

# Vivara Participações S.A. and subsidiaries

**Individual and Consolidated Interim Financial  
Statements for the quarter ended June 30, 2024**

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KPMG Auditores Independentes Ltda.  
Rua Verbo Divino, 1400, Conjunto Térreo ao 801 - Part,  
Chácara Santo Antônio, CEP 04719-911, São Paulo - SP  
Caixa Postal 79518 - CEP 04707-970 - São Paulo - SP - Brazil  
Telephone number +55 (11) 3940-1500  
kpmg.com.br

## **Independent auditors' report on the individual company and consolidated interim financial statements**

*(A free translation of the original report in Portuguese)*

To the Board of Directors and Management  
**Vivara Participações S.A.**  
São Paulo - SP

### **Introduction**

We have reviewed the accompanying individual company and consolidated statements of financial position of Companhia Vivara Participações S.A. ("Company") as of June 30, 2024, the individual company and consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ('the individual company and consolidated interim financial statements').

Management is responsible for the preparation and presentation of these individual company and consolidated interim financial statements in accordance with CPC 21(R1) Technical Pronouncement – Interim Financial Information and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – (IASB), as well as for the preparation and presentation of these interim financial statements in accordance with the standards issued by the Brazilian Securities and Exchange Commission applicable to the preparation of the interim financial information. Our responsibility is to express a conclusion on these individual company and consolidated interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Review Engagements applicable to interim financial information (NBC TR 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and ISRE 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



***Conclusion on the individual company and consolidated interim financial statements***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual company and consolidated interim financial statements as of and for the three months ended June 30, 2024 are not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34 *Interim Financial Reporting*, applicable to the preparation of interim financial information and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

***Other issues - Statements of value added***

The quarterly financial information referred to above, include the individual company and consolidated statements of value added for the six-month period ended June 30, 2024, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34. These statements have been submitted to review procedures performed together with the review of the quarterly financial information to conclude whether they are reconciled to the interim financial information and accounting records, if applicable, and whether their form and content are in accordance with the criteria set by Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that leads us to believe that the accompanying statements of value added are not prepared, in all material respects, according to the criteria set by that standard and in a manner consistent with the individual company and consolidated interim financial statements taken as a whole.

***Corresponding figures***

The amounts reported in the individual company and consolidated statements of financial position as of December 31, 2023 were previously audited by other independent auditors, who issued an unchanged report dated March 20, 2024, and in the individual company and consolidated statements of profit or loss and comprehensive income for the six-month period and in the statements of changes in equity and cash flows for the six-month period of the quarter ended June 30, 2023 were previously reviewed by other independent auditors, who issued an unchanged report dated August 7, 2023. The individual company and consolidated statements of value added for the six-month period ended June 30, 2023 were submitted to the same review procedures by those independent auditors and, based on their review, those auditors issued a report reporting that nothing had come to their attention that caused them to believe that the accompanying statements of value added had not been prepared, in all material respects, in accordance with the individual company and consolidated interim financial statements taken as a whole.

São Paulo, August 8, 2024

KPMG Auditores Independentes Ltda.

CRC 2SP-014428/O-6

*Original report in Portuguese signed by*

Leslie Nares Laurenti

Accountant CRC 1SP215906/O-9

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2024  
(In thousands of real - R\$)

ASSETS	Note	Company		Consolidated		EQUITY AND LIABILITIES	Note	Company		Consolidated	
		06/2024	12/2023	06/2024	12/2023			06/2024	12/2023		
<b>CURRENT</b>						<b>CURRENT</b>					
Cash and cash equivalents	3	1,832	58	274,119	221,495	Trade payables	11	-	-	110,145	73,629
Securities	4	-	-	67,741	82,995	Trade payables - agreement	11	-	-	100,404	29,519
Trade and other receivables	5	-	-	734,685	830,832	Loans and financing	14	-	-	126,079	111,463
Inventories	6	-	-	884,935	782,706	Payroll and related charges	12	199	243	102,690	117,859
Recoverable taxes	7	1,574	1,939	139,206	118,354	Tax liabilities	13	5	24	82,613	85,081
Prepaid expenses and other receivables		178	201	19,633	20,198	Variable leases and condominium fees payable		-	-	17,880	17,663
Total current assets		<u>3,584</u>	<u>2,198</u>	<u>2,120,319</u>	<u>2,056,580</u>	Derivative financial instruments payable	14	-	-	-	7,216
						Interest on equity capital payable	16.c)	2	2	2	2
						Dividends to be paid	16.c)	5	87,699	5	87,699
						Related parties	17	254	1,208	-	-
						Right-of-use leases payable	26	-	-	68,404	70,059
						Deferred income		-	-	1,921	1,289
						Customer advances		-	-	14,603	13,241
						Hired services payable		204	2,099	61,430	68,554
						Other payables		<u>763</u>	<u>2,676</u>	<u>5,885</u>	<u>12,314</u>
						Total current liabilities		<u>1,432</u>	<u>93,951</u>	<u>692,061</u>	<u>695,588</u>
<b>NON-CURRENT</b>						<b>NON-CURRENT</b>					
Long-term derivative financial instruments receivable	14	-	-	7,232	-	Loans and financing	14	-	-	107,559	160,000
Court deposits	15	-	-	24,367	23,899	Tax liabilities	13	-	-	185	214
Deferred income and social contribution taxes	18.b)	-	-	267,198	222,152	Provision for civil, labor and tax risks	15	-	-	14,633	14,574
Expenses on prepaid expenses and other long-term receivables		-	-	915	-	Deferred income		-	-	4,188	2,669
Long-term recoverable taxes	7	-	-	152,682	114,022	Right-of-use leases payable	26	-	-	449,604	432,625
Investments	8	2,173,693	2,027,673	-	-	Other payables		<u>1,835</u>	<u>2,199</u>	<u>1,835</u>	<u>2,199</u>
Property, plant and equipment	9	-	-	798,606	765,746	Non-current liabilities		<u>1,835</u>	<u>2,199</u>	<u>578,004</u>	<u>612,281</u>
Intangible assets	10	-	-	72,756	59,191						
Total non-current assets		<u>2,173,693</u>	<u>2,027,673</u>	<u>1,323,756</u>	<u>1,185,010</u>						
						<b>EQUITY</b>					
						Share capital	16.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	16.b)	(28,923)	(24,176)	(28,923)	(24,176)
						Granted options	28	7,203	8,940	7,203	8,940
						Profit reserves	16.c)	1,143,388	896,617	1,143,388	896,617
						Other comprehensive income		2	-	2	-
						Total equity		<u>2,174,010</u>	<u>1,933,721</u>	<u>2,174,010</u>	<u>1,933,721</u>
<b>TOTAL ASSETS</b>		<u><u>2,177,277</u></u>	<u><u>2,029,871</u></u>	<u><u>3,444,075</u></u>	<u><u>3,241,590</u></u>	<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,177,277</u></u>	<u><u>2,029,871</u></u>	<u><u>3,444,075</u></u>	<u><u>3,241,590</u></u>

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

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024  
(In thousands of real - R\$)

	Note	Company		Consolidated	
		06/2024	06/2023	06/2024	06/2023
NET REVENUE FROM SALES AND SERVICES AND SERVICES RENDERED	19	-	-	1,100,913	951,537
Cost of sales and services	20	-	-	(346,162)	(288,853)
GROSS PROFIT		-	-	754,751	662,684
OPERATING REVENUES (EXPENSES)					
Selling expenses	20	-	-	(442,000)	(358,857)
General and administrative expenses	20	(7,112)	(8,537)	(124,524)	(128,723)
Share of profit of equity-accounted investees	8	253,761	156,902	-	-
Other operating revenues (expenses), net	22	-	(9)	77,019	(634)
PROFIT BEFORE NET FINANCE INCOME (COSTS)		246,649	148,356	265,246	174,470
NET FINANCE INCOME (COSTS)					
Finance income	23	133	218	35,889	18,647
Finance costs	24	(12)	(19)	(47,894)	(41,898)
OPERATING PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION TAXES		246,770	148,555	253,241	151,219
INCOME AND SOCIAL CONTRIBUTION TAXES					
Current	18.a)	-	-	(51,516)	(39,458)
Deferred	18.a)	-	-	45,045	36,794
PROFIT FOR THE YEAR		246,770	148,555	246,770	148,555
BASIC EARNINGS PER SHARE - R\$	25	1.04927	0.63098		
DILUTED EARNINGS PER SHARE - R\$	25	1.04890	0.63082		

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

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024  
(In thousands of real - R\$)

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	Company		Consolidated	
	06/2024	06/2023	06/2024	03/2023
PROFIT FOR THE YEAR	246,770	148,555	246,770	148,555
Other comprehensive income	2	-	2	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>246,772</u>	<u>148,555</u>	<u>246,772</u>	<u>148,555</u>

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

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VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024  
(In thousands of real - R\$)

	Note	Share capital	Capital reserves	Granted options	Treasury shares	Profit reserves	Accumulated earnings (losses)	Other accumulated earnings (losses)	Total
BALANCES AS OF 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 the legal reserve	16.c)	-	-	-	-	18,462	(18,462)	-	-
Recognition of the reserve established according to the law	16.c)	-	-	-	-	263,087	(263,087)	-	-
Dividends to distribute		-	-	-	-	-	(87,696)	-	(87,696)
Treasury shares	16.b)	-	-	-	(11,112)	-	-	-	(11,112)
Shares assigned under incentive plans	16.b)	-	-	(1,630)	1,630	-	-	-	-
Granted options	28	-	-	5,332	-	-	-	-	5,332
BALANCES AS OF DECEMBER 31, 2023		<u>1,105,381</u>	<u>(53,041)</u>	<u>8,940</u>	<u>(24,176)</u>	<u>896,617</u>	<u>-</u>	<u>-</u>	<u>1,933,721</u>
Profit for the year		-	-	-	-	-	246,770	-	246,770
Treasury shares	16.b)	-	-	-	(6,973)	-	-	-	(6,973)
Shares assigned under investment plans	16.b)	-	-	(2,226)	2,226	-	-	-	-
Prescribed dividends		-	-	-	-	1	-	-	1
Translation adjustment for the period		-	-	-	-	-	-	2	2
Granted options	28	-	-	489	-	-	-	-	489
BALANCES AS OF JUNE 30, 2024		<u>1,105,381</u>	<u>(53,041)</u>	<u>7,203</u>	<u>(28,923)</u>	<u>896,618</u>	<u>246,770</u>	<u>2</u>	<u>2,174,010</u>

