or loss for the period</b>	<b>Nine-month period ended</b>		<b>Three-month period ended</b>	
	<b>09/30/22</b>	<b>09/30/21</b>	<b>09/30/22</b>	<b>09/30/21</b>
<b>Receivables from substantial acquisition of risks and rewards</b>	<b>190,527</b>	<b>187,624</b>	<b>58,416</b>	<b>69,139</b>
Revenues (expenses)	290,102	238,727	93,876	87,099
Trading income	(3,352)	16,408	(4,570)	4,623
Provision for impairment	(30,765)	(24,960)	(7,180)	(11,992)
Losses on receivables	(65,458)	(42,551)	(23,710)	(10,591)
<b>Federal government securities</b>	<b>15,468</b>	<b>5,240</b>	<b>9,432</b>	<b>3,978</b>
Investments in repurchase agreements	9,318	3,776	7,366	2,930
Income from fixed income securities	6,150	1,464	2,066	1,048
<b>Total revenues</b>	<b>205,995</b>	<b>192,864</b>	<b>67,848</b>	<b>73,117</b>
<b>Other expenses</b>	<b>(5,684)</b>	<b>(4,963)</b>	<b>(2,554)</b>	<b>(2,179)</b>
<b>Net income for the period of shareholders classified in equity</b>	<b>200,311</b>	<b>187,901</b>	<b>65,294</b>	<b>70,938</b>

Senior shareholders' yield on FIDC Verdecard's income for the nine-month period ended September 30, 2022 was R\$58,072 (R\$25,526 in the nine-month period ended September 30, 2021), recorded as cost of operation in the Company's consolidated interim financial information.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 9. Receivables Investment Fund ("FIDCs") - Continued

#### Senior shares - FIDC Verdecard

			<b>Consolidated</b>	
		<b>Final maturity</b>	<b>09/30/22</b>	<b>12/31/21</b>
Senior shares - FIDC Verdecard (a)	Average of 2.10% p.a. + CDI	2023	15,843	39,617
Senior shares - FIDC Verdecard (a)	Average of 7.00% p.a. + IPCA	2024	59,957	90,122
Senior shares - FIDC Verdecard (a)	Average of 0.90% p.a. + CDI	2024	61,144	86,177
Senior shares - FIDC Verdecard (a)	Average of 1.85% p.a. + CDI	2024	83,382	100,084
Senior shares - FIDC Verdecard (a)	Average of 1.40% p.a. + CDI	2025	55,031	-
Senior shares - FIDC Verdecard (a)	Average of 2.35% p.a. + CDI	2026	200,120	200,176
Senior shares - FIDC Verdecard (a)	Average of 1.80% p.a. + CDI	2027	245,141	-
Structuring costs - FIDC Verdecard (b)		2027	(5,982)	(5,734)
<b>Total</b>			<b>714,636</b>	<b>510,442</b>
<b>Current</b>			<b>165,962</b>	<b>132,122</b>
<b>Noncurrent liabilities</b>			<b>548,674</b>	<b>378,320</b>

(a) These represent the balance of senior shares issued by FIDC Verdecard with priority of amortization and redemption in relation to the subordinated shares.

(b) These represent the balance of costs incurred on structuring FIDC Verdecard, which will be allocated to profit or loss over the Fund's operational period, according to the scheduled amortization of senior shares.

The amounts of the senior shares, less structuring costs, represent payables to other shareholders of the fund, and are recorded in liability accounts in this consolidated interim financial information.

Noncurrent portions of senior shares of FIDC Verdecard mature as follows:

<b>Consolidated</b>		
	<b>09/30/2022</b>	<b>12/31/2021</b>
2023	53,813	168,203
2024	183,964	116,140
2025	161,313	66,336
2026	108,936	27,641
2027	40,648	-
<b>Total</b>	<b>548,674</b>	<b>378,320</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 10. Inventories

	<b>Parent and Consolidated</b>	
	<b>09/30/22</b>	<b>12/31/21</b>
Goods for resale	455,551	452,445
Inventory for demonstration	731	751
Inventory for own use and consumption	7,389	6,117
Imports in transit	-	717
Provision for losses on slow-moving inventory items	(2,702)	(2,052)
<b>Total</b>	<b>460,969</b>	<b>457,978</b>

The cost of inventories recognized in P&L for the nine-month period ended September 30, 2022, totaled R\$888,100 (R\$742,248 at September 30, 2021).

As mentioned in Notes 11 and 25, as of January 1, 2022, the Company enrolled with the Optional Tax Substitution Taxation Regime ("ROT-RS"), entailing the change of the ICMS-ST calculation and accounting record system, causing an increase in the ICMS-ST portion on the cost of inventories acquired. The initial adoption of this new system resulted in an increase in inventories as a matching entry to the reduction in ICMS matching credits, in the amount of R\$78,592.

As of July 1, 2022, through Decree No. 56,541 of June 8, 2022 of the Rio Grande do Sul State, various goods for resale that make up the Company's inventories, changed from the ICMS tax substitution regime (ICMS-ST) to the regular ICMS regime. This change caused an initial impact of reducing the ICMS-ST amount on inventory costs of and, as a result, an increase in the amount of recoverable taxes by R\$27,579, recognized as of the effectiveness of the referred Decree.

The amount of the provision for inventory losses refers to probable losses for inventory devaluation. Changes in this provision are as follows:

	<b>Parent and Consolidated</b>
<b>Balance at December 31, 2020</b>	<b>(1,097)</b>
Setup of provision	(514)
<b>Balance at September 30, 2021</b>	<b>(1,611)</b>
<b>Balance at December 31, 2021</b>	<b>(2,052)</b>
Setup of provision	(650)
<b>Balance at September 30, 2022</b>	<b>(2,702)</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)

Nine-month period ended September 30, 2022

(Amounts expressed in thousands of reais - R\$, unless otherwise stated)

### 11. Recoverable taxes

		Parent		Consolidated	
		09/30/22	12/31/21	09/30/22	12/31/21
<b>Current</b>					
State Value-Added Tax (ICMS)	(a)	56,798	118,422	56,798	118,422
Income tax and social contribution	(b)	42,562	20,829	48,547	24,788
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)		-	260	-	260
Contribution Tax on Gross Revenue for Social Integration Program (PIS)		-	56	-	56
Social Security Contribution (INSS)	(c)	2,317	-	3,518	3
		<b>101,677</b>	<b>139,567</b>	<b>108,863</b>	<b>143,529</b>
<b>Noncurrent</b>					
State Value-Added Tax (ICMS)	(d)	19,693	-	19,693	-
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	(e)	6,687	39,881	6,687	39,881
Contribution Tax on Gross Revenue for Social Integration Program (PIS)	(e)	2,920	9,546	2,920	9,546
		<b>29,300</b>	<b>49,427</b>	<b>29,300</b>	<b>49,427</b>
<b>Total</b>		<b>130,977</b>	<b>188,994</b>	<b>138,163</b>	<b>192,956</b>

- (a) The balances of ICMS recoverable arise from portions not yet offset, generated mainly on the purchase of goods. By the end of 2021, the Company recorded ICMS-ST matching credits recoverable, conditioning the use of matching credits, generated in the purchases of goods subject to the tax substitution system, to the related numbers of goods-out operations, through the weighted average moving unit value of the credits calculated on the goods acquired for resale. As of January 1, 2022, the Company enrolled with the Optional Tax Substitution Taxation Regime ("ROT-RS"), according to RS Decree No. 56,150/2021, whose impact was the ICMS-ST increase to the cost of inventories and eliminated the levy of the effective ICMS-ST for the resale of goods. Upon initial adoption, the Company reclassified the ICMS-ST matching credits matched against the increase in the cost of inventories, in the amount of R\$78,592, with the related impacts on the accounts of Inventories and Sundry receivables, in the Company's statement of cash flow. As of July 1, 2022, as mentioned in Note 10, regarding RS Decree No. 56,541 of June 8, 2022, there was an initial impact of reducing the ICMS-ST amount on the cost of inventories and, as a result, an increase in the amount of recoverable taxes by R\$27,579. This amount will be offset in the calculation of the Company's ICMS in subsequent months.
- (b) The balances of income tax and social contribution recoverable derive mainly from withholding taxes on financial operations. These credits will be realized through offsetting with other federal taxes.
- (c) INSS balances refer to amounts arising from a final and unappealable decision on a lawsuit regarding payroll. These credits will be realized through offsetting with the related taxes in their subsequent calculations.
- (d) The ICMS balances refer to the long-term portions levied on the acquisition of property and equipment in the amount of R\$7,161, which will be offset in 1/48 monthly installments, and also the ICMS amounts recoverable arising from matter 745 ruled by the STF, under general resonance, which declared the unconstitutionality of application of rates higher than those for operations in general for electric energy operations and telecommunications services, recorded in this interim financial information in the amount of R\$12,532, matched against other operating income for the principal amount of R\$9,147, and finance income for monetary restatement of credits. Also regarding matter 745, the Company's individual lawsuit is in progress, but the assessment together with its legal advisors is that the favorable outcome is virtually certain, and for this reason the Company performed the accounting record in its financial statements. The recovery of these amounts will only begin after the Company's individual lawsuit has become final and unappealable.
- (e) The PIS and COFINS balances recoverable, classified in noncurrent assets, refer to the lawsuit to exclude ICMS from the PIS and COFINS tax base, under proceeding No. 5000575-32.2019.4.04.7105, on which a final and unappealable favorable decision was handed down on February 4, 2020, comprising the periods from January 2002 to August 2008. These amounts have been offset by the Company, and will be transferred, according to the agreement entered into between the parties, to the former founding controlling shareholders, since according to the agreement, those shareholders are entitled to the credits for that period. The obligation to transfer the amounts to be refunded are recorded in "Other payables" in the balance sheet, as shown in Note 23. The accounting records of these credits had no accounting impacts on P&L for 2021, as they are the former founding controlling shareholders' right, and will be transferred after the completion of refund by the Brazilian Internal Revenue Service.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 12. Deferred income tax and social contribution

Changes in the balances of deferred income tax and social contribution over the year were as follows:

