

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

## **Vivara Participações S.A. and Subsidiaries**

Report on Review of Interim  
Financial Information for the  
Three- and Nine-month Periods  
Ended September 30, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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## REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Vivara Participações S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2023, which comprises the individual and consolidated balance sheet as at September 30, 2023, and the related statements of income and of comprehensive income for the three- and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

The Executive Board is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the 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 and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

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## Other matters

### *Statements of value added*

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2023, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, November 8, 2023

  
DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.

  
Marcos Helvius Olliver Domingues Marcondes  
Engagement Partner

São Paulo, November 09th, 2023

VIVARA

**Vivara Participações S.A.** (B3: VIVA3), Latin America's largest jewelry chain, announces its results for the third quarter of 2023 (3Q23).

Vivara posted REVENUE of R\$581.2 million, up 20.7%, driven by the 14.8% increase in the Jewelry category and the significant growth in Life category, which increased 37.3% year on year, accounting for 32.8% of total sales.

In the period, the Company registered ADJUSTED EBITDA of R\$88.6 million and ADJUSTED EBITDA MARGIN of 19.4%, up 110 bps from 3Q22.

## 3Q23 | HIGHLIGHTS

**R\$ 581.2 million Gross Revenue**  
(net of returns) | +20.7% vs 3Q22

**+62.6% Digital Sales**  
vs 3Q22

**R\$ 190.7 million Revenue from Life category** | +37.3% vs 3Q22 and 32.8% share of total sales in 3Q23

**+14.8%** sales growth of Jewelry category

**+76.6%** sales from omnichannel initiatives

**+12.3%** Same Store Sales (SSS)

**+18 New Stores in 3Q23**  
Totaling 254 Vivara stores and 98 Life stores

**R\$ 88.6 million Adjusted EBITDA**  
+23.6% vs 3Q22 and Adjusted EBITDA Margin of 19.4%, +110 bps vs 3Q22

**R\$ 76.5 million Net Income**  
+12.3% vs 3Q22



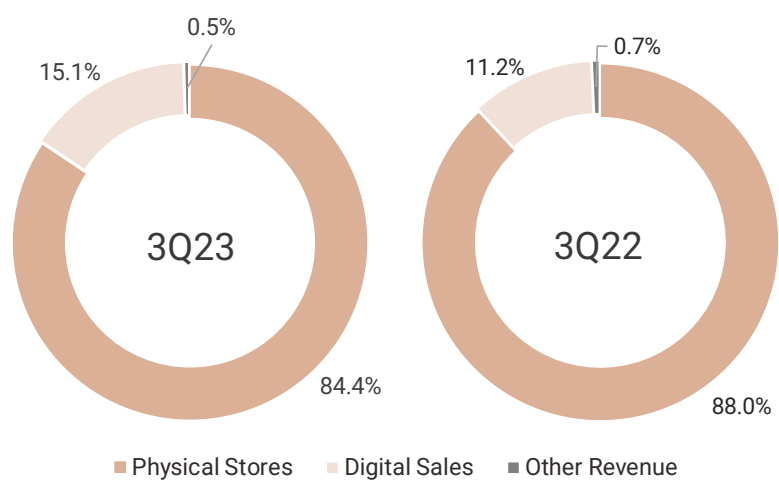
# 3Q23 | GROSS REVENUE BY CHANNEL (Net of Returns)

Gross Revenue, net of returns, in 3Q23 reached R\$581.2 million, up 20.7% from 3Q22, due to (i) the 18.3% increase in sales area in the last 12 months, and (ii) the 12.3% growth in same store sales (SSS), including digital sales. Net revenue in the period was R\$457.3 million, up 16.4% from 3Q22.

Note that the 40.0% increase in Deductions from Revenue was mainly due to the reclassification of two taxes, which until March 2023 were registered as “Taxes and Duties,” under Selling Expenses, broken down as follows: (i) R\$3.6 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; and (ii) R\$4.6 million related to the difference in the ICMS tax rate (DIFAL). The reclassification was made since 2Q23, without any change in the classification of the number reported in previous periods.

Apart from the effect of reclassification, the presumed tax liability generated by industry affected the comparability of deductions. Traditionally, the third quarter concentrates the highest sales volume of products from industry for retail in order to supply the stores for the year-end season. However, this year, due to the migration of the plant, the transfer of inventories was distributed over the previous months. In 3Q23, presumed tax liability corresponded to 7.8% of Gross Revenue (Net of returns), compared to 10.5% in 3Q22. Presumed tax liability is deducted from ICMS expenses.

Revenue per chanel (R\$, 000)	3Q23	3Q22	?? 23vs22	SSS	9M23	9M22	?? 23vs22	SSS
Gross Revenue (net of return)	581,241	481,376	20.7%	12.3%	1,770,835	1,479,518	19.7%	14.2%
Physical Stores	490,512	423,833	15.7%	6.1%	1,496,583	1,295,711	15.5%	8.8%
Vivara Stores	399,135	374,791	6.5%	2.8%	1,223,817	1,162,405	5.3%	2.9%
Life Stores	83,240	41,302	101.5%	38.1%	247,829	108,198	129.1%	70.4%
Kioks	8,137	7,740	5.1%	11.4%	24,937	25,108	-0.7%	12.4%
Digital Sales	88,040	54,149	62.6%	100.6%	263,106	173,873	51.3%	76.5%
Others	2,689	3,393	-20.8%	na	11,147	9,934	12.2%	na
Deductions	(123,930)	(88,500)	40.0%	na	(361,988)	(279,828)	29.4%	na
Net Revenue	457,311	392,876	16.4%	na	1,408,847	1,199,690	17.4%	na
SSS (physical stores)	6.1%	14.3%	na	na	8.8%	31.4%	na	na
SSS (physical stores + digital)	12.3%	10.4%	na	na	14.2%	21.4%	na	na



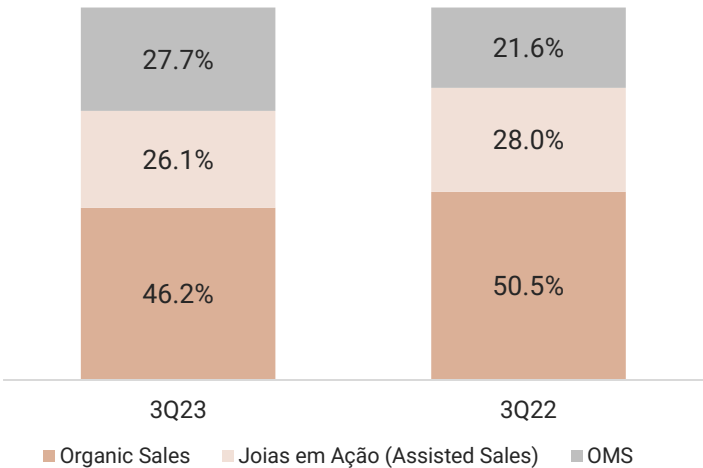
This quarter, sales growth was once again driven by the volume of items sold, which increased 12.5% from 3Q22. The 7.3% increase in the Company's average price reflects the effectiveness of the product strategy and due compliance with the pricing policy.

Digital sales grew 62.6% in the quarter, accounting for 15.1% of total sales, 380 bps higher than in the same quarter last year. The healthy performance by the digital channel reflects the improvements obtained from the migration of the e-commerce platform in the second half of 2022, and the omnichannel initiatives, which, through OMS sales, grew 109.1%. between the periods.

# 3Q23 | GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

## DIGITAL Sales

Digital sales came to R\$88.0 million, up 62.6% from 3Q22, accounting for 15.1% of total sales. This result primarily reflects: (i) the better operating indicators of the new platform, implemented in 2H22; and (ii) the higher share of omnichannel sales, with OMS sales accounting for 27.7% of digital sales, and the “Joias em Ação” assisted sales program, which accounted for 26.1% of total digital sales in the period.

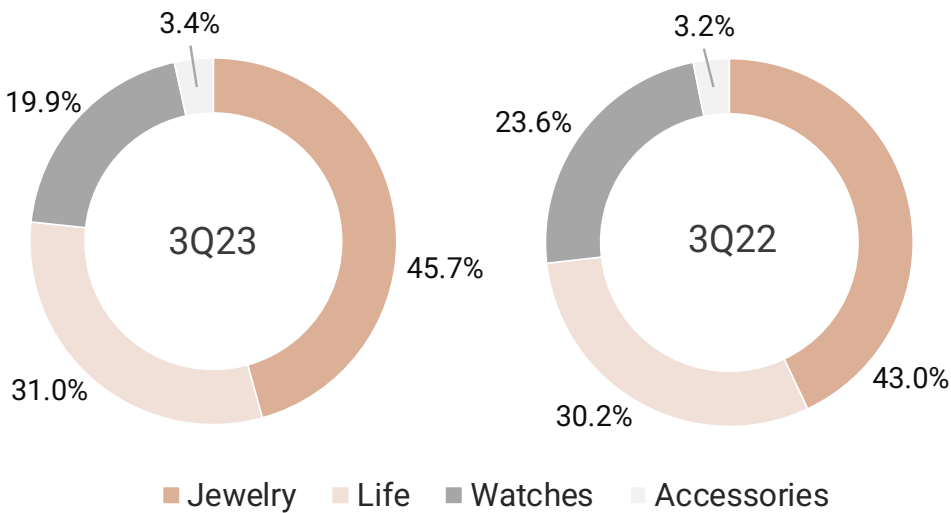


OMS sales, i.e., sales captured by e-commerce and invoiced by stores, accounted for 27.7% of digital sales last quarter, up 610 bps from 3Q22, reflecting the Company's investments to enable the stores function as hubs, thus offering customers greater convenience while increasing upsell opportunities by integrating the journeys.