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



VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024  
(In thousands of real - R\$)

	Note	Company		Consolidated	
		06/2024	06/2023	06/2024	06/2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit for the period		246,770	148,555	246,770	148,555
Adjustments to reconcile profit for the period to net cash generated from operating activities:					
Depreciation and amortization	20	-	-	79,704	64,086
Charges and foreign exchange gains (losses) on loans and financing	14	-	-	13,497	15,842
Charges on right-of-use leases	26	-	-	28,535	25,374
Current and deferred income and social contribution taxes	18	-	-	6,471	2,663
Impairment loss on inventories	6	-	-	870	355
Provision for civil, labor and tax risks	15	-	-	8,348	4,134
Expected credit losses	5	-	-	(64)	102
Share of profit of equity-accounted investees	8	(253,761)	(156,902)	-	-
Write-off of property, plant and equipment and intangible assets	22	-	-	24	89
Lease agreements that have been written off	22	-	-	(1,017)	(416)
Tax credits		-	-	(82,136)	-
Granted options		489	3,025	489	3,024
Adjustments for inflation and earnings		(76)	(75)	(23,881)	(1,056)
Changes in operating assets and liabilities:					
Trade and other receivables		-	-	96,214	59,928
Inventories		-	-	(103,098)	(142,008)
Related parties		(955)	59	-	-
Recoverable taxes		442	-	42,290	(17,189)
Court deposits		-	-	(59)	(2,957)
Other receivables		22	40	(351)	(1,672)
Trade payables		-	-	107,400	69,661
Payroll and related charges		(44)	307	(15,169)	(3,003)
Tax liabilities		(19)	369	(32,103)	(65,523)
Variable leases and condominium fees payable		-	-	217	171
Contingencies paid	15	-	-	(8,289)	(3,325)
Deferred income		-	-	2,151	(505)
Customer advances		-	-	1,361	(4,494)
Other payables		(4,171)	1,042	(13,914)	(31,871)
Cash provided by (used in) operating activities		(11,303)	(3,580)	354,260	119,965
Income and social contribution taxes paid		-	-	(21,910)	(20,126)
Interest paid on loans and financing	14	-	-	(10,444)	(11,849)
Interest paid on right-of-use leases	26	-	-	(28,276)	(21,230)
Net cash from (used in) operating activities		(11,303)	(3,580)	293,630	66,760
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Dividends received	8.a)	107,796	95,315	-	-
Financial investments	4	-	-	19,058	76,722
Treasury shares		(6,973)	(6,117)	(6,973)	(6,117)
Acquisition of property, plant and equipment	9	-	-	(54,256)	(78,355)
Capital contribution to subsidiaries	8	(53)	-	-	-
Acquisition of intangible assets	10	-	-	(19,241)	(12,937)
Net cash from (used in) investing activities		100,770	89,198	(61,412)	(20,687)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid		(87,693)	(85,701)	(87,693)	(85,701)
Proceeds from loans and financing	14	-	-	-	60,000
Repayment of loans and financing	14	-	-	(50,070)	(62,500)
Settlement of swap agreements	14	-	-	(5,256)	(2,722)
Payment of right-of-use leases	26	-	-	(36,575)	(36,726)
Net cash (used in) financing activities		(87,693)	(85,701)	(179,594)	(127,649)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,774	(83)	52,624	(81,576)
Beginning balance of cash and cash equivalents		58	107	221,495	160,036
Final balance of cash and cash equivalents		1,832	24	274,119	78,460

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

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024  
(In thousands of real - R\$)

	Note	Company		Consolidated	
		06/2024	06/2023	06/2024	06/2023
<b>INCOME</b>					
Sales of merchandise, products and services	19	-	-	1,411,453	1,189,594
Other income	22	-	-	84,720	3,095
Expected credit losses	22	-	-	(177)	102
Revenue from the construction of own assets		-	-	43,137	49,875
<b>INPUT ACQUIRED FROM THIRD PARTIES</b>					
Cost of goods, merchandise and services sold	20	-	-	(299,521)	(250,164)
Materials, energy, third-party services and others	20	(37)	(2,885)	(229,214)	(206,682)
Inputs used in the construction of own assets		-	-	(41,859)	(49,139)
<b>GROSS VALUE ADDED</b>		<u>(37)</u>	<u>(2,885)</u>	<u>968,539</u>	<u>736,681</u>
Depreciation and amortization	9 and 10	-	-	(79,704)	(64,069)
<b>NET VALUE ADDED GENERATED BY THE COMPANY</b>		<u>(37)</u>	<u>(2,885)</u>	<u>888,835</u>	<u>672,612</u>
<b>VALUE ADDED RECEIVED BY TRANSFER</b>					
Share of profit of equity-accounted subsidiaries/associates	8	253,761	156,902	-	-
Finance income	23	133	218	35,889	18,647
<b>TOTAL VALUE ADDED TO BE DISTRIBUTED</b>		<u>253,857</u>	<u>154,235</u>	<u>924,724</u>	<u>691,259</u>
<b>DISTRIBUTION OF VALUE ADDED</b>					
Personnel:					
Direct compensation		4,620	5,041	201,739	166,952
Benefits		546	-	38,519	30,996
FGTS		356	-	19,135	12,527
		<u>5,522</u>	<u>5,041</u>	<u>259,393</u>	<u>210,475</u>
Taxes, fees and contributions:					
Federal		1,549	619	163,069	132,307
State		5	3	194,146	146,622
Municipal		5	11	2,981	2,558
		<u>1,559</u>	<u>633</u>	<u>360,196</u>	<u>281,487</u>
Return on debt capital:					
Interest and bank expenses	24	6	6	46,135	41,004
Variable leases and condominium fees payable		-	-	10,988	8,301
Royalties		-	-	1,242	1,437
		<u>6</u>	<u>6</u>	<u>58,365</u>	<u>50,742</u>
Return on equity capital:					
Retained earnings		246,770	148,555	246,770	148,555
		<u>246,770</u>	<u>148,555</u>	<u>246,770</u>	<u>148,555</u>
<b>TOTAL VALUE ADDED DISTRIBUTED</b>		<u>253,857</u>	<u>154,235</u>	<u>924,724</u>	<u>691,259</u>

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

## VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

### NOTES TO THE INDIVIDUAL COMPANY AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2024

(Amounts in thousands of Brazilian real - R\$, except when otherwise indicated)

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#### 1. OPERATIONS

Vivara Participações S.A. (“Vivara Participações” or the “Company”), headquartered in São Paulo, is the holding company that controls Grupo Vivara, founded in 1962, which is engaged in manufacturing and selling jewels and other items. The consolidated interim financial statements include the interim financial statements of the Company and its 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 reference shareholders are Nelson Kaufman, Márcio Monteiro Kaufman, Marina Kaufman Bueno Netto and Paulo Kruglensky, who together hold 46.3% of the shares.

Tellerina is headquartered in the city of Manaus, state of Amazonas, and has an administrative center in the city of São Paulo, State of São Paulo. Tellerina is primarily engaged in importing, exporting and selling retail and wholesale jewelry, bijoux, items made from precious metals and their alloys, veneers, precious stones, watches, time instruments, leather goods and the like through a chain of stores under the brand names “VIVARA” and “LIFE”, as well as providing design and repair services for jewels in general. As of June 30, 2024, Tellerina had 412 stores and 14 kiosks (374 stores and 16 kiosks as of December 31, 2023) operating in Brazil.

Conipa is headquartered in the city of Manaus, state of Amazonas, and is primarily engaged in manufacturing jewelry, gold and watch items and selling them retail and wholesale, as well as providing jewelry and watch repair services.

On March 8, 2024, the Company set up Tellerina Panama S.A., which is headquartered in Panama City – Panama Republic. It is engaged in importing, exporting and selling retail and wholesale jewelry, bijoux, items made from precious metals and their alloys, veneers, precious stones, watches, time measurement instruments, leather goods and the like. The Company has conducted feasibility studies for its international expansion and expects to open the first store in Panama in the fourth quarter of 2024.

#### Cyber-attack

In June the Company suffered a cyber-attack, but there was no significant impact resulting from it. At the time, the Company immediately adopted the appropriate security measures to mitigate the impacts and to keep operations running normally, including isolating and temporarily shutting down its systems to protect its information. Part of the systems were discontinued in a preventive manner following a safety protocol, and the shutdown did not have significant impacts on the Company’s operations or on the clients’ purchase experience.

Without prejudice to the measures already taken, the Company is evaluating the incident to determine its extent and the need to adopt additional measures. The Company certifies that it has not found any major impacts on its clients’ transactions and data to date.

The Company explains that it will keep its shareholders and the market in general posted about possible relevant outcomes of this incident.

## 2. BASIS OF PREPARATION OF THE INTERIM FINANCIAL INFORMATION (INDIVIDUAL COMPANY AND CONSOLIDATED)

These individual company and consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board - IASB, and technical pronouncement CPC 21 (R1) - *Interim Financial Reporting*, and are presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of interim financial information.

The individual company and consolidated interim financial statements are presented in thousands of Brazilian real, and their functional currency is the Brazilian real (R\$). They have been prepared on the historical cost basis, except for certain financial instruments measured at fair value.

All significant information characteristic of interim financial information, and only that information, is being shown and is that used by management to run the Company.

The individual company and consolidated interim financial statements should be read in conjunction with the individual company and consolidated financial statements for the year ended December 31, 2023, approved on March 20, 2024, and the significant accounting policies were disclosed in note three to those financial statements.