	Parent					
	Balance at December 31, 2020	Setting up (Realization)	Balance at September 30, 2021	Setting up (Realization)	Balance at December 31, 2021	Balance at September 30, 2022
Income tax and social contribution losses	99,852	(7,212)	92,640	2,781	95,421	108,013
Temporary differences				-		
Deferred revenue	3,214	(122)	3,092	(3,092)	-	-
Adjustment to present value of trade accounts receivable	197	910	1,107	123	1,230	2,011
Provision for losses on slow-moving inventory items	379	175	554	150	704	925
Adjustment to present value of inventories	1,260	2,807	4,067	1,733	5,800	4,498
Provision for collective bargaining agreement	365	(1)	364	(178)	186	535
Provision for restatement of accounts payable for investment acquisition	5,286	152	5,438	113	5,551	6,109
Provision for tax, labor and civil contingencies	9,403	(1,884)	7,519	214	7,733	7,633
Adjustment to present value of trade accounts payable	(1,457)	(1,319)	(2,776)	(2,540)	(5,316)	(3,179)
Lease	6,784	2,646	9,430	990	10,420	13,477
Allowance for expected credit losses	488	180	668	(65)	603	612
Other provisions	6,811	(3,009)	3,802	905	4,707	949
<b>Total</b>	<b>132,582</b>	<b>(6,677)</b>	<b>125,905</b>	<b>1,134</b>	<b>127,039</b>	<b>141,583</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 12. Deferred income tax and social contribution (Continued)

	Consolidated					
	Balance at December 31, 2020	Setting up (Realization)	Balance at September 30, 2021	Setting up (Realization)	Balance at December 31, 2021	Balance at September 30, 2022
Income tax and social contribution losses	106,552	(8,619)	97,933	2,710	100,643	111,111
Temporary differences						
Deferred revenue	3,214	(122)	3,092	(3,092)	-	-
Adjustment to present value of trade accounts receivable	197	910	1,107	123	1,230	2,011
Provision for losses on slow-moving inventory items	379	175	554	150	704	925
Adjustment to present value of inventories	1,260	2,807	4,067	1,733	5,800	4,498
Provision for collective bargaining agreement	365	(1)	364	(178)	186	535
Provision for restatement of accounts payable for investment acquisition	5,286	152	5,438	113	5,551	6,109
Provision for tax, labor and civil contingencies	10,056	(1,759)	8,297	219	8,516	8,422
Adjustment to present value of trade accounts payable	(1,457)	(1,319)	(2,776)	(2,540)	(5,316)	(3,179)
Lease	6,784	2,646	9,430	990	10,420	13,477
Allowance for expected credit losses	488	385	873	(270)	603	612
Other provisions	7,424	(3,272)	4,152	966	5,118	957
<b>Total</b>	<b>140,548</b>	<b>(8,017)</b>	<b>132,531</b>	<b>924</b>	<b>133,455</b>	<b>145,478</b>

Accumulated tax losses may be carried forward indefinitely, in accordance with the Brazilian tax legislation.

The use of the income tax and social contribution loss balance is limited to 30% of taxable profit computed in each period.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
(In thousands of reais - R\$, unless otherwise stated)

### 12. Deferred income tax and social contribution (Continued)

The recovery of tax credits is based on taxable income projections as per the studies carried out that indicate expected taxable income generation for the next years:

Year	Parent	Consolidated
	09/30/22	09/30/22
	Amount	Amount
2022	5,679	8,416
2023	10,138	10,150
2024	21,107	21,129
2025	29,484	29,523
From 2026 onwards	75,175	76,260
<b>Total</b>	<b>141,583</b>	<b>145,478</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 12. Deferred income tax and social contribution (Continued)

Reconciliation of the expense calculated by applying the combined tax rates and the income tax and social contribution expenses charged to P&L is as follows:

	Nine-month period ended				Three-month period ended			
	Parent		Consolidated		Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21	09/30/22	09/30/21	09/30/22	09/30/21
Income (loss) before income tax and contribution taxes	(36,816)	66,127	(29,223)	71,488	(14,064)	23,577	(11,191)	25,974
Combined tax rate	34%	34%	34%	34%	34%	34%	34%	34%
Income tax and social contribution:								
Combined tax rate	12,517	(22,483)	9,936	(24,306)	4,781	(8,016)	3,805	(8,831)
Equity pickup effect	4,021	2,516	-	-	1,478	684	-	-
Permanent (additions) exclusions:								
Nondeductible expenses	(3,080)	(4,973)	(2,980)	(5,080)	(367)	(1,426)	(214)	(1,465)
Tax incentives	1,086	1,944	1,213	2,035	532	726	577	762
Portion exempt from 10% surtax	-	18	18	36	-	6	6	12
Other	-	-	(1,350)	(1,395)	-	-	(623)	(901)
Income tax and social contribution	14,544	(22,978)	6,837	(28,710)	6,424	(8,026)	3,551	(10,423)
Adjustment - increase in deferred CSLL rate	-	-	114	371	-	-	-	-
Income tax and social contribution on P&L for the period	<b>14,544</b>	<b>(22,978)</b>	<b>6,951</b>	<b>(28,339)</b>	<b>6,424</b>	<b>(8,026)</b>	<b>3,551</b>	<b>(10,423)</b>
Income tax and social contribution Current	-	(16,301)	(5,072)	(20,322)	-	(7,900)	(1,918)	(9,778)
Income tax and social contribution Deferred	<b>14,544</b>	<b>(6,677)</b>	<b>12,023</b>	<b>(8,017)</b>	<b>6,424</b>	<b>(126)</b>	<b>5,469</b>	<b>(645)</b>



## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 13. Other receivables

	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
<b>Current</b>				
Receivables from suppliers (a)	17,149	24,071	17,363	24,234
Advances to employees	2,795	2,624	3,077	2,857
Receivables from former controlling shareholders (b)	6,245	5,873	6,399	5,960
Other	54	635	3,338	10,669
<b>Subtotal</b>	<b>26,243</b>	<b>33,203</b>	<b>30,177</b>	<b>43,720</b>
<b>Noncurrent</b>				
Receivables from former controlling shareholders (b)	157	386	158	389
Other	-	101	-	101
<b>Subtotal</b>	<b>157</b>	<b>487</b>	<b>158</b>	<b>490</b>
<b>Total</b>	<b>26,400</b>	<b>33,690</b>	<b>30,335</b>	<b>44,210</b>

(a) Agreed-upon balances relating to the reimbursement of joint advertising amounts and bonuses from suppliers due to growth in purchase volumes.

(b) Receivables from the Company's former founding controlling shareholders, due to reimbursement of amounts paid and/or accrued by the Company, which are under the responsibility of those shareholders, due to their accrual period, pursuant to the agreement entered into between the parties. The remaining balances classified in current assets are expected to be settled within the next 12 months, and the amounts provisioned in noncurrent assets will only be realized after the effective settlement of the lawsuits that are in progress up to this interim financial information date.

### 14. Related parties

Transactions referring to rendering of services as well as occasional financial transactions involving borrowings and fundraising between the Company, its subsidiaries and other related parties are conducted in accordance with the conditions established in contract between the parties.

The following table shows the transactions carried out and the outstanding balances between the Company and its related parties, and also the description of the transaction nature and condition.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 14. Transactions with related parties (Continued)

	Parent			
	Balances		Transactions	
	09/30/22	12/31/21	09/30/22	09/30/21
<b>Quero-Quero VerdeCard Instituição de Pagamento S.A.</b>				
Accounts payable	3	1	-	-
Accounts receivable	102,990	86,304	-	-
Dividends receivable	-	2,124	-	-
Dividends received	-	-	8,496	16,211
Selling and administrative expenses	-	-	(40,509)	(37,129)
<b>Sentinela dos Pampas - Adm.Corretora de Seg. Ltda.</b>				
Selling and administrative expenses	-	-	99	85
<b>FIDC Verdecard</b>				
Accounts receivable	222,746	236,964	-	-
Finance income	-	-	113,782	129,900

Receivables from Verde corresponds to sales made by the Company using VerdeCard credit card. These sales are not subject to interest rates and are almost fully settled within less than 12 months. Payables refer to the unsettled expense reimbursement. The amounts of selling and administrative expenses refer to the reimbursement of expenses paid to Parent Company Lojas Quero-Quero. Dividends receivable refer to mandatory minimum dividends referring to 2021, which were fully settled over the nine-month period ended September 30, 2022.

The amounts of selling and administrative expenses paid to subsidiary Sentinela dos Pampas refer to the reimbursement of expenses paid by Parent Company Lojas Quero-Quero.

Receivables from FIDC Verdecard, as detailed in Note 9, refer to the amounts of subordinated shares subscribed by the Company and their profitability not yet received, while the amount of finance income refers to the profitability of subordinated shares for the period.

All balances and transactions were eliminated in the consolidation of this interim financial information. There is no balance or transaction with other related parties to be stated in the consolidation.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
(In thousands of reais - R\$, unless otherwise stated)

### 14. Transactions with related parties (Continued)

The benefits provided by the Company in the form of compensation to managing officers were as follows:

	<b>Consolidated</b>	
	<b>09/30/22</b>	<b>09/30/21</b>
Yield	5,183	7,382
Benefits	497	437
<b>Total</b>	<b>5,680</b>	<b>7,819</b>

In addition to the benefits shown in the table above, the Company offers a stock option plan, under which managing officers can acquire shares pursuant to the terms and conditions set out in the plan, as described in Note 24.3. The amount of the expense relating to the 2020 Plan options, recorded in the interim financial information for the nine-month period ended September 30, 2022, was R\$4,190.

The Company does not offer post-employment benefits, severance pay, or other long-term benefits. The Company's internal policy determines the payment of annual bonus to its managing officers, according to the attainment of preset goals.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 15. Investments

Investments in subsidiaries are broken down as follows:

	Quero-Quero VerdeCard Instituição de Pagamento S.A.		Sentinela dos Pampas - Adm. Corretora de Seg. Ltda.		Total	
	09/30/22	12/31/21	09/30/22	12/31/21	09/30/22	12/31/21
<u>Information on investments:</u>						
Shares/units of interest	49,750,000	49,750,000	10,000	10,000	-	-
Interest held in capital (%)	100%	100%	99%	99%	-	-
Total assets	348,427	313,810	914	862	-	-
Equity	67,889	62,483	874	828	-	-
Net income for the period	11,780	8,496	46	88	-	-
<u>Changes in investments:</u>						
Balance at beginning of year	62,483	72,322	820	733	63,303	73,055
Dividends	(6,372)	(18,335)	-	-	(6,372)	(18,335)
Share of income (loss) of subsidiaries	11,780	8,496	46	87	11,826	8,583
<b>Total</b>	<b>67,891</b>	<b>62,483</b>	<b>866</b>	<b>820</b>	<b>68,757</b>	<b>63,303</b>

The subsidiaries' shares are not traded on the stock exchange.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 16. Property and equipment

