(Convenience Translation into English from the Original Previously Issued in Portuguese)

Vivara Participações S.A. and Subsidiaries

Individual and Consolidated Financial Statements for the Year Ended December 31, 2023 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

Vivara Participações S.A. (B3: VIVA3), Latin America's largest jewelry chain, announces its results for the fourth quarter (4Q23) and fiscal year 2023.

In 4Q23, Vivara posted revenue of R$1.0 billion, up 24.0%, with significant growth in all categories and channels. In the year, the Company registered Gross Revenue of R$2.8 billion, up 21.2% from the previous year.

2023 was marked by record investments, leading to improvements across several strategic fronts. This year, the Company completed its highest expansion plan and highest production investment ever. Despite being a year to solidify the foundations of its business model, Vivara was able to protect profitability, with significant maximization of its operating cash generation.

At the end of 4Q23, the Company resumes its Net Cash position, driven by the generation of free cash of R$ 87.3 million and the significant reduction in capital allocation to inventories.

4Q23 AND 2023 HIGHLIGHTS

- Record quarterly sales: R$1.0 billion Gross Revenue (net of returns) | +24.0% vs. 4Q22 In 2023, the Company's revenue came to R$2.8 billion, a significant increase of 21.2%.
- In the quarter, same-store sales (SSS) grew 15.0% from 4Q22 and 12.4% from 2022.
- New clients increased 30.4% in 2023.
- Active clients totaled 2.0 million, up 17.0% vs. 2022.
- Inauguration of 22 new stores in 4Q23 and 61 new points of sale in the year, ending the year with 257 Vivara Stores, 117 Life Stores and 16 Kiosks.
- Gross Margin of 70.0% in 4Q23 and 69.3% in 2023, an increase of 40 bps.
- Operating profitability protection in the year: R$479.6 million of Adjusted EBITDA, +19.6% vs. 2022, with Margin of 21.9%.
- Reduction of 26 days in inventory turnover, in comparison with December 2022.
- Strong free cash generation in the quarter, increasing R$87.3 million.
- Highest investment ever of R$178.2 million, notably to new stores, systems and plant.
- Completion of migration of plant in Manaus.

Gross Revenue, net of returns, in 4Q23 reached R$1.0 billion, up 24.0% from 4Q22, due to (i) the 18.0% increase in sales area in the last 12 months, with addition of 54 new stores; (ii) the 15.0% increase in same-store sales (SSS), including digital sales, in 4Q23; (iii) the successful strategy of adjusting mix in Vivara stores, investing in more traditional items; and (iv) the sales force in seasonal Black Friday and Christmas events. In the year, Revenue was R$2.8 billion, up 21.2% from 2022.

Net Revenue was R$778.1 million in the quarter, expanding 20.8% in relation to 4Q22, and R$2.2 billion in the year, up 18.6% from 2022.

Revenue per chanel (R$, 000)	4Q23	4Q22	Δ% 23vs22	SSS	2023	2022	Δ% 23vs22	SSS
Gross Revenue (net of returns)	1,017,181	820,402	24.0%	15.0%	2,788,016	2,299,920	21.2%	12.4%
Physical Stores	836,140	682,491	22.5%	11.8%	2,332,724	1,978,203	17.9%	7.1%
Vivara Stores	641,068	565,843	13.3%	9.7%	1,864,885	1,728,249	7.9%	5.0%
Life Stores	184,010	104,052	76.8%	24.7%	431,840	212,251	103.5%	30.7%
Kioks	11,062	12,595	-12.2%	14.2%	35,999	37,704	-4.5%	9.3%
Digital Sales	175,525	132,254	32.7%	30.8%	438,630	306,126	43.3%	40.0%
Others	5,515	5,657	-2.5%	na	16,662	15,590	6.9%	na
Deductions	(239,054)	(176,357)	35.6%	na	(601,041)	(456,184)	31.8%	na
Net Revenue	778,127	644,045	20.8%	na	2,186,975	1,843,735	18.6%	na
SSS (physical stores)	11.8%	4.4%	na	na	7.1%	20.9%	na	na
SSS (physical stores + digital)	15.0%	6.9%	na	na	12.4%	15.8%	na	na

This quarter, a highlight once again is the remarkable increase of 35.6% in Deductions from Revenue due to the reclassification of two taxes, which until March 2023 were registered in "Taxes and Fees", under Selling Expenses, as well as the lower presumed credit volume, broken down as follows:

i. R$3.9 million state tax linked to the Manaus Free Trade Zone compensation plan, which includes the allocation of 1.0% of gross revenue from industry, through the subsidiary Conipa, to the Amazonas State University (UEA), pursuant to Law 2,826/2003;
ii. R$9.3 million related to the difference in the ICMS tax rate (DIFAL);
iii. Lower effect from presumed credit, deducted from ICMS expenses, which totaled R$51.1 million, down 9.1% from 4Q22 or 180 bps, as a percentage of Gross Revenue.

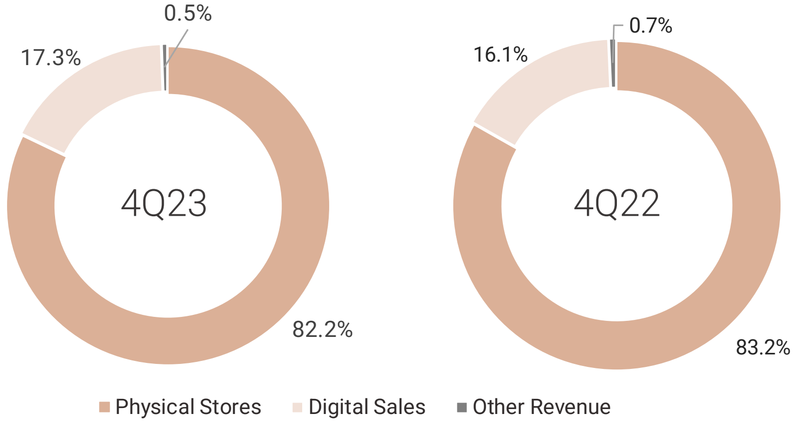
These effects are explained by a year of plant migration, as well as by the adaptation of Company's cost structure. In the quarter, the combination of the effects led to a difference of 310 bps between Gross revenue and Net revenue growths. In the year, this impact was 250 bps.

Revenue Deductions	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Gross Revenue (net of returns)	**1,017,181**	**820,402**	**24.0%**	**2,788,016**	**2,299,920**	**21.2%**
ICMS	(192,881)	(162,182)	18.9%	(534,152)	(441,912)	20.9%
% Gross Revenue (net of returns)	-19.0%	-19.8%	*0.8 p.p.*	-19.2%	-19.2%	*0.1 p.p.*
Subvention Revenue (ICMS)	51,126	56,235	-9.1%	204,260	198,657	2.8%
% Gross Revenue (net of returns)	5.0%	6.9%	*(1.8 p.p.)*	7.3%	8.6%	*(1.3 p.p.)*
COFINS	(66,317)	(54,638)	21.4%	(184,282)	(157,761)	16.8%
% Gross Revenue (net of returns)	-6.5%	-6.7%	*0.1 p.p.*	-6.6%	-6.9%	*0.2 p.p.*
PIS	(14,354)	(11,863)	21.0%	(39,965)	(34,230)	16.8%
% Gross Revenue (net of returns)	-1.4%	-1.4%	*0.0 p.p.*	-1.4%	-1.5%	*0.1 p.p.*
F.T.I.	(3,264)	(3,803)	-14.2%	(14,505)	(20,519)	-29.3%
% Gross Revenue (net of returns)	-0.3%	-0.5%	*0.1 p.p.*	-0.5%	-0.9%	*0.4 p.p.*
ISS	(108)	(105)	2.6%	(469)	(419)	11.9%
% Gross Revenue (net of returns)	0.0%	0.0%	*0.0 p.p.*	0.0%	0.0%	*0.0 p.p.*
UEA	(3,919)	-	na	(12,199)	-	na
% Gross Revenue (net of returns)	-0.4%	0.0%	*(0.4 p.p.)*	-0.4%	0.0%	*(0.4 p.p.)*
ICMS DIFAL EC 87	(9,337)	-	na	(19,729)	-	na
% Gross Revenue (net of returns)	-0.9%	0.0%	*(0.9 p.p.)*	-0.7%	0.0%	*(0.7 p.p.)*
Receita Líquida	**778,127**	**644,045**	**20.8%**	**2,186,975**	**1,843,735**	**18.6%**

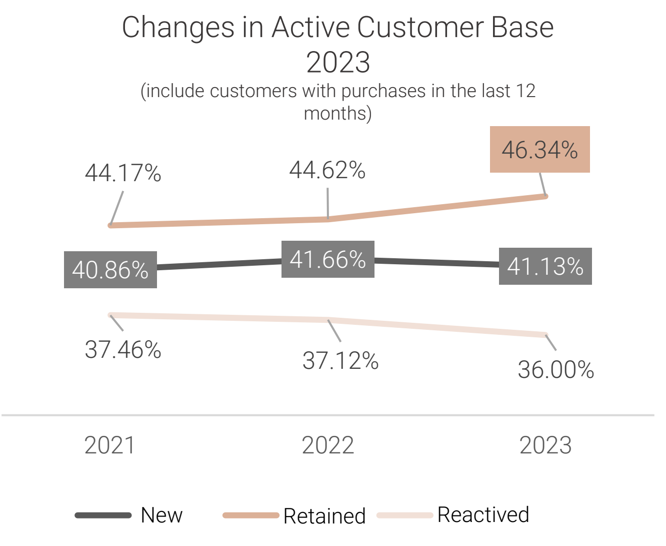
This quarter, sales growth was once again driven by the volume of pieces sold, which increased 16.6% from 4Q22. The 6.3% increase in the Company's average price reflects the effectiveness of the product strategy and the appropriate pricing policy.

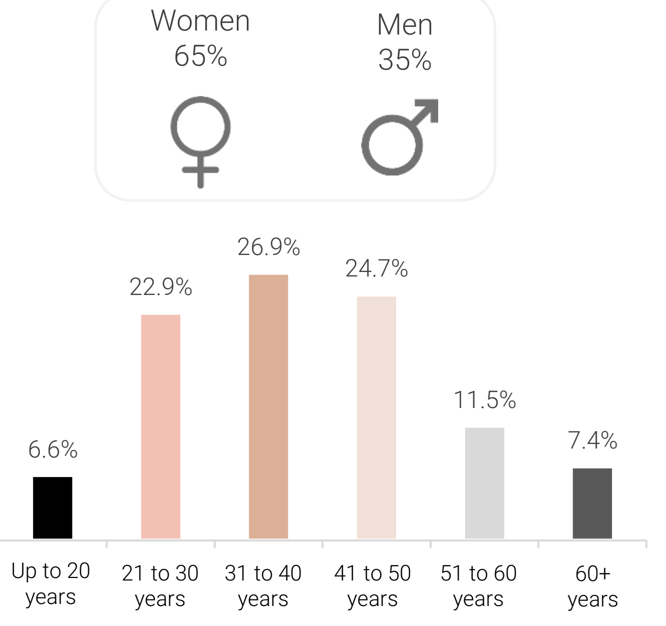
In the year, volume of pieces sold increased 17.2%, with 3.4% increase in average price. Note that the average price in the quarter and in the year considers the mix differences among categories.

The seasonal effects in the fourth quarter drove the Company's growth: (i) sales in Black Friday period, between November 13 and 27, grew 31.2%; (ii) during Christmas season, from December 1 to 24, sales surpassed R$440.0 million, up 20.3% from the previous year. In 2023, Black Friday campaign registered a greater share in sales volume in the quarter when compared to 2022.



At the end of 2023, the group brands continued to attract customers. Active customer base grew 17.0% compared to the end of 2022, reaching the record high of 2.0 million active customers. Shopping frequency in the main channels registered significant expansion of 25.4% when compared to the previous year, reaching 1.8 times in 2023.





DIGITAL Sales

Digital sales came to R$175.5 million, up 32.7% from 4Q22, accounting for 17.3% of total sales, expanding share at 120 bps from the same quarter of the previous year. This result primarily reflects: (i) the importance of Black Friday season in the digital channel, with orders increasing 10% during the period; (i) the continuous improvement in operating indicators of the new platform, implemented in 2H22; and (ii) the higher share of omnichannel sales, with OMS sales accounting for 21.0% of digital sales, and the Joias em Ação assisted sales program, which accounted for 16.8% of total digital sales in the quarter. In 2023, the channel expanded 43.3%, totaling R$438.6 million and with share of 15.7% of total sales, up 240 bps from 2022.

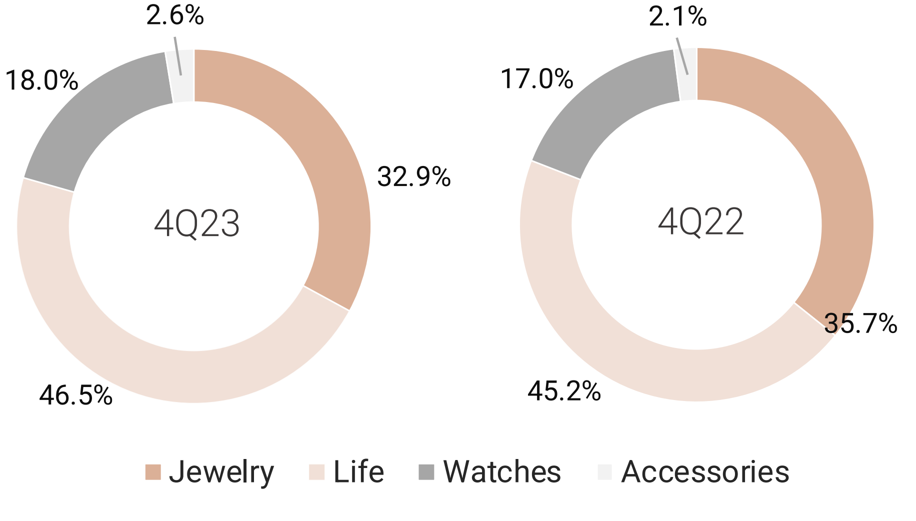
OMS sales, i.e., sales carried out through e-commerce and invoiced by stores, accounted for 21.0% of digital sales last quarter, up 780 bps from 4Q22, reflecting the Company's investments to enable the stores function as hubs, thus offering customers greater convenience while increasing upsell opportunities by integrating the journeys.

In 4Q23, revenue from the Joias em Ação program increased 21.6% compared to the same period last year, accounting for 16.8% of total digital sales. This format continues to drive the performance of the Jewelry category, which corresponds to 47.2% of total revenue from this format, followed by the Life category with 38.6%.

Considering the two formats mentioned above, total sales through omnichannel initiatives (OMS sales and Joias em Ação program) grew 59.0% between the periods. In 2023, growth was 81.0%.

In 4Q23, the Life category was the top performer in digital sales, expanding its share by 130 bps, mainly due to the compatibility of its average ticket to online shopping, the broader assortment of products, which increasingly reduces the dependence on a single type of product, and by the successful communication and marketing strategy.

In the year, the Jewelry segment maintains the greatest share of digital sales, accounting for 41.0%, followed by Life category, with share of 38.5% of digital sales.



Physical Stores

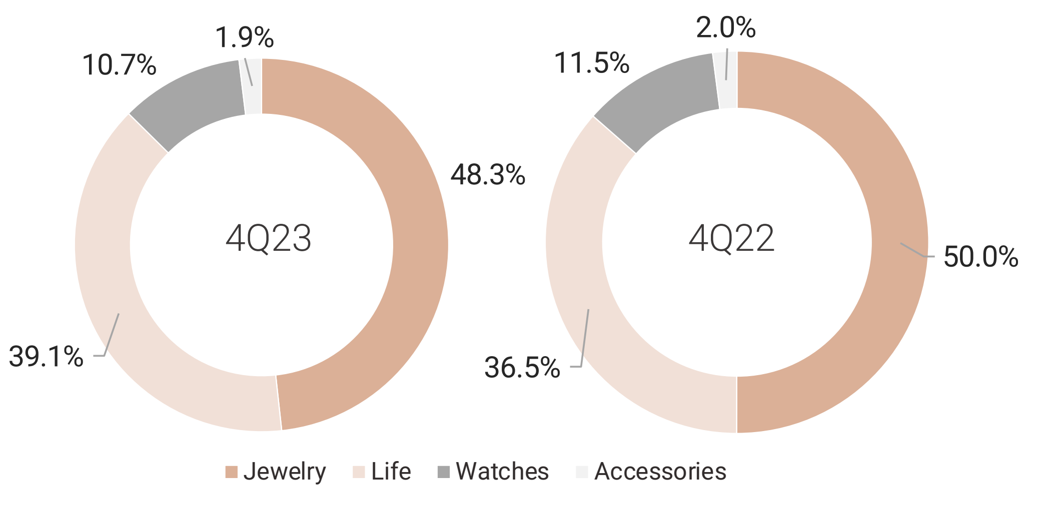
In 4Q23, the Company registered revenue of R$836.1 million at physical stores, an increase of 22.5% year on year. Same-Store Sales (SSS) at physical stores alone increased 11.8%, driven by stand-alone Life stores, with SSS of 24.7%, and Vivara stores that, despite the channel maturation, registered SSS of 9.7%.

In 2023, revenue from physical stores totaled R$2.3 billion, up 17.9% from 2022, and SSS at physical stores was 7.1%, driven by Life stores, which registered SSS of 30.7% in the year.

	Breakdown by Business (R$, 000)	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Vivara	Number of stores	257	243	14	257	243	14
	Store rollouts	3	6	-3	16	14	2
	Sales area (m²)	23,719	22,091	7.4%	23,719	22,091	7.4%
	Gross revenue (net of return)	641,068	565,843	13.3%	1,864,885	1,728,249	7.9%
	Sales per m²	27,028	25,614	5.5%	78,625	78,232	0.5%
Life	Number of stores	117	72	45	117	72	45
	Store rollouts	19	16	3	45	39	6
	Sales area (m²)	8,586	5,228	64.2%	8,586	5,228	64.2%
	Gross revenue (net of return)	184,010	104,052	76.8%	431,840	212,251	103.5%
	Sales per m²	21,432	19,902	7.7%	50,296	40,597	23.9%
Kiosk	Number of kiosks	16	21	-5	16	21	-5
	Store rollouts	-4	1	-5	-4	-4	0
	Sales area (m²)	101	134	-24.6%	101	134	-24.6%
	Gross revenue (net of return)	11,062	12,595	-12.2%	35,999	37,704	-4.5%
	Sales per m²	109,524	93,996	16.5%	356,424	281,370	26.7%
Total	Points of sales	390	336	54	390	336	54
	Store rollouts	18	23	-5	57	49	8
	Sales area (m²)	32,406	27,454	18.0%	32,406	27,454	18.0%
	Gross revenue (net of return)	836,140	682,491	22.5%	2,332,724	1,978,203	17.9%
	Sales per m²	25,802	24,860	3.8%	71,985	72,056	-0.1%

Sales by category – Physical Stores

As for sales by category at Physical Stores in the quarter, the Life brand's share of sales increased 270 bps, directly reflecting the expansion of Life stores in the last 12 months. The Jewelry category contracted 170 bps and Watches category decreased 80 bps, due to the increase in digital sales, mainly resulting from omnichannel initiatives: OMS sales and the Joias em Ação assisted sales program.