In 3Q23, revenue from the “Joias em Ação” program increased 51.5%, a significant growth compared to the same period last year, accounting for 26.1% of total digital sales. This format continues to drive the performance of the Jewelry category, which corresponds to 66.8% of total revenue from this format, followed by the Life category with 22.1%.

Considering both formats mentioned above, total sales through omnichannel initiatives (OMS sales and “Joias em Ação” program) grew 76.6% between the periods.

In 3Q23, the Jewelry category was the top performer in digital sales, expanding its share by 270 bps, reflecting the higher share of “Joias em Ação”. The Life category increased its share of the channel by 80 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.



# 3Q23 | GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

## Physical Stores

In 3Q23, the Company registered sales revenue of R\$490.5 million at physical stores, an increase of 15.7% year on year. Same Store Sales (SSS) at physical stores alone increased 6.1%, mainly driven by stand-alone Life brand stores.

Breakdown by Business (R\$, 000)				3Q23	3Q22	Δ% 23vs22	9M23	9M22	Δ% 23vs22
Vivara	Number of stores			254	237	17	254	237	17
	Store rollouts			2	5	-3	11	3	8
	Sales area (m²)			23,410	21,771	7.5%	23,410	21,771	7.5%
	Gross revenue (net of return)			399,135	374,791	6.5%	1,223,817	1,162,405	5.3%
	Sales per m²			17,050	17,215	-1.0%	52,277	53,393	-2.1%
Life	Number of stores			98	56	42	98	56	42
	Store rollouts			14	13	1	26	10	16
	Sales area (m²)			7,208	4,070	77.1%	7,208	4,070	77.1%
	Gross revenue (net of return)			83,240	41,302	101.5%	247,829	108,198	129.1%
	Sales per m²			11,549	10,148	13.8%	34,384	26,584	29.3%
Kiosk	Number of kiosks			20	22	-2	20	22	-2
	Store rollouts			-1	2	-3	-1	-3	2
	Sales area (m²)			131	143	-8.4%	131	143	-8.4%
	Gross revenue (net of return)			8,137	7,740	5.1%	24,937	25,108	-0.7%
	Sales per m²			62,114	54,126	14.8%	190,358	175,581	8.4%
Total	Points of sales			372	315	57	372	315	57
	Store rollouts			15	20	-5	36	10	26
	Sales area (m²)			30,749	25,984	18.3%	30,749	25,984	18.3%
	Gross revenue (net of return)			490,512	423,833	15.7%	1,496,583	1,295,711	15.5%
	Sales per m²			15,952	16,311	-2.2%	48,671	49,866	-2.4%

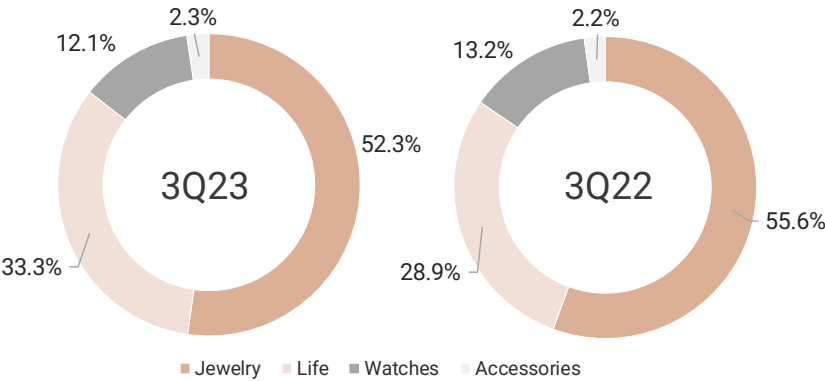
The decline in consolidated revenue per m² reflects: (i) the 63 Vivara stores inaugurated after 2020, whose productivity is lower than that of legacy stores; (ii) the 42 Life brand stores inaugurated in the last 12 months (42.9% of total stores in this format); and (iii) the reduction in number of kiosks by converting them into stores.

Vivara stores, which totaled 254 at the end of the period, registered Gross Revenue (net of returns) of R\$399.1 million in 3Q23, accounting for 81.4% of revenue from physical stores. The 7.5% increase in sales area reflects the addition of 17 Vivara stores in the last 12 months.

Stand-alone Life brand stores registered Gross Revenue (net of returns) of R\$83.2 million, up 101.5% from 3Q22, mainly reflecting the strong store expansion strategy, which expanded the sales area by 77.1% in the last 12 months.

### Sales by category – Physical Stores

As for sales by category at Physical Stores, the Life brand's share of sales increased 440 bps, while Jewelry and Watches categories decreased 330 bps and 110 bps, respectively, directly reflecting the accelerated expansion of Life stores in the last 12 months and the increase in digital sales between the periods.





## 3Q23 | GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

### VIVARA Stores



Vivara stores, which totaled 254 at the end of the period, registered Gross Revenue (net of returns) of R\$399.1 million in 3Q23, up 6.5% from 3Q22, with Same Store Sales (SSS) of 2.8%. 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 9.1%, with SSS of 5.2%.

The Jewelry category registered consolidated growth of 14.8% in the period. The Life category grew 0.9% in the period, due to the opening of new stand-alone Life stores in malls where the company operates both channels.

The cannibalization resulting from the addition of new stand-alone Life stores remains at healthy levels. In 3Q23, the sales of Life products within the 93 Vivara stores at malls where the Company has both channels declined 300 bps in relation to 3Q22 and 290 bps in 9M23.

Note that despite the reduction in Life brand's share of sales, total revenue from this group of stores increased 1.1% in 3Q23 compared to 3Q22.

### 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 17.0%, up 730 bps from 3Q22. The revenue growth is explained by: (i) the opening of 42 new stand-alone Life stores in the last 12 months; (ii) the 38.1% growth in SSS of Life stores above the average of total stores; (iii) the diversification of portfolio, increasing the assortment and bringing fashion trends to the brand's products; and (iv) the right communication and marketing strategy.

At the end of the quarter, revenue from 18 mature Life stores grew 34.3% from the same period last year. These mature stores registered average revenue of R\$6.2 million in the last 12 months (LTM) ended in September.



Moreover, the 15 Life stores inaugurated in 2021, which have not yet matured, registered average revenue LTM of R\$5.4 million.

In 3Q23, Life stores accounted for a significant share of 43.6% of total sales, a significant 140 bps increase year on year.



# 3Q23 | GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

## PHYGITAL AND THE OMNICHANNEL STRATEGY

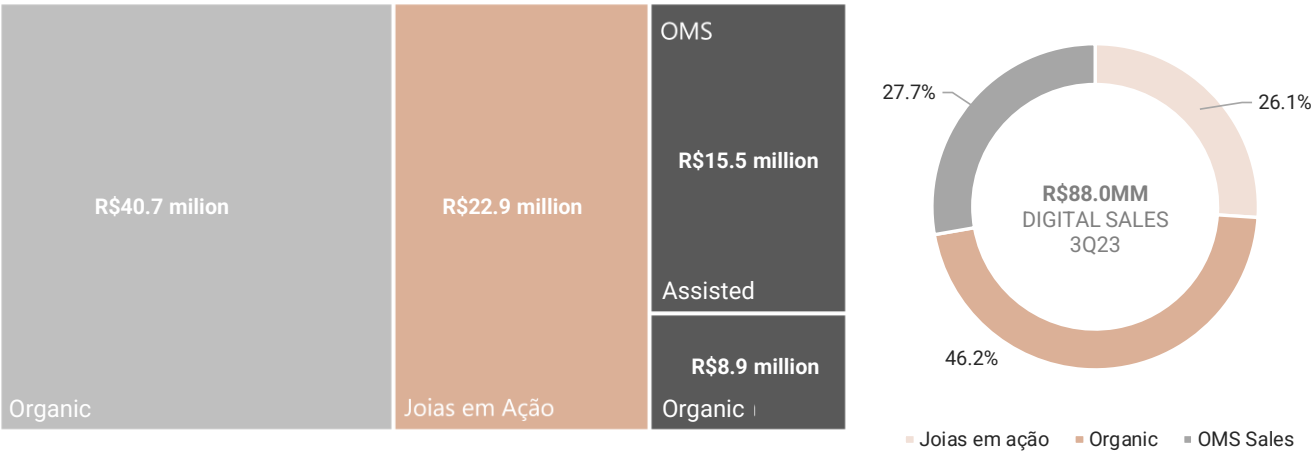
To illustrate how the omnichannel strategy changes the revenue dynamic per channel, below are the definitions and revenue allocation premises:

### COMPOSITION OF DIGITAL SALES

**“Joias em Ação”** – assisted sales conducted by salespeople remotely, invoiced and shipped by e-commerce;  
**Organic** – sales with no assistance from salespeople, are invoiced and shipped by e-commerce;  
**OMS Sales** – sales captured by the e-commerce platform and invoiced and/or shipped by the store, considering the best management of inventory. OMS sales may or may not be assisted.