	Depreciation rates	Parent		Consolidated	
		09/30/22	12/31/21	09/30/22	12/31/21
Land	-	67	67	67	67
Buildings and facilities	4%	16	19	16	19
Machinery and equipment	10%	2,646	2,875	2,650	2,881
Furniture and fixtures	10%	63,756	52,139	63,761	52,145
Vehicles	20%	1,279	1,022	1,279	1,022
Computers and peripherals	20%	22,871	19,089	22,871	19,089
Leasehold improvements	10% to 30%	60,797	42,083	60,797	42,083
Construction in progress	-	28,059	45,769	28,059	45,769
<u>Leases</u>					
Rights of use - Property rent	5% to 52%	472,144	421,924	472,144	421,924
Machinery and equipment	10%	5,334	2,632	5,334	2,632
<b>Total property and equipment</b>		<b>656,969</b>	<b>587,619</b>	<b>656,978</b>	<b>587,631</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 16. Property and equipment (Continued)

Changes in property and equipment	Parent									
	Land	Buildings and facilities	Machinery and equipment	Furniture and fixtures	Vehicles	Computers and peripherals	Leasehold improvements	Construction in progress	Right-of-use lease - property rent	Lease - machinery and equipment
<b>Cost</b>										
<b>Balance at December 31, 2020</b>	<b>83</b>	<b>1,374</b>	<b>3,936</b>	<b>45,913</b>	<b>5,889</b>	<b>35,972</b>	<b>65,961</b>	<b>36,416</b>	<b>442,081</b>	<b>4,448</b>
Additions	-	-	1,338	13,483	-	6,192	-	30,642	221,821	-
Write-offs	-	-	-	-	(61)	-	-	-	(65,478)	-
Transfers	-	-	-	5,323	575	582	23,726	(29,412)	-	-
<b>Balance at September 30, 2021</b>	<b>83</b>	<b>1,374</b>	<b>5,274</b>	<b>64,719</b>	<b>6,403</b>	<b>42,746</b>	<b>89,687</b>	<b>37,646</b>	<b>598,424</b>	<b>4,448</b>
<b>Balance at December 31, 2021</b>	<b>67</b>	<b>108</b>	<b>5,491</b>	<b>72,862</b>	<b>6,403</b>	<b>45,587</b>	<b>91,614</b>	<b>45,769</b>	<b>631,678</b>	<b>4,448</b>
Additions	-	-	472	9,564	-	5,924	-	24,867	169,016	2,776
Write-offs	-	-	(39)	-	(1,689)	(6)	-	-	(69,417)	-
Transfers	-	-	9	7,747	897	2,492	29,482	(42,577)	-	-
<b>Balance at September 30, 2022</b>	<b>67</b>	<b>108</b>	<b>5,933</b>	<b>90,173</b>	<b>5,611</b>	<b>53,997</b>	<b>121,096</b>	<b>28,059</b>	<b>731,277</b>	<b>7,224</b>
<b>Accumulated depreciation</b>										
<b>Balance at December 31, 2020</b>	-	(1,122)	(2,269)	(15,579)	(4,871)	(21,661)	(39,696)	-	(155,911)	(1,371)
Additions	-	(19)	(242)	(3,606)	(437)	(3,533)	(6,977)	-	(42,759)	(334)
Write-offs	-	-	-	-	61	-	-	-	2,769	-
<b>Balance at September 30, 2021</b>	-	(1,141)	(2,511)	(19,185)	(5,247)	(25,194)	(46,673)	-	(195,901)	(1,705)
<b>Balance at December 31, 2021</b>	-	(89)	(2,616)	(20,723)	(5,381)	(26,498)	(49,531)	-	(209,754)	(1,816)
Additions	-	(3)	(711)	(5,694)	(434)	(4,630)	(10,768)	-	(53,330)	(74)
Write-offs	-	-	39	-	1,483	2	-	-	3,951	-
<b>Balance at September 30, 2022</b>	-	(92)	(3,288)	(26,417)	(4,332)	(31,126)	(60,299)	-	(259,133)	(1,890)
<b>Residual value at 12/31/2020</b>	<b>83</b>	<b>252</b>	<b>1,667</b>	<b>30,334</b>	<b>1,018</b>	<b>14,311</b>	<b>26,265</b>	<b>36,416</b>	<b>286,170</b>	<b>3,077</b>
<b>Residual value at 09/30/2021</b>	<b>83</b>	<b>233</b>	<b>2,763</b>	<b>45,534</b>	<b>1,156</b>	<b>17,552</b>	<b>43,014</b>	<b>37,646</b>	<b>402,523</b>	<b>2,743</b>
<b>Residual value at 12/31/2021</b>	<b>67</b>	<b>19</b>	<b>2,875</b>	<b>52,139</b>	<b>1,022</b>	<b>19,089</b>	<b>42,083</b>	<b>45,769</b>	<b>421,924</b>	<b>2,632</b>
<b>Residual value at 09/30/2022</b>	<b>67</b>	<b>16</b>	<b>2,646</b>	<b>63,756</b>	<b>1,279</b>	<b>22,871</b>	<b>60,797</b>	<b>28,059</b>	<b>472,144</b>	<b>5,334</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 16. Property and equipment (Continued)

	Consolidated										
	Land	Buildings and facilities	Machinery and equipment	Furniture and fixtures	Vehicles	Computers and peripherals	Leasehold improvements	Construction in progress	Right-of-use lease - property rent	Lease - machinery and equipment	Total
Changes in property and equipment											
Cost											
Balance at December 31, 2020	83	1,374	3,947	45,993	5,889	36,437	65,962	36,416	442,081	4,448	642,630
Additions	-	-	1,338	13,483	-	6,192	-	30,642	221,821	-	273,476
Write-offs	-	-	-	-	(61)	-	-	-	(65,478)	-	(65,539)
Transfers	-	-	-	5,323	575	582	23,726	(29,412)	-	-	794
Balance at September 30, 2021	83	1,374	5,285	64,799	6,403	43,211	89,688	37,646	598,424	4,448	851,361
Balance at December 31, 2021	67	108	5,502	72,942	6,403	46,052	91,615	45,769	631,678	4,448	904,584
Additions	-	-	472	9,564	-	5,924	-	24,867	169,016	2,776	212,620
Write-offs	-	-	(39)	-	(1,689)	(6)	-	-	(69,417)	-	(71,151)
Transfers	-	-	9	7,747	897	2,492	29,482	(42,577)	-	-	(1,950)
Balance at September 30, 2022	67	108	5,944	90,253	5,611	54,462	121,097	28,059	731,277	7,224	1,044,103
Accumulated depreciation											
Balance at December 31, 2020	-	(1,122)	(2,272)	(15,652)	(4,871)	(22,126)	(39,697)	-	(155,911)	(1,371)	(243,022)
Additions	-	(19)	(244)	(3,607)	(437)	(3,533)	(6,977)	-	(42,759)	(334)	(57,910)
Write-offs	-	-	-	-	61	-	-	-	2,769	-	2,830
Balance at September 30, 2021	-	(1,141)	(2,516)	(19,259)	(5,247)	(25,659)	(46,674)	-	(195,901)	(1,705)	(298,102)
Balance at December 31, 2021	-	(89)	(2,621)	(20,797)	(5,381)	(26,963)	(49,532)	-	(209,754)	(1,816)	(316,953)
Additions	-	(3)	(713)	(5,695)	(434)	(4,630)	(10,768)	-	(53,330)	(74)	(75,647)
Write-offs	-	-	39	-	1,483	2	-	-	3,951	-	5,475
Balance at September 30, 2022	-	(92)	(3,295)	(26,492)	(4,332)	(31,591)	(60,300)	-	(259,133)	(1,890)	(387,125)
Residual value at 12/31/2020	83	252	1,675	30,341	1,018	14,311	26,265	36,416	286,170	3,077	399,608
Residual value at 09/30/2021	83	233	2,769	45,540	1,156	17,552	43,014	37,646	402,523	2,743	553,259
Residual value at 12/31/2021	67	19	2,881	52,145	1,022	19,089	42,083	45,769	421,924	2,632	587,631
Residual value at 09/30/2022	67	16	2,650	63,761	1,279	22,871	60,797	28,059	472,144	5,334	656,978

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
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### 16. Property and equipment (Continued)

The average depreciation rate of right-of-use lease - store rents is 12.91%, stated in P&L for the period, net of tax credits amounting to R\$3,237 (R\$2,442 as at September 30, 2021), as disclosed in Note 28.

As at September 30, 2022, the Company has assessed and did not identify any factors that would indicate that the assets held by the Company will not generate future economic benefits in an amount sufficient to recover their carrying amount and, therefore, it did not test these assets for impairment.

### 17. Intangible assets

	Amortization rates	Parent		Consolidated	
		09/30/22	12/31/21	09/30/22	12/31/21
Goodwill on acquisition of points of sales	10%	235	298	235	298
Software	10% to 20%	21,430	21,233	21,537	21,376
VerdeCard Project	10%	-	-	212	282
Systems developed	10%	2,080	1,724	22,463	20,523
Other intangible assets	10% to 20%	6,497	4,277	9,926	6,964
<b>Total intangible assets</b>		<b>30,242</b>	<b>27,532</b>	<b>54,373</b>	<b>49,443</b>

The amounts recorded in "Other intangible assets" refer to other projects applied in developing the Company's activities.



## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 17. Intangible assets (Continued)

Changes in intangible assets	Parent				Total
	Goodwill on acquisition of points of sales	Software	Systems developed	Other intangible assets	
<b>Cost</b>					
Balance at December 31, 2020	10,947	46,634	3,154	6,048	66,783
Additions	-	4,482	366	778	5,626
Transfers	-	-	-	(794)	(794)
<b>Balance at September 30, 2021</b>	<b>10,947</b>	<b>51,116</b>	<b>3,520</b>	<b>6,032</b>	<b>71,615</b>
Balance at December 31, 2021	10,947	51,967	4,020	6,211	73,145
Additions	-	1,107	2,006	428	3,541
Write-offs	-	(17)	-	-	(17)
Transfers	-	1,389	(1,425)	1,986	1,950
<b>Balance at September 30, 2022</b>	<b>10,947</b>	<b>54,446</b>	<b>4,601</b>	<b>8,625</b>	<b>78,619</b>
<b>Accumulated amortization</b>					
Balance at December 31, 2020	(10,567)	(27,903)	(2,003)	(1,653)	(42,126)
Additions	(62)	(2,106)	(219)	(210)	(2,597)
<b>Balance at September 30, 2021</b>	<b>(10,629)</b>	<b>(30,009)</b>	<b>(2,222)</b>	<b>(1,863)</b>	<b>(44,723)</b>
Balance at December 31, 2021	(10,649)	(30,734)	(2,296)	(1,934)	(45,613)
Additions	(63)	(2,282)	(225)	(194)	(2,764)
<b>Balance at September 30, 2022</b>	<b>(10,712)</b>	<b>(33,016)</b>	<b>(2,521)</b>	<b>(2,128)</b>	<b>(48,377)</b>
<b>Residual value at 12/31/2020</b>	<b>380</b>	<b>18,731</b>	<b>1,151</b>	<b>4,395</b>	<b>24,657</b>
<b>Residual value at 09/30/2021</b>	<b>318</b>	<b>21,107</b>	<b>1,298</b>	<b>4,169</b>	<b>26,892</b>
<b>Residual value at 12/31/2021</b>	<b>298</b>	<b>21,233</b>	<b>1,724</b>	<b>4,277</b>	<b>27,532</b>
<b>Residual value at 09/30/2022</b>	<b>235</b>	<b>21,430</b>	<b>2,080</b>	<b>6,497</b>	<b>30,242</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 17. Intangible assets (Continued)