These interim financial statements for the quarter ended June 30, 2024 were authorized for issue by the Board of Directors on August 8, 2024.

## 3. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Cash	-	-	7,212	10,498
Bank account	1	58	403	772
Financial investments (a)	1,831	-	266,504	210,225
Total	<u>1,832</u>	<u>58</u>	<u>274,119</u>	<u>221,495</u>

(a) Financial investments consist of the types described in the table below:

	Company			
	06/30/2024	Weighted average CDI rate	12/31/2023	Weighted average CDI rate
CDB – Bank Deposit Certificate	1,820	88.0%	-	-
Automatic investments	11	2%	-	-
Total	<u>1,831</u>		<u>-</u>	

	Consolidated			
	06/30/2024	Weighted-average cdi rate	12/31/2023	Weighted-average cdi rate
CDB – Bank Deposit Certificate	266,071	94.4%	200,126	95.0%
Automatic applications	433	2%	10,099	2%
Total	<u>266,504</u>		<u>210,225</u>	

#### 4. SECURITIES

Financial investments consist of the items in the table below:

	Consolidated			
	Profitability	06/30/2024	Profitability	12/31/2023
Financial bills	101.5% of CDI – Interbank Deposit Certificate	<u>67,741</u>	77.1% of the CDI	<u>82,995</u>
Total		<u>67,741</u>		<u>82,995</u>

Financial bills are fixed-rate or floating-rate securities issued by financial institutions with a high credit rating and purchased in the primary and secondary markets. They are short-term investments with characteristics similar to those of bank deposit certificates.

#### 5. TRADE AND OTHER RECEIVABLES

	Consolidated	
	06/30/2024	12/31/2023
Credit card operators	730,500	823,681
Checks to be cleared	570	1,007
Bank payment forms	4,025	6,618
Subtotal	<u>735,095</u>	<u>831,306</u>
Allowance for ECL	<u>(410)</u>	<u>(474)</u>
Total	<u>734,685</u>	<u>830,832</u>

Balances receivable are distributed as follows:

	Consolidated	
	06/30/2024	12/31/2023
Overdue:	355	448
Falling due:	<u>734,740</u>	<u>830,858</u>
Total	<u>735,095</u>	<u>831,306</u>

Falling due balances basically consist of credit card sales which may be made in up to 10 installments, and finance charges are not charged.

Changes in the allowance for ECL are shown below:

	Consolidated	
	06/30/2024	12/31/2023
Balance at the beginning of the period	(474)	(1,114)
Additions	(338)	(120)
Reversals	402	760
Balance at the end of the period	<u>(410)</u>	<u>(474)</u>

## 6. INVENTORIES

	Consolidated	
	06/30/2024	12/31/2023
Finished goods	597,402	542,707
Raw materials	202,593	186,666
Consumables and packaging material	34,849	27,904
Inventories in transit and advances to suppliers	55,418	29,886
Allowance for losses	(5,327)	(4,457)
Total	<u>884,935</u>	<u>782,706</u>

The Company's subsidiaries recognize an allowance for losses on slow moving inventories and losses estimated for the melting of gold and silver jewels from discontinued collections or acquired from customers. This allowance is recognized at the weighted average cost of inventories at the reporting date.

Products with sales cycles whose range is higher than 12 months are considered to be slow moving.

Losses on the melting of jewels are not relevant as a percentage due to technology used to recover the raw materials involved (gold, silver and stones).

Changes in the allowance for losses on inventories are shown as follows:

	Consolidated	
	06/30/2024	12/31/2023
Balance at the beginning of the period	(4,457)	(5,010)
Additions	(1,717)	(3,796)
Reversals	847	4,349
Balance at the end of the period	<u>(5,327)</u>	<u>(4,457)</u>

## 7. RECOVERABLE TAXES

	Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Corporate Income Tax - IRPJ (a)	1,563	1,935	52,704	61,008
Social Contribution Tax - CSLL (a)	-	-	22,283	22,801
State VAT - ICMS (b)	-	-	90,357	125,498
Contribution to the Social Integration Program - PIS and Contribution for Social Security Funding - COFINS (c)	-	-	119,151	19,855
Federal VAT - IPI	-	-	3,308	3,123
Other recoverable taxes -	11	4	4,085	91
<b>Total</b>	<b>1,574</b>	<b>1,939</b>	<b>291,888</b>	<b>232,376</b>
Current assets	1,574	1,939	139,206	118,354
Non-current assets	-	-	152,682	114,022
<b>Total</b>	<b>1,574</b>	<b>1,939</b>	<b>291,888</b>	<b>232,376</b>

### (a) IRPJ and CSLL

#### Credit balance

The Company reported a credit balance on the assessment of IRPJ and CSLL for the years 2021, 2022 and 2023. As of June 30, 2024, the Company offset credits against federal taxes and R\$1,563 (R\$1,935 as of December 31, 2023) remained to be offset.

Conipa, due to the operating profit tax benefit, reported a corporate income tax credit balance between the estimates paid and the debit balance for the years 2021 and 2023. As of June 30, 2024 the Company offset credits against federal taxes and R\$7,174 (R\$12,269 as of December 31, 2023) remained to be offset.

Tellerina reported a credit balance of R\$5,110 (R\$8,102 as of December 31, 2023) on the assessment of IRPJ and CSLL in 2023.

#### Grant credits

In 2014 and 2015 Tellerina assessed IRPJ and CSLL tax credits in the amount of R\$36,848, originated from deducting investment grant incentives from the IRPJ and CSLL calculation base, according to article 30 of Act 12.973/2014. These credits were offset against other federal taxes and offsets were rejected by the Brazilian Federal Revenue Service.

The Company has filed administrative proceedings to challenge the tax authorities' assessment of tax deficiency, and by the date these interim financial statements were disclosed these proceedings were still being pursued.

According to the evaluation of the Company's legal counselors, if the tax refunds claimed at the administrative level are not accepted by the Brazilian Federal Revenue Service and as soon as the proceedings filed with the CARF (Administrative Board of Tax Appeals) come to an end, the Company will file a lawsuit to have the administrative order denying the tax refund annulled, in accordance with article 169 of the Brazilian Tax Code. The purpose is to force the courts to render a decision on the merits of the case, i.e. on the existence, composition and validity of the negative balance of IRPJ and CSLL that originates tax credits. The successful outcome of the tax refund requests is estimated as more probable than a negative outcome, so that accounting recognition meets the criteria set by technical interpretation ICPC 22/IFRIC 23.

## Right to tax credits because of the unconstitutionality of taxation on the SELIC (Central Bank overnight rate) application

Consists of IRPJ and CSLL credits in the amount of R\$19,939 (R\$19,939 as of December 31, 2023) recognized in accordance with technical interpretation ICPC22/IFRIC 23 and with the decision rendered on September 27, 2021 by the Federal Supreme Court on extraordinary appeal No. 1,063,187. The Justices declared the unconstitutionality of charging IRPJ and CSLL on the SELIC inflation adjustment applied to the credits received by taxpayers upon the recovery of undue payments Tax.

Tellerina filed for a writ of mandamus under No. 1020648-21.2020.4.01.3200 at the First Federal Court of Manaus. The writ was granted in a decision that was made final and irrevocable on March 7, 2024 and a court order to stay the collection of taxes was issued on May 13, 2024. The Company filed a request with the Brazilian Federal Revenue Service for the approval of the credits on June 3, 2024.

The expected realization of IRPJ and CSLL credits is as follows:

Year	Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
2024	313	1,935	5,422	22,306
2025	1,250	-	8,425	-
2026	-	-	61,140	61,503
Total	1,563	1,935	74,987	83,809

## (b) ICMS (State VAT)

### Credit balance at Tellerina

The recoverable ICMS credits, recognized in non-current assets, are generated by the credit balance accumulated on the operations of Vivara stores located mostly in the states of Pernambuco and Alagoas. The new stores and the stores under development also have credit balances at the beginning of operations due to the initial replenishment of inventories and are classified as current assets.

In Pernambuco, which concentrates most of this credit balance, R\$21,899 (R\$30,558 as of December 31, 2023) the incentive established by Act 11.675 of October 11, 1999 on PRODEPE (Pernambuco State Development Program) was granted to the Company. The companies granted this benefit have stopped paying in advance the tax levied on the acquisition of merchandise from another state, and have been recognizing a deemed ICMS credit at the rate of 3%, in compliance with assessment rules and not subject to the payment of a minimum ICMS amount. The Company established a distribution center in that state, in line with the purpose of serving its clients in a more efficient manner and will pay a management fee of 2% on the total benefit that it utilizes. The term of the tax benefit ends on December 31, 2032.

### Credit balance at Conipa

Conipa's branch in São Paulo has accrued an ICMS credit balance on the acquisition of raw material. In June 2021 the Company initiated proceedings at the Regional Tax Office of the São Paulo Finance Department through e-CredAc (Electronic System for Managing Accumulated Tax Credits), established by CAT Ordinance 26/2010.



The tax credit validation and inspection stages were completed on November 7, 2023 and over the course of the credit recognition procedures tax authorities recognized an interdependence between subsidiaries Conipa and Tellerina for the purpose of recognizing ICMS credits accumulated through the e-CredAc.

As of June 30, 2024, the ICMS credit balance reported on the e-CredAc platform totals R\$33,487 (R\$45,533 as of December 31, 2023).

ICMS credits are expected to be realized as follows:

Year	Consolidated	
	06/30/2024	12/31/2023
2024	76,257	92,835
2025	14,100	32,663
Total	<u>90,357</u>	<u>125,498</u>

## (c) PIS and COFINS

### Untimely credits

The Company obtained a favorable decision, which was made final and unappealable on February 27, 2023, on its filing for a writ of mandamus under No. 00016202-70.2012.4.01.3200. The courts recognized that PIS/PASEP and COFINS were not due on revenues from the sales of merchandise to an individual or legal entity within Manaus Free Trade Zone. Tellerina was granted its request and the right to offset the contributions unduly paid as from the five-year period before the action was filed (October 2012). Recognized credits total R\$19,855 (R\$13,631 consists of the principal credit and R\$6,224 consists of adjustment for inflation using the SELIC - Central Bank overnight rate), comprising the period from 2007 to 2022.