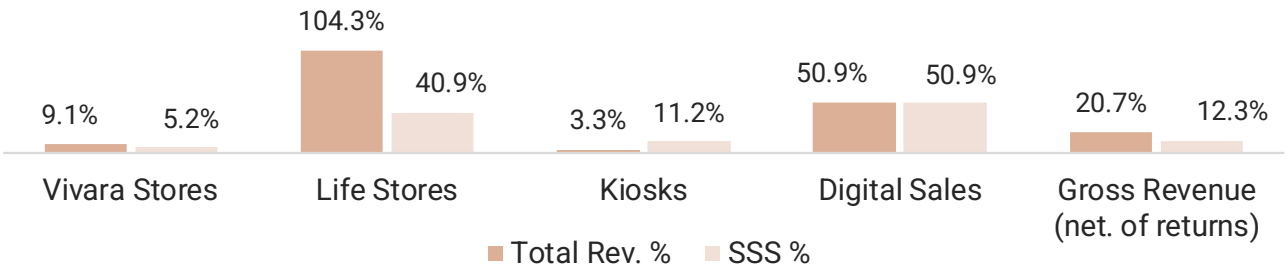
The Company believes that the separation and allocation premises adequately reflect the nature of each sale. However, it also understands the importance of sharing the comfort of the internal view that omnichannel changes the dynamics between channels without changing the individual profitability of each.

Sales through omnichannel initiatives, which correspond to the sum of “Joias em Ação” and OMS sales, increased 76.6% in 3Q23 compared to 3Q22.



## PHYGITAL VISION

In the integrated analysis of channels, and for the purpose of setting the targets and compensation of salespeople, the Company managerially allocates assisted sales from both “Joias em Ação” and assisted OMS sales to each the physical store of each salesperson, thus creating a phygital revenue view.



The omnichannel strategy has increasingly been consolidating its niche in Vivara's business model, with the sales force reaping the benefits of the investments made, to offer greater convenience to our customers.

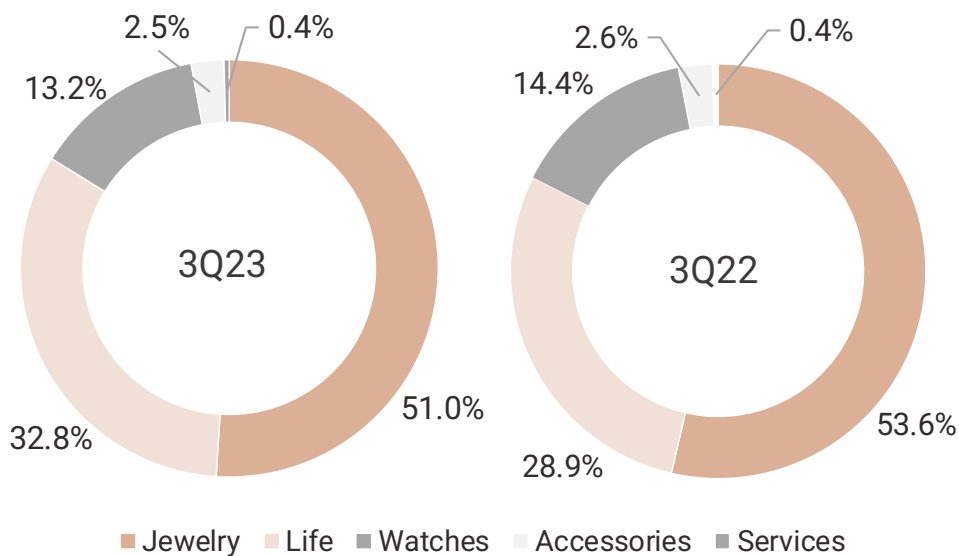
# 3Q23 | GROSS REVENUE BY CATEGORY (Net of Returns)

As for sales mix, the quarterly highlight was the Life category, which generated sales revenue of R\$190.7 million, up 37.3% from 3Q22, and increasing its share of total sales by 380 bps. This performance is mainly due to the addition of 42 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, collections continue to expand their share of sales.

In 3Q23, the Vivara brand, focused on the Jewelry category, showed an acceleration of growth compared to the immediately previous quarters. Revenue from Jewelry category increased 14.8% in the period, driven by its line of wedding and solitaire rings and the higher share of the “Joias em Ação” program.

The Vivara brand launched several products and campaigns in 3Q23: in August, the brand launched the Vivara You collection, a mix of more casual, versatile and modern products that participate in more of the customers' shopping moments. In September, the brand launched an innovative campaign on betrothals, featuring actress Isis Valverde and its line of wedding and solitaire rings.



Revenue per product (R\$, 000)	3Q23	3Q22	Δ% 23vs22	9M23	9M22	Δ% 23vs22
Gross Revenue (net of return)	581,241	481,376	20.7%	1,770,835	1,479,518	19.7%
Jewelry	296,452	258,144	14.8%	903,046	808,706	11.7%
Life	190,725	138,882	37.3%	603,386	436,833	38.1%
Watches	76,982	69,528	10.7%	214,312	194,176	10.4%
Accessories	14,798	12,708	16.4%	42,873	33,517	27.9%
Services	2,283	2,114	8.0%	7,218	6,286	14.8%
Revenue Deductions	(123,930)	(88,500)	40.0%	(361,988)	(279,828)	29.4%
Net Revenue	457,311	392,876	16.4%	1,408,847	1,199,690	17.4%

# 3Q23 | GROSS PROFIT AND GROSS MARGIN

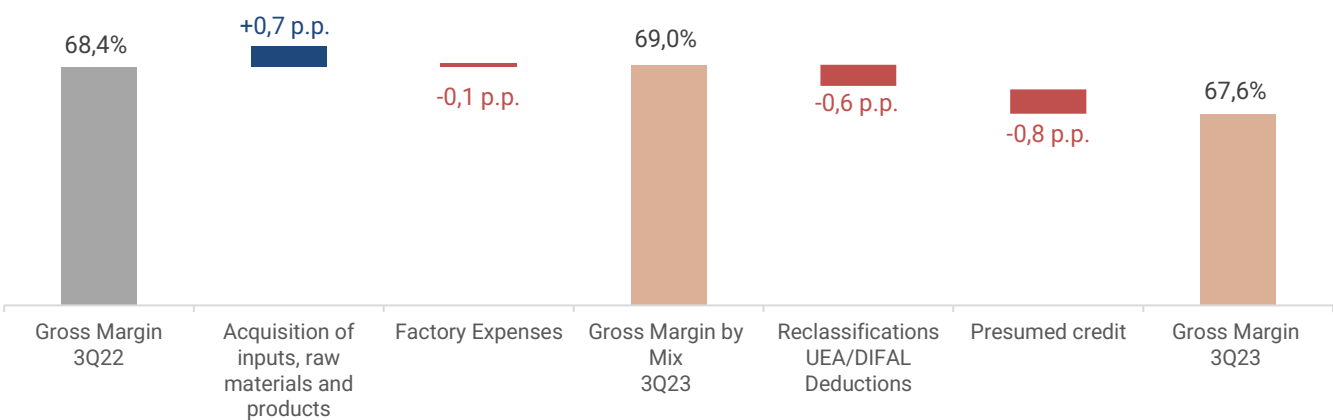
Gross Profit (R\$, 000) and Gross Margin (%)	3Q23	3Q22	Δ% 23vs22	9M23	9M22	Δ% 23vs22
Net Revenue	457,311	392,876	16.4%	1,408,847	1,199,690	17.4%
Total costs	(148,269)	(124,054)	19.5%	(437,122)	(385,609)	13.4%
Acquisition of input, raw materials and products	(128,956)	(107,851)	19.6%	(379,718)	(337,722)	12.4%
% Net Revenue	-28.2%	-27.5%	-75 bps	-27.0%	-28.2%	120 bps
Factory Expenses	(19,313)	(16,203)	19.2%	(57,404)	(47,886)	19.9%
% Net Revenue	-4.2%	-4.1%	-10 bps	-4.1%	-4.0%	-8 bps
Personal	(15,631)	(12,806)	22.1%	(46,207)	(38,434)	20.2%
% Net Revenue	-3.4%	-3.3%	-16 bps	-3.3%	-3.2%	-8 bps
Factory expenses	(1,895)	(1,837)	3.2%	(6,075)	(5,428)	11.9%
% Net Revenue	-0.4%	-0.5%	5 bps	-0.4%	-0.5%	2 bps
Depreciation	(1,786)	(1,559)	14.5%	(5,122)	(4,024)	27.3%
% Net Revenue	-0.4%	-0.4%	1 bps	-0.4%	-0.3%	-3 bps
Gross profit	309,042	268,822	15.0%	971,725	814,081	19.4%
Gross margin %	67.6%	68.4%	-80 bps	69.0%	67.9%	110 bps

Gross Profit in 3Q23 totaled R\$309.0 million, up 15.0% year on year, with Gross Margin of 67.6%.