Changes in intangible assets	Consolidated					Total
	Goodwill on acquisition of points of sales	Software	VerdeCard Project	Systems developed	Other intangible assets	
<b>Cost</b>						
Balance at December 31, 2020	10,947	50,072	6,485	20,071	12,425	100,000
Additions	-	4,482	-	379	4,740	9,601
Transfers	-	-	-	7,143	(7,937)	(794)
<b>Balance at September 30, 2021</b>	<b>10,947</b>	<b>54,554</b>	<b>6,485</b>	<b>27,593</b>	<b>9,228</b>	<b>108,807</b>
Balance at December 31, 2021	10,947	55,405	6,485	29,897	8,913	111,647
Additions	-	1,107	-	2,006	4,740	7,853
Write-offs	-	(17)	-	-	-	(17)
Transfers	-	1,389	-	2,145	(1,584)	1,950
<b>Balance at September 30, 2022</b>	<b>10,947</b>	<b>57,884</b>	<b>6,485</b>	<b>34,048</b>	<b>12,069</b>	<b>121,433</b>
<b>Accumulated amortization</b>						
Balance at December 31, 2020	(10,567)	(31,151)	(6,109)	(6,991)	(1,668)	(56,486)
Additions	(62)	(2,142)	(70)	(1,730)	(210)	(4,214)
<b>Balance at September 30, 2021</b>	<b>(10,629)</b>	<b>(33,293)</b>	<b>(6,179)</b>	<b>(8,721)</b>	<b>(1,878)</b>	<b>(60,700)</b>
Balance at December 31, 2021	(10,649)	(34,029)	(6,203)	(9,374)	(1,949)	(62,204)
Additions	(63)	(2,318)	(70)	(2,211)	(194)	(4,856)
<b>Balance at September 30, 2022</b>	<b>(10,712)</b>	<b>(36,347)</b>	<b>(6,273)</b>	<b>(11,585)</b>	<b>(2,143)</b>	<b>(67,060)</b>
<b>Residual value at 12/31/2020</b>	<b>380</b>	<b>18,921</b>	<b>376</b>	<b>13,080</b>	<b>10,757</b>	<b>43,514</b>
<b>Residual value at 09/30/2021</b>	<b>318</b>	<b>21,261</b>	<b>306</b>	<b>18,872</b>	<b>7,350</b>	<b>48,107</b>
<b>Residual value at 12/31/2021</b>	<b>298</b>	<b>21,376</b>	<b>282</b>	<b>20,523</b>	<b>6,964</b>	<b>49,443</b>
<b>Residual value at 09/30/2022</b>	<b>235</b>	<b>21,537</b>	<b>212</b>	<b>22,463</b>	<b>9,926</b>	<b>54,373</b>

As at September 30, 2022, the Company has assessed and did not identify any factors that would indicate that the assets held by the Company will not generate future economic benefits in an amount sufficient to recover their carrying amount and, therefore, it did not test these assets for impairment.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 18. Trade accounts payable - agreement

	<b>Parent and Consolidated</b>	
	<b>09/30/22</b>	<b>12/31/21</b>
Trade accounts payable (a)	309,573	450,117
Adjustment to present value	(9,356)	(15,640)
<b>Total trade accounts payable</b>	<b>300,217</b>	<b>434,477</b>
Trade accounts payable - agreement (b)	-	41,324
<b>Total trade accounts payable - agreement</b>	<b>-</b>	<b>41,324</b>

- (a) This represents the balance payable to suppliers for installment purchases of goods, stated at present value on transaction date, with days purchase outstanding of 112 days (104 days as at December 31, 2021). It also includes direct financing by certain suppliers, amounting to R\$26,715 (R\$27,845 as at December 31, 2021) with days purchase outstanding of 124 days (61 days as at December 31, 2021), bearing market interest rates.
- (b) These refer to balances payable to suppliers for installment purchase of goods, which were prepaid through financial institutions with which the Company has a partnership. Due to the characteristics inherent in the commercial negotiation of terms between the Company and suppliers, these balances were included under prepayment programs using the Company's credit facilities held with financial institutions. The Company identified that such transaction has a specific nature and classified it separately from "Trade accounts payable" in the balance sheet. As at September 30, 2022, there were no transactions under this conditions (Trade accounts payable - agreement), as the notes were settled over the nine-month period then ended.

#### Changes in adjustment to present value:

	<b>Parent and Consolidated</b>	
	<b>09/30/22</b>	<b>09/30/21</b>
Balance at beginning of period	(15,640)	(4,289)
Adjustment to present value	(12,572)	(16,879)
Realization of adjustment to present value	18,856	12,999
<b>Balance at end of period</b>	<b>(9,356)</b>	<b>(8,169)</b>

The Company used the monthly rate of 1.04% (0.61% as at September 30, 2021) to calculated the adjustment to present value.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 19. Loans and financing

In domestic currency	Interest rate	Final maturity	Parent and Consolidated	
			09/30/22	12/31/21
Working capital	Interest rate from 1.85% to 2.67% p.a. + CDI	2021-2024	103,940	150,470
Working capital	Interest rate from 4.28% to 4.84% p.a. + CDI	2021-2024	4,352	15,439
1 <sup>st</sup> issue debentures (a)	Interest of 1.50% p.a. + CDI	2024	76,493	101,641
2 <sup>nd</sup> issue debentures (b)	Interest of 1.75% p.a. + CDI	2029	153,763	-
Consortium		2024	92	258
<b>Total</b>			<b>338,640</b>	<b>267,808</b>
<b>Current</b>			<b>99,891</b>	<b>109,494</b>
<b>Noncurrent</b>			<b>238,749</b>	<b>158,314</b>
CDI - Interbank Deposit Certificate				
			<b>2022</b>	<b>2021</b>
<b>Index</b>				
CDI (12 months)			10.87%	4.39%

- (a) This represents the balance of the 1<sup>st</sup> issue of non-privileged single-series unsecured nonconvertible junior debentures, with additional guarantee in the form of security interest. The issue took place on December 16, 2019 in the registered and book-entry form, without the issue of sureties and certificates, corresponding to 120,000 (one hundred and twenty thousand) debentures. A rate of 1.50% p.a. + CDI is applied on the unit par value.
- (b) This represents the balance of the 2<sup>nd</sup> issue of non-privileged single-series unsecured nonconvertible junior debentures, with personal guarantee. The issue took place on January 10, 2022 in the registered and book-entry form, in the amount of R\$150,000, equivalent to 150,000 (one hundred and fifty thousand) debentures. A rate of 1.75% p.a. + CDI is applied on the unit par value.

Loans and financing under noncurrent liabilities mature as follows:

	Parent and Consolidated	
	09/30/22	12/31/21
2023	20,751	89,891
2024	91,075	68,423
2025	29,758	-
2026	29,823	-
2027	29,889	-
2028	29,954	-
2029	7,499	-
<b>Total</b>	<b>238,749</b>	<b>158,314</b>

Loans and financing mainly refer to the working capital used to fund the Company's operations.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
(In thousands of reais - R\$, unless otherwise stated)

### 19. Loans and financing (Continued)

Changes in cash flow from financing activities are broken down as follows:

	Parent and Consolidated
<b>At December 31, 2020</b>	<b>375,743</b>
Fundraising - working capital	30,000
Monetary variation and interest	16,024
Interest amortization	(18,699)
Amortization of principal	(103,465)
<b>At September 30, 2021</b>	<b>299,603</b>
<b>At December 31, 2021</b>	<b>267,808</b>
Fundraising - working capital	150,000
Monetary variation and interest	38,150
Interest amortization	(28,778)
Amortization of principal	(88,540)
<b>At September 30, 2022</b>	<b>338,640</b>

#### Covenants in financing agreements

Under the financing agreements outstanding as at September 30, 2022 and December 31, 2021, the Company is subject to the compliance with certain financial covenants, which are annually and/or semiannually measured, as follows:

Net debt-to-EBITDA ratio  $\leq 2.0x$ ;  
Net financial debt-to-EBITDA ratio  $\leq 2.0x$ ;  
EBITDA-to-finance income (costs) ratio  $\geq 2.0x$ .

Net debt corresponds to the sum of all loans and financing, less cash and cash equivalents and short-term investments.

Net financial debt corresponds to the sum of all loans and financing, less cash and cash equivalents and short-term investments, excluding cash equivalents and short-term investments of FIDC Verdecard.

EBITDA is contractually defined as operating Income/Loss before finance income (costs), net, plus depreciation and amortization.

All covenants referring to financing agreements have been complied with and there is no default event.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
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### 19. Loans and financing (Continued)

#### Collaterals in financing agreements

The Company has taken out loan agreements from financial institutions, all of which have been complied with, in connection with the following collaterals:

- (i) trade notes and/or collection bills relating to non-interest-bearing payment transactions in cash or in installments, held in an escrow account with financial institutions;
- (ii) income from subordinated shares of FIDC Verdecard;
- (iii) receivables from other credit cards (Visa, Mastercard and Elo);
- (iv) Standby Letter of Credit - Promissory Note in the amount of R\$30,000;
- (v) Bank Deposit Certificates ("CDB") in the amount of R\$1,500.

### 20. Accounts payable for investment acquisition

Accounts payable for investment acquisition refers to the contractual retention to secure the performance of obligations assumed by the Company's former founding shareholders according to the Debt Assumption Agreement and Other Covenants entered into on October 5, 2010. The liability was assumed by the Company due to the corporate reorganization carried out in February 2016. The debt is subject to restatement based on 100% of the Interbank Deposit (DI) rate.