VIVARA Stores

With 257 points of sale, Vivara stores, although being a consolidated and mature channel, keeps registering good performance: revenue of R$641.1 million in 4Q23, up 13.3% from 4Q22, with SSS of 9.7%. In the year, Vivara stores' revenue stood at R$1.9 billion, a 7.9% increase, and SSS of 5.0%. Note that sales at Vivara stores are impacted by omnichannel initiatives, with the allocation of revenue from assisted sales to digital sales. In terms of Phygital sales, which allocates digital sales to stores assisted by the sales force, growth registered at Vivara stores was 13.9% in 4Q23, with SSS of 10.4%.

The healthy performance of Vivara stores was also due to the Jewelry category, which registered consolidated growth of 18.7% in the quarter, explained by the successful strategy in adapting mix, bringing more traditional rather than fashion jewelry pieces, and by the launch of four new collections in the quarter with a higher markup. Also note the significant contribution of the marketing strategy, focused on reinforcing the connection of the brand with great celebrations in customers' lives.

The cannibalization resulting from the addition of new stand-alone Life stores remains at healthy levels. During the year, we focused on Vivara stores alone at malls where Life stores were opened, to enhance sales and soften the cannibalization effect, adjusting Life brand's product mix and display within Vivara stores. From the third quarter of 2023, cannibalization levels have been decreasing. In 4Q23, the sales of Life products within the 108 Vivara stores at malls where the Company has both channels declined 390 bps in relation to 4Q22. In the year, the decline was 290. Note that despite the reduction in Life's share of sales, total revenue from this group of stores increased 8.5% in 4Q23 and 3.2% in 2023.

LIFE Stores

With the strong expansion of stand-alone Life stores in recent years, the share of Life in revenue from physical stores increased significantly, currently accounting for 22.0%, up 680 bps from 4Q22. Revenue from Life stores came to R$184.0 million in 4Q23 and R$431.8 million in 2023, up 76.8% and 103.5%, respectively.

The revenue growth is explained by: (i) the opening of 45 new stand-alone Life stores in the last 12 months, expanding sales area by 64.2%; (ii) the 24.7% growth in SSS of Life stores in the quarter, above the average of total stores; (iii) the diversification of portfolio, increasing the assortment and bringing fashion trends to the brand's products; (iv) the effective communication and marketing strategy focused on increasing awareness and (v) the importance of Life category in Black Friday sales, which accounted for 46.8% of total sales during the 14-day campaign.

At the end of 2023, the Company reached mature 33 stand-alone Life stores. Revenue from these stores increased 25.7% in 4Q23 when compared to the same period last year. In 2023, growth was 31.2%. Considering the last 12 months, mature stores reached revenue of R$6.4 million on average.

In 4Q23, Life stores accounted for a significant share of 45.2% of Life category sales, a significant 115 bps increase year on year. In 2023, it was 42.7%, an increase of 143 bps compared to 2022.

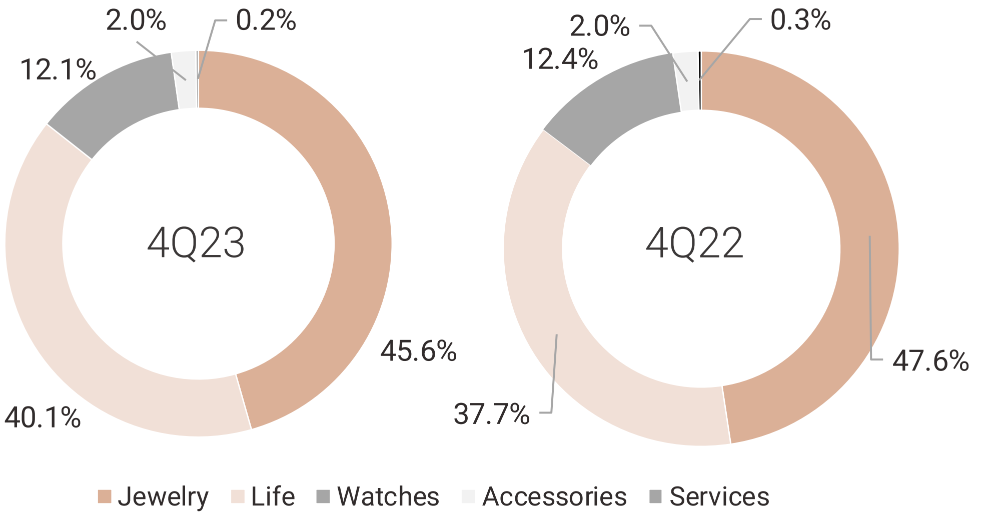
As for sales mix, the quarterly highlight was the Life brand, which generated revenue of R$407.4 million, up 31.8% from 4Q22, and increasing its share of total sales by 240 bps. This performance is mainly due to the addition of 45 new stand-alone Life stores in the last 12 months, as well as the strong growth of mature stores and the accelerated maturation curve of stores inaugurated in the last 24 months.

The Life brand continues to reduce its dependence on a single line of products by launching different collections based on fashion trends. As evident since mid-2022, the collections continue to expand their share of brand's sales, accounting for more than 58% of category's total sales in the last 12 months.

In 4Q23, Vivara brand, which concentrates the Jewelry category, registered accelerated growth when compared to immediate prior quarters. The 18.7% growth in relation to 4Q22 was driven by adjustments in product mix , with the launch of collections with more traditional rather than fashion items, focusing on basic and classic jewelry.

In 2023, Life category's sales revenue stood at R$1.0 billion, up 35.5% from 2022, accounting for 36.3% of Company's total sales, a growth of 380 bps when compared to 2022. Jewelry category represented 48.9% of total sales, with revenue of R$1.4 billion, a 13.8% growth.

Revenue per product (R$, 000)	**4Q23**	**4Q22**	**Δ% 23vs22**	**2023**	**2022**	**Δ% 23vs22**
Gross Revenue (net of return)	1,017,181	820,402	24.0%	2,788,016	2,299,920	21.2%
Jewelry	463,693	390,663	18.7%	1,364,393	1,199,370	13.8%
Life	407,413	309,218	31.8%	1,010,800	746,051	35.5%
Watches	123,188	101,633	21.2%	337,500	295,809	14.1%
Accessories	20,719	16,790	23.4%	65,936	50,306	31.1%
Services	2,168	2,098	3.3%	9,386	8,384	12.0%
Revenue Deductions	(239,054)	(176,357)	35.6%	(601,041)	(456,184)	31.8%
Net Revenue	778,127	644,045	20.8%	2,186,975	1,843,735	18.6%

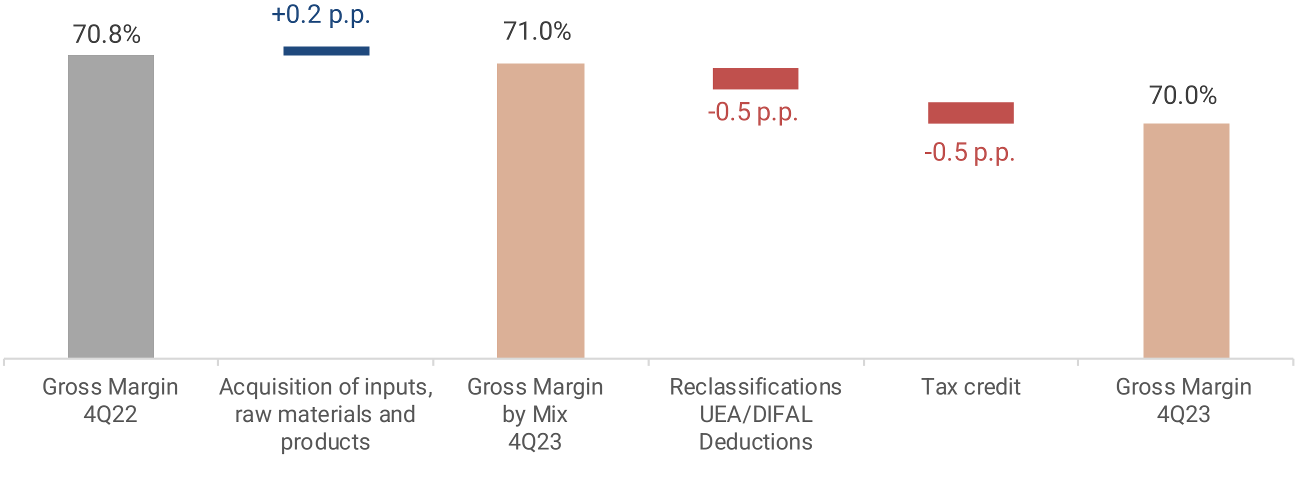


Gross Profit (R$, 000) and Gross Margin (%)	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Gross Revenue (net of returns)	**1,017,181**	**820,402**	**24.0%**	**2,788,016**	**2,299,920**	**21.2%**
Net Revenue	**778,127**	**644,045**	**20.8%**	**2,186,975**	**1,843,735**	**18.6%**
Total costs	**(233,742)**	**(187,919)**	**24.4%**	**(670,864)**	**(573,528)**	**17.0%**
% Gross Revenue	*-23.0%*	*-22.9%*	*-7 bps*	*-24.1%*	*-24.9%*	*87 bps*
% Net Revenue	*-30.0%*	*-29.2%*	*-86 bps*	*-30.7%*	*-31.1%*	*43 bps*
Acquisition of input, raw materials and products	(215,251)	(170,549)	26.2%	(594,969)	(508,271)	17.1%
% Gross Revenue	*-21.2%*	*-20.8%*	*-37 bps*	*-21.3%*	*-22.1%*	*76 bps*
% Net Revenue	*-27.7%*	*-26.5%*	*-118 bps*	*-27.2%*	*-27.6%*	*36 bps*
Factory Expenses	(18,491)	(17,370)	6.5%	(75,895)	(65,257)	16.3%
% Gross Revenue	*-1.8%*	*-2.1%*	*30 bps*	*-2.7%*	*-2.8%*	*12 bps*
% Net Revenue	*-2.4%*	*-2.7%*	*32 bps*	*-3.5%*	*-3.5%*	*7 bps*
Personal	(15,124)	(14,095)	7.3%	(61,331)	(52,529)	16.8%
Factory expenses	(1,549)	(1,697)	-8.7%	(7,624)	(7,125)	7.0%
Depreciation	(1,818)	(1,578)	15.2%	(6,940)	(5,603)	23.9%
Gross profit	**544,385**	**456,126**	**19.3%**	**1,516,111**	**1,270,208**	**19.4%**
Gross margin (% Net Revenue)	*70.0%*	*70.8%*	*-86 bps*	*69.3%*	*68.9%*	*43 bps*

Gross Profit in 4Q23 totaled R$544.4 million, up 19.3% year on year, with Gross Margin of 70.0%. In 2023, Gross Margin came to 69.3%, expanding 40 bps.

This quarter, Gross Margin was affected by: (i) the reclassification of Tax Expenses, previously booked under "Taxes and Fees" under Selling Expenses, and which, since 2Q23, are being deducted from revenue, reducing margin in the analyzed periods by 50 bps; (ii) lower Presumed Credits, impacting the comparison between the periods by 50 bps, a natural effect from the jewelry plant migration period and the lower production volume in the period; (iii) higher import volume in Life category, which marginally reduced category's Gross profitability; (iv) normalization of Inventory Loss level, registered in Cost of Goods Sold, after implementation of metal purification station, which benefited Gross Margin in 4Q22 by 60 bps; and (v) share of Black Friday campaign of sales in the period, which increased 170 bps in relation to 4Q22.

Note that 2023 was a year of important changes, and despite facing temporary effects that influence comparison between the periods, the Company reaffirmed its solid business profitability, appropriate inventory mix in all categories and successful pricing policy. In the year, the sum of increase in Deductions from Revenue, due to the reclassification of expenses mentioned above, and the lower Presumed Credit, due to the plant migration, had an impact of 100 bps on Gross Margin.



Operating Expenses (R$, 000)	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Operating Expenses (SG&A)	(322,233)	(252,424)	27.7%	(957,274)	(784,611)	22.0%
% Gross Revenue	*-31.7%*	*-30.8%*	*-91 bps*	*-34.3%*	*-34.1%*	*1 bps*
% Net Revenue	*-41.4%*	*-39.2%*	*-222 bps*	*-43.8%*	*-42.6%*	*-122 bps*
Selling Expenses	(255,700)	(194,965)	31.2%	(738,471)	(589,440)	25.3%
% Gross Revenue	*-25.1%*	*-23.8%*	*-137 bps*	*-26.5%*	*-25.6%*	*-86 bps*
% Net Revenue	*-32.9%*	*-30.3%*	*-259 bps*	*-33.8%*	*-32.0%*	*-180 bps*
General and Administrative Expenses	(66,533)	(57,459)	15.8%	(218,803)	(195,171)	12.1%
% Gross Revenue	*-6.5%*	*-7.0%*	*46 bps*	*-7.8%*	*-8.5%*	*64 bps*
% Net Revenue	*-8.6%*	*-8.9%*	*37 bps*	*-10.0%*	*-10.6%*	*58 bps*
Other Operating Expenses	1,124	5,395	-79.2%	18,955	(901)	2204.7%
Total Operating Expenses	**(321,108)**	**(247,029)**	**30.0%**	**(938,320)**	**(785,512)**	**19.5%**

Operating Expenses (R$, 000) (adjusted by non-recurring effects)	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Operating Expenses (SG&A) (adjusted by non-recurring effects)	(311,232)	(252,424)	23.3%	(932,503)	(779,111)	19.7%
% Gross Revenue	*-30.6%*	*-30.8%*	*17 bps*	*-33.4%*	*-33.9%*	*43 bps*
% Net Revenue	*-40.0%*	*-39.2%*	*-80 bps*	*-42.6%*	*-42.3%*	*-38 bps*
Selling Expenses (adjusted by non-recurring effects)	(255,700)	(194,965)	31.2%	(734,333)	(589,440)	24.6%
% Gross Revenue	*-25.1%*	*-23.8%*	*-137 bps*	*-26.3%*	*-25.6%*	*-71 bps*
% Net Revenue	*-32.9%*	*-30.3%*	*-259 bps*	*-33.6%*	*-32.0%*	*-161 bps*
General and Administrative Expenses (adjusted by non-recurring effects)	(55,533)	(57,459)	-3.4%	(198,170)	(189,671)	4.5%
% Gross Revenue	*-5.5%*	*-7.0%*	*154 bps*	*-7.1%*	*-8.2%*	*114 bps*
% Net Revenue	*-7.1%*	*-8.9%*	*178 bps*	*-9.1%*	*-10.3%*	*123 bps*
Other Operating Expenses (adjusted by non-recurring effects)	1,124	5,395	-79.2%	5,837	1,680	247.4%
Total Operating Expenses (adjusted by non-recurring effects)	**(310,108)**	**(247,029)**	**25.5%**	**(926,666)**	**(777,431)**	**19.2%**

For better comparison, the table above shows the exclusion of non-recurring effects, as follows: (i) for 4Q23, R$3.8 million related to termination of employment agreement with member of statutory executive board; and (ii) R$7.2 million due to favorable outcome obtained by lawyers. In addition to expenses mentioned above, for 2023, the following expenses/income were excluded: (i) expenses with extraordinary bonus at the plant; (ii) expenses of R$3.4 million with termination of employment agreement with member of the statutory executive board; (iii) R$2.6 million due to favorable outcome obtained by lawyers; and (iv) income of R$ 13.6 million from extemporaneous PIS and Cofins credits. For 2022, the following effects were excluded: (i) R$5.5 million in success fee for the elimination of tax risks in tax-deficiency notices related to the clearance of goods imported between 2012 and 2014; (ii) R$2.6 million related to the recording of additional provision for DIFAL, for the fiscal year 2021.

To exclude the impact from the increase in Deductions from Revenue from the analysis of Company's operational efficiency in managing expenses, the analysis below will be based on the expenses as a percentage of Gross Revenue (net of returns), excluding non-recurring effects.

Operating Expenses (SG&A) in the quarter totaled R$311.2 million, equivalent to 30.6% of Gross Revenue (net of returns), improving 20 bps year on year.

Selling Expenses increased 31.2%, up 140 bps from the same period last year, mainly due to: (i) the reclassification of expenses previously booked as General and Administrative Expenses, due to the direct relation to selling operation, to selling expenses in the amount of R$7.7 million; (ii) the addition of 61 stores in the last 12 months, as well as the stores under maturation; (ii) the increase in consulting expenses linked to the acceleration of digital sales; (iii) the expenses related to maintenance of stores and temporary employees at stores and logistics area; (iii) the investments to improve IT infrastructure at existing and new stores.

General and Administrative Expenses (G&A) registered a dilution of 150 bps as a ratio of Gross Revenue (net of returns), compared to 4Q22. As explained earlier, the reclassification of expenses mentioned in the previous paragraph benefited Personnel Expenses under G&A by R$8.2 million.

Note that the abovementioned changes do not affect operating indicators and better reflect the nature of each of these expenses.

Other Operating Expenses (Income) in 4Q23 registered income of R$1.1 million.

4Q23 | ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

EBITDA Reconciliation (R$, 000)	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Net Income	**144,150**	**157,757**	**-8.6%**	**369,245**	**360,854**	**2.3%**
Net margin (%)	*18.5%*	*24.5%*	*-597 bps*	*16.9%*	*19.6%*	*-269 bps*
(+) Income and Social Contribution Taxes	27,554	10,205	170.0%	31,598	(29,820)	206.0%
(+) Financial Result	17,254	12,280	40.5%	49,804	45,338	9.9%
(+) Depreciation and Amortization	36,137	30,434	18.7%	134,085	113,926	17.7%
Total EBITDA	225,095	210,676	6.8%	584,731	490,298	19.3%
(-) Rental expense (IFRS16)	(35,695)	(32,670)	9.3%	(112,649)	(97,297)	15.8%
(+) Non-recurring effect	11,000	-	na	7,516	8,081	-7.0%
Adjusted EBITDA	**200,400**	**178,006**	**12.6%**	**479,598**	**401,082**	**19.6%**
Adjusted EBITDA Margin (%)	*25.8%*	*27.6%*	*-188 bps*	*21.9%*	*21.8%*	*18 bps*

Non-recurring effects in 2023: (i) for 4Q23, R$3.8 million related to termination of employment agreement with member of statutory executive board; and (ii) R$7.2 million due to favorable outcome obtained by lawyers. In addition to expenses mentioned above, for 2023, the following expenses/income were excluded: (i) expenses with extraordinary bonus at the plant; (ii) expenses of R$3.4 million with termination of employment agreement with member of the statutory executive board; (iii) R$2.6 million due to favorable outcome obtained by lawyers; and (iv) income of R$ 13.6 million from extemporaneous PIS and Cofins credits.
Non-recurring effects in 2022: (i) R$5.5 million in success fee for the elimination of tax risks in tax-deficiency notices related to the clearance of goods imported between 2012 and 2014; (ii) R$2.6 million related to the recording of additional provision for DIFAL, for the fiscal year 2021.