The Company's gross profitability continues to capture the effects of the increasing share of Life share in total sales. However, in the Vivara brand, with the Jewelry category, a mix effect was observed, which generated a loss in the category's margin, mainly due to the higher share of wedding rings and commercial items, which have marginally lower margins than collections. The jewelry mix effect partially neutralized Life's share gain.

Note that 2023 has been an year of operational adjustments, marked by the migration of the plant and, consequently, an increase in imports. Hence, the 70 bps increase in Gross Margin due to the dilution of Costs of Acquisition of Inputs and Raw Materials was neutralized by the following: (i) the reclassification of R\$8.2 million in tax expenses, previously booked under "Taxes and Fees" in Selling Expenses, and which, since 2Q23, are being deducted from revenue, reducing margin in the period by 60 bps; and (ii) the lower presumed tax liability, which is traditionally concentrated in the third quarter but, exceptionally this year, was distributed during the previous months to mitigate any risk of interruption in supplies to stores during the year-end season, during the plant migration period.

## Gross Margin Composition



From a structural viewpoint, note that the Company continues to register healthy margins across all categories and reap the benefits of the sales mix. As such, efficient inventory management combined with the appropriate pricing strategy were crucial for mitigating the impact caused by the migration of the production unit, once again underscoring the Company's capacity to optimize portfolio and manage costs.

# 3Q23 | OPERATING EXPENSES

Operating Expenses (R\$, 000)	3Q23	3Q22	Δ% 23vs22	9M23	9M22	Δ% 23vs22
Operating Expenses	(208,196)	(176,104)	18.2%	(635,042)	(532,187)	19.3%
Operating Expenses/Net Revenue (%)	-45.5%	-44.8%	-70 bps	-45.1%	-44.4%	-71 bps
Selling Expenses	(162,238)	(130,214)	24.6%	(482,772)	(394,476)	22.4%
Selling Expenses/Net Revenue (%)	-35.5%	-33.1%	-233 bps	-34.3%	-32.9%	-139 bps
General and Administrative Expenses	(45,958)	(45,890)	0.1%	(152,270)	(137,712)	10.6%
Expenses/Net Revenue (%)	-10.0%	-11.7%	163 bps	-10.8%	-11.5%	67 bps
Other Operating Expenses	18,464	244	7464.3%	17,830	(6,292)	383.4%
Total Operating Expenses	(189,731)	(175,860)	7.9%	(617,212)	(538,479)	14.6%

Operating Expenses (SG&A) in the quarter reached R\$208.2 million, corresponding to 45.5% of Revenue, down 70 bps year on year.

Selling Expenses increased 24.6%, up 233 bps from the same period last year, mainly due to: (i) higher Personnel Expenses resulting from the accelerated organic expansion; (ii) expenses with Third-Party Services, related to store maintenance; and (iii) the increase in Marketing Expenses.

Apart from the impacts related to operational expansion, Personnel Expenses, reported here, were affected by the reclassification of expenses previously booked under General and Administrative Expenses, as follows: (i) R\$6.8 million, related to "Personnel" expenses of areas directly related to the operation, such as logistics and sales recovery; and (ii) R\$2.0 million, related to the agreement with outsourced professionals at stores and logistics services. On the other hand, taxes related to the difference in the ICMS rate (DIFAL), amounting to R\$3.6 million, and the state tax linked to the Manaus Free Trade Zone (UEA) compensation plan, amounting to R\$4.6 million, are now included in "Deductions from Revenue", positively impacting the "Taxes and Fees" line, compared to the same period last year.

General and Administrative Expenses was diluted by 160 bps on net revenue, though in line with the previous year. Personnel expenses in the quarter were affected by non-recurring events, as follows: (i) R\$4.1 million of extraordinary plant bonus; and (ii) R\$3.4 million of termination of employment agreements with executive officers. The Company's healthy performance in controlling and managing administrative expenses is the result of an ongoing project to review the organizational structure and corporate processes. As explained earlier, the reclassification of expenses mentioned in the previous paragraph benefited Personnel Expenses under G&A by R\$8.8 million.

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

Other Operating Expenses (Revenue) in 3Q23 include revenue of R\$13.6 million from extemporaneous PIS/Cofins tax credits.



## 3Q23 | ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

EBITDA Reconciliation (R\$, 000)	3Q23	3Q22	Δ% 23vs22	9M23	9M22	Δ% 23vs22
Net Income	76,539	68,127	12.3%	225,094	203,101	10.8%
Net margin (%)	16.7%	17.3%	-60 bps	16.0%	16.9%	-95 bps
(+) Income and Social Contribution Taxes	1,381	(17,792)	107.8%	4,044	(40,024)	110.1%
(+) Financial Result	9,299	12,812	-27.4%	32,550	33,057	-1.5%
(+) Depreciation and Amortization	33,878	31,373	8.0%	97,948	83,492	17.3%
Total EBITDA	121,097	94,521	28.1%	359,636	279,626	28.6%
(-) Rental expense (IFRS16)	(26,393)	(22,810)	15.7%	(77,081)	(64,627)	19.3%
(+) Non-recurring effect	(6,093)	-	na	(3,485)	8,081	-143.1%
Adjusted EBITDA	88,611	71,710	23.6%	279,070	223,080	25.1%
Adjusted EBITDA Margin (%)	19.4%	18.3%	112 bps	19.8%	18.6%	121 bps

Non-recurring effects excluded from Adjusted EBITDA in 9M22: (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; and (ii) \$2.6 million referring to the constitution of an additional provision for DIFAL, for the year 2021.

Non-recurring effects excluded from Adjusted EBITDA in 9M23: (i) non-recurring expenses with lawyers, (ii) the success in eliminating tax risks from infraction notices between 2012 and 2014 and (iii) due to untimely expenses, arising from last year's M&A project and in 3Q23 relating to (i) extraordinary factory bonus and (ii) costs related to the resignation of a board member.

In 3Q23, the Company recorded Adjusted EBITDA of R\$88.6 million, with Adjusted EBITDA Margin of 19.4%, up 110 bps from 3Q22. The 23.6% growth reflects the brisk sales pace and optimum inventory mix across all categories, as well as strict budgetary control, combined with the accelerated expansion of stores in the last 2 years, with 26.8% of the stores in maturation. EBITDA for the period was adjusted by the rental expense of contracts classified by IFRS/16, as well as by non-recurring effects, as follows: (i) R\$ 4.1 million in extraordinary factory bonus, (ii) R\$ 3, 4 million from resignation of board members and (iii) R\$ 13.6 million from extemporaneous PIS/Cofins credits.

Adjusted EBITDA margin benefited from operating leverage resulting from General and Administrative Expenses. The combination of brisk sales pace and dilution of General and Administrative Expenses more than offset the impact of higher Selling Expenses resulting from the strong expansion of physical stores during the period and lower Gross Margin.

## 3Q23 | NET INCOME AND NET MARGIN

EBITDA Reconciliation and Net Income (R\$'000)	3Q23	3Q22	Δ% 23vs22	9M23	9M22	Δ% 23vs22
Adjusted EBITDA	88,611	71,710	23.6%	292,701	223,080	31.2%
Adjusted EBITDA Margin (%)	19.4%	18.3%	112 bps	20.8%	18.6%	218 bps
(-) Rental expense (IFRS16)	26,393	22,810	15.7%	77,081	64,627	19.3%
(-) Non-recurring effects	6,093	-	-	(10,146)	(8,081)	25.6%
(+) Depreciation and Amortization	(33,878)	(31,373)	8.0%	(97,948)	(83,492)	17.3%
(+) Financial Result	(9,299)	(12,812)	-27.4%	(32,550)	(33,057)	-1.5%
(+) Income and Social Contribution Taxes	(1,381)	17,792	-107.8%	(4,044)	40,024	-110.1%
Net Income	76,539	68,127	12.3%	225,094	203,101	10.8%
Net Income Margin (%)	16.7%	17.3%	-60 bps	16.0%	16.9%	-95 bps

The Company registered Net Income of R\$76.5 million in the quarter, up 12.3% from 3Q22, and Net Margin of 16.7%. The pressure on net margin in the period is mainly due to the normalization of Deferred Taxes and the difference in the presumed credit level between the periods, due to the rebalancing of Conipa's production.