On February 1, 2024 the Company filed a credit recognition request with the Brazilian Federal Revenue Service and was granted on March 21, 2024. The balances of credits as of June 30, 2024, adjusted for inflation using the SELIC (Central Bank overnight rate), total R\$13,369 (R\$19,855 as of December 31, 2023).

In June 2024, the Company reviewed, with the support of its legal counselors, the criteria for recognizing PIS and COFINS credits on the acquisition of raw materials for Conipa's operations in São Paulo. During this review, the Company found that federal tax law allowed the recognition of those credits, which lead it to recognize untimely credits for the period of 60 months. The credits recognized on this transaction total R\$100,470, of which R\$82,136 consists of the principal (recognized as "tax credits" according to note 22) and R\$18,334 consists of adjustment for inflation using the SELIC (Central Bank overnight rate) (recognized as "Finance income" according to note 23).

## 8. INVESTMENT

### a) Investments and information about subsidiaries

06/30/2024					
	Ownership interest	Total assets	Share capital	Equity	Net revenue
Tellerina	100%	3,643,793	526,698	581,243	1,184,624
Conipa	100%	2,405,227	15,671	1,592,396	827,868
Tellerina Panama (a)	100%	55	54	55	-

06/30/2024				
	Tellerina	Conipa	Tellerina Panama	Company
Profit (loss)	(28,123)	372,757	(1)	344,634
<u>Eliminations:</u>				
Unrealized profit in inventories	-	(117,307)	-	(117,307)
Deferred income and social contribution taxes on unrealized profit	-	26,434	-	26,434
Share of profit (loss) of equity-accounted	<u>(28,123)</u>	<u>281,884</u>	<u>(1)</u>	<u>253,761</u>

06/30/2023				
	Tellerina	Conipa	Tellerina Panama	Company
Profit (loss)	11,136	277,241	-	288,377
<u>Eliminations:</u>				
Unrealized profit on inventories	-	(166,053)	-	(166,053)
Deferred income and social contribution taxes on unrealized profit	-	34,578	-	34,578
Share of profit (loss) of equity-accounted investees	<u>11,136</u>	<u>145,766</u>	<u>-</u>	<u>156,902</u>

(a) On March 8, 2024, the Company set up Tellerina Panama S.A. and on June 12, 2024 made an initial capital contribution in the amount of USD 10 (equivalent to R\$54).

### b) Movements in investments

	Tellerina	Conipa	Tellerina Panama	Company
Balance as of December 31, 2022	584,655	1,158,408	-	1,743,063
Share of profit (loss) of equity-accounted investees	11,136	145,766	-	156,902
Dividends received	-	(95,315)	-	(95,315)
Balance as of June 30, 2023	<u>595,791</u>	<u>1,208,859</u>	<u>-</u>	<u>1,804,650</u>
Balance as of December 31, 2023	609,366	1,418,307	-	2,027,673
Capital contribution	-	-	55	55
Share of profit (loss) of equity-accounted investees	(28,123)	281,884	(2)	253,761

	Tellerina	Conipa	Tellerina Panama	Company
Other comprehensive income	-	-	2	2
Dividends received	-	(107,796)	-	(107,796)
Balance as of June 30, 2024	<u>581,243</u>	<u>1,592,395</u>	<u>55</u>	<u>2,173,693</u>

## c) Tax Incentive Reserve

Subsidiaries recognized reserves for tax incentives:

- On operating profit as a 75% reduction in the IRPJ; the benefit was granted in 2010 to Tellerina and was enjoyed until August 2016, date of the spin-off that created Conipa, which was granted the benefit in effect until December 2024.
- As an investment grant; until December 2023 the ICMS tax incentive granted in Manaus Free Trade Zone (effective until December 31, 2032), Minas Gerais, Pernambuco and Pará was recognized in equity as a reserve for tax incentives as an offsetting entry to the benefit from the deduction of the IRPJ and CSLL calculation bases. As from January 1, 2024, under Act 14,789/23 no longer required reserve recognition.

Movements in these reserves are as follows:

	Consolidated		
	12/31/2023	Additions	06/30/2024
ICMS incentives	642,305	-	642,305
Operating profit incentive	206,253	61,440	267,693
Total	<u>848,558</u>	<u>61,440</u>	<u>909,998</u>

Under prevailing tax law, the amounts allocated to these reserves originating from tax benefits consisting of reinvestment grants in subsidiaries may not be distributed as profits and dividends to the Parent Company.

## 9. PROPERTY, PLANT AND EQUIPMENT

	Annual average depreciation rate -  %	Consolidated			
		06/30/2024		12/31/2023	
		Cost	Accumulated depreciation	Residual amount	Residual amount
Leasehold improvements	20	287,700	(124,945)	162,755	125,856
Furniture and fixtures	10	94,687	(33,770)	60,917	51,249
Machinery, equipment and facilities	10	74,246	(19,907)	54,339	46,741
Vehicles	20	112	(21)	91	103
IT equipment	20	26,799	(15,296)	11,503	10,196
Land	-	350	-	350	350
Right-of-use assets - property leases	10-25	761,915	(287,944)	473,971	462,284
Right-of-use assets - cloud		12,380	(12,304)	76	1,128

Advances to suppliers and construction in progress (a)	-	<u>34,604</u>	-	<u>34,604</u>	<u>67,839</u>
Total		<u>1,292,793</u>	<u>(494,187)</u>	<u>798,606</u>	<u>765,746</u>

- (a) Consists of the cost of construction work at new points of sale, new manufacturing facilities in Manaus (in 2023), and significant renovations in the already existing ones, which are subsequently transferred to the line item of leasehold improvements when these points of sale are opened or reopened.

The Company defined the stores of its subsidiary Tellerina as the cash-generating unit. According to the evaluation made for the year ended December 31, 2023 of the Company's operating results and the positive cash flows of its subsidiaries and considering that there is no sign or new fact arising from operations that required a new assessment, there is no indication of the need to recognize impairment loss on its tangible assets.

Changes in property, plant and equipment are as follows:

	<u>12/31/2022</u>	<u>Additions</u>	<u>Write-offs</u>	<u>Transfers</u>	<u>12/31/2023</u>
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
Vehicles	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	<u>50,745</u>	<u>125,588</u>	<u>(5)</u>	<u>(108,489)</u>	<u>67,839</u>
	<u>960,644</u>	<u>244,397</u>	<u>(13,269)</u>	<u>-</u>	<u>1,191,772</u>
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)
Vehicles	(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)
	<u>(308,480)</u>	<u>(124,430)</u>	<u>6,884</u>	<u>-</u>	<u>(426,026)</u>
Total	<u>652,164</u>	<u>119,967</u>	<u>(6,385)</u>	<u>-</u>	<u>765,746</u>

	<u>12/31/2023</u>	<u>Additions</u>	<u>Write-offs</u>	<u>Transfers</u>	<u>06/30/2024</u>
Cost:					
Leasehold improvements	230,648	-	-	57,052	287,700
Furniture and fixtures	81,160	417	-	13,110	94,687
Machinery, equipment and facilities	63,328	4,706	(2)	6,214	74,246
Vehicles	112	-	-	-	112
IT equipment	23,472	3,277	(27)	77	26,799
Land	350	-	-	-	350
Right-of-use assets (a)	712,483	59,237	(9,805)	-	761,915
Right-of-use assets - cloud	12,380	-	-	-	12,380
Advances to suppliers and construction in progress	<u>67,839</u>	<u>43,218</u>	<u>-</u>	<u>(76,453)</u>	<u>34,604</u>
	<u>1,191,772</u>	<u>110,854</u>	<u>(9,833)</u>	<u>-</u>	<u>1,292,793</u>
Depreciation:					
Leasehold improvements	(104,792)	(20,153)	-	-	(124,945)
Furniture and fixtures	(29,911)	(3,859)	-	-	(33,770)

Machinery, equipment and facilities	(16,587)	(3,320)	-	-	(19,907)
Vehicles	(9)	(12)	-	-	(21)
IT equipment	(13,276)	(2,024)	4	-	(15,296)
Right-of-use assets	(250,199)	(43,608)	5,863	-	(287,944)
Right-of-use assets - cloud	(11,252)	(1,052)	-	-	(12,304)
	<u>(426,026)</u>	<u>(74,028)</u>	<u>5,867</u>	<u>-</u>	<u>(494,187)</u>
Total	<u>765,746</u>	<u>36,826</u>	<u>(3,966)</u>	<u>-</u>	<u>798,606</u>

(a) Right-of-use additions in the amount of R\$56,598 consist of new contracts and remeasurements of contracts due to the contractual adjustment period. They do not have a cash effect. R\$2,638 consists of point-of-sale contracts that have a cash effect.

## 10. INTANGIBLE ASSETS

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

	Consolidated				
	12/31/2023	Additions	Write-offs	Transfers	06/30/2024
Cost:					
Points-of-sale	32,225	-	-	-	32,225
IT systems in progress	26,468	16,612	-	(41,917)	1,163
Computer system	60,588	2,629	-	41,917	105,134
Other intangible assets	305	-	-	-	305
	<u>119,586</u>	<u>19,241</u>	<u>-</u>	<u>-</u>	<u>138,827</u>
Amortization:					
Points-of-sale	(31,239)	(171)	-	-	(31,410)
Computer system	(29,039)	(5,474)	-	-	(34,513)
Other intangible assets	(117)	(31)	-	-	(148)
	<u>(60,395)</u>	<u>(5,676)</u>	<u>-</u>	<u>-</u>	<u>(66,071)</u>
Total	<u>59,191</u>	<u>13,565</u>	<u>-</u>	<u>-</u>	<u>72,756</u>

## 11. TRADE PAYABLES

### a) Trade payables

The balance consists of purchases of raw material, input, packaging material, merchandise for resale and third-party services with an average payment period of 90 days.