In 4Q23, the Company recorded Adjusted EBITDA of R$200.4 million and Adjusted EBITDA Margin of 25.8%. Quarterly EBITDA was adjusted by rental expense of agreements classified under IFRS/16, as well as non-recurring effects, as shown below: (ii) R$3.4 million with termination of employment agreement with member of the statutory executive board; and (ii) R$7.2 million in succession fee, related to: a) the lawsuit that generated income with extemporaneous PIS/COFINS credits; and b) the use of ICMS credits, due to the recognition of interdependence relation between Conipa and Tellerina in November 2023.

Adjusted EBITDA Margin came to 25.8% and was mainly affected by the lower presumed credit generated in the period and the increase in operating expenses, resulting from the expansion in number of stores and the improvement in technological infrastructure, important to boost the new growth cycle.

In 2023, Company's Adjusted EBITDA came to R$479.6 million, up 19.6% from 2022 and Adjusted EBITDA Margin of 21.9%, expanding 20 bps from the previous year. Note that in a year of important projects for the business foundations, the Company was able to protect profitability, despite the temporary effects that impact comparison between the periods.

4Q23 | NET INCOME AND NET MARGIN

EBITDA Reconciliation and Net Income (R$'000)	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Adjusted EBITDA	**200,400**	**178,006**	**12.6%**	**479,598**	**401,082**	**19.6%**
Adjusted EBITDA Margin (%)	*25.8%*	*27.6%*	*-188 bps*	*21.9%*	*21.8%*	*18 bps*
(-) Rental expense (IFRS16)	35,695	32,670	9.3%	112,649	97,297	15.8%
(-) Non-recurring effects	(11,000)	-	-	(7,516)	(8,081)	-7.0%
(+) Depreciation and Amortization	(36,137)	(30,434)	18.7%	(134,085)	(113,926)	17.7%
(+) Financial Result	(17,254)	(12,280)	40.5%	(49,804)	(45,338)	9.9%
(+) Income and Social Contribution Taxes	(27,554)	(10,205)	170.0%	(31,598)	29,820	-206.0%
Net Income	**144,150**	**157,757**	**-8.6%**	**369,245**	**360,854**	**2.3%**
Net Income Margin (%)	*18.5%*	*24.5%*	*-597 bps*	*16.9%*	*19.6%*	*-269 bps*

The Company registered Net Income of R$144.1 million in 4Q22 and Net Margin of 18.5%. In 2023, Company's Net Income was R$369.2 million, with Net Margin of 16.9%.

The pressure on Net Margin in the period is explained by: (i) the operating result; (ii) the normalization of Deferred Tax; and (iii) the difference of the presumed credit level between the periods, due to lower volume produced by the industry.

4Q23 | CAPEX

Investments (R$, 000)	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Total Capex	**38,795**	**31,314**	**23.9%**	**178,186**	**137,731**	**29.4%**
New Stores	22,903	15,736	45.5%	72,771	64,699	12.5%
Reforms and Maintenance	1,328	3,337	-60.2%	27,026	20,398	32.5%
Factory	5,234	1,502	248.4%	36,421	8,259	341.0%
Systems/IT	7,273	6,042	20.4%	29,333	26,143	12.2%
Others	2,058	4,697	-56.2%	12,636	18,231	-30.7%
CAPEX/Net Revenue (%)	*5.0%*	*4.9%*	*12 bps*	*8.1%*	*7.5%*	*68 bps*

In 4Q23, investments totaled R$38.8 million, down 6.3% from 3Q22, explained by: (i) the increase in investments in the construction of the new plant; (ii) the inauguration of 3 Vivara stores and 19 Life stores in the quarter; and (iii) investments in IT systems, mainly the second phase of the SAP S/4HANA implementation project. In 2023, CAPEX totaled R$178.2 million, up 29.4% from 2022, the highest level ever.

4Q23 | DEBT

Net Debt (R$, 000)	2023	2022	Δ %	2022	Δ %
Gross Debt	**271,463**	**225,157**	**20.6%**	**274,382**	**-1.1%**
Short Term	111,463	116,970	-4.7%	141,777	-21.4%
Long Term	160,000	108,186	47.9%	132,604	20.7%
Cash and cash equivalents and Securities	304,490	382,867	-20.5%	206,834	47.2%
Net Debt	**(33,026)**	**(157,710)**	**-79.1%**	**67,548**	**148.9%**
Adjusted EBITDA LTM *(last twelve months)*	479,598	401,082	19.6%	457,092	4.9%
Net Debt/Adjusted EBITDA	- 0.1x	- 0.4x	na	0.1x	na

At the end of 2023, the Company resumed its Net Cash position. In the period, Gross Debt increased 20.6% when compared to December 2022 and decreased 1.1% when compared to 9M23.

4Q23 | CASH GENERATION

Cash Flow (R$, 000)	4Q23	4Q22	Δ% 23vs22	2023	2022	Δ% 23vs22
Net Income	144,150	157,753	-8.6%	369,245	360,854	2.3%
(+/-) Income and Social Contribution Taxes/Others	26,638	10,806	146.5%	42,946	2,483	1629.3%
Adjusted Net Income	170,789	168,559	1.3%	412,190	363,338	13.4%
Working Capital	(44,732)	(88,193)	-49.3%	(269,326)	(345,909)	-22.1%
Trade receivables	(272,035)	(216,901)	25.4%	(167,675)	(131,616)	27.4%
Inventories	92,660	64,684	43.2%	(73,548)	(182,618)	-59.7%
Trade payables	(27,869)	(42,463)	-34.4%	(42,059)	(12,348)	240.6%
Recoverable taxes	56,499	(3,539)	1696.6%	29,351	(33,510)	187.6%
Taxes payable	34,525	47,503	-27.3%	(38,368)	(15,456)	148.2%
Other assets and liabilities	71,488	62,521	14.3%	22,974	29,639	-22.5%
Cash from Management Operating Activities	126,057	80,366	56.9%	142,864	17,429	719.7%
Capex	(38,795)	(31,315)	23.9%	(178,186)	(137,731)	29.4%
Free Cash Generation	87,262	49,051	77.9%	(35,321)	(120,302)	-70.6%

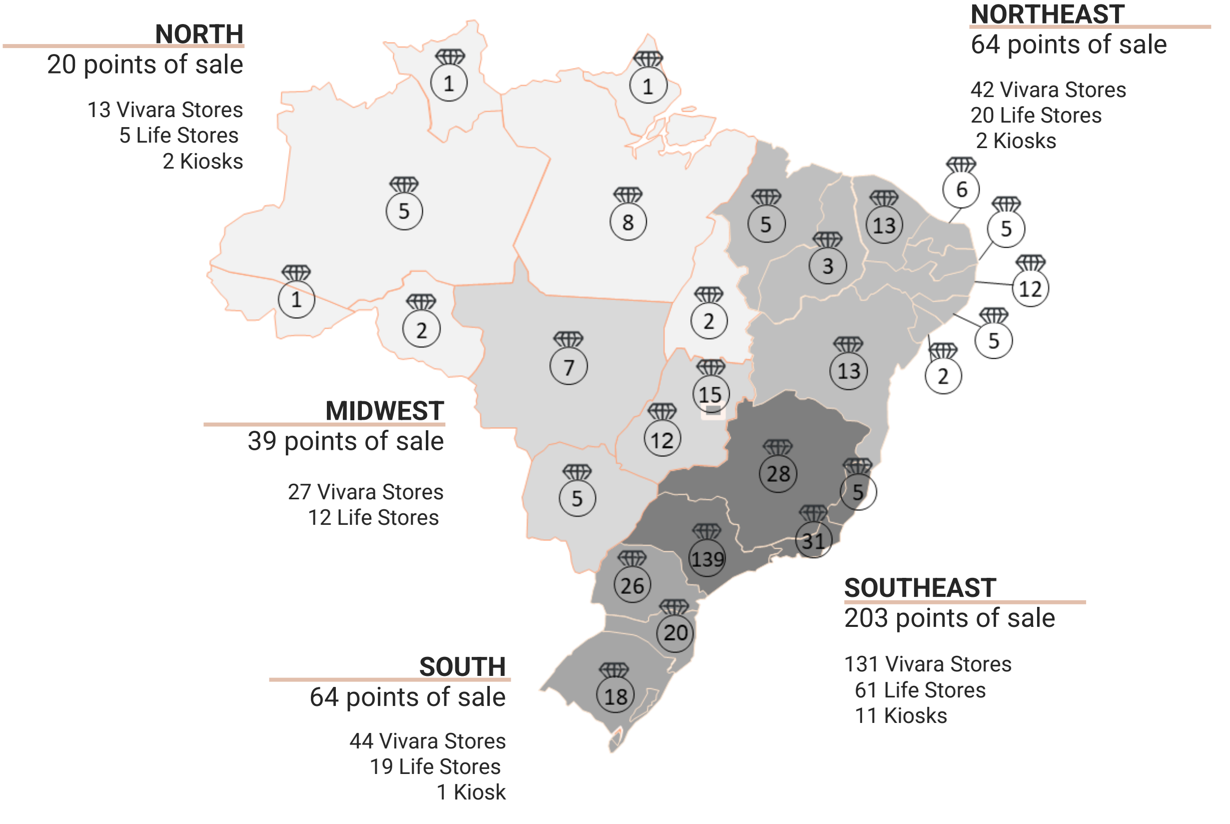
(1) This is a managerial, non-accounting measurement prepared by the Company, which does not come under the scope of independent audit.

In 4Q23, the Company generated R$126.1 million in operating cash, 56.9% more than in 4Q22. Free cash generation reached R$87.3 million, mainly driven by the lower allocation in inventories and the recovery of credits generated due to approval, in November, of interdependence regime, in which Tellerina started using ICMS credits generated by Conipa, in the state of São Paulo. Working capital allocation was affected by trade payables account, due to the lower acquisition of raw material, at the end of the year, both for accredited suppliers, under reverse factoring transaction, and other suppliers.

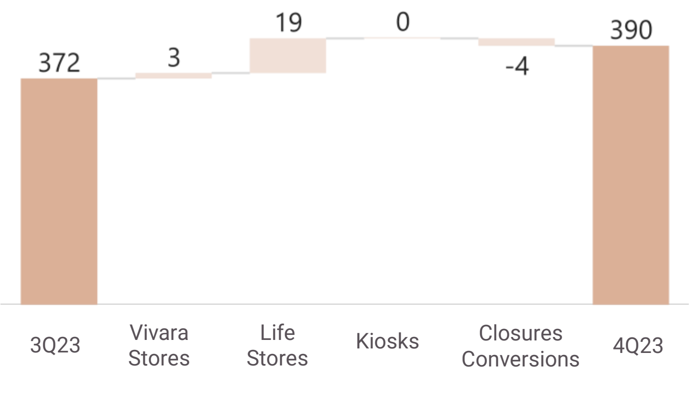
At the end of 2023, the Company had 390 points of sale in operation, of which 257 Vivara stores, 117 Life stores and 16 kiosks, with a total of 32,405.75 square meters of sales area. Sustaining the accelerated expansion expected for the year, the Company completed the opening of 61 new stores, of which 16 Vivara stores and 45 Life stores, adding 4,640.85 square meters to the sales area, another growth record.

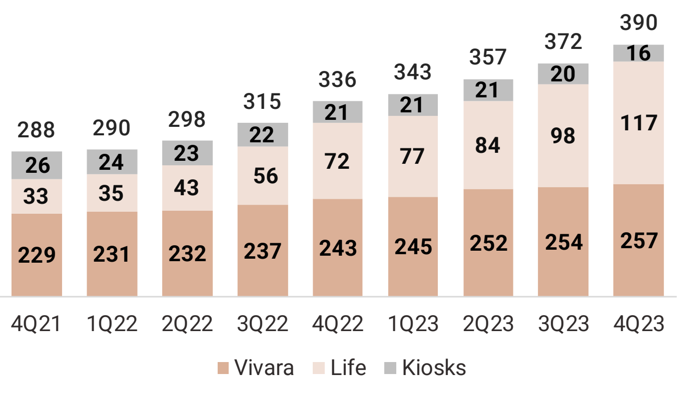
Currently, 51% of Vivara stores are located in the Southeast region, though its units are present in all the regions of Brazil.

Life stores are present in all the regions of Brazil, though 52% are also located in the Southeast region.



4Q23 EXPANSION

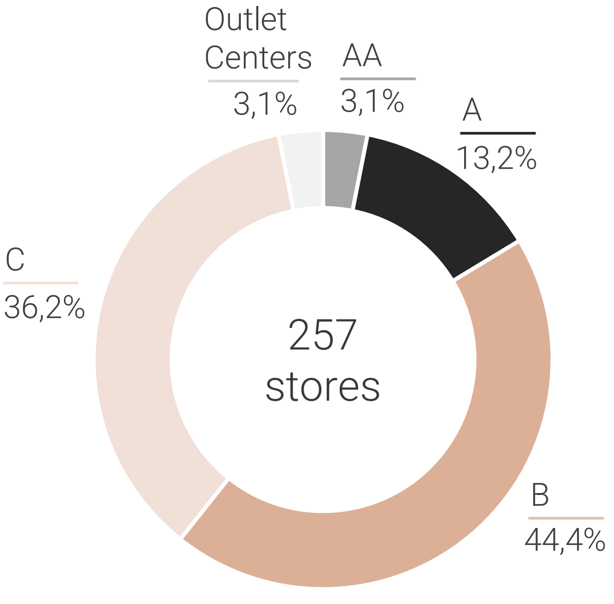




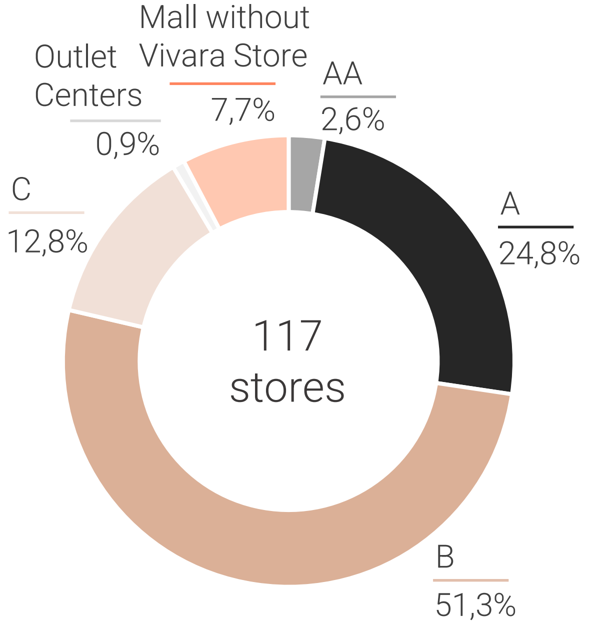
The Company establishes the clustering of its Vivara operations in malls of different profiles, taking into consideration income segmentation, size of the city and store portfolios, under classification ranging from AA income group to outlet centers. Stores of each profile are different from each other based on available assortment, as well as the architecture and furniture.

According to classifications, the distribution of Vivara stores in different mall segments across Brazil is as follows.

Vivara Stores



Life Stores



The profiles reported herein for Life stores reflect the classification made to the Vivara store at the same mall, considering that, for Life stores, there are no different formats and product assortments in malls of different profiles.

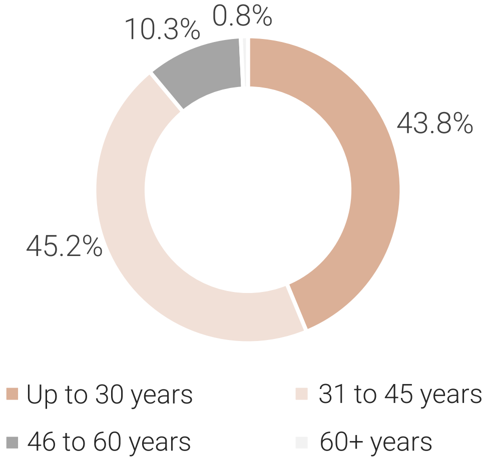
Vivara ended 2023 celebrating the important mark of 4,950 people engaged in always delivering much and better. Divided into four different areas – stores, plant, logistics and office –, our people strove to deliver a year of important transformations.

In October, the Company carried out its Annual Sales Convention, with the participation of more than 430 people from teams at stores, whose daily challenge is to enchant customers. The days at the Convention were of much training, learning and content, with chats about products, marketing, management, omnichannel strategy and other topics.

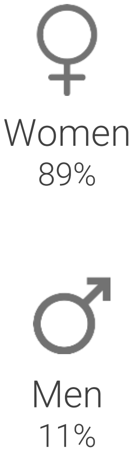
This year, the "Being Leader at Vivara" program was implemented for stores, focusing on concentration, leadership profile development, feedback, situational leadership, and others. Also considering training to the corporate team, the Company provided over 393 hours of training to employees.

Moreover, also this year, Vivara carried out the first Diversity Census with employees to analyze the Company's main diversity markers: ethnics, gender, affective-sexual orientation and people with disabilities.

Age Group



Profile by Gender



With the purpose of strengthening the ESG agenda, consolidating the actions and projects already in progress and giving priority to Diversity, Woman Empowerment and Social and Environmental Responsibility across our supply, raw material and operation chain, since 2019 we have been investing in initiatives to drive the agenda, such as: (i) we joined the Initiative for Responsible Mining Assurance (IRMA), which ensures responsible mining; (ii) we implemented the Supply Chain Audit program and the women empowerment program based on the United Nations Women's Empowerment Principles; (iii) we were able to audit 100% of our direct suppliers; (iv) we included ESG agenda in our Strategic Planning; (v) we created the sustainability commission and work squads focusing on specific topics; (vi) we obtained the Women on Board seal; (vii) we concluded the first greenhouse gas inventory; (viii) we concluded the audit process to obtain certification from the Responsible Jewellery Council (RJC), becoming the first Brazilian jewelry to obtain the certification; (ix) we inaugurated the Company's first store with the Leadership in Energy and Environmental Design (LEED), certification, which encourages and accelerates the adoption of sustainable construction practices; among others.

In 2023, continuing our ESG agenda, we expanded our partnership with Jô Clemente Institute, including people with intellectual disabilities to work as sellers at our stores. We were also included in the 1st IDIVERSA B3 portfolio, index prepared by B3 to recognize listed companies that carry out important initiatives on diversity and encourages the presence of minority groups, such as women, black and indigenous people, in the job market. In August, the Company was invited to participate in panel about gold, technologies and market at EXPOSIBRAM, the congress that gathers key mining companies to discuss topics related to domestic and international industry. Moreover, we inaugurated the new silver and watches plant, using more eco-efficient processes and tools, and migrated to the Free Energy Market, now using 100% renewable energy at our plant.

Increasingly demonstrating our commitment to sustainability in our internal operations, we defined ESG indicators for monitoring and control, thereby reinforcing the integration of the topic across the business and with the Company's culture.

We dedicated special attention to traceability and transparency criteria in the raw material supply chain. For the third straight year, 100% of the Company's direct suppliers participated in the audit, with an average score of 98.7% on the compliance checklist. This action strengthens our commitment to the responsible use of natural resources and the reduction of socio-environmental impacts.

GOLD

Supplier with London Bullion Market Assurance (LBMA) certification, which guarantees that the extraction and mining operation is done correctly and fairly for both the people and the environment.

SILVER

Supplier certified by the Responsible Jewellery Council (RJC), guaranteeing ethics and socio-environmental responsibility since the extraction phase.