## 3Q23 | CAPEX

Investments (R\$, 000)	3Q23	3Q22	Δ% 23vs22	9M23	9M22	Δ% 23vs22
<b>Total Capex</b>	<b>48,097</b>	<b>51,263</b>	<b>-6.2%</b>	<b>139,391</b>	<b>106,447</b>	<b>30.9%</b>
New Stores	22,872	25,996	-12.0%	49,868	48,963	1.8%
Reforms and Maintenance	4,051	4,881	-17.0%	25,697	17,061	50.6%
Factory	9,872	1,722	473.1%	31,187	6,757	361.5%
Systems/IT	9,052	10,067	-10.1%	22,060	20,101	9.7%
Others	2,251	8,596	-73.8%	10,578	13,564	-22.0%
<b>CAPEX/Net Revenue (%)</b>	<b>10.5%</b>	<b>13.0%</b>	<b>-253 bps</b>	<b>9.9%</b>	<b>8.9%</b>	<b>102 bps</b>

In 3Q23, investments totaled R\$48.1 million, down 6.2% from 3Q22, explained by: (i) the increase in investments in the construction of the new plant; (ii) the inauguration of 4 Vivara stores and 14 Life stores in the quarter; and (iii) investments in IT systems, mainly the second phase of the SAP implementation project.

## 3Q23 | DEBT

Net Debt (R\$, 000)	9M23	2022	Δ %
<b>Gross Debt</b>	<b>274,382</b>	<b>225,157</b>	<b>21.9%</b>
Short Term	141,777	116,970	21.2%
Long Term	132,604	108,186	22.6%
Cash and cash equivalents and Securities	206,834	382,867	-46.0%
<b>Net Debt</b>	<b>(67,548)</b>	<b>157,710</b>	<b>-142.8%</b>
Adjusted EBITDA LTM ( <i>last twelve months</i> )	457,092	401,082	14.0%
Net Debt/Adjusted EBITDA	- 0.1x	0.4x	na

In 3Q23, Gross Debt increased 21.9% in relation to December 2022. Net cash in the period decreased 142.8%, due to higher working capital allocation and higher investments during the period.

## 3Q23 | CASH GENERATION

Cash Flow (R\$, 000)	3Q23	3Q22	Δ% 23vs22	9M23	9M22	Δ% 23vs22
<b>Net Income</b>	<b>76,539</b>	<b>68,127</b>	<b>12.3%</b>	<b>225,094</b>	<b>203,101</b>	<b>10.8%</b>
(+/-) Income and Social Contribution Taxes/Others	(7,961)	(2,086)	281.6%	16,307	(8,292)	296.7%
<b>Adjusted Net Income</b>	<b>68,578</b>	<b>66,042</b>	<b>3.8%</b>	<b>241,402</b>	<b>194,809</b>	<b>23.9%</b>
<b>Working Capital</b>	<b>(81,806)</b>	<b>(90,462)</b>	<b>-9.6%</b>	<b>(224,594)</b>	<b>(257,716)</b>	<b>-12.9%</b>
Trade receivables	44,432	44,919	-1.1%	104,360	85,285	22.4%
Inventories	(24,200)	(128,690)	-81.2%	(166,208)	(247,302)	-32.8%
Trade payables	(83,851)	20,147	-516.2%	(14,190)	30,115	-147.1%
Recoverable taxes	(9,959)	(15,152)	-34.3%	(27,149)	(29,971)	-9.4%
Taxes payable	(7,370)	(5,785)	27.4%	(72,893)	(62,960)	15.8%
Other assets and liabilities	(858)	(5,900)	-85.5%	(48,514)	(32,883)	47.5%
<b>Cash from Management Operating Activities</b>	<b>(13,228)</b>	<b>(24,420)</b>	<b>-45.8%</b>	<b>16,808</b>	<b>(62,907)</b>	<b>126.7%</b>
Capex	(48,098)	(51,264)	-6.2%	(139,391)	(106,447)	30.9%
<b>Free Cash Generation</b>	<b>(61,325)</b>	<b>(75,684)</b>	<b>-19.0%</b>	<b>(122,583)</b>	<b>(169,354)</b>	<b>-27.6%</b>

The Company consumed operating cash of R\$13.2 million, 45.8% less compared to 3Q22, mainly due to the redistribution of plant production during the previous months and, consequently, lower investments in inventories. Cash consumption, considering investments during the period, decreased R\$61.3 million, -19.0% from 3Q22.

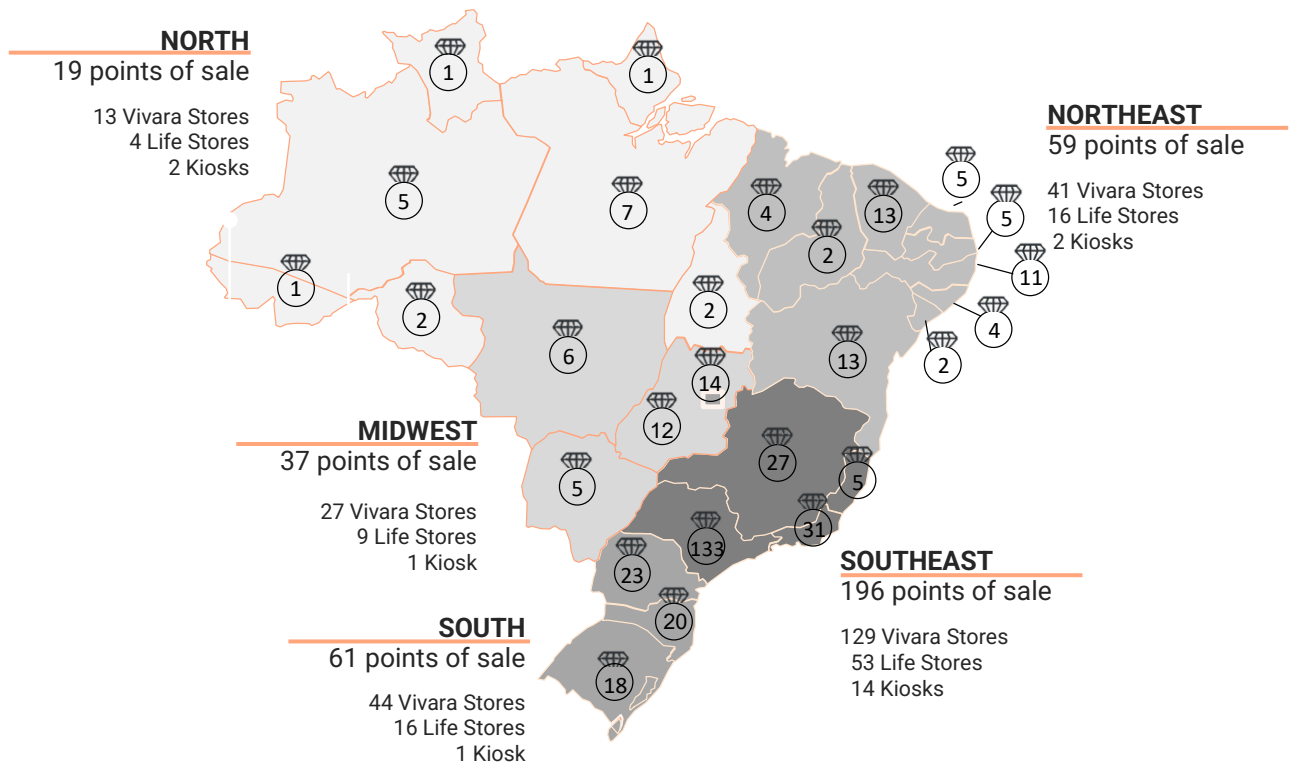
The effect of reverse factoring transactions on the Company's cash flow in the quarter was -R\$38.8 million, as against R\$18.2 million in 3Q22. In 9M23, the effect on cash was -R\$17.2 million, as against -R\$37.2 million in 2022.