Changes in the balance of accounts payable are as follows:

	<u>Parent and Consolidated</u>
<b>Balance at December 31, 2020</b>	<b>47,775</b>
Restatement	446
Amortization	(30,079)
<b>Balance at September 30, 2021</b>	<b>18,142</b>
Restatement	334
<b>Balance at December 31, 2021</b>	<b>18,476</b>
Restatement	1,643
<b>Balance at September 30, 2022</b>	<b>20,119</b>

On May 17, 2021, an agreement was entered into between the Company and former founding controlling shareholders, amortizing part of the accounts payable for investment acquisition against receivables from those shareholders, for reimbursement of amounts paid and/or accrued by the Company for which they are liable.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 21. Provision for tax, labor and civil contingencies

The Company and its subsidiaries are parties to legal and administrative proceedings filed with various courts and governmental agencies, arising in the ordinary course of their business, involving tax, labor, civil and other matters. The provisions set up for lawsuits assessed as probable loss are as follows:

	Parent		
	Civil (a)	Labor (b)	Tax (c)
<b>Balance at December 31, 2020</b>	<b>7,399</b>	<b>3,047</b>	<b>17,321</b>
Addition to provision	1,512	2,327	548
Reversal of provision	(7,977)	(649)	(953)
<b>Balance at September 30, 2021</b>	<b>934</b>	<b>4,725</b>	<b>16,916</b>
<b>Balance at December 31, 2021</b>	<b>976</b>	<b>5,225</b>	<b>16,930</b>
Addition to provision	654	1,564	72
Reversal of provision	(362)	(2,450)	-
<b>Balance at September 30, 2022</b>	<b>1,268</b>	<b>4,339</b>	<b>17,002</b>

	Consolidated		
	Civil (a)	Labor (b)	Tax (c)
<b>Balance at December 31, 2020</b>	<b>9,027</b>	<b>3,054</b>	<b>17,321</b>
Addition to provision	2,230	2,445	548
Reversal of provision	(8,515)	(667)	(953)
<b>Balance at September 30, 2021</b>	<b>2,742</b>	<b>4,832</b>	<b>16,916</b>
<b>Balance at December 31, 2021</b>	<b>2,773</b>	<b>5,353</b>	<b>16,930</b>
Addition to provision	1,537	1,574	72
Reversal of provision	(1,136)	(2,558)	-
<b>Balance at September 30, 2022</b>	<b>3,174</b>	<b>4,369</b>	<b>17,002</b>

- (a) This refers to sundry civil proceedings mainly involving customer complaints, whose likelihood of loss is assessed as possible by the Company, and there is no significant specific proceeding.
- (b) This refers to disputes mainly involving overtime and severance pay complaints.
- (c) This mainly refers to disputes involving the levy of the Social Security Contribution ("INSS") on the vacation bonus equivalent to one third of the salary, and also disputes involving the exemption from PIS and COFINS on retail sales of technology products listed under the digital inclusion program. With regard to the levy of the INSS on the one third vacation bonus, the Company is a party to a lawsuit on this matter, which on August 28, 2020 was ruled by the Federal Supreme Court of Brazil (STF), under general resonance (RE No. 1.072.485) on the constitutionality of such contribution levy. The Company and its legal advisors understand that the likelihood of loss of unpaid amounts in the period from 2008 to 2020 is probable and, for this reason, it has recognized a provision for these amounts in its interim financial information.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
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### 21. Provision for tax, labor and civil contingencies (Continued)

The provisions for losses that may arise from these proceedings are estimated and restated by management, based on the opinion of the Company's legal department and external legal advisors.

As mentioned in Note 13, the Company has entered into an agreement with former founding controlling shareholders for the reimbursement of payments made as a result of contingencies established prior to the Company's sale date. The Company recognizes a provision, in liabilities, for all contingencies whose likelihood of loss is assessed as probable.

No provision was recognized for lawsuits whose likelihood of loss is assessed as possible by the Company, supported by its legal advisors. The lawsuits not subject to reimbursement by the former founding controlling shareholders are broken down as follows:

Nature	09/30/22	09/30/21
Labor (a)	3,735	866
Civil (b)	7,219	6,614
Tax (c)	1,936	807
<b>Total</b>	<b>12,890</b>	<b>8,287</b>

(a) This refers to sundry labor claims mainly involving claims on overtime and severance pay.

(b) This refers to sundry civil proceedings mainly involving customer complaints.

(c) This mainly refers to assessment notices for collection of FGTS debt, and discussions involving the imposition of a provisional anti-dumping measure on imported porcelain tiles.

### 22. Taxes and contributions payable

	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
Corporate Income Tax (IRPJ)	2,504	4,953	2,699	5,198
Contribution Tax on Gross Revenue for Social Integration Program (PIS) payable	706	895	828	928
Contribution Tax on Gross Revenue for Social Security Financing (COFINS) payable	3,119	4,107	3,789	4,359
Social Contribution on Net Profit (CSLL)	-	-	137	2
State VAT (ICMS) payable	4,514	9,112	4,514	9,112
Service Tax (ISS) payable	393	243	719	577
	<b>11,236</b>	<b>19,310</b>	<b>12,686</b>	<b>20,176</b>



## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
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### 23. Other payables

	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
Payables to customers (a)	69,543	65,892	72,482	67,612
Transfer of financial products operation	-	-	7,440	3,325
Payables to former controlling shareholders (b)	48,957	48,153	48,957	48,153
Other payables	-	29	3,387	5,161
	<b>118,500</b>	<b>114,074</b>	<b>132,266</b>	<b>124,251</b>
<b>Current</b>	<b>69,543</b>	<b>65,921</b>	<b>83,309</b>	<b>76,098</b>
<b>Noncurrent</b>	<b>48,957</b>	<b>48,153</b>	<b>48,957</b>	<b>48,153</b>

- (a) These refer to sales of goods not yet delivered, and also customers' credit balances that may be used as payment for purchases in the Company.
- (b) These refer to the amount to be transferred to the Company's former founding controlling shareholders, as agreed between the parties, equivalent to the net amount to be refunded by the Brazilian Internal Revenue Service (RFB), regarding the final and unappealable lawsuit on the ICMS exclusion from the PIS and COFINS tax base, as described in item "e" of Note 11.

### 24. Equity

#### a) Capital

The Company is not directly or indirectly controlled by another legal entity or individual. As at September 30, 2022 and December 31, 2021, the Company's fully subscribed and paid-up capital is represented by 187,290,269 registered common shares, without par value, in the amount of R\$450,563.

#### b) Capital reserve

As at September 30, 2022, the amounts recorded as capital reserve are equivalent to the amounts recognized as stock option plan, and the share issue costs as a result of the initial public offering.

#### c) Legal reserve

As at September 30, 2022, the Company recorded in "Legal reserve" the amount of R\$7,227. The legal reserve is annually recognized as allocation of 5% of net income for the year and cannot exceed 20% of the capital, pursuant to article 193 of the Brazilian Corporate Law.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
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### 24. Equity (Continued)

#### d) Tax incentive reserve

The Company benefits from ICMS tax incentives in the form of matching credit, with impacts on profit or loss. In view of the publication of Supplementary Law No. 160/17 and in compliance with Law No. 6,404/76, management allocated these amounts as tax incentive reserve. At September 30, 2022, the outstanding balance totals R\$11,243.

#### e) Investment and expansion reserve

As established in the Company's Articles of Incorporation, the remaining balance of net income after allocations to set up the legal reserve, tax incentives reserve, and proposed dividends will be allocated to the income reserve named Investment and expansion reserve, whose purpose is to finance the expansion of the Company's and/or its subsidiaries' activities. The balance of this reserve, considered together with the balance of the legal reserve, cannot exceed an amount equivalent to the Company's capital. As at September 30, 2022, the balance of the investment and expansion reserve totals R\$81,896.

### 24.1. Dividends

The Company's Articles of Incorporation determine that, as proposed by the Executive Board and approved by the Board of Directors, the Company may pay or credit interest to the shareholders in the form of equity remuneration, in compliance with the applicable legislation.

On December 15, 2021, the Board of Directors approved the distribution of R\$23,000 as Interest on Equity (IOE) referring to the year ended December 31, 2021. Considering that IOE is attributable to dividends, the total amount of R\$16,872 (R\$15,122 net of withholding income tax), referring to the mandatory minimum dividends, was recorded in current liabilities, and the remaining balance of R\$6,128 was recorded in the Additional dividends proposed account, in the group of income reserve, in equity.

Year 2021	12/31/21	31/12/20
<b>Net income for the year</b>	<b>68,227</b>	<b>67,866</b>
Legal reserve (5% of net income for the year)	(3,411)	(3,393)
Tax incentive reserve	(4,327)	(3,980)
<b>Dividend calculation basis</b>	<b>60,489</b>	<b>60,493</b>
Mandatory minimum dividend (25%)	15,122	15,123
Additional dividends proposed	6,128	-
<b>Total</b>	<b>21,250</b>	<b>15,123</b>
<b>Dividends and IOE credited to shareholders (net of income tax)</b>	<b>21,250</b>	<b>15,123</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
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### 24. Equity (Continued)

#### 24.1. Dividends (Continued)

The dividend amounts, calculated and recorded in the 2021 financial statements, were paid out over the nine-month period ended September 30, 2022.

#### 24.2. Earnings (loss) per share

##### a) Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the income (loss) attributable to the Company's shareholders by the weighted average number of common shares existing in the period. The weighted average used in the calculation of earnings (loss) per share is as follows:

##### Weighted number of common shares - 09/30/2022

01/01/2022 to 09/30/2022  
187,290,269

##### Weighted number of common shares - 09/30/2021

01/01/2021 to 09/30/2021  
187,290,269

	09/30/2022	09/30/2021
<u>Basic earnings (loss)</u>		
Income (loss) attributable to the Company shareholders	(22,272)	43,149
Weighted average number of common shares (in thousands)	187,290	187,290
<b>Basic earnings (loss) per common share</b>	<b>(0.11892)</b>	<b>0.23039</b>

##### b) Diluted earnings (loss) per share

The Company's diluted earnings (loss) per share for the nine-month period ended September 30, 2022 consider the diluting increase in common shares due to the 2020 stock option plan.

	09/30/2022	09/30/2021
<u>Net income (loss)</u>		
Income (loss) attributable to the Company shareholders	(22,272)	43,149
Weighted average number of common shares (in thousands)	187,290	187,290
Increase in common shares due to the stock option plan (in thousands)	-	1,491
<b>Diluted earnings (loss) per common share</b>	<b>(0.11892)</b>	<b>0.22857</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
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### 24. Equity (Continued)

#### 24.3. Stock option plan

##### 24.3.1. 2020 Plan

At the Special General Meeting held on June 16, 2020, the shareholders approved the Company's stock option plan ("2020 Plan"). The 2020 Plan establishes the general conditions for the grant of stock options for purchase of common shares issued by the Company ("Shares"), pursuant to article 168, paragraph 3, of the Brazilian Corporation Law. Those eligible to the 2020 Plan are managing officers, executive officers, employees and service providers of the Company and its subsidiaries, selected at the sole discretion of the Board of Directors to receive stock options that entitle their holders to purchase Shares, strictly according to the terms and conditions established in the 2020 Plan ("Participants" and "Options", respectively). The Board of Directors will appoint, among those eligible, the Participants (those to which Options will be offered) and will approve the distribution of Options between the Participants.