DIAMOND

All diamonds are extracted from recognized mines and obtained through legal mining in countries outside conflict zones, through the Kimberley Process.

COLORED GEMSTONES

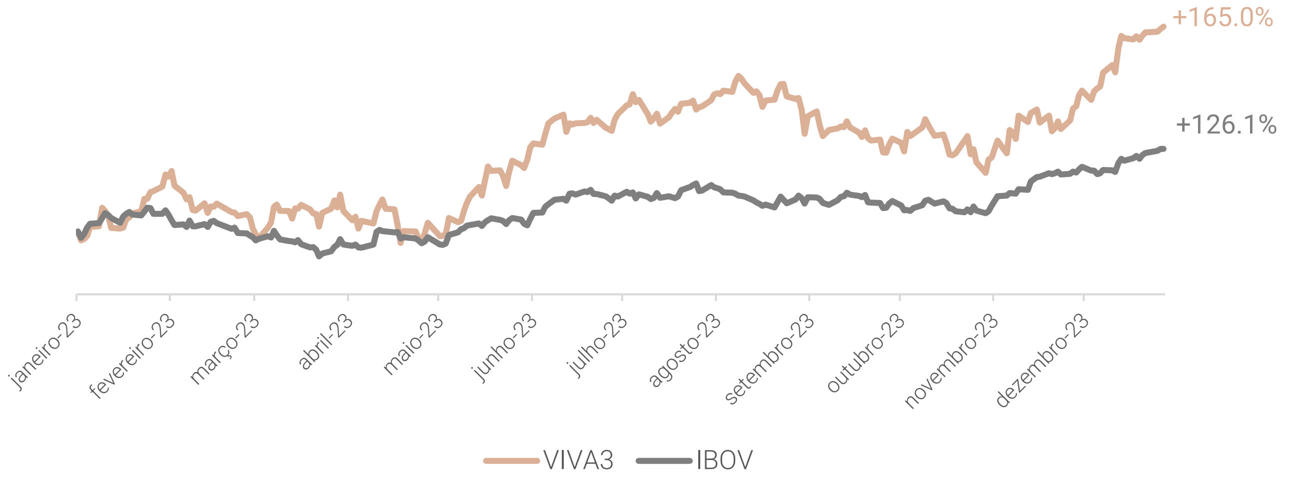
Compliance with our Code of Conduct and Supply Policy and the creation of protocols that ensure the traceability of these materials.

CAPITAL MARKETS

In 2023, Vivara completed four years as a listed company, with its shares traded on the B3 – Brasil, Bolsa, Balcão, under the ticker VIVA3. In the year, VIVA3 shares have appreciated 165.0%, and the Company's market capitalization stood at R$8.1 billion on December 30, while Ibovespa index have appreciated 126.1%. Average daily financial trading volume of Vivara shares was R$54.7 million in 2023.

Vivara shares are included in the following ten B3 indices: 100 Brazil Index (IBRX-100), Brazil Broad-Based Index (IbrA), Consumer Stock Index (ICON), Diversity Index (IDIVERSA), Special Corporate Governance Index (IGC), Novo Mercado Corporate Governance Index (IGC-NM), Corporate Governance Trade Index (IGCT) Industrials Index (INDX), Special Tag-along Stock Index (ITAG) and Small Cap Index (SMLL).

IBRX100 B3 **IBRA** B3 **ICON** B3 **IDIVERSA** B3 **IGC** B3 **IGC-NM** B3 **IGCT** B3 **INDX** B3 **ITAG** B3 **SMLL** B3



CORPORATE GOVERNANCE

Vivara's shares are listed on the Novo Mercado, the stock exchange's highest level of corporate governance.

The Board of Directors has 5 members, 80% of whom are independent and 60% are women. Membership of the Board was defined based on the diversity of experiences and complementary qualifications so that it has the skills required to execute the strategic plan formulated by the Company for the coming years.

The Company also has three support and monitoring committees: Audit, Risk and Finance Committee; People, Culture and Governance Committee; and Strategic Matters Committee. The main function of the committees is to provide the Board of Directors with supporting material and opinion required for the decision-making process and assist the Board of Executive Officers on the policies approved by the Board of Directors.

Board of Directors

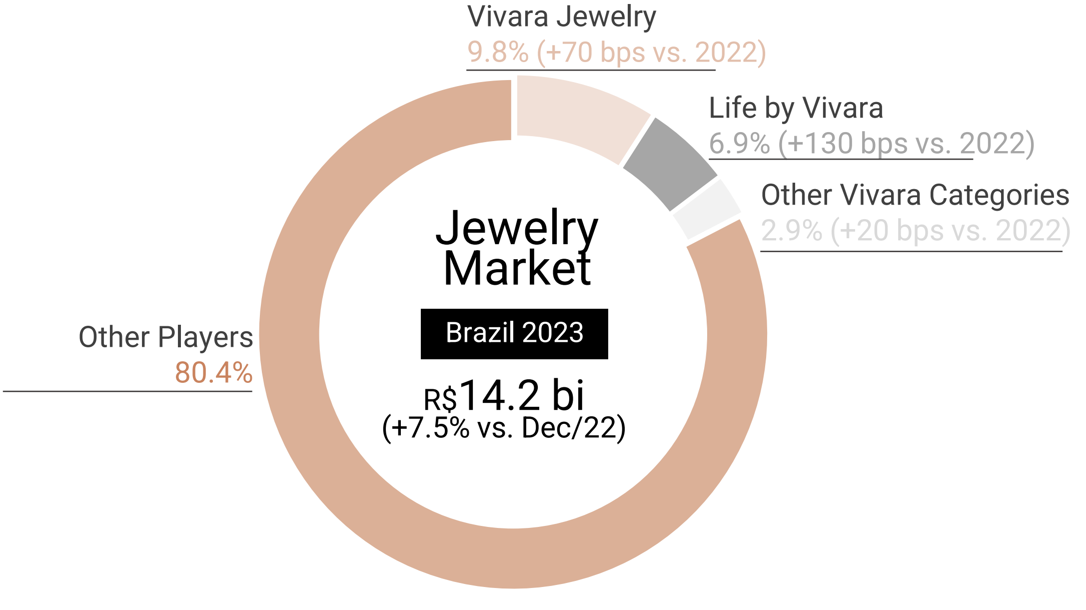
- João Cox Neto
  Chairman
- Anna Andrea Votta Alves Chaia
  Independent member
- Fabio José Silva Coelho
  Independent member
- Tarcila Reis Corrêa Ursini
  Independent member
- Marina Kaufman Bueno Netto
  Member

Statutory Executive Board

- Nelson Kaufman
  Chief Executive and Operations Officer
- Otávio Chacon do Amaral Lyra
  Chief Financial and Investor Relations Officer
- Marina Kaufman Bueno Netto
  Chief Marketing and Sustainability Officer

- 2024 – The Company starts the year with bright prospects and is optimistic about the projects to be delivered in the coming months. The stores inaugurated in the last months have been delivering the projected returns. Therefore, business indicators suggest one more year of consistent deliveries and results, despite the new tax challenges that appeared at the end of the last year. The operation of the new industrial plant in Manaus enables us to project profitability gains capable of neutralizing the increase in taxation. We have been strongly investing in scalability of plant operations, to increase insourcing of Life category, and at the same time we have been developing products to enhance our portfolio across all brands and categories.
- Expansion – With the focus still on Life stores due to the attractive opportunity in store and the healthy performance by the new stores being monitored, the expectation is that the pace remains accelerated during 2024, surpassing the number of inaugurations in 2023, opening 70 to 80 stores during the year. Until March 19, we have inaugurated 16 stores.
- Market Share – The Company ended the year with 19.6% share of Brazil's jewelry market, increasing 220 bps in relation to December 2022, with Vivara accounting for 9.8%, Life 6.9% and other categories 2.9%. This performance was driven by the remarkable growth of physical stores as part of the strong expansion plan, and successful launches of collections and products, combined with an efficient mix and pricing management. For 2024, the Company remains confident in retaining and further expanding its market leadership by increasingly strengthening its strategic and growth projects. In 2023, Vivara accounted for 40% of Brazil's jewelry market growth.

MARKET SHARE



Source: Company. Considers Vivara's total revenue, not excluding watches and accessories. LTM December, 2023.

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT ON THE
INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Management of
Vivara Participações S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Vivara Participações S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the individual and consolidated balance sheet as at December 31, 2023, and the related individual and consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including the material accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Vivara Participações S.A. as at December 31, 2023, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters (KAMs) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on these matters.

Deloitte.

Realization of tax credits

Why is it a KAM?

As at December 31, 2023, the Company recognized the amount of R$232,376 thousand as tax credits, mainly related to the State VAT (ICMS) and Income Tax (IRPJ) and Social Contribution (CSLL) credits, as disclosed in note 8. When assessing the recoverability of these tax credits, the Executive Board uses projections of revenues, costs and expenses, as well as other information to estimate the timing and nature of the future generation of these taxes payable, in addition to technical opinions issued by its tax advisors which, based on the applicable accounting standards, support its respective recognitions for future realization.

We considered it a key audit matter in our audit, since: (i) the amounts of these credits are significant in relation to the financial statements for the year ended December 31, 2023, (ii) the preparation of the analysis on the recoverability of ICMS credits requires judgment by the Executive Board to determine and perform actions that allow utilizing the accumulated credits, as well as in the projected future ICMS debts on its operations, including considerations on special tax regimes and (iii) part of the IRPJ and CSLL credits arising from grants are at the administrative discussion stage, where the Company involved its tax advisors to assess the likelihood of a favorable outcome.

How the matter was addressed in our audit

Our audit procedures included, without limitation: (i) discussing the criteria and assumptions adopted by the Executive Board to assess the recoverability of ICMS, IRPJ and CSLL tax credits; (ii) assessing the design and implementation of internal controls associated with the realization of tax credits; (iii) analyzing the controls and processes implemented by the Executive Board to reduce the credit accumulation and their utilization; (iv) assessing the reasonableness of the data used to prepare the tax credit recoverability analysis, including the mathematical accuracy of the calculations included in this analysis; (v) assessing the tax law and special tax regimes application in the projections used; (vi) obtaining the analyses prepared by the Company’s tax advisors and, with the support of our tax specialists, assess the legal opinions, the technical merits and respective likelihood of a favorable outcome on certain lawsuits; and (vii) analyzing the classifications and the appropriate disclosure in the financial statements.

Based on the evidence obtained from performing our audit procedures described above, we consider that the criteria and assumptions adopted by the Company related to the assessment of the recoverability of ICMS, IRPJ and CSLL tax credits, as well as the related disclosures in the notes to the individual and consolidated financial statements are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added for the year ended December 31, 2023, prepared under the responsibility of the Company’s Executive Board and presented as supplemental information for IFRS purposes, were subject to audit procedures performed together with the audit of the Company’s financial statements. In forming our opinion, we assess whether these individual and consolidated statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the independent auditor's report

The Executive Board is responsible for such other information. The other information comprises the Management Report, obtained prior to this report date.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the other information obtained before the date of this auditor's report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board and those charged with governance for the individual and consolidated financial statements

The Executive Board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards - IFRS, issued by the IASB, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.

- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 20, 2024

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Marcos Helvius Olliver Domingues Marcondes
Engagement Partner

2024SP030246

(Convenience Translation into English from the Original Previously Issued in Portuguese)

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
ASSETS	Note	12/2023	12/2022	12/2023	12/2022
CURRENT ASSETS					
Cash and cash equivalents	4	58	108	221,495	160,036
Securities	5	-	-	82,995	155,139
Trade receivables	6	-	-	830,832	663,797
Due from related parties	18	-	59	-	-
Inventories	7	-	-	782,706	709,712
Recoverable taxes	8	1,939	2,715	118,354	55,870
Prepaid expenses and other receivables		201	196	20,198	16,465
Total current assets		2,198	3,078	2,056,580	1,761,019
NONCURRENT ASSETS					
Securities	5	-	-	-	67,692
Escrow deposits	16	-	-	23,899	28,213
Deferred income tax and social contribution	19.b)	-	-	222,152	199,153
Recoverable taxes	8	-	-	114,022	181,693
Derivative assets	15	-		-	-
Investments	9	2,027,673	1,743,063	-	-
Property, plant and equipment	10	-	-	765,746	652,164
Intangible assets	11	-	-	59,191	42,240
Total noncurrent assets		2,027,673	1,743,063	1,185,010	1,171,155
TOTAL ASSETS		2,029,871	1,746,141	3,241,590	2,932,174

		Parent		Consolidated	
LIABILITIES AND EQUITY	Note	12/2023	12/2022	12/2023	12/2022
CURRENT LIABILITIES					
Trade payables	12	-	-	73,629	104,961
Trade payables - agreement	12	-	-	29,519	40,247
Borrowings and financing	15	-	-	111,463	116,970
Payroll and related taxes	13	243	238	117,859	92,338
Taxes payable	14	24	9	85,081	111,870
Variable leases and common area maintenance fees payable		-	-	17,663	19,766
Derivative liabilities	15	-	-	7,216	672
Interest on capital payable	17.c)	2	2	2	2
Dividends payable	17.c)	87,699	85,704	87,699	85,704
Due to related parties	18	1,208	-	-	-
Right-of-use leases payable	27	-	-	70,059	59,546
Deferred revenue		-	-	1,289	1,010
Advances from customers		-	-	13,241	13,157
Services provided payable		2,099	-	68,554	64,836
Other payables		2,676	728	12,314	15,176
Total current liabilities		93,951	86,681	695,588	726,255
NONCURRENT LIABILITIES					
Borrowings and financing	15	-	-	160,000	108,186
Derivative liabilities	15	-	-	-	1,814
Taxes payable	14	-	-	214	415
Provision for civil, labor and tax risks	16	-	-	14,574	18,254
Deferred revenue		-	-	2,669	2,693
Right-of-use leases payable	27	-	-	432,625	415,097
Other long-term liabilities		2,199	1,508	2,199	1,508
Total noncurrent liabilities		2,199	1,508	612,281	547,967
EQUITY					
Capital	17.a)	1,105,381	1,105,381	1,105,381	1,105,381
Capital reserves		(53,041)	(53,041)	(53,041)	(53,041)
Treasury shares	17.b)	(24,176)	(14,694)	(24,176)	(14,694)
Options granted	29	8,940	5,238	8,940	5,238
Earnings reserves	17.c)	896,617	615,068	896,617	615,068
Total equity		1,933,721	1,657,952	1,933,721	1,657,952
TOTAL LIABILITIES AND EQUITY		2,029,871	1,746,141	3,241,590	2,932,174

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

INCOME STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
	Note	12/2023	12/2022	12/2023	12/2022
NET REVENUE FROM SALES AND SERVICES	20	-	-	2,186,975	1,843,735
Costs of sales and services	21.a)	-	-	(670,864)	(573,527)
GROSS PROFIT		-	-	1,516,111	1,270,208
OPERATING INCOME (EXPENSES)					
Selling expenses	21.b)	-	-	(817,845)	(657,049)
General and administrative expenses	21.c)	(17,973)	(13,002)	(266,574)	(235,886)
Share of profit (loss) of subsidiaries	9	386,925	374,833	-	-
Other operating income (expenses), net	23	(10)	(8)	18,954	(901)
INCOME BEFORE FINANCE INCOME (COSTS)		368,942	361,823	450,646	376,372
FINANCE INCOME (COSTS)					
Finance income	24	331	556	40,761	46,581
Finance costs	25	(28)	(1,525)	(90,564)	(91,919)
OPERATING INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		369,245	360,854	400,843	331,034
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	19.a)	-	-	(54,597)	(57,015)
Deferred	19.a)	-	-	22,999	86,835
PROFIT FOR THE YEAR		369,245	360,854	369,245	360,854
BASIC EARNINGS PER SHARE - R$	26	1.56890	1.52952		
DILUTED EARNINGS PER SHARE - R$	26	1.56839	1.52912		

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	12/2023	12/2022	12/2023	12/2022
PROFIT FOR THE YEAR	369,245	360,854	369,245	360,854
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	369,245	360,854	369,245	360,854

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(In thousands of Brazilian reais - R$)

	Note	Capital	Capital reserves	Options granted	Treasury shares	Earnings reserves	Retained earnings	Total
BALANCES AS AT DECEMBER 31, 2021		1,105,381	(53,041)	474	-	339,917	-	1,392,731
Profit for the year		-	-	-	-	-	360,854	360,854
Recognition of legal reserve	17.c)	-	-	-	-	18,043	(18,043)	-
Recognition of statutory reserve	17.c)	-	-	-	-	257,108	(257,108)	-
Dividends for distribution		-	-	-	-	-	(85,703)	(85,703)
Treasury shares	17.b)	-	-	-	(14,694)	-	-	(14,694)
Options granted	29	-	-	4,764	-	-	-	4,764
BALANCES AS AT DECEMBER 31, 2022		1,105,381	(53,041)	5,238	(14,694)	615,068	-	1,657,952
Profit for the year		-	-	-	-	-	369,245	369,245
Recognition of legal reserve	17.c)	-	-	-	-	18,462	(18,462)	-
Recognition of statutory reserve	17.c)	-	-	-	-	263,087	(263,087)	-
Dividends for distribution	17.c)	-	-	-	-	-	(87,696)	(87,696)
Treasury shares	17.b)	-	-	-	(11,112)	-	-	(11,112)
Shares assigned to incentive plans	29	-	-	(1,630)	1,630			
Options granted	29	-	-	5,332	-	-	-	5,332
BALANCES AS AT DECEMBER 31, 2023		1,105,381	(53,041)	8,940	(24,176)	896,617	-	1,933,721