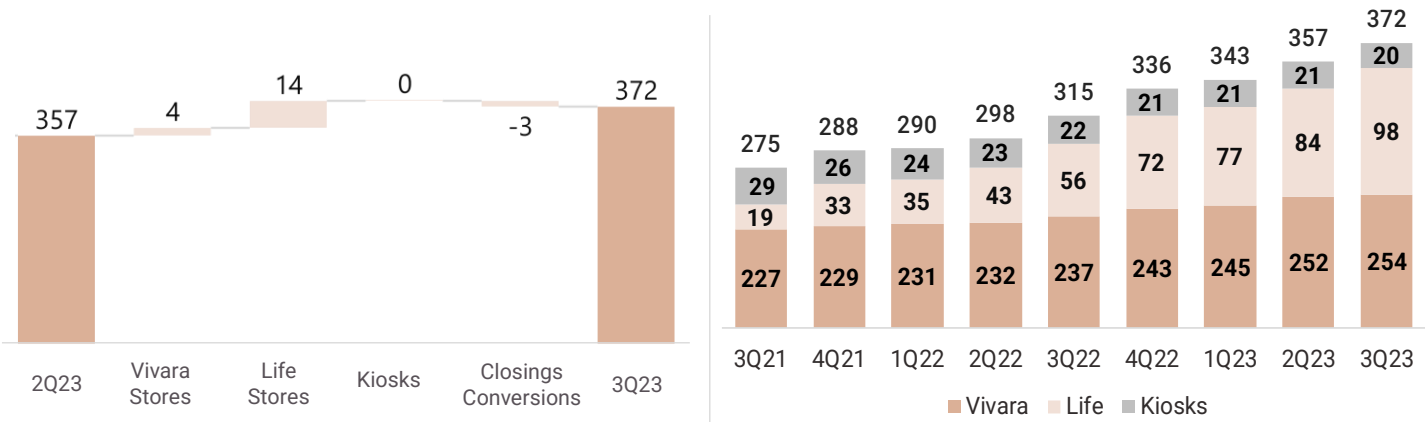
# 3Q23 | EXPANSION

At the end of September 2023, the Company had 372 points of sale in operation, adding 4 new Vivara stores and 14 new Life stores in the third quarter of the year, sustaining the accelerated expansion expected for the year. In 9M23, the Company opened 39 new stores: 13 Vivara and 26 Life.

Currently, 53% of Vivara stores are located in the Southeast region, though its units are present in all the regions of Brazil. Similarly, Life stores are present in all the regions of Brazil, though 54% are located in the Southeast region.



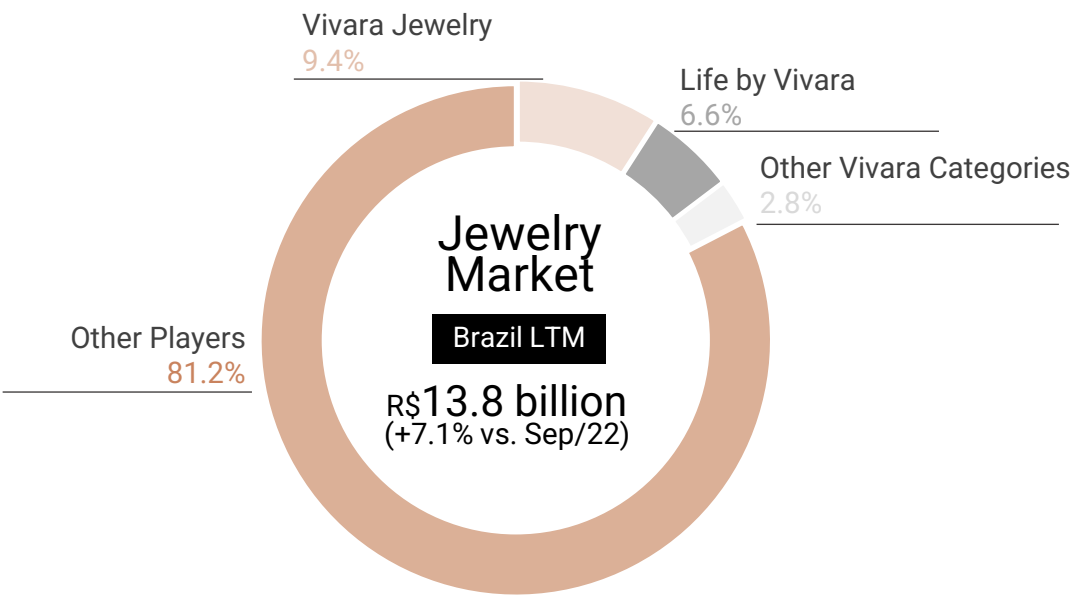
In all, the Company has 254 Vivara stores, 98 Life stores and 20 kiosks spread across Brazil, maintaining a constant - and accelerated - pace of growth in recent years.



# 3Q23 | OUTLOOK

- 2023 – The 3Q23 results underscore our confidence that we are prepared for the opportunities to continue delivering consistent results. Sales pace continues to match our expectations, with no signs of any slowdown. In October, we held our National Sales Convention, bringing together 430 people from stores for three days of immersion, training and content. The teams are engaged and 100% focused on the year's most important quarter. The stores and the digital platform are well prepared, inventories at optimum levels, many launches to come, and support areas all set to support the sales force at stores and ensure the best experience in choosing the perfect gift.
- Manaus plant – We ended October with our Life and Watch plants stabilized. The new structure is already prepared to house the Jewelry plant by the end of the year, safely and without any interruptions in the process. We are confident of the opportunities and improvements the new plant can bring to the quality of products and efficiency to the production process.
- Expansion – The expectation for the final quarter of the year is the completion of the Company's biggest ever annual expansion plan. In October, we opened 8 stores, 5 of which were Life and 3 were Vivara. In November and December, we have a forecast of more than 15 stores to open, in line with the published guidance, of 55 to 65 stores for the year 2023. For 2024, we have already 24 concluded negotiations to continue with the strong pace of organic expansion of channels.
- Market Share – The Company ended 3Q23 with 18.8% share of Brazil's jewelry market, increasing 190 bps in relation to September 2022, with Vivara accounting for 9.4%, Life brand 6.6% and other categories 2.8%. 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 2023, the Company remains confident of retaining and expanding its market leadership while continuously reinforcing its strategic and growth projects.

## MARKET SHARE



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

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Company Information / Capital - Breakdown

Number of Shares		Current Quarter
(Units)		09/30/2023
Paid-in Capital		
Common		236,197,769
Preferred		0
Total		236,197,769
Held in Treasury		0
Common		996,955
Preferred		0
Total		996,955

**Parent FS / Balance Sheet Assets****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 09/30/2023</b>	<b>Last Year 12/31/2022</b>
1	Total Assets	1,880,369,506	1,746,140,473
1.01	Current Assets	2,360,686	3,077,656
1.01.01	Cash and Cash Equivalents	195,725	107,592
1.01.01.01	Cash and cash equivalents	195,725	107,592
1.01.03	Trade Receivables	0	58,947
1.01.03.02	Trade Receivables	0	58,947
1.01.03.02.01	Interest on own capital receivable	0	58,947
1.01.06	Recoverable Taxes	2,033,483	2,714,768
1.01.06.01	Current Recoverable Taxes	2,033,483	2,714,768
1.01.06.01.01	Recoverable taxes	2,033,483	2,714,768
1.01.07	Prepaid Expenses	131,478	196,349
1.01.07.01	Prepaid Expenses and other receivables	131,478	196,349
1.02	Noncurrent Assets	1,878,008,820	1,743,062,817
1.02.02	Investments	1,878,008,820	1,743,062,817
1.02.02.01	Equity Interests	1,878,008,820	1,743,062,817
1.02.02.01.02	Equity Interests in Controlled	1,878,008,820	1,743,062,817

**Parent FS / Balance Sheet - Liabilities****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 09/30/2023</b>	<b>Last Year 12/31/2022</b>
2	Total Liabilities	1,880,369,506	1,746,140,473
2.01	Current Liabilities	1,329,944	86,678,707
2.01.01	Payroll and Related Taxes	243,433	238,060
2.01.01.01	Social Security Obligations	36,077	36,118
2.01.01.01.01	INSS and FGTS	36,077	36,118
2.01.01.02	Payroll Obligations	207,356	201,942
2.01.01.02.02	Payroll obligations	207,356	201,942
2.01.03	Taxes Payable	8,042	9,278
2.01.03.01	Federal Taxes Payable	8,020	9,278
2.01.03.01.02	PIS and COFINS payable	906	1,577
2.01.03.01.04	Other federal taxes payable	7,114	7,701
2.01.03.03	Municipal Taxes Payable	22	0
2.01.03.03.02	Other Municipal taxes payable	22	0
2.01.05	Other Payables	1,078,469	86,431,369
2.01.05.01	Liabilities with Related Parties	232,847	0
2.01.05.01.01	Debts with Affiliates	232,847	0
2.01.05.02	Other	845,622	86,431,369
2.01.05.02.01	Current Liabilities – due to Related Parties	5,342	85,705,851
2.01.05.02.08	Other Payables	216,191	725,518
2.01.05.02.09	Services rendered payable	624,089	0
2.02	Noncurrent Liabilities	2,439,523	1,508,499
2.02.02	Other Payables	2,439,523	1,508,499
2.02.02.02	Other	2,439,523	1,508,499
2.02.02.02.08	Other Payables	2,439,523	1,508,499
2.03	Equity	1,876,600,039	1,657,953,267
2.03.01	Paid-in Capital	1,105,381,209	1,105,381,209
2.03.01.01	Share capital	1,105,381,209	1,105,381,209
2.03.02	Capital Reserve	-68,944,774	-62,497,225
2.03.02.04	Options Granted	8,272,400	5,237,843
2.03.02.05	Share in Treasury	-24,176,047	-14,693,941
2.03.02.07	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	615,069,283	615,069,283
2.03.04.01	Legal Reserve	42,945,208	42,945,208
2.03.04.02	Statutory Reserve	572,124,075	572,124,075
2.03.05	Retained earnings/accumulated deficit	225,094,321	0