Each Option will entitle the Participant to purchase 1 (one) Share, subject to the terms and conditions established in the respective Stock Option Plan Private Instrument. The Options that can be granted under the 2020 Plan shall entitle to a number of Shares not exceeding 7% of the total Shares representing the Company's capital immediately after the Company's IPO on B3 S.A. - Brasil, Bolsa, Balcão, considering a fully diluted base and taking into consideration the new Shares to be issued in the exercise of Options under the terms of the Plan. The Shares linked to Options forfeited or canceled before they are fully exercised will be again released for future grant of Options.

The Board of Directors will define, in each Program and regarding each class of Option, the period from which the Option granted to the Participants will become potentially vested as well as the strike price.

For the exercise of the Options granted, the participants of 2020 Plan shall pay a strike price per Option, which will correspond to the Share issue price or purchase price. The strike price will be set based on (i) the Share price defined at the pricing date of the Company's initial public offering (IPO), for Options granted up to the 6th month from the IPO date; or (ii) the weighted average price of Shares in a certain number of sessions prior the grant date to be defined by the Board of Directors ("Strike Price").

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
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### 24. Equity (Continued)

#### 24.3. Stock option plan (Continued)

##### 24.3.1. 2020 Plan (Continued)

It will be incumbent upon the Board of Directors to define in each Option Program and/or Agreement whether the Strike Price will be restated by a restatement index and/or adjusted by dividends distributed by the Company to the shareholders. For the three existing programs, the price is restated by inflation and adjusted for dividends distributed.

Information on the 2020 Plan grants is shown below:

	<u>1st Program</u>	<u>2<sup>nd</sup> Program</u>	<u>3<sup>rd</sup> Program</u>
Grant date	08/07/2020	01/27/2021	01/27/2022
Total options granted	9,908,261	2,290,000	910,000
Strike price	12.65 + IPCA	12.65 + IPCA	9.93 + IPCA
Volatility	22.00%	23.90%	30.60%
Risk-free interest rate	DI vs. Fixed rate	DI vs. Fixed rate	DI vs. Fixed rate
	24 to 12 months	24 to 12 months	24 to 12 months
Options exercisable at September 30, 2022	1,852,762	458,000	91,000

The fair value for the Plans is calculated in accordance with the Black & Scholes pricing model, considering an expected distribution of dividends equal to zero. The accumulated impact for the nine-month period ended September 30, 2022 totaled R\$7,260 (R\$8,696 at September 30, 2021), recognized as expense in P&L for the period.

The options granted have a 6-month blackout period from the exercise for 40% of the amount exercised.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
 (In thousands of reais - R\$, unless otherwise stated)

### 25. Operating revenue, net

	Nine-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Gross operating revenue</b>	<b>1,546,162</b>	<b>1,533,405</b>	<b>1,988,477</b>	<b>1,889,186</b>
Goods sold	1,484,803	1,468,222	1,484,803	1,468,222
Services rendered	61,359	65,183	503,674	420,964
<b>(-) Sales taxes</b>	<b>(208,335)</b>	<b>(338,389)</b>	<b>(221,600)</b>	<b>(352,585)</b>
<b>(-) Returns and rebates</b>	<b>(69,230)</b>	<b>(66,317)</b>	<b>(69,291)</b>	<b>(66,360)</b>
	<b>1,268,597</b>	<b>1,128,699</b>	<b>1,697,586</b>	<b>1,470,241</b>
	Three-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Gross operating revenue</b>	<b>565,761</b>	<b>560,501</b>	<b>716,514</b>	<b>691,864</b>
Goods sold	541,141	539,530	541,141	539,530
Services rendered	24,620	20,971	175,373	152,334
<b>(-) Sales taxes</b>	<b>(86,558)</b>	<b>(124,386)</b>	<b>(90,684)</b>	<b>(129,311)</b>
<b>(-) Returns and rebates</b>	<b>(24,627)</b>	<b>(23,870)</b>	<b>(24,650)</b>	<b>(23,886)</b>
	<b>454,576</b>	<b>412,245</b>	<b>601,180</b>	<b>538,667</b>

As disclosed in Note 11, as of January 1, 2022, the Company enrolled with the Optional Tax Substitution Taxation Regime ("ROT-RS"), whose impact was the ICMS-ST increase to the cost of inventories and eliminated the levy of effective ICMS-ST for the resale of the goods, reducing sales taxes by R\$116,087 in the nine-month period ended September 30, 2022.

Gross revenue from each business activities, net of total returns and rebates, is as follows:

	Nine-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
Retail	1,424,168	1,409,456	1,424,168	1,409,456
Financial services	52,764	57,632	441,099	362,530
Credit cards	-	-	53,919	50,840
<b>Total</b>	<b>1,476,932</b>	<b>1,467,088</b>	<b>1,919,186</b>	<b>1,822,826</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 25. Operating revenue, net (Continued)

	Three-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
Retail	519,598	518,377	519,598	518,377
Financial services	21,536	18,254	154,267	132,016
Credit cards	-	-	17,999	17,585
<b>Total</b>	<b>541,134</b>	<b>536,631</b>	<b>691,864</b>	<b>667,978</b>

### 26. Cost of goods sold and services rendered

	Nine-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Cost of goods sold and services rendered</b>				
Cost of goods sold	888,100	742,248	888,100	742,248
Cost of services rendered	9,934	7,463	248,278	149,517
	<b>898,034</b>	<b>749,711</b>	<b>1,136,378</b>	<b>891,765</b>

	Three-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Cost of goods sold and services rendered</b>				
Cost of goods sold	320,630	274,285	320,630	274,285
Cost of services rendered	3,159	2,531	91,584	57,049
	<b>323,789</b>	<b>276,816</b>	<b>412,214</b>	<b>331,334</b>

As mentioned in Notes 11 and 25, the change in the ICMS-ST calculation and accounting record system, as of January 1, 2022, caused a reduction in the ICMS expense recorded in the sales taxes account, with a corresponding increase in the cost of inventories acquired.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 27. Other operating expenses, net

	Nine-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Other operating income (expenses), net</b>				
Provision for tax, labor and civil contingencies	293	5,540	280	5,260
Expense with civil proceeding - Copyright	-	(5,699)	-	(5,699)
Structuring costs - FIDC Verdecard	(1,512)	(1,389)	(2,022)	(1,936)
Stock option plan expense	(7,260)	(8,696)	(7,260)	(8,696)
Losses on claims	(275)	(310)	(275)	(310)
Recovery of tax credits	10,591	23,955	11,359	23,955
Payables to former controlling shareholders	-	(22,015)	-	(22,015)
Attorney's fees - recovery of tax credits	(1,253)	(16)	(1,306)	(16)
Other operating income (expenses), net	(10)	909	(1,339)	1,177
	<b>574</b>	<b>(7,721)</b>	<b>(563)</b>	<b>(8,280)</b>

	Three-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Other operating income (expenses), net</b>				
Provision for tax, labor and civil contingencies	(218)	(603)	(199)	(799)
Expense with civil proceeding - Copyright	-	-	-	-
Structuring costs - FIDC Verdecard	(572)	(470)	(759)	(631)
Stock option plan expense	(2,181)	(2,967)	(2,181)	(2,967)
Losses on claims	(32)	23	(32)	23
Recovery of tax credits	3,976	23,955	4,744	23,955
Payables to former controlling shareholders	-	(22,015)	-	(22,015)
Attorney's fees - recovery of tax credits	(598)	-	(651)	-
Other operating income (expenses), net	40	1,177	(84)	1,173
	<b>415</b>	<b>(900)</b>	<b>838</b>	<b>(1,261)</b>



## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 28. Expenses by nature

The Company presented its statement of profit or loss using a classification of expenses by function. Information on the nature of operating expenses recorded in the statement of profit or loss is as follows:

	Nine-month period ended			
	Parent		Consolidated	
	09/30/2022	09/30/21	09/30/2022	09/30/21
Cost of goods sold	888,100	742,248	888,100	742,248
Cost of services rendered	9,934	7,463	248,278	149,517
Personnel expenses	301,156	280,047	317,957	293,431
Third-party service expenses	30,530	27,296	33,763	30,025
Expense with lease of stores, equipment and other	10,619	8,671	11,721	9,800
Depreciation and amortization expense	78,408	60,504	80,503	62,124
Tax credits - depreciation and amortization	(3,237)	(2,442)	(3,237)	(2,442)
Losses on receivables	1,256	1,374	1,769	3,308
Sharing of expenses between Group companies	(40,410)	(37,043)	-	-
Other	57,841	55,098	63,467	60,230
<b>Total expenses</b>	<b>1,334,197</b>	<b>1,143,216</b>	<b>1,642,321</b>	<b>1,348,241</b>
Cost of goods sold and services rendered	898,034	749,711	1,136,378	891,765
Selling expenses	344,760	305,172	348,160	310,394
General and administrative expenses	91,977	80,612	157,220	137,802
Other operating expenses	(574)	7,721	563	8,280
<b>Total expenses</b>	<b>1,334,197</b>	<b>1,143,216</b>	<b>1,642,321</b>	<b>1,348,241</b>
	Three-month period ended			
	Parent		Consolidated	
	09/30/2022	09/30/21	09/30/2022	09/30/21
Cost of goods sold	320,630	274,285	320,630	274,285
Cost of services rendered	3,159	2,531	91,584	57,049
Personnel expenses	102,814	100,946	109,784	105,622
Third-party service expenses	10,692	9,587	11,869	10,560
Expense with lease of stores, equipment and other	3,616	3,161	3,989	3,536
Depreciation and amortization expense	27,717	21,863	28,442	22,447
Tax credits - depreciation and amortization	(1,132)	(892)	(1,132)	(892)
Losses on receivables	360	589	424	987
Sharing of expenses between Group companies	(14,237)	(13,928)	-	-
Other	18,922	18,041	19,848	19,982
<b>Total expenses</b>	<b>472,541</b>	<b>416,183</b>	<b>585,438</b>	<b>493,576</b>
Cost of goods sold and services rendered	323,789	276,816	412,214	331,334
Selling expenses	119,573	109,606	120,283	111,113
General and administrative expenses	29,594	28,861	53,779	49,868
Other operating expenses	(415)	900	(838)	1,261
<b>Total expenses</b>	<b>472,541</b>	<b>416,183</b>	<b>585,438</b>	<b>493,576</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 29. Finance income (costs)