Trade payables	Consolidated	
	06/30/2024	12/31/2023
Local	47,748	50,099
Foreign	62,397	23,530
Total	110,145	73,629

## b) Trade payables agreement

The Company's subsidiaries have entered into agreements with financial institutions whereupon suppliers of products, capital goods and services may collect the amounts due to them by the subsidiaries.

Management assessed that these early collections have an operational nature, considering that the advance payment is made at the supplier's sole discretion and that neither the original deadline for payment negotiated by the Company with the supplier nor the agreed amounts are changed.

The finance cost of the advance on receivables, borne by our suppliers, amounts to a weighted average rate of 0.86% per month. The average term for early maturity of trade notes is 90 days.

Moreover, there is no significant exposure to any financial institution individually related to these transactions. The related liabilities are not considered net debt and are subject to common market covenants (financial or non-financial), which the Company was in compliance with as of June 30, 2024.

Those balances are classified as "Trade payables – agreement" and payments are made to financial institutions under the same conditions originally agreed with the supplier. As a result, all cash flows from these transactions are recognized as generated from operating activities in the statement of cash flows.

As of June 30, 2024, the balance payable related to these transactions is R\$100,404 (R\$29,519 as of December 31, 2023).

## 12. PAYROLL AND RELATED CHARGES

	Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Accrued vacation pay	-	-	37,381	38,292
Accrued year-end bonus	-	-	14,797	-
Wages	102	124	18,668	29,075
Profit sharing and bonuses	-	-	10,632	18,624
Severance Pay Fund - FGTS	-	-	2,371	4,234
Social Security Contribution - INSS	30	36	10,349	14,676
Withholding income tax - IRRF	67	83	7,385	12,628
Other	-	-	1,107	330
Total	199	243	102,690	117,859

## 13. TAX LIABILITIES

	Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
ICMS	-	-	25,131	35,726
PIS and COFINS	1	1	20,580	30,637
IRPJ and CSLL	-	-	29,097	13,888
Taxes in installments	-	-	288	434
F.T.I and U.E.A. (a)	-	-	4,400	1,162
IPI	-	-	-	9
Other	4	23	3,302	3,439
<b>Total</b>	<b>5</b>	<b>24</b>	<b>82,798</b>	<b>85,295</b>
Current liabilities	5	24	82,613	85,081
Non-current liabilities	-	-	185	214
	<b>5</b>	<b>24</b>	<b>82,798</b>	<b>85,295</b>

(a) The Fund for Fostering Tourism, Infrastructure and Services and Promoting the Relocation of Industrial Production to the Heartland of the State of Amazonas "F.T.I." is a state tax due by Conipa on its sales of goods in Manaus Free Trade Zone to the other Brazilian states. The "UEA" is a state fee passed on by the government to the Amazon State University.

## 14. LOANS AND FINANCING

### a) Breakdown of balances

Institution and type	Rate	Maturity	Consolidated	
			06/30/2024	12/31/2023
<u>In local currency</u>				
Banco Safra - working capital	CDI + 1,55% p.a.	12/2024	20,056	20,062
Banco Itaú BBA S.A. - working capital	CDI + 1,85% p.a.	02/2025	62,926	63,400
Banco Itaú BBA S.A. - working capital	CDI + 1,55% p.a.	09/2024	41,329	41,497
Banco Bradesco - working capital	CDI + 1,30% p.a.	12/2025	50,179	50,199
Total local currency loans			174,490	175,158
<u>In foreign currency</u>				
Banco Santander - Resolution No. 4,131	Fixed rate of 5.797% p.a.	08/2025	59,148	51,441
Banco Santander - Resolution No. 4,131	Fixed rate of 2.3475% p.a.	02/2024	-	44,864
Total foreign currency loans			59,148	96,305
Total loans and financing			233,638	271,463
Current liabilities			126,079	111,463
Non-current liabilities			107,559	160,000
Total			233,638	271,463
<u>Derivative instruments - swap agreements</u>				
Banco Santander (Brazil) - Derivative (assets)/liabilities	Foreign exchange rate + 6.90% p.a.	08/2025	(7,232)	1,289
Banco Santander (Brazil) - Derivative liabilities	Foreign exchange rate + 2.35% p.a.	02/2024	-	5,927
Total derivative instruments and swap agreements			(7,232)	7,216
Total loans and financing, net of derivative instruments			226,406	278,679

The amount classified as non-current liabilities matures as follows:

Anus	Consolidated	
	06/30/2024	12/31/2023
Within 1-2 years	107,559	-
Within 2-3 years	-	160,000
Total	<u>107,559</u>	<u>160,000</u>

The agreements mentioned above whose maturity is expected by the date these interim financial statements are issued were settled on time.

No loan and financing agreements in effect with financial institutions have covenants. However, earlier settlement clauses are in effect if the issuer has its instruments whose amounts are higher than R\$10,000 protested.

## b) Changes in loans and financing

	Consolidated	
	06/30/2024	12/31/2023
Balance at the beginning of the period	<u>278,679</u>	<u>227,642</u>
Funding	-	160,000
Repayments of principal	(50,070)	(112,500)
Settlement of swap derivative agreements	(5,256)	(5,400)
Repayment of interest	<u>(10,444)</u>	<u>(24,772)</u>
Financing cash flows	<u>(65,770)</u>	<u>17,328</u>
Accrued interest	12,273	27,066
Foreign exchange gain	8,416	9,675
Accrued finance charges on swap agreements	<u>(7,192)</u>	<u>(3,032)</u>
Non-cash fluctuations	13,497	33,709
Balance at the end of the period	<u>226,406</u>	<u>278,679</u>

## 15. PROVISION FOR CIVIL, LABOR AND TAX RISKS AND COURT DEPOSITS

As of June 30, 2024, the Company was party to civil, labor and tax proceedings whose unfavorable outcome was considered probable by its legal counsel, as follows:

Provision	Consolidated			
	Civil proceedings (a)	Labor proceedings (b)	Tax proceedings (c)	Total
Balance as of December 31, 2023	2,955	6,553	5,066	14,574
Additions	4,706	8,097	2,695	15,498
Payments	(1,493)	(3,691)	(3,105)	(8,289)
Reversals	<u>(2,487)</u>	<u>(3,876)</u>	<u>(787)</u>	<u>(7,150)</u>
Balance as of June 30, 2024	<u>3,681</u>	<u>7,083</u>	<u>3,869</u>	<u>14,633</u>



	Consolidated			Total
	Civil proceedings (a)	Labor proceedings (b)	Tax proceedings (c)	
<u>Court deposits</u>				
Balance as of December 31, 2023	7,298	907	15,694	23,899
Additions	118	-	-	118
Adjustment for inflation	384	26	-	410
Redemptions	(2)	(58)	-	(60)
Balance as of June 30, 2024	<u>7,798</u>	<u>875</u>	<u>15,694</u>	<u>24,367</u>

## (a) Civil proceedings

Consist of actions for the compulsory renewal of the lease of stores, in which the Group is obliged to pay temporary rent amounts until a final and non-appealable decision is rendered by the courts, including the accrual of a provision for the difference between the amount paid as temporary rent and that awarded in a lawsuit; and consumer rights lawsuits for which the provision is calculated according to the history of losses on the whole mass of proceedings and the historical amount of losses by type of claim.

## (b) Labor claims

Labor contingencies consist of labor lawsuits filed by former employees which mostly consist of claims to pay for overtime work and its related social security contributions, salary equalization, vacation pay and bonus, paid weekly rest, termination benefits, year-end bonus, pain and suffering, bonuses, employment relationship and nullity of the overtime bank. The provision is accrued considering proceedings whose unfavorable outcome is probable and supplemented according to the history of losses on the mass of proceedings classified as liable for possible loss.

## (c) Tax proceedings

In August 2020, the Federal Supreme Court - STF passed judgment on extraordinary appeal No. 1,072,485/Paraná stating that the charge of social security contribution on the one-third premium added to the employee's vacation pay is legal. Such decision goes against a decision rendered on February 26, 2014 by the Superior Court of Justice – STJ, which had judged favorably to the taxpayer under the argument that “the amount paid as a one-third premium added to the employee's vacation pay consists of an indemnity/compensation, and is not part of an employee's usual gain, and for that reason social security contribution cannot be levied on it”.

Tellerina and Conipa have been granted an injunction currently in effect ruling out the payment of social security contribution on the one-third premium added to the employee's vacation pay. Considering the STF's decision mentioned above, management evaluated the issue supported by the Company's legal counsel and concluded that the risk is probable and accrued a provision.

### Proceedings whose unfavorable outcome is possible

On June 30, 2024, Management did not consider it necessary to recognize a provision for possible losses on ongoing lawsuits for which, according to the assessment of the Company's legal counsel, an unfavorable outcome is possible, as follows:

	Consolidated	
	06/30/2024	12/31/2023
Labor claims	37,782	29,106
Civil proceedings	1,158	13,452
Tax risks (*)	147,935	129,214
Total	186,875	171,772

(\*) Tax risks mostly consist of lawsuits and assessments of ICMS deficiency in the states of Bahia, Ceará, Rio de Janeiro and Pernambuco, and assessments of deficiency in IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax).

## 16. EQUITY

### a) Share capital

The limit on the Company's authorized share capital is two hundred and eighty million (280,000,000) ordinary shares.

As of June 30, 2024, share capital is distributed as follows:

Vivara Participações	Ordinary shares	% of ownership interest
Reference shareholders	109,380,580	46.3%
Managers	203,321	0.1%
Treasury shares	1,222,164	0.5%
Outstanding shares	125,391,704	53.1%
Total	236,197,769	100%

### b) Treasury shares

The plan for the repurchase of the Company's shares, in effect until March 20, 2025, was approved at a meeting of the Board of Directors on March 20, 2024. Its purpose is to increase the generation of value for the Company's shareholders by investing available funds for the acquisition of stock exchange shares at market prices. These shares are to be held in treasury, canceled or subsequently disposed of in the market or allocated to participants under the Company's share-based incentive plans, without reducing share capital, in compliance with the provisions of paragraph one, article 30 of Brazilian Corporate Law, ICVM No. 567/15 and other applicable rules. The Company may acquire up to 5% of the outstanding shares.