**Parent FS / Statement of Profit and Loss****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 07/01/2023 to 09/30/2023</b>	<b>Accumulated Current Year 01/01/2023 to 09/30/2023</b>	<b>Same Quarter Last Year 07/01/2022 to 09/30/2022</b>	<b>Accumulated Last Year 01/01/2022 to 09/30/2022</b>
3.04	Operating Expenses/Income	76,482,274	224,838,855	68,044,722	204,150,047
3.04.02	General and Administrative Expenses	-3,086,197	-11,623,536	-3,474,387	-9,142,453
3.04.02.01	General and Administrative	-3,086,197	-11,623,536	-3,474,387	-9,142,453
3.04.04	Others Operating Income	0	0	0	-3,137
3.04.04.01	Others operating income	0	0	0	-3,137
3.04.05	Other Operating Expenses	0	-8,611	0	0
3.04.06	Share of Profit (Loss) of Investees	79,568,471	236,471,002	71,519,109	213,295,637
3.04.06.01	Share of profit (loss) of investees	79,568,471	236,471,002	71,519,109	213,295,637
3.05	Profit Before Finance Income (Costs) and Taxes	76,482,274	224,838,855	68,044,722	204,150,047
3.06	Finance Income (costs)	56,574	255,466	82,671	-1,048,961
3.06.01	Finance Income	60,023	278,180	89,305	467,276
3.06.01.01	Finance income	60,023	278,180	89,305	467,276
3.06.02	Finance Costs	-3,449	-22,714	-6,634	-1,516,237
3.06.02.01	Finance costs	-3,449	-22,714	-6,634	-1,516,237
3.07	Profit Before Income Taxes	76,538,848	225,094,321	68,127,393	203,101,086
3.08	Income Tax and Social Contribution on Net Income	0	0	0	0
3.08.01	Current	0	0	0	0
3.09	Profit from Discontinued Operation	76,538,848	225,094,321	68,127,393	203,101,086
3.11	Profit/Loss for the Period	76,538,848	225,094,321	68,127,393	203,101,086
3.99	Earnings per Share - R\$	0	0	0	0
3.99.01	Basic earnings per share	0	0	0	0
3.99.01.01	Common shares	0.32411	0.95626	0.2887	0.86068
3.99.02	Diluted earnings per share	0	0	0	0
3.99.02.01	Common shares	0.32409	0.95597	0.28863	0.86045

**Parent FS / Statement of Comprehensive Income****(Reais)**

Account Code	Account Description	Current Quarter 07/01/2023 to 09/30/2023	Accumulated Current Year 01/01/2023 to 09/30/2023	Same Quarter Last Year 07/01/2022 to 09/30/2022	Accumulated Last Year 01/01/2022 to 09/30/2022
4.01	Profit for the Period	76,538,848	225,094,321	68,127,393	203,101,086
4.02	Other Comprehensive Income	0	0	0	0
4.02.01	Fair value of financial instruments	0	0	0	0
4.03	Total Comprehensive Income for the Period	76,538,848	225,094,321	68,127,393	203,101,086

**Parent FS / Statement of Cash Flows - Indirect Method****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2023 to 09/30/2023</b>	<b>Accumulated Last Year 01/01/2022 to 09/30/2022</b>
6.01	Net Cash from Operating Activities	-4,623,927	-11,357,844
6.01.01	Cash Generated by Operations	-6,787,235	-7,405,369
6.01.01.01	Profit (loss) for the year	225,094,321	203,101,086
6.01.01.08	Share of profit (loss) of investees	-236,471,002	-213,295,637
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-75,437	-441,968
6.01.01.15	Options Granted	4,664,883	3,231,150
6.01.02	Changes in Assets and Liabilities	2,163,308	-3,952,475
6.01.02.02	Related parties	291,794	0
6.01.02.04	Recoverable taxes	0	-3,985
6.01.02.06	Other credits	64,870	-58,773
6.01.02.08	Payroll and Social Security Obligations	5,374	115
6.01.02.09	Taxes payable	755,486	-4,978,126
6.01.02.13	Other payables	1,045,784	1,088,294
6.02	Net Cash from Investing Activities	-11,112,432	47,951,059
6.02.08	Interest on own capital received	0	62,645,000
6.02.09	Treasury Shares	-11,112,432	-14,693,941
6.03	Net Cash from Financing Activities	15,824,492	-36,593,090
6.03.02	Dividends Received	101,525,000	34,296,214
6.03.03	Dividends Paid	-85,700,508	-12,708,277
6.03.09	Interest on Equity Reserve Paid	0	-58,181,027
6.05	Increase (Decrease) in Cash and Cash Equivalents	-88,133	125
6.05.01	Opening Balance of Cash and Cash Equivalents	107,592	5,249
6.05.02	Closing Balance of Cash and Cash Equivalents	195,725	5,374

**Parent FS / Statement of Changes in Equity / 01/01/2023 - 09/30/2023****(Reais)**

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity
5.01	Opening balances	1,105,381,209	-62,497,225	615,069,283	0	0	1,657,953,267
5.03	Adjusted opening balances	1,105,381,209	-62,497,225	615,069,283	0	0	1,657,953,267
5.04	Capital Transactions with partners	0	-6,447,549	0	0	0	-6,447,549
5.04.03	Options Granted Recognized	0	3,034,557	0	0	0	3,034,557
5.04.04	Shares in Treasury Acquired	0	-11,112,432	0	0	0	-11,112,432
5.04.08	Shares assigned incentive plans	0	1,630,326	0	0	0	1,630,326
5.05	Total Comprehensive Income	0	0	0	225,094,321	0	225,094,321
5.05.01	Profit for the Period	0	0	0	225,094,321	0	225,094,321
5.07	Closing Balances	1,105,381,209	-68,944,774	615,069,283	225,094,321	0	1,876,600,039

**Parent FS / Statement of Changes in Equity / 01/01/2022 - 09/30/2022****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Paid-in capital</b>	<b>Capital Reserves, Granted Options and Treasury Shares</b>	<b>Earnings Reserves</b>	<b>Retained earnings (accumulated losses)</b>	<b>Other Comprehensive Income</b>	<b>Equity</b>
5.01	Opening balances	1,105,381,209	-52,567,635	339,917,790	0	0	1,392,731,364
5.03	Adjusted opening balances	1,105,381,209	-52,567,635	339,917,790	0	0	1,392,731,364
5.04	Capital Transactions with Partners	0	-11,462,791	0	0	0	-11,462,791
5.04.03	Options Granted Recognized	0	3,231,150	0	0	0	3,231,150
5.04.04	Shares in Treasury Acquired	0	-14,693,941	0	0	0	-14,693,941
5.05	Total Comprehensive Income	0	0	0	203,101,086	0	203,101,086
5.05.01	Profit for the Period	0	0	0	203,101,086	0	203,101,086
5.07	Closing Balances	1,105,381,209	-64,030,426	339,917,790	203,101,086	0	1,584,369,659





**Parent FS / Statement of Value Added****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2023 to 09/30/2023</b>	<b>Accumulated Last Year 01/01/2022 to 09/30/2022</b>
7.02	Inputs Purchased from Third Parties	-3,055,115	-2,996,664
7.02.02	Materials, Electric Power, Outside Services and Others	-3,055,115	-2,996,664
7.03	Gross Value Added	-3,055,115	-2,996,664
7.05	Wealth Created by the Company	-3,055,115	-2,996,664
7.06	Wealth Received in Transfer	236,749,182	213,762,913
7.06.02	Finance Income	278,180	467,276
7.06.03	Others	236,471,002	213,295,637
7.06.03.01	Share of profit of subsidiaries and associates	236,471,002	213,295,637
7.07	Wealth for Distribution	233,694,067	210,766,249
7.08	Wealth Distributed	233,694,067	210,766,249
7.08.01	Personnel	7,847,685	5,781,438
7.08.01.01	Salaries and Wags	7,847,685	5,780,037
7.08.01.02	Benefits	0	1,401
7.08.02	Taxes, Fees and Contributions	744,896	1,880,583
7.08.02.01	Federal	728,658	1,876,923
7.08.02.02	State	3,645	0
7.08.02.03	Municipal	12,593	3,660
7.08.03	Lenders and Lessors	7,165	3,142
7.08.03.01	Interest	7,165	3,142
7.08.04	Shareholders	225,094,321	203,101,086
7.08.04.03	Retained Earnings / Loss for the Period	225,094,321	203,101,086