	Nine-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Finance income</b>				
Cash and cash equivalents and short-term investment yields	3,816	4,275	12,386	5,438
Monetary variation gains	4,395	1,275	4,583	1,281
Monetary variation on recovery of tax credits	4,796	27,067	5,227	27,067
Adjustment to present value	12,473	4,231	12,473	4,231
Income from FIDC Verdecard shares	113,782	129,900	-	-
PIS/COFINS on finance income	(5,929)	(7,580)	(1,067)	(1,596)
Other	2,222	896	2,239	932
<b>Subtotal</b>	<b>135,555</b>	<b>160,064</b>	<b>35,841</b>	<b>37,353</b>
<b>Finance costs</b>				
Interest on loans and arrears interest	(39,843)	(16,389)	(39,874)	(16,402)
Interest on lease liabilities	(30,430)	(21,843)	(30,430)	(21,843)
Monetary variation losses	(3,639)	(1,150)	(3,639)	(1,150)
Monetary variation - former controlling shareholders	(804)	(25,809)	(804)	(25,809)
Restatement of accounts payable for investment acquisition	(1,643)	(446)	(1,643)	(446)
Adjustment to present value	(32,930)	(12,999)	(32,930)	(12,999)
Tax on Financial Transactions (IOF)	(1,397)	(1,029)	(1,669)	(1,050)
Discounts granted	(286)	(216)	(1,028)	(767)
Other	(7,625)	(6,940)	(8,312)	(7,399)
<b>Subtotal</b>	<b>(118,597)</b>	<b>(86,821)</b>	<b>(120,329)</b>	<b>(87,865)</b>
<b>Finance income (costs)</b>	<b>16,958</b>	<b>73,243</b>	<b>(84,488)</b>	<b>(50,512)</b>
	Three-month period ended			
	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
<b>Finance income</b>				
Cash and cash equivalents and short-term investment yields	840	1,305	5,123	1,972
Monetary variation gains	725	385	807	385
Monetary variation on recovery of tax credits	2,207	27,067	2,599	27,067
Adjustment to present value	4,458	2,026	4,458	2,026
Income from FIDC Verdecard shares	32,145	47,076	-	-
PIS/COFINS on finance income	(1,681)	(3,546)	(409)	(1,390)
Other	824	637	830	673
<b>Subtotal</b>	<b>39,518</b>	<b>74,950</b>	<b>13,408</b>	<b>30,733</b>
<b>Finance costs</b>				
Interest on loans and arrears interest	(14,202)	(6,350)	(14,219)	(6,350)
Interest on lease liabilities	(10,942)	(8,654)	(10,942)	(8,654)
Monetary variation losses	(1,240)	(547)	(1,240)	(547)
Monetary variation - former controlling shareholders	(147)	(25,809)	(147)	(25,809)
Restatement of accounts payable for investment acquisition	(645)	(219)	(645)	(219)
Adjustment to present value	(9,669)	(5,011)	(9,669)	(5,011)
Tax on Financial Transactions (IOF)	(323)	(359)	(323)	(369)
Discounts granted	(85)	(104)	(280)	(294)
Other	(2,711)	(2,395)	(2,876)	(2,597)
<b>Subtotal</b>	<b>(39,964)</b>	<b>(49,448)</b>	<b>(40,341)</b>	<b>(49,850)</b>
<b>Finance income (costs)</b>	<b>(446)</b>	<b>25,502</b>	<b>(26,933)</b>	<b>(19,117)</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
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### 29. Finance income (costs) - Continued

The Company's finance income (cost) is related to the current interest rate, specifically the CDI rate, since this indicator directly affects the most significant accounts of the group of accounts that make up the finance income (cost), such as profitability of financial investments, interest on loans, interest on lease liabilities, and adjustment to present value. The amounts recorded as at September 30, 2022 were based on the average CDI rate for the period of 0.95% p.m. (0.28% p.m. as at September 30, 2021).

### 30. Financial instruments and risk management

The main financial instruments and related amounts reported in the interim financial information, by category, are as follows:

	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
	Carrying amount	Carrying amount	Carrying amount	Carrying amount
<b>Financial assets</b>				
<u>Amortized cost:</u>				
Cash and cash equivalents	9,720	117,335	340,867	256,351
Trade accounts receivable	157,419	150,288	904,590	867,809
Other receivables	26,400	33,690	30,335	44,210
<u>Fair value through profit or loss:</u>				
Short-term investments	7,725	5,849	77,910	84,889
<b>Financial liabilities</b>				
<u>Financial liabilities at amortized cost:</u>				
Trade accounts payable	300,217	434,477	300,217	434,477
Trade accounts payable - agreement (a)	-	41,324	-	41,324
Payables to accredited establishments (b)	-	-	155,542	147,685
Lease liabilities	514,373	453,470	514,373	453,470
Accounts payable for investment acquisition	20,119	18,476	20,119	18,476
Loans and financing	338,640	267,808	338,640	267,808
Senior shares - FIDC Verdecard	-	-	714,636	510,442

(a) These refer to balances payable to suppliers for installment purchase of goods, which were prepaid through financial institutions with which the Company has a partnership, as described in Note 18.

(b) These refer to amounts payable to accredited establishments relating to VerdeCard credit card transactions.

The financial instruments measured at amortized cost, whose fair values differ from their carrying amounts, are disclosed in Note 30.3.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
(In thousands of reais - R\$, unless otherwise stated)

### 30. Financial instruments and risk management (Continued)

The fair values of cash and cash equivalents, trade accounts receivable, other receivables, receivables from related parties, short-term investments, trade accounts payable, trade accounts payable - agreement, payables to accredited establishments, accounts payable for investment acquisition, lease liabilities and Senior Shares - FIDC Verdecard are equivalent to their carrying amounts.

#### 30.1. Considerations on risk factors that may affect the Company's and its subsidiaries' business

##### a) Credit risk

Credit risk refers to the risk of a counterparty does not fulfill its contractual obligations, resulting in financial losses to the Company.

The Company is exposed to the credit risk due to its cash and cash equivalents and short-term investments held with financial institutions and the position of trade accounts receivable generated from its business transactions.

- (\*) Cash and cash equivalents and short-term investments: in order to minimize the credit risk underlying these investments, investments in financial institutions are analyzed, which takes into consideration monetary limits and ratings of the financial institutions.
- (\*) Accounts receivable: the Company's sales policies seek to minimize this risk through careful selection of customers' portfolio according to their payment capacity (credit rating analysis) and diversification of its sales (risk dilution).

The credit risk arising from trade accounts receivable is minimized as most sales are made using own or third-party credit cards. In transactions with own credit cards, the Company definitively transfers past due receivables, without right of reimbursement to the partner financial institution, thus leading to the derecognition of these accounts receivable. In transactions with third-party credit cards, the financial institution issuing the customer credit card assumes the credit risk.

The Company recognized an allowance for expected credit losses for own funding, in the amount of R\$122,456 (R\$91,442 as at December 31, 2021), as shown in Note 8.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
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### 30. Financial instruments and risk management (Continued)

#### 30.1. Considerations on risk factors that may affect the Company's and its subsidiaries' business (Continued)

##### b) Market risk - interest rates

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument may fluctuate due to changes in market interest rates. The Company's exposure to risk of changes in market interest rates refers mainly to its long- and short-term obligations subject to variable interest rates, mainly the CDI rate.

##### c) Exchange rate risk

The Company occasionally carries out certain transactions in foreign currency and, therefore, it is exposed to exchange rate changes. Exposures to foreign exchange risks are managed pursuant to the provisions set out in the approved policies, using futures currency contracts.

The foreign exchange risk arises from future and current business transactions, related to working capital loans denominated in U.S. dollar.

As at September 30, 2022, there were no derivative transactions for foreign exchange hedging purposes.

##### d) Capital management risk

The main objective of the Company's capital management is to ensure maintenance of a strong credit rating and a capital ratio able at an amount sufficient to support business and maximize shareholder value.

The Company manages its capital through leverage ratios, i.e., the net debt-to-total capital ratio. The Company includes in its net debt structure loans and financing, less cash and cash equivalents and short-term investments.

The Company manages its capital structure and makes adjustments considering changes in economic conditions.

There were no changes in objectives, policies or processes over the nine-month period ended September 30, 2022.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 30. Financial instruments and risk management (Continued)

#### 30.1. Considerations on risk factors that may affect the Company's and its subsidiaries' business (Continued)

##### d) Capital management risk (Continued)

	Parent		Consolidated	
	09/30/22	12/31/21	09/30/22	12/31/21
	Carrying amount	Carrying amount	Carrying amount	Carrying amount
Cash and cash equivalents	9,720	117,335	340,867	256,351
Short-term investments	7,725	5,849	77,910	84,889
Loans and financing	(338,640)	(267,808)	(338,640)	(267,808)

##### e) Liquidity risk

Liquidity risk is the risk that the Company may find difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Board of Directors has ultimate responsibility for the management of the liquidity risk, constantly monitoring the Company's projected cash flows and managing liquidity risk, funding requirements and liquidity in the short, medium and long terms. Accordingly, the Company manages liquidity risk, maintaining adequate reserves, bank and other credit facilities for raising borrowings it considers appropriate, through continuous monitoring of forecasted and actual cash flows, and also by combining the maturity profile of financial assets and liabilities.

Summarized maturity profile of the Company's financial assets and liabilities based on undiscounted payments provided for by contracts is as follows:

September 30, 2022	Parent					
	Carrying amount	Contractual cash flow	12 months	2 years	3 years	4 years or more
<b>Nonderivative financial liabilities</b>						
Loans and financing	338,640	342,178	101,808	96,799	38,571	105,000
Trade accounts payable	300,217	300,217	300,217	-	-	-
Lease liabilities	514,373	759,548	108,372	360,516	200,788	89,872
Accounts payable for investment acquisition	20,119	20,119	-	-	-	20,119

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 30. Financial instruments and risk management (Continued)

#### 30.1. Considerations on risk factors that may affect the Company's and its subsidiaries' business (Continued)

##### e) Liquidity risk (Continued)

September 30, 2022	Consolidated					4 years or more
	Carrying amount	Contractual cash flow	12 months	2 years	3 years	
<b>Nonderivative financial liabilities</b>						
Loans and financing	338,640	342,178	101,808	96,799	38,571	105,000
Senior shares - FIDC Verdecard	714,636	720,618	168,605	195,694	168,958	187,361
Payables to accredited establishments	155,542	155,542	155,542	-	-	-
Trade accounts payable	300,217	300,217	300,217	-	-	-
Lease liabilities	514,373	759,548	108,372	360,516	200,788	89,872
Accounts payable for investment acquisition	20,119	20,119	-	-	-	20,119

#### 30.2. Sensitivity analysis of financial instruments

The Company presents below information on its financial instruments, which is required under the IFRS and the accounting practices adopted in Brazil.