Changes in treasury shares are as follows:

	Consolidated		
	Number of shares	Purchase amounts (in R\$)	Average price per share (in R\$)
Balances as of December 31, 2022	607,612	14,693,941	24.18
Shares assigned under ILP plans	(68,957)	(1,630,325)	23.64
Repurchase of shares to be held in treasury	458,300	11,112,432	24.25
Balances as of December 31, 2023	996,955	24,176,048	24.25
Shares assigned under ILP plans	(91,791)	(2,225,932)	24.25
Repurchase of treasury shares	317,000	6,972,954	22.00

Balances as of June 30, 2024 1,222,164 28,923,070 23.67

## c) Dividend distribution policy

The distribution of dividends will comply with the appropriations set forth by the Company's bylaws and by Brazilian Corporate Law, as follows:

- 5% for legal reserve.
- Distribution of minimum non-discretionary dividends at a percentage to be set at the Annual Meeting. However, in compliance with the rules established by prevailing law (minimum of 25% of the year's profit, after the recognition of the legal reserve and the setup of a reserve for contingencies).
- According to article 33, paragraph four of the Company's by-laws, the remaining percentage of profit will be allocated to set up the "Reserve established by the Company's by-laws" with the purpose of increasing the Company's working capital and developing its activities.

## 17. RELATED PARTIES

Liability balances	Company	
	06/30/2024	12/31/2023
<u>Current</u>		
Tellerina	254	1,208
Total	<u>254</u>	<u>1,208</u>

Subsidiaries Conipa and Tellerina carry out transactions between themselves consisting of the purchase and sale of merchandise and raw materials, as well as the collection of administrative expenses through the Shared Services Center and royalties payable for the copyrighted jewel design. All transactions between Conipa and Tellerina have been eliminated for consolidation and disclosure purposes.

Transactions between the companies of Grupo Vivara are shown in the table below:

Balances	06/30/2024			06/30/2023	
	TELLERINA	CONIPA	VIVARA	TELLERINA	CONIPA
<u>Transaction</u>					
Sales (purchases) of merchandise	(883,399)	883,399	-	(793,657)	793,657
Sales (purchases) of raw materials	32,040	(32,040)	-	23,144	(23,144)
Copyrights	130,465	(130,465)	-	117,744	(117,744)
Administrative expenses on the Shared Services Center	12,108	(7,651)	(4,457)	-	-
Total	<u>(708,786)</u>	<u>713,243</u>	<u>(4,457)</u>	<u>(652,769)</u>	<u>652,769</u>

At an Annual Meeting held on April 29, 2024 shareholders approved the global compensation limit set for management for 2024 up to R\$24,328 (R\$27,040 for 2023).

Below are the amounts provided for and paid to officers appointed according to the Company's bylaws and the Board of Directors

	Consolidated					
	06/30/2024			06/30/2023		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	978	526	1,504	996	491	1,487
Officers appointed according to the Company's bylaws	2,119	4,646	6,765	3,642	5,005	8,647
Total	3,097	5,172	8,269	4,638	5,496	10,134

Below are the amounts provided for and paid to chief officers:

	Consolidated					
	06/30/2024			06/30/2023		
	Fixed	Variable	Total	Fixed	Variable	Total
Chief officers	4,740	10,781	15,521	3,967	2,298	6,265
Total	4,740	10,781	15,521	3,967	2,298	6,265

## 18. INCOME AND SOCIAL CONTRIBUTION TAXES

### (a) Reconciliation of income and social contribution tax expenses

	Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Profit before income and social contribution taxes	246,770	148,555	253,241	151,219
Combined nominal rate	34%	34%	34%	34%
Income and social contribution taxes at the prevailing rate	(83,902)	(50,509)	(86,102)	(51,414)
Effect of IRPJ and CSLL on income and social contribution tax losses, for which no related deferred taxes were recognized	(2,377)	(2,838)	(2,377)	(2,838)
Permanent differences:				
Share of profit of equity-accounted investees	86,279	53,347	-	-
Other permanent differences	-	-	(14,440)	(23,324)
Additional corporate income tax difference	-	-	12	12
Tax incentive - operating profit	-	-	61,440	37,894
Tax incentive - ICMS deemed credit	-	-	34,996	37,006
Total	-	-	(6,471)	(2,664)
Current	-	-	(51,516)	(39,458)
Deferred	-	-	45,045	36,794
Total	-	-	(6,471)	(2,664)

### (b) Deferred income and social contribution taxes

	Consolidated			
	06/30/2024		12/31/2023	
	IRPJ calculation base	CSLL calculation base	IRPJ calculation base	CSLL calculation base
Deferred tax assets on temporary differences:				
Allowance for impairment in respect of trade receivables	410	410	474	474
Allowance for inventory losses	5,327	5,327	4,457	4,457
Provision for expenses	83,826	83,826	86,848	86,848

	Consolidated			
	06/30/2024		12/31/2023	
Unrealized profit from subsidiaries' transactions	746,788	746,788	629,526	629,526
Provision for civil, labor and tax risks	14,633	14,633	14,574	14,574
Right-of-use leases	67,082	67,082	57,247	57,247
Income and social contribution tax losses	118,728	117,984	71,665	70,922
Deferred tax calculation base (a)	1,036,794	1,036,050	864,791	864,048
Deferred income tax assets		190,722		161,160
Deferred social contribution tax asset		76,476		60,992
Deferred income and social contribution tax assets (b)		267,198		222,152

- (a) The difference between the income and social contribution tax bases is related to bonus payments to officers appointed according to the Company's bylaws, and this expense is non-deductible from the income tax basis.
- (b) According to paragraph 11 of CPC 32 technical pronouncement, the Company calculates and recognizes the deferred corporate income and social contribution taxes charged on consolidated transactions according to the rates applied to the individual calculations of its subsidiaries and the other items at the nominal rate of 34%.

## 19. NET REVENUE FROM SALES AND SERVICES

	Consolidated	
	06/30/2024	06/30/2023
Gross revenue from the sale of merchandise	1,720,718	1,453,788
Gross revenue from services rendered	4,972	4,936
Gross revenue deductions:		
ICMS (a)	(176,852)	(126,119)
COFINS	(95,240)	(81,340)
PIS	(20,691)	(17,659)
FTI and UEA (b)	(17,535)	(12,692)
ISS – Service Tax	(223)	(247)
Sales returns	(314,236)	(269,130)
Total	1,100,913	951,537

(a) ICMS amounts are net of the tax incentive of the same nature in the amount of R\$102,929 (R\$108,841 as of June 30, 2023).

(b) The Fund for Fostering Tourism, Infrastructure and Services and Promoting the Relocation of Industrial Production to the Heartland of the State of Amazonas "F.T.I." is a state tax due by Conipa on its sales of goods in Manaus Free Trade Zone to the other Brazilian states. The "UEA" is a state fee passed on by the government to the Amazon State University.

## 20. EXPENSES BY NATURE

Grupo Vivara presents the statement of profit or loss using the expenses classification based on its function. Information about the nature of these expenses recognized in the statement of profit or loss is as follows:

### (a) Cost of sales and services

	Consolidated	
	06/30/2024	06/30/2023
Cost of acquisition of merchandise and products for resale	(300,338)	(250,762)
Personnel	(35,983)	(30,576)
Depreciation and amortization	(6,318)	(3,336)
Electricity, water and telephone	(622)	(736)
Freight	(2,901)	(3,443)
	(346,162)	(288,853)

## (b) Selling expenses

	Consolidated	
	06/30/2024	06/30/2023
Personnel	(217,563)	(160,892)
Freight	(16,014)	(17,045)
Marketing/sales expenses	(49,933)	(44,556)
Professional hired services	(14,522)	(11,211)
Variable rents and condominium fees	(43,328)	(34,345)
Depreciation and amortization	(42,577)	(38,364)
Commission on cards	(27,588)	(23,736)
Electricity, water and telephone	(4,102)	(3,845)
Taxes and fees	(10,502)	(11,826)
Other expenses by nature	(15,871)	(13,037)
	<u>(442,000)</u>	<u>(358,857)</u>

## (c) General and administrative expenses

	Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Personnel	(7,012)	(5,547)	(47,616)	(53,821)
Professional hired services	301	(2,318)	(26,124)	(33,361)
Rents and condominium fees	-	-	(538)	(334)
Electricity, water and telephone	-	-	(1,127)	(997)
Depreciation and amortization	-	-	(30,809)	(22,369)
Taxes and fees	(277)	(519)	(5,052)	(9,394)
Other expenses by nature	(124)	(153)	(13,258)	(8,447)
	<u>(7,112)</u>	<u>(8,537)</u>	<u>(124,524)</u>	<u>(128,723)</u>

## 21. SEGMENT REPORTING

The Group has only one operating segment defined as retail. The Group is organized and evaluates its performance as a single business unit for commercial and managerial purposes. Information is presented consistently to the Group's chief decision maker, who is the CEO, responsible for allocating resources and evaluating operations.

This view is based on the following factors:

- Production at the manufacturing facilities basically meets the demand of the Group's retail stores, digital sales and B2B sales.
- The Group's strategic decisions are focused on fulfilling its vision of becoming Latin America's most desired brand to celebrate special moments. The group has the mission of fascinating its customers, offering the best experience in choosing the perfect gift, and making each story unique and special. Relying on these guidelines, our decisions are supported by diligent assessments of expansion opportunities, market analyses (trends of the jewelry industry in Brazil and abroad), installed production capacity and the evolution of new technologies. Those assessments and analyses aim at achieving long-term sustained growth combined with sustainability initiatives, seeking certified input of remarkable quality, and ensuring the proper allocation of our products through proper distribution channels.
- The Group evaluates revenue by category and sales channel.