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
	Note	12/2023	12/2022	12/2023	12/2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		369,245	360,854	369,245	360,854
Adjustments to reconcile profit for the year to net cash provided by operating activities:					
Depreciation and amortization	21	-	-	134,085	113,940
Charges and exchange rate changes on borrowings and financing	15	-	-	33,709	33,092
Charges on right-of-use leases	27	-	-	53,123	44,602
Current and deferred income tax and social contribution	19	-	-	31,598	(29,820)
Allowance for inventory losses	7	-	-	553	45
Provision for civil, labor and tax risks	16	-	-	2,047	6,579
Expected credit losses	6	-	-	640	(404)
Share of profit (loss) of subsidiaries	9	(386,925)	(374,833)	-	-
Write-off of property, plant and equipment items and intangible assets	23	-	-	702	(1,764)
Lease contracts written off	23	-	-	(810)	-
Tax credits		-	-	(13,631)	-
Options granted		5,332	4,764	5,332	4,764
Inflation adjustments and income		(75)	(87)	(25,005)	(1,072)
Increase (decrease) in operating assets and liabilities:					
Trade receivables		-	-	(167,675)	(131,616)
Inventories		-	-	(73,547)	(182,618)
Due from related parties		1,267	(59)	-	-
Recoverable taxes		-	-	29,351	(33,510)
Escrow deposits		-	-	7,129	(12,504)
Other receivables		(4)	(118)	(3,734)	(8,241)
Trade payables		-	-	(42,058)	(12,348)
Payroll and related taxes		5	-	25,521	14,292
Taxes payable		865	(5,246)	(38,368)	(15,456)
Variable leases and common area maintenance fees payable		-	-	(2,104)	2,625
Taxes in installments		-	-	-	(225)
Contingencies paid		-	-	(5,727)	(5,379)
Deferred revenue		-	-	255	(1,010)
Advances from customers		-	-	84	12,026
Other payables		4,738	1,948	1,546	28,054
Cash provided by operating activities		(5,552)	(12,777)	322,261	184,906
Income tax and social contribution paid		-	-	(43,219)	(43,439)
Paid interest on borrowings and financing	15	-	-	(24,772)	(30,555)
Paid interest on right-of-use leases	27	-	-	(52,803)	(44,252)
Net cash provided by (used in) operating activities		(5,552)	(12,777)	201,467	66,660
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on capital received	9	-	62,645	-	-
Dividends received	9	102,315	35,818	-	-
Short-term investments	5	-	-	151,494	105,281
Treasury shares	17.b)	(11,112)	(14,694)	(11,112)	(14,694)
Purchase of property, plant and equipment	10	-	-	(151,579)	(109,006)
Purchase of intangible assets	11	-	-	(26,606)	(28,725)
Net cash provided by (used in) investing activities		91,203	83,769	(37,803)	(47,144)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest on capital paid		-	(58,181)	-	(58,181)
Dividends paid		(85,701)	(12,708)	(85,701)	(12,708)
Borrowings and financing	15	-	-	160,000	60,000
Repayment of borrowings and financing	15	-	-	(112,500)	(120,343)
Settlement of SWAP contracts	15	-	-	(5,400)	(4,604)
Amortization of right-of-use leases	27	-	-	(58,604)	(49,232)
Net cash provided by (used in) financing activities		(85,701)	(70,889)	(102,205)	(185,068)
DECREASE IN CASH AND CASH EQUIVALENTS		(50)	103	61,459	(165,552)
Opening balance of cash and cash equivalents		108	5	160,036	325,588
Closing balance of cash and cash equivalents		58	108	221,495	160,036

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
	Note	12/2023	12/2022	12/2023	12/2022
REVENUE					
Sales of goods, products and services	20	-	-	2,788,016	2,299,920
Other income	23	-	-	20,756	5,470
Expected credit losses	23	-	-	565	(404)
Revenue from construction of own assets		-	-	81,521	68,747
INPUTS ACQUIRED FROM THIRD PARTIES					
Costs of sales and services		-	-	(593,364)	(508,378)
Supplies, power, outside services and other inputs		(6,889)	(4,238)	(456,933)	(382,396)
Inputs used in the construction of own assets		-	-	(79,525)	(66,879)
GROSS VALUE ADDED		(6,889)	(4,238)	1,761,036	1,416,080
Depreciation and amortization	10	-	-	(134,085)	(113,941)
WEALTH CREATED BY THE COMPANY		(6,889)	(4,238)	1,626,951	1,302,139
WEALTH RECEIVED IN TRANSFER					
Profit sharing of subsidiaries/associates	9	386,925	374,833	-	-
Finance income	24	331	556	40,761	46,393
TOTAL WEALTH FOR DISTRIBUTION		380,367	371,151	1,667,712	1,348,532
WEALTH DISTRIBUTED					
Personnel:					
Salaries and wages		10,029	8,251	374,464	296,894
Benefits		-	-	65,530	48,697
Severance Pay Fund (FGTS)		-	-	29,535	23,327
		10,029	8,251	469,529	368,918
Taxes, fees and contributions:					
Federal		1,063	2,028	331,661	209,757
State		6	1	383,947	299,216
Municipal		15	11	4,621	4,915
		1,084	2,040	720,229	513,888
Lenders and lessors:					
Interest and banking expenses	25	9	6	88,412	88,181
Variable leases and common area maintenance fees payable		-	-	17,877	12,730
Royalties		-	-	2,420	3,961
		9	6	108,709	104,872
Shareholders:					
Dividends		87,696	85,703	87,696	85,703
Retained earnings		281,549	275,151	281,549	275,151
		369,245	360,854	369,245	360,854
TOTAL WEALTH DISTRIBUTED		380,367	371,151	1,667,712	1,348,532

The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in thousands of Brazilian reais - R$, unless when stated otherwise)

1. GENERAL INFORMATION

Vivara Participações S.A. ("Vivara Participações" or "Company"), headquartered in São Paulo, is the holding company controlling Vivara Group, established in 1962, which is engaged in the manufacturing and sale of jewelry and other articles. The consolidated financial statements comprise the financial statements of the Company and subsidiaries Tellerina Comércio de Presentes e Artigos para Decoração S.A. ("Tellerina") and Conipa Indústria e Comércio de Presentes, Metais e Artigos de Decoração Ltda. ("Conipa"). The Company's controlling shareholders are Nelson Kaufman, Márcio Monteiro Kaufman, Marina Kaufman Bueno Netto and Paulo Kruglensky, who hold together 44.7% of the shares.

Tellerina established its registered head office in the city of Manaus, State of Amazonas, with administrative center in the city of São Paulo, State of São Paulo. Through a chain of stores under the brands "VIVARA" and "LIFE", Tellerina is primarily engaged in the import, export and retail and wholesale trade of jewelry, costume jewelry, articles made from non-precious metals and their alloys, plated jewelry, precious stones, watches, chronometric instruments, leather goods and similar goods, besides providing jewelry design and repair services in general. As at December 31, 2023, Tellerina had 374 stores and 16 kiosks (315 stores and 21 kiosks as at December 31, 2022) operating in Brazil.

Conipa has its registered head office in the city of Manaus, State of Amazonas and is primarily engaged in the manufacture of jewelry, gold smithery and watch items, selling these products in the retail and wholesale markets, besides providing jewelry and watch repair services.

2. BASIS OF PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of preparation

The individual and consolidated financial statements have been prepared based on the historical cost, unless otherwise stated. The historical cost is generally based on the fair value of the consideration given in exchange for an asset.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market players at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

2.2. Statement of compliance

These individual and consolidated financial statements were approved by the Company's Board of Directors on March 20, 2024 and have been prepared in accordance with accounting practices adopted in Brazil, issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM"), and the International Financial Reporting Standards ("IFRSs"), issued by the International Accounting Standards Board ("IASB").

2.3. Statement of relevance

In preparing the individual and consolidated financial statements, Management only disclosed relevant information that could support their users in the decision-making process, without failing to comply with the existing minimum requirements. In addition, Management asserts that all relevant information is being disclosed and corresponds to the information used in managing the business.

2.4. Functional and presentation currency

Items included in the individual and consolidated financial statements are measured in Brazilian reais (R$), the currency of the economic environment in which the Group operates, which is adopted as the Group's functional and presentation currency.

2.5. Use of estimates and judgments

The preparation of the individual and consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates. Estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and in any future years affected.

The main accounts subject to assumptions and estimates are included in the following notes:

- Note 8 – recoverable taxes
- Notes 10 and 11 - useful lives and impairment test of property, plant and equipment and intangible assets.
- Note 15 – fair value of derivative financial instruments.
- Note 16 - provision for civil, labor and tax risks.
- Note 19.b) – deferred income tax and social contribution.
- Note 27 – right-of-use leases.

2.6. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over an investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to affect those returns through its power over the investee.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company achieves control over the subsidiary and ceases when the Company loses control over the subsidiary.

In preparing the consolidated financial statements, financial statements for the same reporting period were used, which are consistent with the Company's accounting policies.

When necessary, accounting adjustments are made to the subsidiaries' financial statements to conform their accounting policies to those used by the Company.

All transactions and receivables and payables, as well as investments proportionately to the investor's interest in the equity and profit or loss of subsidiaries, and unrealized earnings, less income tax and social contribution, between the Company and its subsidiaries included in the consolidated financial statements are fully eliminated.

In the Company's individual financial statements, the investments in subsidiaries are recognized under the equity method.

The consolidated financial statements comprise the financial statements of the Company and its direct subsidiaries, as shown below:

Subsidiaries	Equity interest (%)
Tellerina	100
Conipa	100

3. MATERIAL ACCOUNTING POLICIES

- Revenue recognition criteria

Sales revenue is recognized in the income statement when a performance obligation is satisfied through the transfer of promised goods and related control to a customer, as well as when the price is identifiable and the performance obligations are met. Sales revenue is stated net of deductions, including taxes on sales.

- Foreign currency-denominated transactions

Foreign currency-denominated transactions are initially recognized at the fair value of the corresponding currencies at the date the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into Brazilian reais (R$) at the quoted market rates prevailing at the balance sheet dates. Any differences in the payment or translation of monetary items are recognized in finance income (costs).

- Financial instruments

Classification and measurement of financial assets and financial liabilities

The classification of financial assets and financial liabilities under technical pronouncement CPC 48/IFRS 9 is generally based on the business model within which financial assets are managed and on their contractual cash flow characteristics.

In accordance with technical pronouncement CPC 48/IFRS 9, upon initial recognition, financial assets are classified as measured at: amortized cost; fair value through other comprehensive income ("FVTOCI"); or fair value through profit or loss ("FVTPL").

The following accounting policies are applicable to the subsequent measurement of financial assets:

Financial assets measured at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest income or dividend income, are recognized in profit or loss.

Financial assets measured at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment losses are recognized in profit or loss. Any gains or losses arising on the derecognition are also recognized in profit or loss.
Financial assets measured at FVTOCI	These assets are measured at fair value through other comprehensive income as they are designated for trading before maturity.

Under CPC 48/IFRS 9, a financial asset is measured at amortized cost provided that the following conditions are met and it is not designated as measured at FVTPL:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI provided that the following conditions are met and it is not designated as measured at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding .

The following table includes the measurement categories under technical pronouncement CPC 48/IFRS 9 for each class of financial assets and/or financial liabilities.

Technical pronouncement CPC 48/IFRS 9

Assets	Note	Category	Parent		Consolidated	
			12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash and cash equivalents	4	Amortized cost	58	108	221,495	160,036
Trade receivables	6	Amortized cost	-	-	830,832	663,797
Due from related parties	18	Amortized cost	-	59	-	-
Securities	5	Amortized cost	-	-	82,995	222,831
Total financial assets			58	167	1,135,322	1,046,664

Technical pronouncement CPC 48/IFRS 9

Liabilities	Note	Category	Parent		Consolidated	
			12/31/2023	12/31/2022	12/31/2023	12/31/2022
Trade payables	12.a)	Amortized cost	-	-	73,629	104,961
Trade payables -agreement	12.b)	Amortized cost	-	-	29,519	40,247
Borrowings	15	Amortized cost	-	-	271,463	225,156
Derivatives - swap	15	FVTPL	-	-	7,216	2,486
Due to related parties	18	Amortized cost	1,208	-	-	-
Right-of-use leases payable	27	Amortized cost	-	-	502,684	474,643
Total financial liabilities			1,208	-	884,511	847,493

Derivatives

Management uses derivative financial instruments classified as swaps to hedge foreign currency-denominated contracts and contracts subject to fixed rates. These derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value at each balance sheet date. These contracts should have the same maturity dates, interest and principal repayment dates and be executed with the same financial conglomerate associated with the hedged item.

These instruments are classified as financial instruments “measured at fair value” and their variations are recognized in finance income (costs).

- Statement of value added

The purpose of this statement is to disclose the wealth created by the Company and its subsidiaries and its distribution during a certain reporting period, and is presented as required by the Brazilian Corporate Law, as an integral part of their individual and consolidated financial statements.

This statement was prepared based on information obtained from the accounting records used as a basis for the preparation of individual and consolidated financial statements and supplementary records, and pursuant to the provisions of technical pronouncement CPC 09 - Statement of Value Added.

- Cash and cash equivalents

Comprise cash and banks and short-term investments maturing within up to 90 days from investment date.

Short-term investments substantially refer to Bank Deposit Certificates ("CDBs") and are carried at cost, plus income earned through the end of the reporting period, which does not exceed their realizable value.

- Securities

  The investments in securities are represented by short-term investments in investment funds and financial bills issued by banks, which are redeemable over 90 days from the investment date.

- Trade receivables and allowance for expected credit losses

  Trade receivables correspond to proceeds from the sale of goods and are recorded at their original amounts, less the allowance for expected credit losses. Trade receivables are initially recorded at the transaction amount, which corresponds to the selling price, and are subsequently measured at amortized cost.

  The allowance for expected credit losses is measured on the transaction date, taking into account the lifetime of receivables. The Company adopts a credit risk matrix considering the historical experience of losses, based on the average aging list of receivables.

- Inventories

  Measured at the acquisition or production costs and other costs incurred on bringing the inventories to their present locations and conditions. In the case of finished product and work-in-process inventories, cost includes a proportional share of manufacturing overheads based on normal operating capacity.

  Inventories are stated at the weighted average cost, less any estimated losses, when applicable.

- Property, plant and equipment

  Recognition and measurement

  Property, plant and equipment items are measured at the historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, when applicable.

  Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of assets built by the Company itself includes costs of materials and direct labor, as well as any other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

  Any gains and losses on disposals are measured as the difference between the disposal proceeds and the carrying amount and are recognized in “Other operating income (expenses), net” in the income statement.

  Subsequent costs

  These costs are capitalized only when it is probable that the economic benefits embodied in the component will flow to the Company and its cost can be reliably measured.
  Recurring maintenance costs are recognized in profit or loss, when incurred.

  Depreciation

  Property, plant and equipment items are depreciated from the date on which those assets are available for use, or, in the case of internally built assets, from the day construction is completed and the assets are available for use.

Depreciation is calculated to amortize the cost of property, plant and equipment items, less their estimated residual values, on a straight-line basis, over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the relevant amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of their estimated useful lives and the lease term, unless it is reasonably certain that the Company will obtain ownership of assets at the end of the lease term. Land is not depreciated.

The estimated useful lives of the significant property, plant and equipment items for the current and comparative reporting periods are broken down as follows:

	Useful life - years
Machinery and equipment	10
Facilities	10
Furniture and fixtures	10
Hardware	5
Leasehold improvements	5
Rights of use – leased properties	5 to 10
Rights of use – cloud	3
Company cars	5
Points of sale	5

The estimated useful lives of property, plant and equipment items are reviewed on an annual basis at the end of the reporting periods. When applicable, the effects of changes in the remaining useful life are recorded on a prospective basis.

- Intangible assets

Stated at the acquisition cost of points of sale, with amortization over the lease term, which is five years for stores and kiosks. Not all chain's points of sale are acquired, since these costs should not be incurred in certain locations.

Software purchased from third parties and software under development are recorded as well.

- Investment

Investments are accounted for under the equity method in the individual financial statements.

- Impairment

Management annually assesses whether there is evidence that an asset might be impaired. If there is any evidence of impairment, the recoverable amount of the asset is estimated, which is the higher of: (i) its fair value less estimated costs to sell; and (ii) its value-in-use. The value-in-use is equivalent to pretax discounted cash flows arising from the continuing use of an asset. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized.

- Right-of-use leases

  Rights of use relating to leased properties are represented by the present value of the fixed or minimum rental payment flows under the lease agreements of the properties where the Company's stores, factory and offices are located. They are recognized as property, plant and equipment items, in assets, and as right-of-use leases payable in liabilities.

  The recognized assets are amortized over the lease term, subject to automatic renewal for an equal period.

  Interest incurred on determining the present value is allocated to lease liabilities, using the discount rates shown in note 27, over the lease term, subject to automatic renewal for an equal period. Rights of use are annually remeasured according to the contractual rates and terms for lease adjustment purposes.

- Provisions

  Recognized when:

  - The Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of funds will be required to settle the obligation and the obligation amount can be reliably estimated.

  - Provisions are measured at the present value of the expected disbursement to settle the obligation using the appropriate discount rate, according to related risks. They are adjusted through the end of the reporting period for the probable loss amount, according to the nature of each contingency and based on the legal counsel's opinion.

- Finance income (costs)

  Finance income consists of interest income that is recognized in the income statement under the effective interest method. Finance costs comprise banking expenses that are recognized in the income statement under the effective interest method.

- Income tax and social contribution

  <u>Current and deferred taxes</u>

  Current and deferred income tax and social contribution are calculated at the rates of 15% for income tax, plus a 10% surtax on taxable income exceeding R$240, and 9% on taxable income for social contribution, considering the offset of tax loss carryforwards, limited to 30% of taxable income.

  Income tax and social contribution expenses comprise current and deferred taxes, which are recognized in profit or loss.

  Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to taxes payable in relation to prior years.

Deferred tax is recognized on temporary differences and tax loss carryforwards between the carrying amounts of assets and liabilities for accounting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied on temporary differences and tax loss carryforwards when realized, pursuant to the laws that have been enacted or substantially enacted through the end of each reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes imposed by the same tax authority on the same entity subject to taxation.

Deferred income tax and social contribution assets are recognized for all unutilized tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available against which those tax losses, tax credits and deductible temporary differences can be utilized.

Deferred income tax and social contribution assets are reviewed at the end of each reporting period and reduced to the extent that their realization is no longer probable.

<u>Tax incentives - operating profit</u>

As its jewelry factory is located within an area under the jurisdiction of the Amazon Region Development Authority (SUDAM), and pursuant to Declaratory Executive Act No. 146 issued by Manaus Federal Revenue Service Office on November 25, 2011, Conipa is eligible for a tax incentive granting a 75% reduction of income tax on operating profit, applied to sales of own products manufactured in the Manaus Free Trade Zone, which are recognized in profit or loss and subsequently allocated to the capital reserve, in equity.

By virtue of such benefit granted, Conipa is compelled to: (i) comply with the labor and social laws, as well as the environmental protection and control standards; (ii) apply the income tax reduction to activities directly related to manufacturing operations conducted within SUDAM's jurisdiction; (iii) recognize a capital reserve that includes the amount resulting from such reduction, which may be only used for loss absorption or capital increase purposes; (iv) prohibit the distribution to partners or shareholders of any tax amounts unpaid owing to this reduction, under penalty of losing entitlement to such tax incentive and being compelled to collect, in respect of the distributed amounts, the tax amounts unpaid by Conipa, without prejudice to the tax levy on profit distributed as income and the applicable penalties; and (v) annually file the income tax returns, indicating the reduction amount corresponding to the relevant year, pursuant to the applicable standards.

<u>Tax incentive – deemed ICMS credits</u>

Subsidiaries Tellerina and Conipa are eligible to deemed ICMS tax credit, which provides for the decrease of the ICMS rate on shipments without the right to credit on receipts, in the States of Amazonas, Minas Gerais, Pará, Pernambuco and Rio de Janeiro. The benefit must be used for reinvestment in these States and is recorded as revenue from grant. The amounts relating to incentives are allocated to the reserve in equity and cannot be distributed as profit to the Company.

Beginning January 1, 2024, as set forth in Law 14.789/2023, enacted on December 29, 2023, the tax benefits granted by the Brazilian states will be subject to federal contributions (PIS and COFINS) and will be included in the IRPJ and CSLL tax basis; also, the obligation to allocate the revenue from state grants to the reserve in equity was revoked.

- Earnings per share

Basic earnings per share are calculated by dividing profit attributable to the Company's owners by the weighted average number of common shares issued during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, in order to assume the conversion of all potential common shares diluted by vested stock options.

- Operating segments

The operating segments are addressed consistently with the internal report provided to the Company's chief decision maker, i.e., the Group's CEO, who is in charge of allocating funds and assessing the performance of each operating segment.

4. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash	-	-	10,498	7,365
Banks – checking account	58	108	772	2,938
Short-term investments (a)	-	-	210,225	149,733
Total	58	108	221,495	160,036

(a) Short-term investments are represented as follows:

	Consolidated			
	12/31/2023	Weighted average CDI rate	12/31/2022	Weighted average CDI rate
Bank Certificate of Deposit (CDB)	200,126	95.0%	137,294	103.1%
Automatic investments	10,099	2%	12,439	10%
Total	210,225		149,733	

5. SECURITIES

Short-term investments are broken down as follows:

	Consolidated			
	Return	12/31/2023	Return	12/31/2022
Financial bills	77.1% of CDI	82,995	62.0% of CDI	222,831
Total		82,995		222,831
Current assets		82,995		155,139
Noncurrent assets		-		67,692
Total		82,995		222,831

Financial bills refer to fixed-income securities subject to fixed or floating interest rates, issued by financial institutions highly rated by credit rating agencies, acquired in the primary and secondary markets. They comprise long-term investments with similar CDB characteristics.

The Company pledged as collateral for borrowings from financial institutions, with maturities up to July 2024, the amount of R$22,748 in investments in financial bills.

6. TRADE RECEIVABLES

	Consolidated	
	12/31/2023	12/31/2022
Credit card companies	823,681	657,646
Checks to be cleared	1,007	1,527
Bank slips	6,618	5,738
Subtotal	831,306	664,911
Allowance for expected credit losses	(474)	(1,114)
Total	830,832	663,797

The aging list of trade receivables is as follows:

	Consolidated	
	12/31/2023	12/31/2022
Past-due:	448	2,488
Current:	830,858	662,423
Total	831,306	664,911

Current balances substantially refer to receivables from credit card sales in up to 10 installments, which are not subject to any finance charges.

The variations in the allowance for expected credit losses are broken down as follows:

	Consolidated	
	12/31/2023	12/31/2022
Balance at the beginning of the period	(1,114)	(709)
Additions	(120)	(813)
Reversals	760	408
Balance at the end of the period	(474)	(1,114)

7. INVENTORIES

	Consolidated	
	12/31/2023	12/31/2022
Finished products	542,707	479,467
Raw materials	186,666	182,787
Consumables and packaging materials	27,904	22,947
Inventories in transit and advances to suppliers	29,886	29,521
Allowance for inventory losses	(4,457)	(5,010)
Total	782,706	709,712

The Company's subsidiaries recognize an allowance for slow-moving inventories and losses on melting gold and silver jewelry from discontinued collections or acquired from customers. These allowances are recognized at the weighted average cost of inventories at the balance sheet date.

Products not sold within one year are classified as slow-moving inventories.

The jewelry melting losses are immaterial, in percentage terms, due to the technology deployed to recover the relevant raw materials (gold, silver and stones).

Variations in the allowance for inventory losses are as follows:

	Consolidated	
	12/31/2023	12/31/2022
Balance at the beginning of the period	(5,010)	(4,379)
Additions	(3,796)	(2,614)
Reversals	4,349	1,983
Balance at the end of the period	(4,457)	(5,010)

8. RECOVERABLE TAXES

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Income tax (IRPJ) (a)	1,935	2,715	61,008	68,549
Social contribution (CSLL) (a)	-	-	22,801	23,184
State VAT (ICMS) (b)	-	-	125,498	139,894
Taxes on revenue (PIS and COFINS) (c)	-	-	19,855	-
Federal VAT (IPI)	-	-	3,123	5,893
Other recoverable taxes	4	-	91	43
Total	1,939	2,715	232,376	237,563
Current assets	1,939	2,715	118,354	55,870
Noncurrent assets	-	-	114,022	181,693
Total	1,939	2,715	232,376	237,563

(a) Income tax (IRPJ) and social contribution (CSLL)

Credit balance

The Company presented credit balance in the calculation of IRPJ and CSLL for 2021, 2022 and 2023. As at December 31, 2023, it offset tax credits against federal taxes, remaining the amount of R$1,935 (R$2,715 as at December 31, 2022) of balances for offset.

Conipa, due to the tax benefit arising from the operating profit, presented IRPJ credit balance between the estimates paid and the outstanding balance in the tax calculation for 2021, 2022 and 2023. As at December 31, 2023, it offset tax credits against federal taxes, remaining the amount of R$12,269 (R$20,333 as at December 31, 2022) of balances for offset.

Tellerina presented credit balance in the calculation of IRPJ and CSLL in 2020 and 2023 in the amount of R$8,102 (R$7,182 as at December 31, 2022).

Grant credits

In 2014 and 2015 Tellerina recognized IRPJ and CSLL credits, in the amount of R$36,848, arising from the deduction from its tax basis of the grant incentives for investment, pursuant to article 30 of Law 12.973/2014. These credits were offset against other federal taxes and the offsets were rejected by the Brazilian Federal Revenue Service.
The Company filed administrative proceedings for statement of objection and these proceedings are in progress up to the date of disclosure of these statements.

Based on the Company's legal counsel's opinion, if the refunds claimed at the administrative level are not accepted by the Brazilian Federal Revenue Service and as soon as the discussion at the CARF (Administrative Council for Tax Appeals) is terminated, an annulment action for denying order of refund set forth in article 169 of the CTN (National Tax Code) will be filed, to compel the analysis of the merit, the existence, composition and validity of the negative IRPJ and CSLL balance. The likelihood of a favorable outcome on the refund requests classifies the risk of favorable outcome higher than the risk of unfavorable outcome and, therefore, the accounting recognition complies with the criteria defined in technical interpretation ICPC 22/IFRIC 23.

Right to the unconstitutionality credit of the taxation on the Selic adjustment

IRPJ and CSLL credits in the amount of R$19,939 (R$19,939 as at December 31, 2022) recognized in accordance with technical interpretation ICPC22/IFRIC 23 and based on the ruling handed down by the Supreme Court on the judgment held on September 27, 2021 of extraordinary appeal 1.063.187, relating to the unconstitutionality of the IRPJ and CSLL levied on the Selic rate inflation adjustment to the tax credits received by taxpayers upon undue tax collection.

Tellerina has filed Writ of Security 1020648-21.2020.4.01.3200 with the 1st Federal Court of Manaus and is waiting for the final and unappealable decision on its lawsuit so as to be able to utilize and offset tax credits before the Brazilian Federal Revenue Service.

The IRPJ and CSLL credits are expected to be realized as follows:

	Parent		Consolidated	
Year	12/31/2023	12/31/2022	12/31/2023	12/31/2022
2023	-	1,084	-	28,603
2024	1,935	1,631	22,306	1,627
2025	-	-	-	61,503
2026	-	-	61,503	-
Total	1,935	2,715	83,809	91,733

(b) State VAT (ICMS)

Credit balance in Tellerina

The recoverable amounts of ICMS credits, recorded in noncurrent assets, arise from accumulated credit balances from the operations of Vivara stores mostly located in the States of Pernambuco and Alagoas. The new stores and stores in maturation also present credit balances at the beginning of the operation due to the initial supply of inventories and are classified in current assets.

In Pernambuco, which concentrates most of such credit balance R$30,558 (R$44,895 as at December 31, 2022), the Company received the incentive set forth in Law 11.675 of October 11, 1999, which provides for the PRODEPE (Pernambuco State Development Program). The companies eligible to this benefit are not required to pay tax in advance on the acquisition of goods from another State, in addition to the deemed ICMS credit at the rate of 3%, in conformity with tax computation rules and not subject to the collection of minimum ICMS. The Company implemented a distribution center in said State – in line with the purpose of serving its customers in a more efficient way and will pay management fee of 2% on the total benefit utilized. The eligibility period ends on December 31, 2032.

Credit balance in Conipa

The purchase of raw material by the branch in São Paulo from Conipa has accumulated ICMS credit balance. In June 2021, the Company started the process to with the Regional Tax Office of the Finance Department of São Paulo through e-CredAc, established by CAT Ordinance 26/2010.

The credit eligibility process complied with the stages for validation and inspection, and on November 7, 2023, it recognized the interdependence between subsidiaries Conipa and Tellerina for purposes related to the utilization of the accumulated ICMS credits through the e-credac. Since April 19, 2023, the Finance Department of the São Paulo State qualified for transfer between companies the total amount of R$93,032, of which R$80,857 was effectively transferred to subsidiary Tellerina. Of the total amount received, Tellerina has offset the amount of R$52,831 between November and December 2023.

As at December 31, 2023, the ICMS credit balance related to e-credac transactions totals R$45,533 (R$70,537 as at December 31, 2022).

The ICMS credits are expected to be realized as follows:

	Consolidated	
Year	12/31/2023	12/31/2022
2023	-	19,704
2024	92,835	28,171
2025	32,663	27,720
2026	-	34,809
2027 and thereafter	-	29,490
Total	125,498	139,894

(c) Taxes on revenue (PIS and COFINS)

Untimely tax credits

The Company obtained a favorable final and unappealable court decision on February 27, 2023 in connection with Writ of Security 00016202-70.2012.4.01.3200 concerning the recognition of exemption from PIS/PASEP and COFINS levied on revenues from the sales of goods made in Manaus Free Trade Zone to individuals or legal entities. Tellerina's claims were upheld under the litigation and it became entitled to "offset" the unduly paid contributions from the five-year period preceding the lawsuit filing date (October 2012). The recognized tax credits total R$19,855 (R$13,631 referring to the main credits and R$6,224 corresponding to Selic inflation adjustments), corresponding to 2007-2022 period. Tax credits for 2023 were recognized in the monthly calculations. On February 1, 2024, the Company filed a credit eligibility proceeding with the Brazilian Federal Revenue Service and is waiting for the approval so that it can start the offsets against federal taxes.

9. INVESTMENT

	12/31/2023		12/31/2022	
	Investment	Share of profit (loss) of subsidiaries	Investment	Share of profit (loss) of subsidiaries
Tellerina	609,365	24,711	443,254	28,617
Conipa	1,418,308	362,214	1,299,809	346,216
Total - direct subsidiaries	2,027,673	386,925	1,743,063	374,833

a) Investments in subsidiaries

Variations in investments are broken down below:

	12/31/2023	12/31/2022
Balance at the beginning of the period	1,743,063	1,404,047
Share of profit (loss) of subsidiaries	386,925	374,833
Dividends received	(102,315)	(35,818)
Balance at the end of the period	2,027,673	1,743,063

In 2023 the Company received in advance dividends paid by subsidiary Conipa in the amount of R$102,315 to cover the cash flow relating to its obligations.

b) Tax incentive reserve

The subsidiaries recognized tax incentive reserves:

- Operating profit, with 75% reduction in the income tax base; the benefit was granted to Tellerina in 2010 and used until August 2016, i.e., the date of the spin-off establishing Conipa, which became entitled to such benefit until December 2024.

- Investment grant, related to the State VAT (ICMS) tax incentive prevailing in Manaus Free Trade Zone (effectiveness renewed up to December 31, 2032), as well as in the States of Minas Gerais, Rio de Janeiro, Pernambuco and Pará.

The variations in these reserves are broken down as follows:

	Consolidated			
	12/31/2022	Additions	Write-offs (a)	12/31/2023
ICMS tax incentive	437,199	205,106	-	642,305
Tax incentive - operating profit	157,964	53,018	4,729	206,253
Total	595,163	258,124	4,729	848,558

a) Write-off in the period relating to the inflation adjustment of the benefit recognized in reserve in 2022 after the filing of accessory obligation with the Brazilian Federal Revenue Service in May 2023.

Pursuant to the prevailing tax laws, the amounts allocated to these reserves and derived from tax benefits involving reinvestment grants, provided to the subsidiaries, cannot be distributed as profit and dividends to the Parent.

10. PROPERTY, PLANT AND EQUIPMENT

	Annual average depreciation rate - %	Consolidated			
		12/31/2023			12/31/2022
		Cost	Accumulated depreciation	Residual value	Residual value
Leasehold improvements	20	230,648	(104,792)	125,856	65,692
Furniture and fixtures	10	81,160	(29,911)	51,249	38,409
Machinery, equipment and facilities	10	63,328	(16,587)	46,741	32,843
Company cars	20	112	(9)	103	46
IT equipment	20	23,472	(13,276)	10,196	9,694
Land	-	350	-	350	350
Right-of-use assets - lease of properties	10 to 25	712,483	(250,199)	462,284	449,131
Right-of-use assets - cloud		12,380	(11,252)	1,128	5,254
Advances to suppliers and construction in progress (a)	-	67,839	-	67,839	50,745
Total		1,191,772	(426,026)	765,746	652,164

(a) Refers to the cost of construction works at new points of sale, new facilities of the plant in Manaus and significant renovations in existing points of sale, which are subsequently transferred to line item “Leasehold improvements” upon the launching or reopening of these points of sale.

The Company defined the stores of its subsidiary Tellerina as the cash-generating unit. The Company reassessed the projections used for the year ended December 31, 2023 of the results of operations and positive cash flows of its subsidiaries and considering that there is no indication or new fact arising from the operations that would require a new assessment, there is no indication of the need to record the impairment of its tangible assets.

Variations in property, plant and equipment are as follows:

	Consolidated				
	12/31/2021	Additions	Write-offs	Transfers	12/31/2022
Cost:					
Leasehold improvements	113,957	7,804	(37)	25,123	146,847
Furniture and fixtures	43,908	10,614	(56)	7,447	61,913
Machinery, equipment and facilities	32,585	10,550	(32)	2,558	45,661
Company cars	341	25	(234)	-	132
IT equipment	15,739	3,679	(3)	242	19,657
Land	350	-	-	-	350
Right-of-use assets	462,183	186,855	(36,498)	10,420	622,960
Right-of-use assets - cloud	-	253	-	12,126	12,379
Advances to suppliers and construction in progress	24,101	72,524	(90)	(45,790)	50,745
	693,164	292,304	(36,950)	12,126	960,644
Depreciation:					
Leasehold improvements	(62,213)	(18,950)	8	-	(81,155)
Furniture and fixtures	(18,412)	(5,135)	43	-	(23,504)
Machinery, equipment and facilities	(9,084)	(3,742)	8	-	(12,818)
Company cars	(253)	(30)	197	-	(86)
IT equipment	(6,912)	(3,051)	-	-	(9,963)
Right-of-use assets	(115,302)	(72,627)	14,100	-	(173,829)
Right-of-use assets - cloud	-	(7,125)	-	-	(7,125)
	(212,176)	(110,660)	14,356	-	(308,480)
Total	480,988	181,644	(22,594)	12,126	652,164

	Consolidated				
	12/31/2022	Additions	Write-offs	Transfers	12/31/2023
Cost:					
Leasehold improvements	146,847	482	-	83,319	230,648
Furniture and fixtures	61,913	976	(63)	18,334	81,160
Machinery, equipment and facilities	45,661	12,927	(2,080)	6,820	63,328
Company cars	132	112	(132)	-	112
IT equipment	19,656	4,027	(227)	16	23,472
Land	350	-	-	-	350
Right-of-use assets (a)	622,960	100,285	(10,762)	-	712,483
Right-of-use assets - cloud	12,380	-	-	-	12,380
Advances to suppliers and construction in progress	50,745	125,588	(5)	(108,489)	67,839
	960,644	244,397	(13,269)	-	1,191,772
Depreciation:					
Leasehold improvements	(81,155)	(23,637)	-	-	(104,792)
Furniture and fixtures	(23,504)	(6,445)	38	-	(29,911)
Machinery, equipment and facilities	(12,818)	(5,267)	1,498	-	(16,587)
Company cars	(86)	(12)	89	-	(9)
IT equipment	(9,963)	(3,493)	180	-	(13,276)
Right-of-use assets	(173,829)	(81,449)	5,079	-	(250,199)
Right-of-use assets - cloud	(7,125)	(4,127)	-	-	(11,252)
	(308,480)	(124,430)	6,884	-	(426,026)
Total	652,164	119,967	(6,385)	-	765,746

(a) The additions amounting to R$92,817 refer to new contracts and remeasurement of contracts over the contractual adjustment period, without affecting cash, and the amount of R$7,468 refers to the points of sale contracts affecting cash.

11. INTANGIBLE ASSETS

	Consolidated				
	12/31/2021	Additions	Write-offs	Transfers (a)	12/31/2022
Cost:					
Points of sale	31,135	1,090	-	-	32,225
IT systems under implementation	10,319	19,322	(953)	(26,649)	2,039
IT system	35,880	8,313	-	14,218	58,411
Other intangible assets	-	-	-	305	305
	77,334	28,725	(953)	(12,126)	92,980
Amortization:					
Points of sale	(30,567)	(330)	-	-	(30,897)
IT system	(16,893)	(2,894)	-	-	(19,787)
Other intangible assets	-	(56)	-	-	(56)
	(47,460)	(3,280)	-	-	(50,740)
Total	29,874	25,445	(953)	(12,126)	42,240

a) Transfer from intangible assets of contractual amounts classified as right-of-use leases referring to cloud systems, recognized in the fourth quarter of 2021 as IT systems.

	Consolidated				
	12/31/2022	Additions	Write-offs	Transfers	12/31/2023
Cost:					
Points of sale	32,225	-	-	-	32,225
IT systems under implementation	2,039	24,429	-	-	26,468
IT system	58,411	2,177	-	-	60,588
Other intangible assets	305	-	-	-	305
	92,980	26,606	-	-	119,586
Amortization:					
Points of sale	(30,897)	(342)	-	-	(31,239)
IT system	(19,787)	(9,252)	-	-	(29,039)
Other intangible assets	(56)	(61)	-	-	(117)
	(50,740)	(9,655)	-	-	(60,395)
Total	42,240	16,951	-	-	59,191

12. TRADE PAYABLES

a) Trade payables

The balance consists of purchases of raw materials, inputs, packaging materials, goods for resale and third-party services, with an average payment term of 90 days.

	Consolidated	
Trade payables	12/31/2023	12/31/2022
Domestic	50,099	57,018
Foreign	23,530	47,943
Total	73,629	104,961

b) Trade payables - agreement

The Company’s subsidiaries entered into agreements with financial institutions, whereby suppliers of products and capital goods and providers of services can structure receivables prepayment transactions relating to purchase and sale transactions between the parties.

Management assessed that the economic substance of the transaction has operating nature, considering that the prepayment is at the supplier’s sole discretion and, for the Company, there are no changes in the original term negotiated with the supplier does not change in the contracted amounts.

The finance costs incurred on prepayment of the receivable, which is payable by our suppliers, have a weighted average rate of 1.15% per month. The average prepayment term is 90 days.

Also, there is no significant exposure to any financial institution individually related to these transactions and these resulting liabilities are not considered as net debt and are subject to related usual restrictive market clauses (either financial or not), which the Company had complied with as at December 31, 2023.

These balances are classified as “Trade payables - agreement” and payments are made to the financial institutions under the same conditions as originally agreed with the supplier. As a result, the total cash flow from these transactions is presented as cash flow from operating activities in the statement of cash flow.

As at December 31, 2023, the balance payable related to these transactions amounts to R$29,519 (R$40,247 as at December 31, 2022).

13. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Accrued vacation pay	-	-	38,292	30,616
Payroll	124	122	29,075	21,349
Profit sharing and bonus	-	-	18,624	17,375
Severance pay fund (FGTS)	-	-	4,234	3,216
Social security contribution (INSS)	36	36	14,676	10,787
Withholding income tax (IRRF)	83	80	12,628	8,366
Other	-	-	330	629
Total	243	238	117,859	92,338

14. TAXES PAYABLE

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
State VAT (ICMS)	-	-	35,726	36,579
Federal VAT (IPI) (a)	-	-	9	25,165
Taxes on revenue (PIS and COFINS)	1	1	30,637	21,420
Income tax (IRPJ) and social contribution (CSLL)	-	-	13,888	23,702
Taxes in installments	-	-	434	675
Other	23	8	4,601	4,744
Total	24	9	85,295	112,285
Current liabilities	24	9	85,081	111,870
Noncurrent liabilities	-	-	214	415
	24	9	85,295	112,285

(a) Federal VAT (IPI)

The subsidiary Tellerina has no longer been paying the Federal VAT (IPI) calculated on a monthly basis since July 2014, pursuant to a preliminary injunction handed down for such purpose, concerning the tax levy on the customs clearance of manufactured goods and on the shipment of goods from an importer's location for sale in the domestic market, thereby equating the importer with the industrial establishment, when the former would not provide any benefits in the industrial field. The relevant amount is adjusted for inflation based on the SELIC rate.

In September 2020, the Federal Supreme Court ("STF") validated the constitutionality of the Federal VAT (IPI) levy on the customs clearance of manufactured goods and on the shipment of goods from an importer's location for sale in the domestic market.

On March 27, 2023, the revocation of the interlocutory appeal denying the writ of security that granted the IPI payment suspension was published in the Official Gazette. In light of the foregoing, the Company made the escrow deposit of the amounts due on April 25, 2023 and continued to monthly pay such tax.

15. BORROWINGS AND FINANCING

a) Breakdown of balances

Institution and type	Rate	Maturity	Consolidated 12/31/2023	Consolidated 12/31/2022
In local currency				
Banco Safra - working capital	CDI + 2.20% p.a.	01/2023	-	2.512
Banco Safra - working capital	CDI + 1.55% p.a.	12/2024	20,062	20.091
Banco Itaú BBA S.A. - working capital	CDI + 1.85% p.a.	02/2025	63,400	62.294
Banco Itaú BBA S.A. - working capital	CDI + 1.55% p.a.	09/2024	41,497	41.672
Banco Bradesco - working capital	CDI + 1.33% p.a.	12/2023	-	50.253
Banco Bradesco - working capital	CDI + 1.30% p.a.	12/2025	50,199	-
Total borrowings in local currency			175,158	176.822
In foreign currency				
Banco Santander – Resolution 4131	Fixed rate of 5.797% p.a.	08/2025	51,441	-
Banco Santander – Resolution 4131	Fixed rate of 2.3475% p.a.	02/2024	44,864	48.334
Total foreign currency-denominated borrowings			96,305	48.334

Institution and type	Rate	Maturity	Consolidated 12/31/2023	12/31/2022
Total borrowings and financing			271,463	225.156
Derivatives – swap contracts				
Banco Santander (Brasil) – derivative asset	Exchange rate changes + 6.90% p.a.	08/2025	1,289	-
Banco Santander (Brasil) – derivative liability	Exchange rate changes + 2.35% p.a.	02/2024	5,927	2.486
Total derivatives – swap contracts			7,216	2.486
Total borrowings and financing, net of derivatives			278,679	227.642
Current liabilities			118.679	117,642
Noncurrent liabilities			160.000	110,000
Total			278.679	227,642

The borrowing and financing agreements referred to above and expected to mature through the reporting date were settled within the agreed-upon term.

There are no covenants for all borrowings and financing agreements entered into with financial institutions; however, early settlement clauses apply in case of any note protest filed against the issuer exceeding R$10,000. There are borrowing agreements maturing up to December 2025 with collaterals linked to investments, in the amount of R$22,748.

b) Variations in borrowings and financing

	Consolidated 12/31/2023	12/31/2022
Balance at the beginning of the period	227,642	290,054
Borrowings	160,000	60,000
Principal repayments	(112,500)	(120,343)
Swap contract settlement	(5,400)	(4,604)
Interest payment	(24,772)	(30,555)
Cash flows from financing activities	17,328	(95,502)
Interest incurred	27,066	28,208
Exchange rate changes	9,675	8,252
Finance charges on swap contracts	(3,032)	(3,368)
Non-cash variations	33,709	33,092
Balance at the end of the period	278,679	227,642

The amount classified in noncurrent liabilities matures as follows:

Year	Consolidated 12/31/2023	12/31/2022
From 1 to 2 years	-	90,000
From 2 to 3 years	160,000	20,000
Total	160,000	110,000

16. PROVISION FOR CIVIL, LABOR AND TAX RISKS AND ESCROW DEPOSITS

As at December 31, 2023, the Company was a party to civil, labor and tax lawsuits assessed as probable losses by its legal counsel, as follows:

	Consolidated			
	Civil (a)	Labor (b)	Tax (c)	Total
Provision				
Balance as at December 31, 2022	2,731	6,797	8,726	18,254
Additions	1,385	15,834	7,973	25,192
Payments	(462)	(4,092)	(1,173)	(5,727)
Reversals	(699)	(11,986)	(10,460)	(23,145)
Balance as at December 31, 2023	2,955	6,553	5,066	14,574
Escrow deposits				
Balance as at December 31, 2022	-	827	27,386	28,213
Additions	8,483	114	2,152	10,749
Inflation adjustments	-	324	2,492	2,816
Redemptions	(1,185)	(358)	(16,336)	(17,879)
Balance as at December 31, 2023	7,298	907	15,694	23,899

(a) Civil lawsuits

Refer to lawsuits involving store rental renewals, under which the Group is required to pay provisional rental amounts until a final and unappealable court decision is rendered, recognizing a provision for the difference between the provisional rental amount paid and the amount pleaded under these lawsuits. In addition, for lawsuits involving consumer relations rights, the provision is calculated based on past unfavorable outcomes from all lawsuits and the historical loss amount per type of claim.

(b) Labor lawsuits

Refer to labor lawsuits filed by former employees, mostly claiming overtime pay and related charges, salary equalization, vacation pay and pecuniary bonus, remunerated weekly rest, severance pay, 13th salary, compensation for pain and suffering, bonuses, employment relationship and overtime bank system annulment. The provision is recognized considering lawsuits assessed as probable loss and increased based on the history of loss on the group of lawsuits assessed as possible loss.

(c) Tax lawsuits

In August 2020, through Extraordinary Appeal No. 1.072.485/PR, the Federal Supreme Court ("STF") validated the social security contribution (INSS) levy on the one-third vacation bonus, rendering a decision against the Superior Court of Justice ("STJ")'s decision dated February 26, 2014, which was deemed favorable to taxpayers under the allegation that "any amounts paid as constitutional one-third vacation bonus shall be treated as indemnity/compensation and shall not be construed as an employee's regular earnings; therefore, no social security contribution shall be levied thereon".

Tellerina and Conipa filed a preliminary injunction, which suspended the payment of social security contribution on the constitutional one-third vacation bonus. In light of the STF's decision referred to above, Management assessed the matter, based on its legal counsel's opinion, and concluded that the risk is probable and recognized the provision.

Lawsuits assessed as possible losses

As at December 31, 2023, Management did not identify the need to recognize a provision for potential losses on ongoing lawsuits, which are assessed as possible losses by its legal counsel, as follows:

	Consolidated	
	12/31/2023	12/31/2022
Civil	13,452	9,133
Tax risks (*)	129,214	123,319
Total	142,666	132,452

(*) Mostly represented by lawsuits and tax assessment notices relating to State VAT (ICMS) amounts due in the States of Bahia, Ceará, Rio de Janeiro and Pernambuco.

17. EQUITY

a) Capital

The limit of the Company's authorized capital corresponds to 280,000,000 common shares.

As at December 31, 2023, capital is held as follows:

Vivara Participações	Common shares	Equity interest - %
Reference shareholders	105,607,554	44.71%
Management	178,683	0.08%
Treasury shares	996,955	0.42%
Outstanding shares	129,414,577	54.79%
Total	236,197,769	100%

b) Treasury shares

On March 16, 2023, the meeting of the Board of Directors approved the Company's share buyback plan, effective up to March 20, 2024, which purpose is to increase the generation of value for its shareholders through the investment of available funds in the acquisition of shares at stock exchange, at market prices, to be held in treasury, cancelled or subsequently disposed of in the market, or their allocation to participants under the scope of the Company's share-based plans, without capital decrease, in conformity with § 1, article 30 of the Brazilian Corporate Law, ICVM 567/15 and other applicable standards. The Company can acquire up to 5% of outstanding shares.

Variations in treasury shares are as follows:

	Consolidated		
	Number of shares	Purchase amounts (in R$)	Average price per share (in R$)
Balances as at December 31, 2021	-	-	-
Share buyback for holding in treasury	607,612	14,693,941	24.18
Balances as at December 31, 2022	607,612	14,693,941	24.18
Balances as at December 31, 2022	607,612	14,693,941	24.18
Shares assigned – ILP Plans	(68,957)	(1,630,325)	23.64
Share buyback for holding in treasury	458,300	11,112,432	24.25
Balances as at December 31, 2023	996,955	24,176,048	24.25

c) Dividend distribution policy

Dividends will be distributed in accordance with the relevant Bylaws and the Brazilian Corporate Law, which determine the following allocations:

- 5% to the legal reserve.

- Distribution of mandatory minimum dividends at a percentage rate to be set at the General Shareholders' Meeting, pursuant to the prevailing legislation (at least 25% of profit for the year, after the recognition of a legal reserve and reserve for contingencies).

- Pursuant to article 33, paragraph 4 of the Company's Bylaws, the remaining percentage of profit will be allocated to the "Bylaws earnings reserve", which is intended to strengthen the Company's working capital and the performance of its activities.

In May 2023, the Company paid to shareholders the net amount of R$85,703 as distribution of dividends on profit earned in 2022.

As at December 31, 2023, the legal reserve amounts to R$61,407 (R$42,945 as at December 31, 2022).

In the year ended December 31, 2023, the mandatory minimum dividend of 25% of adjusted profit is R$87,696 and will be paid to shareholders after approval at the Annual General Meeting scheduled to be held on April 29, 2024:

	Consolidated
	12/31/2023
Profit for the period	369,245
Offset of prior-year losses	-
Tax base – legal reserve	369,245
Legal reserve (5%)	(18,462)
Tax base – dividends	350,783
Mandatory minimum dividends (25%)	87,696

18. RELATED PARTIES

Assets balance	Parent 12/31/2023	Parent 12/31/2022
Current		
Conipa	-	59
Total	-	59

Liabilities balance	Parent 12/31/2023	Parent 12/31/2022
Current		
Tellerina	1,208	-
Total	1,208	-

The subsidiaries Conipa and Tellerina carry out intercompany transactions involving the purchase and sale of goods and raw materials, the collection of administrative expenses through a Shared Service Center and royalties on jewelry design copyrights. All transactions between Conipa and Tellerina have been eliminated for consolidation and reporting purposes.

The balances of transactions between Vivara Group's companies are broken down as follows:

	12/31/2023		12/31/2022	
Balances	TELLERINA	CONIPA	TELLERINA	CONIPA
Transaction				
Sales (purchases) of goods	(1,426,651)	1,426,651	(1,464,622)	1,464,622
Sales (purchases) of raw materials	49,306	(49,306)	16,079	(16,079)
Copyrights	241,109	(241,109)	231,438	(231,438)
Administrative expenses on the Shared Service Center	4,657	(4,657)	5,653	(5,653)
Total	(1,131,579)	1,131,579	(1,211,452)	1,211,452

On April 27, 2023, the Annual General Meeting approved the Company's overall management compensation for 2023 of up to R$27,040 (R$17,727 for 2022).

The amounts accrued and paid to statutory officers and the Board of Directors are broken down as follows:

	Consolidated					
	12/31/2023			12/31/2022		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	1,996	1,162	3,158	1,980	878	2,858
Statutory officers	7,579	13,199	20,778	5,996	8,991	14,987
Total	9,575	14,361	23,936	7,976	9,869	17,845

The amounts accrued and paid to the executive officers are broken down as follows:

	Consolidated					
	12/31/2023			12/31/2022		
	Fixed	Variable	Total	Fixed	Variable	Total
Executive officers	9,143	6,724	15,867	8,177	7,575	15,751
Total	9,143	6,724	15,867	8,177	7,575	15,751

19. INCOME TAX AND SOCIAL CONTRIBUTION

a) Reconciliation of income tax and social contribution expenses

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Profit before income tax and social contribution	369,245	360,854	400,843	331,034
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(125,543)	(122,691)	(136,286)	(112,552)
Income tax and social contribution on tax loss carryforwards for which no corresponding deferred taxes were recognized	(6,011)	(4,752)	(6,011)	(4,752)
Permanent differences:				
Share of profit (loss) of subsidiaries	131,554	127,443		-
Other permanent differences	-	-	(13,962)	(1,996)
Recovery of IRPJ and CSLL from prior years	-	-	1,906	7,583
Tax incentive - operating profit	-	-	53,018	73,993
Tax incentive – deemed ICMS credits	-	-	69,736	67,544
Total	-	-	(31,598)	29,820
Current	-	-	(54,597)	(57,015)
Deferred	-	-	22,999	86,835
Total	-	-	(31,598)	29,820

b) Deferred income tax and social contribution

	Consolidated			
	12/31/2023		12/31/2022	
	IRPJ tax base	CSLL tax base	IRPJ tax base	CSLL tax base
Deferred tax assets on temporary differences:				
Allowance for doubtful debts	474	474	1,604	1,604
Allowance for inventory losses	4,457	4,457	5,010	5,010
Accrued expenses	86,848	86,848	93,473	93,473
Unrealized profit from subsidiaries' operations	629,526	629,526	539,386	539,386
Provision for civil, labor and tax risks	14,574	14,574	18,254	18,254
Right-of-use leases	57,247	57,247	45,500	45,500
Tax loss carryforwards	71,665	70,922	58,985	58,241
Deferred tax base (*)	864,790	864,046	762,212	761,468
Deferred income tax assets		161,161		146,485
Deferred social contribution assets		60,992		52,668
Deferred income and social contribution assets (a)		222,152		199,153

(*) The difference between the tax bases of income tax and social contribution arises from bonuses paid to statutory officers, whereas the related expenses are considered nondeductible when calculating income tax.

(a) Pursuant to paragraph 11 of technical pronouncement CPC 32, the Company calculates and recognizes deferred IRPJ and CSLL from consolidated operations based on the rates applied arising from the individual calculation of its subsidiaries and other items at the statutory rate of 34%.

c) Expected realization of deferred income tax and social contribution assets

Deferred income tax and social contribution assets were recognized based on analyses prepared by Management as to the generation of future taxable income to allow these amounts to be fully realized over the coming years, including the expected realization of deductible temporary differences, as outlined below:

	Consolidated
As at December 31, 2023	Amount
Up to 1 year	22,271
From 1 to 2 years	41,079
From 2 to 3 years	44,628
From 3 to 5 years	39,091
Over 5 years	75,083
Total	222,152

20. NET REVENUE FROM SALES AND SERVICES

	Consolidated	
	12/31/2023	12/31/2022
Gross sales revenue	3,337,360	2,738,038
Gross service revenue	9,386	8,384
Deductions from gross revenue:		
State VAT (ICMS)	(349,621)	(243,255)
Tax on revenue (COFINS)	(184,282)	(157,761)
Tax on revenue (PIS)	(39,965)	(34,230)
FTI and UEA (*)	(26,704)	(20,519)
Service tax (ISS)	(469)	(419)
Sales returns/exchanges	(558,730)	(446,503)
Total	2,186,975	1,843,735

The ICMS amounts are stated net of the tax incentive of same nature mentioned in note 9.b in the amount of R$205,106 (R$198,657 as at December 31, 2022).

(*) The “Fundo de Fomento ao Turismo, Infraestrutura, Serviço e Interiorização do Desenvolvimento do Estado do Amazonas (F.T.I.)” is a state tax levied on Conipa’s sales of products manufactured in Manaus Free Trade Zone to other Brazilian States. The “UEA” is a state tax transferred to the government to Universidade Estadual da Amazônia.

21. EXPENSES BY NATURE

Vivara Group's income statement is presented based on a classification of expenses according to their function. The information on the nature of these expenses recognized in the income statement is as follows:

a) Costs of sales and services

	Consolidated	
	12/31/2023	12/31/2022
Acquisition cost of goods and products for resale	(594,970)	(508,270)
Personnel	(61,331)	(52,529)
Depreciation and amortization	(6,940)	(5,603)
Electric power, water and telephone	(1,520)	(1,576)
Freight	(6,103)	(5,549)
	(670,864)	(573,527)

b) Selling expenses

	Consolidated	
	12/31/2023	12/31/2022
Personnel	(377,815)	(284,720)
Freight	(37,238)	(32,269)
Marketing/selling expenses	(110,618)	(107,093)
Professional services	(28,628)	(15,073)
Variable rentals and common area maintenance fees	(71,406)	(56,196)
Depreciation and amortization	(79,374)	(67,609)
Commission on credit cards	(55,418)	(44,988)
Electric power, water and telephone	(7,749)	(7,022)
Other expenses by nature	(49,599)	(42,079)
	(817,845)	(657,049)

c) General and administrative expenses

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Personnel	(10,951)	(8,645)	(109,447)	(95,311)
Professional services	(5,911)	(3,271)	(72,336)	(65,889)
Rentals and common area maintenance fees	-	-	(1,030)	(1,328)
Electric power, water and telephone	-	-	(1,970)	(1,515)
Depreciation and amortization	-	-	(47,771)	(40,715)
Other expenses by nature	(1,111)	(1,086)	(34,020)	(31,128)
	(17,973)	(13,002)	(266,574)	(235,886)

22. SEGMENT REPORTING

The Group's activities are conducted in one single operating segment, i.e., the retail industry. The Group is organized as a single business unit for commercial and managerial purposes, and its performance is evaluated on such basis. The information is consistently provided to the Group's chief decision maker, i.e., the CEO, who is in charge of allocating funds and assessing the operations.

Such view is based on the following factors:

- The plant's production is substantially targeted at the Group's retail stores, online sales and B2B sales.
- The Group's strategic decisions are focused on:
  - Seeking remarkable quality, certified inputs, as well as new technologies to be deployed in the production lines.
  - Conducting analyses on business expansion opportunities, jewelry market trends, international fashion trends and distribution channels.
- The Group's revenue is measured by category and sales channel.

The Group's products are controlled and overseen by Management as a single business segment. Those products are distributed by category and through different sales channels; however, the CEO evaluates the Group's performance as a whole, as well as the selling, managerial and administrative results, taking into account that the structure of costs and expenses is entirely shared among all product categories.