In preparing this supplementary sensitivity analysis, the Company adopted the following assumptions:

- Identification of market risks that can generate material losses for the Company, which are the same as those disclosed in Note 30.1.b.
- Definition of a probable scenario for risk behavior that, if materialized, may generate adverse results for the Company, and which is benchmarked by an independent external source.
- Presentation of impact of the scenario defined at fair value of financial instruments managed by the Company.

##### 30.2.1. Interest rate sensitivity analysis

The Company's profit or loss is subject to changes in interest rates on short-term investments, and loans and financing and debentures, which are pegged to variable interest rates, mainly the Interbank Deposit Certificate (CDI) rate. The Company management is not aware of any events that have or may have significant impacts on this rate that could affect the Company's P&L.

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
(In thousands of reais - R\$, unless otherwise stated)

### 30. Financial instruments and risk management (Continued)

#### 30.2. Sensitivity analysis of financial instruments (Continued)

##### 30.2.1. Interest rate sensitivity analysis (Continued)

A 302 base points increase or decrease is used to present internally the interest rate risks to key management personnel and corresponds to management's assessment of the possible changes in interest rates.

If interest rates were 25% higher/lower, equivalent to a 302 base points increase or decrease, and all other variables remained constant, loss for the nine-month period ended September 30, 2022 would increase/decrease by R\$9,289, primarily due to the Company's exposure to floating interest rates in connection with its payables.

#### 30.3. Fair value measurement

The Company discloses the fair values of the financial instruments measured at fair value and at amortized cost, which differ from their carrying amounts, as prescribed by CPC 46 and IFRS 13, referring to measurement concepts and disclosure requirements.

The fair values of cash and cash equivalents, trade accounts receivable, other receivables, receivables from related parties, short-term investments, trade accounts payable, trade accounts payable - agreement, payables to accredited establishments, accounts payable for investment acquisition and Senior Shares - FIDC Verdecard are equivalent to their carrying amounts.

The fair values are calculated by projecting future cash flows and discounted to present value, at the current market rates prevailing for each transaction.

The following table presents the fair value hierarchy for financial assets and financial liabilities recorded at fair value and financial instruments measured at amortized cost, the fair value of which is being disclosed in the interim financial information:



## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
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### 30. Financial instruments and risk management (Continued)

#### 30.3. Fair value measurement (Continued)

		Parent			
		09/30/22		12/31/21	
	Level	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Short-term investments (CDB)	2	7,725	7,725	5,849	5,849
<b>Financial liabilities</b>					
Loans and financing (amortized cost)	2	338,640	283,534	267,808	241,136
		Consolidated			
		09/30/22		12/31/21	
	Level	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Short-term investments (LFT)	1	70,185	70,185	79,040	79,040
Short-term investments (CDB)	2	7,725	7,725	5,849	5,849
<b>Financial liabilities</b>					
Loans and financing (amortized cost)	2	338,640	283,534	267,808	241,136

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

Level 2: Fair value measurement at the balance sheet date, using other significant observable assumptions.

### 31. Leases

The detailed information on lease obligations was disclosed in the 2021 annual financial statements, in Note 32.

The table below discloses the discount rates used for the discount to present value of lease payment flows, vis-à-vis agreement terms:

Agreements per term and discount rate Parent and Consolidated	
Agreement terms	(%) Rates p.a.
1 to 5 years	8.21%
5 to 10 years	9.20%
> 10 years	9.07%

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 31. Leases (Continued)

Changes in the balances of lease liabilities are as follows:

Lease liabilities	Parent and Consolidated		
	Right of use	Machinery and equipment	Consolidated
<b>Balance at 12/31/2020</b>	<b>306,123</b>	<b>1,890</b>	<b>308,013</b>
Additions	107,174	-	107,174
Remeasurements/write-offs	52,907	-	52,907
Considerations paid	(57,562)	(961)	(58,523)
Interest for the period	21,615	228	21,843
<b>Balance at 09/30/2021</b>	<b>430,257</b>	<b>1,157</b>	<b>431,414</b>
<b>Balance at 12/31/2021</b>	<b>452,570</b>	<b>900</b>	<b>453,470</b>
Additions	70,148	2,776	72,924
Remeasurements/write-offs	34,846	-	34,846
Considerations paid	(75,968)	(1,330)	(77,298)
Interest for the period	30,185	246	30,431
<b>Balance at 09/30/2022</b>	<b>511,781</b>	<b>2,592</b>	<b>514,373</b>

The table below shows the analysis of contractual maturity, and undiscounted portions reconciled with the accounting balance for the nine-month periods ended September 30, 2022 and 2021:

Maturity of agreements	Parent and Consolidated		
	09/30/2021		
Maturities of portions (R\$ thousands)	Right of use	Machinery and equipment	Consolidated
< 1 year	85,831	1,367	87,198
1 to 5 years	278,201	119	278,320
5 to 10 years	172,014	-	172,014
> 10 years	89,718	-	89,718
<b>Undiscounted amounts</b>	<b>625,764</b>	<b>1,486</b>	<b>627,250</b>
Embedded interest	(195,507)	(329)	(195,836)
<b>Balance at 09/30/2021</b>	<b>430,257</b>	<b>1,157</b>	<b>431,414</b>

Maturity of agreements	Parent and Consolidated		
	09/30/2022		
Maturities of portions (R\$ thousands)	Right of use	Machinery and equipment	Consolidated
< 1 year	108,372	119	108,491
1 to 5 years	360,516	-	360,516
5 to 10 years	200,788	-	200,788
> 10 years	89,872	-	89,872
<b>Undiscounted amounts</b>	<b>759,548</b>	<b>119</b>	<b>759,667</b>
Embedded interest	(247,767)	2,473	(245,294)
<b>Balance at 09/30/2022</b>	<b>511,781</b>	<b>2,592</b>	<b>514,373</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
 Nine-month period ended September 30, 2022  
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### 31. Leases (Continued)

Changes in the balances of right-of-use assets are presented in the table below, according to the class of the asset:

Lease asset	Parent and Consolidated		
	Right of use	Machinery and equipment	Consolidated
<b>Balance at 12/31/2020</b>	<b>286,170</b>	<b>3,077</b>	<b>289,247</b>
Additions	107,174	-	107,174
Remeasurements/write-offs	49,170	-	49,170
Depreciation	(39,990)	(334)	(40,324)
<b>Balance at 09/30/2021</b>	<b>402,524</b>	<b>2,743</b>	<b>405,267</b>
<b>Balance at 12/31/2021</b>	<b>421,924</b>	<b>2,632</b>	<b>424,556</b>
Additions	70,149	2,776	72,925
Remeasurements/write-offs	29,450	-	29,450
Depreciation	(49,379)	(74)	(49,453)
<b>Balance at 09/30/2022</b>	<b>472,144</b>	<b>5,334</b>	<b>477,478</b>

The table below shows the potential recoverable PIS/COFINS embedded in the lease/rental consideration, based on the expected payment periods, undiscounted balances and balances discounted to present value:

Cash flows	Parent and Consolidated			
	09/30/2022		09/30/2021	
	Total obligations	Adjusted to present value	Total obligations	Adjusted to present value
Lease considerations	759,667	514,373	627,250	431,414
Right-of-use considerations	759,548	511,781	625,764	430,257
Machinery and equipment considerations	119	2,592	1,486	1,157
Potential tax credits	(50,703)	(34,331)	(42,753)	(29,405)

	Parent and Consolidated					
	09/30/2022			09/30/2021		
	Right of use	Machinery and equipment	Consolidated	Right of use	Machinery and equipment	Consolidated
Considerations paid	(75,968)	(1,330)	(77,298)	(57,562)	(961)	(58,523)
Considerations paid, net	(71,286)	(1,330)	(72,616)	(54,151)	(961)	(55,112)
PIS and COFINS paid	(4,682)	-	(4,682)	(3,411)	-	(3,411)
Tax credits - right-of-use asset	(3,237)	-	(3,237)	(2,442)	-	(2,442)
Tax credits - lease liabilities	(1,445)	-	(1,445)	(969)	-	(969)

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
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### 32. Insurance coverage

The Company adopts the policy of taking out insurance coverage for assets subject to risks, at amounts deemed sufficient to cover losses, if any, considering the nature of its activities.

As at September 30, 2022, the insurance policies and coverage are as follows:

	09/30/22
<b><u>Property</u></b>	
Gross profit	97,906
Loss or payment of rental	1,322
Windstorm, hurricane, cyclone, tornado, hailstorm, vehicle crash and smoke	10,000
Glass breakage	500
Flood and inundation	1,000
Internal goods handling	100
Inclusions/exclusions of assets/sites and change in amounts at risk	5,000
Third-party assets in the possession of the policyholder	73
Equipment leased and/or assigned to third parties	4,448
Civil liability	1,420
Fire (including riots), lightning, explosion, implosion, smoke and aircraft crash	89,900
Electrical damage	1,500
Small engineering construction works for expansions, repairs and renovations	3,000
Debris removal	3,000
Illuminated advertising	300
Theft of values inside the policyholder's premises	500
Expenses with expert fees	1,000
Expert fees	1,000
Aggravated theft and/or larceny inside the policyholder's premises	2,000
	<b>223,969</b>
<b><u>D&amp;O</u></b>	
Directors and Officers Liability (D&O)	55,000
	<b>55,000</b>
<b><u>Vehicles</u></b>	
Property damage	5,000
Bodily injury	5,000
Bodywork	425
	<b>10,425</b>
<b>Total coverage</b>	<b>289,394</b>

## Lojas Quero-Quero S.A.

Notes to interim financial information (Continued)  
Nine-month period ended September 30, 2022  
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### 33. Additional cash flow information

The Company management defines as “cash and cash equivalents” the amounts held for the purpose of meeting short-term commitments rather than for investment or any other purposes. Short-term investments can be immediately converted into a known cash amount and are not subject to risk of significant change in value.

As at September 30, 2022, the balances that make up such account are described in Note 6.

The Company management classified interest paid on financing, leases and intercompany loans as cash flows from financing activities as they refer to fundraising costs.

Changes in equity not affecting the Company's cash flows are as follows:

	Parent		Consolidated	
	09/30/22	09/30/21	09/30/22	09/30/21
Provision for tax, labor and civil contingencies subject to reimbursement by former controlling shareholders	(229)	348	(231)	348
Recoverable taxes	-	49,082	-	49,082
Acquisition of property and equipment	(1,565)	(3,354)	(1,565)	(3,354)
Additions to intangible assets	(38)	(102)	(38)	(102)
Right-of-use asset	(106,326)	(159,112)	(106,326)	(159,112)
Other payables	-	47,824	-	47,824
Lease liabilities	106,326	159,112	106,326	159,112