The Group's products are controlled and managed by Management as a single business segment. They

are distributed through different sales channels and per category. However, the CEO assesses the Group's total performance, its commercial, managerial and administrative results, considering that the whole cost and expense structure is shared by all categories of products.

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

Gross revenue less returns	Consolidated	
	06/30/2024	06/30/2023
Jewelry	705,858	605,685
Life	500,977	412,647
Watches	176,451	137,330
Accessories	23,196	28,996
Services	4,972	4,936
Total	<u>1,411,454</u>	<u>1,189,594</u>
Stores	1,216,620	1,006,072
Digital sales	187,640	175,066
Other	2,222	3,520
Services	4,972	4,936
Total	<u>1,411,454</u>	<u>1,189,594</u>

## 22. OTHER OPERATING REVENUES (EXPENSES), NET

	Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Tax credits (a)	-	-	82,136	-
Provision for civil, labor and tax risks	-	-	(8,348)	(4,134)
Expected credit losses	-	-	64	102
Write-off of property, plant and equipment items	-	-	(24)	(89)
Lease agreements that have been written off	-	-	1,017	467
Other revenues (expenses)	-	(9)	2,174	3,020
Total	-	(9)	<u>77,019</u>	<u>(634)</u>

a) Untimely PIS and COFINS credits according to the details disclosed in note seven.

## 23. FINANCE INCOME

	Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Yield on financial investments	51	71	15,618	13,136
Adjustment for inflation (a)	76	147	20,076	1,924
Foreign exchange gains	6	-	18	3,489
Other finance income	-	-	177	98
Total	<u>133</u>	<u>218</u>	<u>35,889</u>	<u>18,647</u>

(a) Consists of the adjustment for inflation of tax credits (according to note 7) and court deposits.

## 24. FINANCE COSTS

	Company		Consolidated	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Interest on loans and financing	-	-	(12,273)	(13,105)
Foreign exchange gains (losses) on loans and financing	-	-	(8,415)	3,324
Finance charges on derivative instruments	-	-	7,192	(6,061)
Charges on right-of-use leases	-	-	(28,535)	(25,374)
Tax on financial transactions - IOF	(1)	(1)	(17)	(126)
Banking fees	(1)	(1)	(156)	(411)
Interest and fines on taxes and accessory obligations	-	(2)	(1,558)	1,239
Foreign exchange losses	(3)	(2)	(2,130)	(343)
Other finance costs	(7)	(13)	(2,002)	(1,041)
<b>Total</b>	<b>(12)</b>	<b>(19)</b>	<b>(47,894)</b>	<b>(41,898)</b>

## 25. EARNINGS PER SHARE

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

	Consolidated	
	06/30/2024	06/30/2023
Numerator		
Profit for the year (a)	246,770	148,555
Denominator (in thousands of shares)		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(1,015)	(764)
Weighted average number of outstanding shares (b)	235,183	235,434
Basic earnings per share (real) (a/b)	1.04927	0.63098
Denominator (in thousands of shares)		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(1,015)	(764)
Weighted average number of shares granted	85	62
Weighted average number of diluted shares (c)	235,268	235,496
Diluted earnings per share (real) (a/c)	1.04890	0.63082

The dilutive effect on earnings per share is represented by share-based payment arrangements, shown in note 28 - Share-based Payment.

## 26. RIGHT-OF-USE LEASES

As of June 30, 2024, the Group had 428 (395 as of December 31, 2023) agreements for the lease of stores, kiosks, factory and administrative center entered into with third parties. 58 (54 as of December 31, 2023) of these agreements met the requirement for exemption from the recognition of right-of-use leases and were classified as operating leases.



Variable rents, short-term leases or leases of low-value assets that were not recognized as right-of-use assets for the period are recognized as “Rents and condominium fees” as shown in note 20, and total R\$10,989 (R\$8,644 as of June 30, 2024).

The Company determined its discount rates according to Dlxpré's benchmark BM&FBovespa (São Paulo Stock Exchange) rate, 252 business days, obtained at B3 on the base date of first-time adoption (risk-free interest rate reported in the Brazilian market) for the terms of its contracts, adjusted to the Company's reality (“credit spread”). Spreads were obtained by inquiring the main banks the Company has debt transactions with.

As of June 30, 2024, the 370 lease agreements (341 as of December 31, 2023), classified as right-of-use leases, mature within 5-10 years and the weighted average discount rate for the period is 11.80% per year (11.77% per year as of December 31, 2023).

In accordance with technical pronouncement CPC 06 (R2)/IFRS 16, the measurement and remeasurement of its lease liabilities and right-of-use assets, applied the discounted cash flow approach considering the nominal rate and without considering the effects of the future estimated inflation rate on discounted flows.

In order to comply with CVM's Official Letter No. 02/2019 minimum inputs are disclosed for purposes of forecasting the nominal rate and discounted cash flow model recommended by CVM, using as parameter the average inflation rate between the CDI rate and the IPCA (Extended Market Price Index) obtained at B3's site for reporting date June 28, 2024.

The table below shows the discount and future inflation rates charged for the terms of the contracts:

Agreements per term and discount rate			
Terms of agreements	Number of agreements	Discount rate	Average future inflation rate
5 years	2	10.67%	7.31%
6 years	29	11.05%	6.87%
7 years	19	11.36%	6.46%
8 years	25	11.55%	6.75%
9 years	23	11.72%	6.72%
10 years	272	11.88%	6.27%
Total	<u>370</u>		

The balances and movements in liabilities from right-of-use leases in the period are as follows:

	Consolidated	
	06/30/2024	12/31/2023
Balance at the beginning of the year	502,684	474,643
Addition of new agreements	34,883	80,792
Remeasurement	21,716	12,026
Write-offs in the year	(4,959)	(6,492)
Recognized finance charges	28,535	53,123
Interest payments	(28,276)	(52,803)
Repayments of principal	(36,575)	(58,605)
Balance at the end of the year	<u>518,008</u>	<u>502,684</u>
Current liabilities	68,404	70,059
Non-current liabilities	<u>449,604</u>	<u>432,625</u>

	Consolidated	
	06/30/2024	12/31/2023
Total	518,008	502,684

As required by technical pronouncement CPC 06 (R2)/IFRS 16, the Company shows below a maturity analysis of its agreements, undiscounted installments, reconciled to its statement of financial position as of June 30, 2024:

Maturity of agreements	Consolidated	
	06/30/2024	12/31/2023
Installment due date:		
2024	56,687	116,927
2025	118,578	112,551
2026	107,018	100,056
2027	101,293	93,715
2028 onwards	375,667	307,555
Total undiscounted installments	759,243	730,804
Embedded interest	(241,235)	(228,120)
Balance of right-of-use lease liabilities	518,008	502,684

As of June 30, 2024, the potential PIS and COFINS credit on the gross contractual flow is R\$70,230 and discounted to present value for the weighted average term is R\$47,916.

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

	Consolidated	
	06/30/2024	12/31/2023
Cost:		
Balance at the beginning of the period	712,484	622,960
Addition of new agreements	34,883	80,792
Remeasurement	21,716	12,026
Write-offs in the year	(9,806)	(10,762)
Direct costs – points-of-sale	2,638	7,468
Balance at the end of the period	761,915	712,484
Amortization		
Balance at the beginning of the period	(250,199)	(173,829)
Amortization expense for the period	(43,608)	(81,449)
Write-offs in the year	5,863	5,079
Balance at the end of the period	(287,944)	(250,199)
Right-of-use property lease - residual value	473,971	462,284

## 27. FINANCIAL INSTRUMENTS

### a) Categories of financial instruments

	Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
<u>Financial assets</u>				
Amortized cost:				
Cash and cash equivalents	1,832	58	274,119	221,495
Trade and other receivables	-	-	734,685	830,832
Securities	-	-	67,741	82,995
Subtotal	1,832	58	1,076,545	1,135,322

	Company		Consolidated	
	06/30/2024	12/31/2023	06/30/2024	12/31/2023
Fair value through profit or loss:				
Derivative instruments	-	-	7,232	-
Total financial assets	<u>1,832</u>	<u>58</u>	<u>1,083,777</u>	<u>1,135,322</u>
<b>Financial liabilities</b>				
Amortized cost:				
Trade payables	-	-	110,145	73,629
Trade payables - agreement	-	-	100,404	29,519
Interest on equity capital payable	2	2	2	2
Dividends to be paid	5	87,699	5	87,699
Related party payables	254	1,208	-	-
Right-of-use leases payable	-	-	518,008	502,684
Loans and financing	-	-	233,638	271,463
Subtotal	<u>261</u>	<u>88,909</u>	<u>962,202</u>	<u>964,996</u>
Fair value through profit or loss:				
Derivative instruments	-	-	-	7,216
Total financial liabilities	<u>261</u>	<u>88,909</u>	<u>962,203</u>	<u>972,212</u>

## b) Financial risks

The Company and its subsidiaries are exposed to several financial risks: market (exchange and interest rates), credit and liquidity risks. The Company's risk management focuses on the unpredictability of finance markets and aims to reduce possible adverse effects on its financial performance.

## c) Foreign currency risk management

Because of the financial obligations assumed by the Company, denominated in US dollars, the Company implemented a foreign exchange hedging policy that establishes levels of exposure to this risk and the execution of derivative swap agreements by the Company.

The Company's net foreign currency exposure is as follows:

Type of transaction	Consolidated			
	Financial institution	Amount of the debt	Derivative instrument	Net exposure
Resolution No. 4131	Banco Santander	60,374	(60,374)	-
Total loans and financing		<u>60,374</u>	<u>(60,374)</u>	-
Foreign trade payables (*)	-	62,397	-	62,397
Total foreign currency exposure		<u>122,771</u>	<u>(60,374)</u>	<u>62,397</u>
US dollar quotation in the statement of financial position		<u>5,5589</u>	<u>5,5589</u>	<u>5,5589</u>
Total exposure in US dollars		<u>22,085</u>	<u>(10,861)</u>	<u>11,225</u>

(\*) The Company's subsidiaries import merchandise, raw materials and input for manufacturing and marketing purposes from foreign suppliers. These purchases are basically denominated in US dollars and are exposed to foreign currency fluctuations.