For managerial purposes, Management monitors the consolidated gross revenue by category and sales channel, as shown below:

	Consolidated	
Gross revenue, less returns	12/31/2023	12/31/2022
Jewelry	1,364,393	1,199,370
Life	1,010,800	746,051
Watches	337,501	295,809
Accessories	65,936	50,305
Services	9,386	8,384
Total	2,788,016	2,299,919
Stores	2,332,724	1,929,243
Online sales	438,630	355,087
Other	7,276	7,205
Services	9,386	8,384
Total	2,788,016	2,299,919

23. OTHER OPERATING INCOME (EXPENSES), NET

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Provision for civil, labor and tax risks (a)	-		(2,047)	(6,579)
Tax credits (b)	-	-	13,631	-
Expected credit losses	-	-	640	(405)
Write-off of property, plant and equipment items	-	-	(703)	(1,058)
Revenue from sale of property, plant and equipment	-	-	-	101
Lease agreements written off	-	-	810	2,689
Other income (expenses)	(10)	(8)	6,623	4,351
Total	(10)	(8)	18,954	(901)

(a) Contingencies as mentioned in note 16.

(b) PIS and COFINS credits from resale at the Manaus Free Trade Zone as mentioned in note 8.

24. FINANCE INCOME

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Income from short-term investments	71	26	22,438	38,800
Inflation adjustments (a)	260	529	13,348	4,947
Exchange gains	-	-	4,759	2,602
Other finance income	-	1	216	232
Total	331	556	40,761	46,581

(a) Refers to the inflation adjustment of tax credits and escrow deposits.

25. FINANCE COSTS

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Interest on borrowings and financing	-	-	(27,066)	(28,208)
Exchange differences on translating borrowings and financing	-	-	3,032	3,368
Finance charges on derivative instruments	-	-	(9,675)	(8,252)
Charges on right-of-use leases	-	-	(53,123)	(44,599)
Tax on financial transactions (IOF)	(1)	(5)	(175)	(111)
Bank fees	(3)	(6)	(799)	(628)
Interest and fines on taxes and accessory obligations	(2)	(1,488)	(299)	(4,736)
Exchange losses	(3)	-	156	(6,570)
Other finance costs	(19)	(26)	(2,615)	(2,183)
Total	(28)	(1,525)	(90,564)	(91,919)

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26. EARNINGS PER SHARE

The table below shows the profit attributable to shareholders and the weighted average number of outstanding shares used to calculate basic and diluted earnings.

	Consolidated	
	12/31/2023	12/31/2022
Numerator		
Profit for the year (a)	369,245	360,854
Denominator (in thousands of shares)		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(845)	(272)
Weighted average number of outstanding shares (b)	235,353	235,926
Basic earnings per share (in R$) (a/b)	1.56890	1.52952
Denominator (in thousands of shares)		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(845)	(272)
Weighted average number of shares granted – 1st plan	75	62
Weighted average number of diluted shares (c)	235,428	235,988
Diluted earnings per share (in R$) (a/c)	1.56839	1.52912

The dilutive effect on earnings per share is represented by stock option plans disclosed in note 29 – Share-based Payment.

27. RIGHT-OF-USE LEASES

As at December 31, 2023, the Group entered into 395 agreements (341 agreements as at December 31, 2022) for the lease of its stores, kiosks, factory and administrative center with third parties. Of this total, 54 agreements (51 agreements as at December 31, 2022) were eligible to the exemption criteria for the recognition of the right of use and were classified as operating leases.

The variable rentals, determined under short-term leases or leases of low-value assets that were not recognized as rights of use for the period, are recorded in line item “Rentals and common area maintenance fees”, in the total amount of R$18,372 (R$17,139 as at December 31, 2022), as stated in note 21.

The Company determined its discount rates based on the BM&FBovespa benchmark rate of DIxpre, 252 business days, obtained at B3, for the first-time adoption date (risk-free interest rate in the Brazilian market), over its agreement terms, adjusted to the Company’s reality (credit spread). Spreads were obtained based on surveys with the main banks with which the Company enters into loan transactions.

As at December 31, 2023, the 341 lease agreements (290 lease agreements as at December 31, 2022), classified as right-of-use leases, mature between five and 10 years and the weighted average discount rate in the period is 11.77% per year (11.51% per year as at December 31, 2022).

The Company, in full compliance with technical pronouncement CPC 06 (R2)/IFRS 16, in measuring and remeasuring its lease liability and right-of-use asset, used the discounted cash flow method considering the statutory rate and without considering the effects from the projected future inflation on discounted flows.

For compliance with CVM Circular Letter 02/2019, the Company discloses the minimum inputs for purposes of projecting the statutory rate and discounted cash flow model recommended by CMV, using as basis the average inflation between the CDI x IPCA rates obtained from the B3 website, as at December 28, 2023.

The table below shows the discount and future inflation rates adopted, compared to the contractual terms:

Agreements per term and discount rate			
Agreement term	Number of agreements	Discount rate	Future average inflation rate
5 years	4	10.67%	5.86%
6 years	32	11.05%	5.98%
7 years	21	11.36%	6.03%
8 years	26	11.55%	5.96%
9 years	25	11.72%	5.94%
10 years	233	11.88%	5.87%
Total	341		

The balances and variations in right-of-use lease liabilities for the period are broken down as follows:

	Consolidated	
	12/31/2023	12/31/2022
Balance at the beginning of the year	474,643	370,068
Addition of new agreements	80,792	111,993
Remeasurement	12,026	66,776
Write-offs	(6,492)	(25,312)
Finance charges recognized	53,123	44,602
Interest payment	(52,803)	(44,252)
Principal repayments	(58,605)	(49,232)
Balance at the end of the year	502,684	474,643
Current liabilities	70,059	59,546
Noncurrent liabilities	432,625	415,097
Total	502,684	474,643

As prescribed by technical pronouncement CPC 06 (R2)/IFRS 16, the Company shows in the table below the analysis of its agreement maturities, undiscounted installments, reconciled with the balance in the balance sheet as at December 31, 2023:

Agreement maturity	Consolidated	
	12/31/2023	12/31/2022
Installment maturity:		
2023	-	106,766
2024	116,927	105,854
2025	112,551	100,960
2026	100,056	88,240
2027 and thereafter	401,270	280,198
Total undiscounted installments	730,804	682,018
Embedded interest	(228,120)	(207,375)
Balance of right-of-use lease liability	502,684	474,643

As at December 31, 2023, the potential PIS and COFINS credit on the gross contractual flow is R$67,599 and that adjusted to present value over the weighted average term is R$46,498.

The variations in the balances of the right-of-use assets are shown in the table below:

	Consolidated	
	12/31/2023	12/31/2022
Cost:		
Balance at the beginning of the period	622,960	462,183
Addition of new agreements	80,792	111,993
Remeasurement	12,026	66,776
Write-offs	(10,762)	(36,499)
Direct costs – points of sale	7,468	18,507
Balance at the end of the period	712,483	622,960
Amortization		
Balance at the beginning of the period	(173,829)	(115,302)
Amortization expenses in the period	(81,449)	(72,627)
Write-offs	5,079	14,100
Balance at the end of the period	(250,199)	(173,829)

28. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	Parent		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Financial assets				
Amortized cost:				
Cash and cash equivalents	58	108	221,495	160,036
Trade receivables	-	-	830,832	663,797
Securities	-		82,995	222,831
Due from related parties	-	59	-	-
Total financial assets	58	167	1,135,322	1,046,664
Financial liabilities				
Amortized cost:				
Trade payables	-	-	73,629	104,951
Trade payables -agreement	-	-	29,519	40,247
Interest on capital payable	2	2	2	2
Dividends payable	87,699	85,704	87,699	85,704
Due to related parties	1,208	-	-	-
Right-of-use leases payable	-	-	502,684	474,643
Borrowings and financing	-	-	271,463	225,156
Subtotal	88,909	85,706	964,996	930,703
Fair value through profit or loss:				
Derivatives	-	-	7,216	2,486
Total financial liabilities	88,909	85,706	972,212	933,189

b) Financial risks

In the normal course of business, the Company and its subsidiaries are exposed to several financial risks: market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's risk management strategy focuses on the unpredictability of the financial markets and aims to minimize any adverse impacts on its financial performance.

c) Foreign exchange risk management

Due to the financial obligations assumed by the Company, which are denominated in U.S. dollars (US$), a foreign exchange hedging policy was implemented, establishing exposure limits associated with this risk, under which transactions involving swap derivatives are entered into.

The Company's net foreign exchange exposure is shown below:

	Consolidated			
	12/31/2023			
Type of transaction	Financial institution	Debt amount	Derivative	Net exposure
Resolution 4131	Banco Santander	44,922	(44,922)	-
Resolution 4131	Banco Santander	51,896	(51,896)	-
Total borrowings and financing		96,818	(96,818)	-
Foreign suppliers (*)	-			
		23,530	-	23,530
Total foreign exchange exposure		120,348	(96,818)	23,530
US dollar quotation – balance sheet		4,8413	4,8413	4,8413
Total exposure in US dollars		24,858	(19,998)	4,860

(*) The Company's subsidiaries import goods, raw materials and inputs for manufacturing and sale from foreign suppliers. These purchases are substantially denominated in U.S. dollars (US$) and are exposed to exchange rate changes.

c.1) Derivatives

The Company entered into swap transactions to minimize the foreign exchange risks arising on foreign currency-denominated borrowings and financing. These transactions consist of swapping the exchange rate changes for a percentage rate equivalent to the CDI fluctuation.

The Company entered into a loan agreement for which no swap derivatives were contracted, due to the interest rates applicable to such transaction.

As at December 31, 2023, the outstanding swap transactions are broken down as follows:

	Consolidated			
Description	Rates	Notional amount	Fair value	Accumulated effect up to 12/31/2023 marked to market
Swap contracts				
Long position:				
Exchange rate changes - US$	US$ +2.3475% p.a.	44,922	44,922	-
Short position:				
CDI fluctuation	CDI + 1.2% p.a.	44,922	50,849	(5,927)
Long position:				
Exchange rate changes - US$	US$ +5.797% p.a.	51,440	51,440	-
Short position:				
CDI fluctuation	Exchange rate changes + 6.9% p.a.	51,440	52,730	(1,289)
Net amount payable				(7,216)

The liability balance totaling R$7,216 refers to the net adjustment payable, calculated at fair value as at December 31, 2023, of derivatives outstanding on that date, which was recorded in line item "Derivatives".

d) Sensitivity analysis

Foreign exchange risk

For purposes of conducting a sensitivity analysis of financial instruments, Management believes that only payables to foreign suppliers that are not hedged against foreign exchange risks should be considered, since no equivalent derivatives are recorded in the balance sheet. The foreign exchange exposure underlying such transactions is shown in the following table:

Total foreign exchange exposure in local currency	23,530
Total foreign exchange exposure in foreign currency	4,860

Accordingly, as a result of the considerations above, only the amount of R$23,530 is being applied for the sensitivity analysis purposes. The US dollar exchange rate was R$4.8413 at the balance sheet date.

In order to measure the expected net impact on profit or loss for the next 12 months, arising on potential foreign currency fluctuations, a sensitivity analysis considering three scenarios was prepared as to the Company's exposure to the foreign exchange risks underlying its borrowings.

Under scenario I, an exchange rate of R$5.1238 was defined based on the future U.S. dollar quotation on B3, limited to 12 months. Under scenario II, a 2% appreciation of the U.S. dollar was projected by Management on conservative basis. Under scenario III, a 3.98% depreciation of the U.S. dollar was projected according to the future quotation disclosed in the Focus Report of the Central Bank of Brazil dated January 19, 2024.

Group's risk	Scenario I	Scenario II	Scenario III
Notional amount of the net exposure (in foreign currency)	4,860	4,860	4,860
Notional amount of the net exposure (in local currency)	23,530	23,530	23,530
Projected value (in local currency)	24,903	25,401	23,912
Effects of exchange rate changes	1,373	1,871	383
U.S. dollar rate	5.1238	5.2263	4.9200

Interest rate risk

Considering that all foreign currency-denominated borrowings and financing are hedged by swap contracts as at December 31, 2023, exchanging the foreign-currency liability index for the CDI rate fluctuation, due to the Group's policy to hedge against foreign exchange risks, the Group is, therefore, exposed to the CDI rate fluctuation. The Company's short-term investments and investments in financial bills are also exposed to the CDI rate fluctuation and the Company presents net exposure to the risk of interest underlying the transactions pegged to the CDI rate fluctuation:

	Consolidated
Borrowings and financing pegged to the CDI fluctuation	278,679
Short-term investments of cash and cash equivalents exposed to the CDI rate	(210,225)
Investments in financial bills exposed to the CDI rate	(82,995)
Total exposure to the CDI rate	(14,541)

Although the Company's Management considers the risk of significant fluctuations in the CDI rate throughout 2023 and in the sensitivity analysis on the risk of CDI rate increase that would affect finance costs, two projected scenarios were considered stressing 5% decrease in scenarios II and 31% decrease in scenario III in CDI rate, respectively, based on a Selic rate projected at the end of 2024 of 9%, as per the Focus Report issued by the Central Bank of Brazil (BACEN) on October 19, 2024.

Group's risk	Scenario I	Scenario II	Scenario III
Net exposure to the CDI rate	(14,541)	(14,541)	(14,541)
Projected value	(14,541)	(14,446)	(13,954)
Effects of CDI fluctuation	-	95	587
CDI rate	13.04%	12.39%	9.00%

e) Credit risk management

The proceeds from sales made to many customers are substantially derived from credit and debit cards, which minimizes the credit risk.

f) Liquidity risk management

Effectively managing liquidity risks implies maintaining funds available through committed credit facilities and the ability to settle market positions. Management monitors the continuous forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operating needs.

The table below shows in detail the maturity of outstanding financial liabilities:

Transaction	Up to 1 year	Up to 2 years	2 to 5 years	Over 5 years	Total
Trade payables	73,629	-	-	-	73,629
Trade payables - agreement	29,519	-	-	-	29,519
Borrowings and financing	130,736	174,254	-	-	304,990
Interest on capital payable	2	-	-	-	2
Dividends payable	87,699	-	-	-	87,699
Derivatives	7,258	1,184	-	-	8,442
Right-of-use leases payable	116,927	112,551	276,012	225,314	730,804

g) Fair value of financial instruments

When applicable, the Company adopts technical pronouncement CPC 40/IFRS 7 – Financial Instruments: Disclosures for financial instruments measured in the balance sheet at fair value, which requires the disclosure of fair value measurements based on the following fair value measurement hierarchy level:

- Level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets or liabilities that the subsidiaries can access at the measurement date.
- Level 2 inputs: are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: are unobservable inputs for the asset or liability.

As at December 31, 2023, all derivative financial instruments were grouped into Level 2.

29. SHARE-BASED PAYMENT

The Shares Granted represent the share-based payment transactions relating to the compensation of employees, executives and Directors of the Company and its subsidiaries and are recognized according to technical pronouncement CPC 10(R1)/IFRS 2.

The Company measures the cost of share-based compensation transactions based on the share price on the market closing at the grant date. The shares granted are recognized as expense in the Company's profit or loss during the grace period, as a contra entry to "Shares granted" in equity.

The shares granted to the Plans' participants have a grace period of up to 36 months. The conditions for the shares to be offered to the beneficiaries include the continuity as the Company's employee, attainment of goals relating to the performance indicators determined for the period, including ROIC (Return On Invested Capital) and TSR (Total Shareholder Return).

The dilutive effect of the outstanding shares granted is reflected as an additional dilution in the calculation of the diluted earnings per shares, as shown in note 26.

Compensation plans

The purpose of the Incentive Plans is to align the long-term interests of the participants with those of the Company's shareholders and develop social and sustainable goals to generate value for the Company and the Plans can deliver to participants shares representing no more than 5% of the Company's total capital, through treasury shares issued by the Company.

a) Stock Option Plan ("Option Plan");

   Approved at the Extraordinary General Meeting, the Option Plan establishes the possibility of the Company delivering to participants selected by the Board of Directors, subject to certain terms and conditions, treasury shares issued by the Company. The directors, officers, managers or top-level employees of the Company and its subsidiaries will be eligible to participate in the Option Plan.

   On October 4, 2021, 62,145 shares, in its upper overall limit, relating to the 1st Stock Option Program, exclusive for Directors, were granted. The shares were transferred to participants in May 2023, with additional lock-up of 12 months.

   In May 2023, 84,763 shares, in its overall limit, relating to the Stock Option Program renewal, exclusive for Directors, were granted. The shares will be offered within up to 30 days after the end of the term of office at the 2025 Annual General Meeting.

b) Matching Shares Plan

   The Matching Shares Plan provides for the grant of Matching Shares to participants selected by the Board of Directors, provided that, among other conditions, the participants invest own funds in the acquisition and maintenance of a certain number of shares issued by the Company during a 36-month grace period. The Company's officers, managers or employees are eligible to participate in the Matching Shares Plan.

In October 2021 the participants acquired shares using own funds. Provided that the conditions stipulated in the program are satisfied, after 36 months, the number of shares issued by the Company and held in treasury that will be granted will be of 135,956, considering the attainment of 120% of the equivalent goals.

In May 2022 the participants acquired shares using own funds. Provided that the conditions stipulated in the program are satisfied, after 36 months, the number of shares issued by the Company and held in treasury that will be granted will be of 325,458, considering the attainment of 120% of the equivalent goals.

In May 2023 the participants acquired shares using own funds. Provided that the conditions stipulated in the program are satisfied, after 36 months, the number of shares issued by the Company and held in treasury that will be granted will be of 352,056, considering the attainment of 120% of the equivalent goals.

The accounting provision is recognized over the effective period of each plan, in the Company's income statement, in line item "Personnel", as disclosed in note 21.
As at December 31, 2023, the amount recognized in profit or loss for the period is R$6,839 (R$4,764 as at December 31, 2022).

Variations in the plans are as follows:

			Consolidated				
Plan (Safra)	Number of shares	Term (months)	Share price	12/31/2022	Additions	Assignments	12/31/2023
Directors 2021/2023	62,145	24	28.25	1,224	314	(1,538)	-
Directors 2023/2025	84,763	24	27.31	-	772	-	772
Executives 2021	135,956	36	26.40	1,883	587	(786)	1,684
Executives 2022	325,458	36	26.45	2,131	3,364	(652)	4,843
Executives 2023	352,056	36	26.29	-	1,802	(161)	1,641
Grand Total	960,378			5,238	6,839	(3,137)	8,940

30. INSURANCE COVERAGE

The Company adopts an insurance policy that considers mainly the risk concentration and its materiality, according to the nature of its activities and advice from insurance brokers. As at December 31, 2023, the insurance coverage is broken down as follows:

- Property damages - R$314,458 (effective through February 2025).
- Loss of profits - R$435,000 (effective through February 2025).
- Sundry risks (inventories) - R$352,836 (effective through February 2025).
- Civil liability - R$20,000 (effective through May 2024).
- D&O liability – R$60,000 (effective through September 2024).
- International freight – US$80,000 (effective through April 2024).
- Cyber risks - R$25,000 (effective through June 2024).

31. EVENTS AFTER THE REPORTING PERIOD

The Company announces the opening of its first subsidiary outside Brazil, located in Panama. Tellerina Panamá S.A. was established on March 6, 2024 and is part of the strategic planning that provides for the beginning of pilot operations in new markets.

On March 15, 2024, the Board of Directors approved the election of Nelson Kaufman, the Company's founder and main shareholder, as the new Chief Executive Officer, due to the resignation presented on this date by Paulo Kruglensky.