### c.1) Derivative instruments

The Company entered into swap agreements to mitigate the risk of foreign currency exposure generated by loans and financing denominated in foreign currency. These transactions consist of swapping foreign exchange gains or losses for an adjustment pegged to a percentage of the CDI (interbank deposit certificate) rate.

The Company has a loan agreement for which no derivative swap agreement was entered into due to the interest rates agreed on for this transaction.

The swap transactions outstanding as of June 30, 2024 are as follows:

Description	Rates	Consolidated		Accumulated market-to-market effect by June 30, 2024
		Notional value	Fair value	
<u>Swap agreements</u>				
Receivables:				
Foreign exchange gains and losses - US\$	US\$5.797% p.a.	60,374	60,374	-
Payables:				
Changes in the CDI rate	Foreign exchange gain + 6.9% p.a.	60,374	53,142	7,232
Net amount receivable				<u>7,232</u>

The asset balance of R\$7,232 consists of the net adjustment receivable, calculated at market value as of June 30, 2024, of the derivative financial instruments outstanding on that date and recorded as "Derivative instruments".

### d) Sensitivity analysis

#### Foreign currency risk

To conduct a sensitivity analysis of financial instruments, management understands that only liabilities to foreign suppliers that are not hedged against foreign currency risk must be considered, given that the Company does not have equivalent derivative instruments recorded in its statement of financial position. The foreign currency exposure of these transactions is shown in the table below:

Total foreign currency exposure in local currency	62,397
Total foreign currency exposure in foreign currency	11,225

Therefore, only R\$62,397 is being applied for the sensitivity analysis, resulting from the considerations explained before. The US dollar exchange rate at the reporting date was R\$5.5589.

In order to measure the net impact on profit or loss estimated for the next 12 months of the risks of foreign currency fluctuations, the Company conducted an analysis of the sensitivity of loans to foreign currency risk under three scenarios.

Under Scenario I the exchange rate is set at R\$5.8268 according to the price of US dollar futures traded at B3, limited to 12 months. Under Scenario II, management forecast a conservative devaluation of 3% of the US dollar. Under Scenario III, the US dollar fell by 10.41% for, according to the future price quotation presented on the Focus Report of the Central Bank of Brazil of July 12, 2024.

Group's Risk	Scenario I	Scenario II	Scenario III
Notional amount of net exposure (in foreign currency)	11,225	11,225	11,225
Notional amount of net exposure (in local currency)	62,397	62,397	62,397
Estimated amount (in local currency)	65,404	63,442	58,593
Impact of foreign currency gains (losses)	3,007	1,045	(3,804)
US dollar rate	5.8268	5.6520	5.2200

## Interest rate risk

Considering that as of June 30, 2024 all loans and financing denominated in foreign currency are hedged by swap agreements, whereby the indexation of the foreign currency liability is swapped for the fluctuation in the CDI rate, due to the Group's policy to hedge against foreign currency risks, the risk now is posed by exposure to fluctuations in the CDI rate. Financial investments and investments in financial bills by the Company are also exposed to the fluctuation in the CDI rate so that the Company has a net exposure to interest rate risk on transactions pegged to the fluctuation in the CDI rate:

	<u>Consolidated</u>
Loans and financing exposed to fluctuations in the CDI rate	226,406
Financial investments of cash and cash equivalents exposed to fluctuations in the CDI rate	(266,504)
Investments in financial bills exposed to fluctuations in the CDI rate	(67,741)
Total exposure to fluctuations in the CDI rate	<u>(107,839)</u>

Management considers the risk of major fluctuations in the CDI rate in 2024, and when conducting the analysis of sensitivity to the risk of an increase in the CDI rate that would affect finance costs, it took into account two estimated scenarios, reporting a 5% reduction in the CDI rate under scenario II and a 10.1% reduction in the CDI rate under scenario III, respectively, considering a SELIC rate of 10.5% expected by the end of 2024, according to the Focus report of the Central Bank of Brazil of July 12, 2024.

Group's Risk	Scenario I	Scenario II	Scenario III
Net exposure to fluctuations in the CDI rate	(107,839)	(107,839)	(107,839)
Estimated amount	(107,839)	(107,209)	(106,567)
Impact of fluctuations in the CDI rate	-	630	1,273
CDI rate	11.68%	11.10%	10.50%

### e) Credit risk management

Sales are made to many customers and substantially paid by them using credit and debit cards, which mitigates the Company's credit risk.

### f) Liquidity risk management

Prudent liquidity risk management consists of keeping funding available through lines of credit opened with financial institutions and the ability to settle market positions. Management continuously monitors estimates of the Group's liquidity requirements to ensure that there is sufficient cash to meet operating needs.

The table below shows in detail the maturity of the financial liabilities agreed by contract:

Operation	Balances as of June 30, 2024	Cash flows				Total
		Within 1 year	Within 2 years	Within 2-5 years	Over 5 years	
Trade payables	110,145	110,145	-	-	-	110,145
Trade payables – agreements	100,404	100,404	-	-	-	100,404
Loans and financing	233,638	139,853	108,630	-	-	248,483
Interest on equity capital payable	2	2	-	-	-	2
Dividends to be paid	5	5	-	-	-	5
Right-of-use leases payable	518,008	121,774	111,458	284,949	241,062	759,243

### g) Fair values of financial instruments

The Company uses, when applicable, technical pronouncement CPC 40/IFRS 7 - *Financial Instruments: Disclosures* for financial instruments measured at fair value in the statement of financial position, which requires the disclosure of fair value measurements by different levels in the following fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that subsidiaries may have access to at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data.

As of June 30, 2024, all derivative financial instruments were grouped into Level 2.

## 28. SHARE-BASED PAYMENT

Granted shares consist of share-based compensation payments to the Company's and its subsidiaries' employees, officers and board members. They are accounted for in accordance with technical pronouncement CPC 10(R1)/IFRS 2.

The Company measures the cost of share-based compensation transactions at the closing market value of the share on the grant date. The granted shares are recognized as expense in the Company's profit or loss over the grace period, with an offsetting entry to "Granted options" in equity.

The shares granted to the Plan's participants have a grace period of up to 36 months. The conditions under which shares are made available to beneficiaries include permanence as an employee, the attainment of performance indicator goals set for the period, among which ROIC ("Return on Invested Capital") and TSR ("Total Shareholder Return").

The dilutive effect of the outstanding granted shares is reflected as an additional dilution to calculate diluted earnings per share, as explained in note 25.

### Compensation plans

The purpose of the Incentive Plans is to align the long-term interests of participants with those of the

Company's shareholders and to develop social and sustainable goals to create value for the Company. Under the plans, shares accounting for at most five percent (5%) of the Company's total share capital, consisting of shares issued by the Company and held in treasury, may be granted to participants.

a) Share Grant Plan ("Grant Plan");

Approved at an Extraordinary General Meeting, the share grant plan establishes the possibility of the Company granting to the participants selected by the Board of Directors, under certain terms and conditions, shares issued by the Company and held in treasury. Board members, officers, managers or employees of the Company and its subsidiaries will be eligible to participate in the Grant Plan.

On October 4, 2021, 62,145 shares were granted, within their global upper limit, consisting of the first share grant program, exclusive to Board Members. The shares were transferred to participants in May 2023, under an additional 12-month lock-up.

In May 2023, 84,763 shares were granted, within their global limit, for the renewal of the share grant program, exclusively to Board Members. The shares will be made available within 30 days from the end of their term at the 2025 Annual Shareholders' Meeting.

b) Share Investment Plan ("Matching Shares Arrangement").

Under the Matching Shares Arrangement, participants selected by the Board of Directors may be granted matching shares, provided that, among other conditions, participants invest their own funds for the acquisition and maintenance of a certain number of shares issued by the Company during a grace period of 36 months. The Company's officers, managers or employees are eligible to participate in the matching shares arrangement.

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

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

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

The accounting provision is accrued for the term of each plan and is recognized in the Company's profit or loss as "Personnel", as disclosed in note 20. As of June 30, 2024, the amount recognized in profit or loss for the period was R\$1,737 (R\$1,681 as of June 30, 2023).

Changes in plans are as follows:

				Consolidated				
				Real				
Plano (Safra)	Number of shares	Term (months)	Share price	12/31/2023	Additions	Grants	Exclusions	06/30/2024
Board Members 2021/2023	62,145	24	28.25	-	-	-	-	-
Board Members 2023/2025	84,763	24	27.31	772	526	-	(336)	962
2021 officers	135,956	36	26.40	1,684	345	(309)	(255)	1,465
2022 officers	325,458	36	26.45	4,843	818	(2,273)	(892)	2,496
2023 officers	352,056	36	26.29	1,641	1,193	(680)	(53)	2,101
2024 officers	250,713	36	21.75	-	179	-	-	179
Grand total	<u>1,211,091</u>			<u>8,940</u>	<u>3,061</u>	<u>(3,262)</u>	<u>(1,536)</u>	<u>7,203</u>

## 29. INSURANCE COVERAGE

The Company adopts an insurance policy that basically takes into account the concentration of risks and their materiality, considering the nature of its activity and the opinion of its insurance advisers. Insurance coverage, in amounts as of June 30, 2024, is as follows:

- Property damage - R\$361,242 (effective until March 2025)
- Coverage for loss of profit - R\$430,000 (effective until March 2025)
- Coverage for sundry risks (inventories) - R\$344,000 (effective until February 2025)
- Civil liability - R\$20,000 (effective until April 2025)
- Directors and Officers Liability Insurance - R\$60,000 (effective until September 2024)
- International Transportation Insurance – US\$1,600 (effective until April 2025)
- Coverage for cyber risks - R\$25,000 (effective until June 2025)