**Consolidated FS / Balance Sheet - Assets****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 09/30/2023</b>	<b>Last Year 12/31/2022</b>
1	Total Assets	3,022,750,955	2,932,172,811
1.01	Current Assets	1,733,661,364	1,761,018,595
1.01.01	Cash and Cash Equivalents	69,518,707	160,035,979
1.01.01.01	Cash and Cash Equivalents	69,518,707	160,035,979
1.01.02	Financial Application	137,315,360	155,139,218
1.01.02.03	Financial application valued at amortized cost	137,315,360	155,139,218
1.01.03	Trade Receivables	558,868,970	663,797,209
1.01.03.01	Trade receivables	558,868,970	663,797,209
1.01.03.01.01	Trade receivables	558,868,970	663,797,209
1.01.04	Inventories	876,445,064	709,711,831
1.01.04.01	Inventories	876,445,064	709,711,831
1.01.06	Recoverable Taxes	75,213,059	55,869,860
1.01.06.01	Current Recoverable Taxes	75,213,059	55,869,860
1.01.06.01.01	Recoverable taxes	75,213,059	55,869,860
1.01.07	Prepaid Expenses	16,300,204	16,464,498
1.01.07.01	Prepaid expenses and other receivables	16,300,204	16,464,498
1.02	Noncurrent Assets	1,289,089,591	1,171,154,216
1.02.01	Long-Term Assets	495,075,266	476,750,797
1.02.01.03	Financial application valued at amortized cost	0	67,691,739
1.02.01.07	Deferred Taxes	245,944,214	199,153,119
1.02.01.07.01	Deferred Income Tax and Social Contribution	245,944,214	199,153,119
1.02.01.10	Other Noncurrent Assets	249,131,052	209,905,939
1.02.01.10.03	Escrow deposits	39,900,892	28,212,541
1.02.01.10.04	Active LP Derivative Instruments	2,099,046	0
1.02.01.10.05	Recoverable taxes	207,131,114	181,693,398
1.02.03	Property, plant and equipment	738,277,282	652,164,662
1.02.03.01	Property, Plant and Equipment in Use	738,277,282	652,164,662
1.02.03.01.01	Property, plant and equipment	738,277,282	652,164,662
1.02.04	Intangible Assets	55,737,043	42,238,757
1.02.04.01	Intangible assets	55,737,043	42,238,757
1.02.04.01.02	Intangible assets	55,737,043	42,238,757

## Consolidated FS / Balance Sheet Liabilities (Reais)

Code Account	Account Description	Current Quarter 09/30/2023	Last Year 12/31/2022
2	Total Liabilities	3,022,750,955	2,932,172,811
2.01	Current Liabilities	576,747,026	726,251,925
2.01.01	Payroll and Related Taxes	93,052,615	92,337,869
2.01.01.01	Social Security Obligations	9,465,603	14,002,771
2.01.01.01.01	INSS / FGTS	9,465,603	14,002,771
2.01.01.02	Payroll Obligations	83,587,012	78,335,098
2.01.01.02.01	Vacation Provision and 13th Salary	51,726,723	30,615,628
2.01.01.02.02	Payroll Obligations	31,860,289	47,719,470
2.01.02	Trade payables	131,017,568	145,207,917
2.01.02.01	Domestic Suppliers	101,808,687	97,264,870
2.01.02.01.01	Domestic	44,315,638	57,018,096
2.01.02.01.02	Agreements	57,493,049	40,246,774
2.01.02.02	Foreign Suppliers	29,208,881	47,943,047
2.01.02.02.01	Foreign	29,208,881	47,943,047
2.01.03	Taxes Payable	58,278,842	111,870,448
2.01.03.01	Federal Taxes Payable	29,731,496	72,313,351
2.01.03.01.01	Income Tax and Social Contribution Payable	18,283,897	23,702,439
2.01.03.01.02	PIS and COFINS payable	9,868,585	21,420,314
2.01.03.01.03	IPI payable	42,759	25,164,766
2.01.03.01.04	Other federal taxes payable	1,439,537	1,800,889
2.01.03.01.05	Installment of taxes	96,718	224,943
2.01.03.02	State Taxes Payable	27,416,519	38,863,186
2.01.03.02.01	State VAT (ICMS)	25,166,457	36,578,725
2.01.03.02.02	Installment of taxes	47,773	35,391
2.01.03.02.03	Other state taxes payable	2,202,289	2,249,070
2.01.03.03	Municipal Taxes Payable	1,130,827	693,911
2.01.03.03.01	Service tax (ISS)	30,256	693,911
2.01.03.03.02	Other Municipal Taxes Payable	1,100,571	0
2.01.04	Borrowings and Financing	141,777,153	116,970,427
2.01.04.01	Borrowings and Financing	141,777,153	116,970,427
2.01.04.01.01	In Local Currency	95,010,775	116,822,747
2.01.04.01.02	In Foreign Currency	46,766,378	147,680
2.01.05	Other Payables	152,620,848	259,865,264
2.01.05.02	Others	152,620,848	259,865,264
2.01.05.02.01	Dividends and Interest on own capital receivable	5,342	85,705,851
2.01.05.02.04	Leases payable	18,942,497	19,766,077
2.01.05.02.05	Right-of-use payable	70,192,885	59,545,758
2.01.05.02.06	Passive derivative instruments	4,086,464	672,298
2.01.05.02.08	Other payables	4,304,621	15,172,280
2.01.05.02.09	Services rendered payable	42,476,525	64,836,213
2.01.05.02.10	Advances from customers	11,602,514	13,156,787
2.01.05.02.11	Deferred Revenue	1,010,000	1,010,000
2.02	Noncurrent Liabilities	569,403,890	547,967,619
2.02.01	Borrowings and Financing	132,604,427	108,186,217
2.02.01.01	Borrowings and Financing	132,604,427	108,186,217



Code	Account Description		
Account		Current Quarter 09/30/2022	Last Year 12/31/2021
2.02.01.01.01	In Local Currency	80,000,000	60,000,000
2.02.01.01.02	In Foreign Currency	52,604,427	48,186,217
2.02.02	Other payables	421,215,892	421,527,242
2.02.02.02	Others	421,215,892	421,527,242
2.02.02.02.04	Right-of-use payable	416,521,852	415,096,799
2.02.02.02.05	Passive derivative instruments	0	1,813,783
2.02.02.02.06	Deferred Revenue	1,935,833	2,693,333
2.02.02.02.07	Taxes in installments	318,683	414,829
2.02.02.02.08	Other payables	2,439,524	1,508,498
2.02.04	Provisions	15,583,571	18,254,160
2.02.04.01	Provision for Tax, Social Security, Labor and Civil	15,583,571	18,254,160
2.02.04.01.01	Tax Provisions	4,470,964	8,725,789
2.02.04.01.02	Provision for Social Security and Labor Obligations	7,424,701	6,797,316
2.02.04.01.04	Civil Provisions	3,687,906	2,731,055
2.03	Consolidated Equity	1,876,600,039	1,657,953,267
2.03.01	Paid-in Capital	1,105,381,209	1,105,381,209
2.03.01.01	Share capital	1,105,381,209	1,105,381,209
2.03.02	Capital Reserve	-68,944,774	-62,497,225
2.03.02.04	Options Granted	8,272,400	5,237,843
2.03.02.05	Treasury Shares	-24,176,047	-14,693,941
2.03.02.07	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	615,069,283	615,069,283
2.03.04.01	Legal Reserve	42,945,208	42,945,208
2.03.04.02	Statutory Reserve	572,124,075	572,124,075
2.03.05	Retained earnings/accumulated deficit	225,094,321	0

**Consolidated FS / Statement of Profit and Loss****(Reais)**

Account Code	Account Description	Current Quarter 07/01/2022 to 09/30/2022	Accumulated Current Year 01/01/2022 to 09/30/2022	Same Quarter Last Year 07/01/2022 to 09/30/2022	Accumulated Last Year 01/01/2022 to 09/30/2022
3.01	Revenue from Sale of Goods and/or Services	457,310,640	1,408,847,483	392,875,888	1,199,689,839
3.01.01	Net Revenue from Sales and Services	457,310,640	1,408,847,483	392,875,888	1,199,689,839
3.01.02	Cost of sales and services	0	0	0	0
3.02	Cost of Sales and Services	-148,268,790	-437,122,083	-124,054,128	-385,608,737
3.02.01	Cost of sales and services	-148,268,790	-437,122,083	-124,054,128	-385,608,737
3.03	Gross Profit	309,041,850	971,725,400	268,821,760	814,081,102
3.04	Operating Expenses/Income	-221,823,258	-710,037,091	-205,674,424	-617,947,121
3.04.01	Selling Expenses	-182,566,878	-541,423,603	-150,067,124	-443,728,022
3.04.01.01	Selling expenses	-182,566,878	-541,423,603	-150,067,124	-443,728,022
3.04.02	General and Administrative Expenses	-57,720,711	-186,443,850	-55,851,398	-167,927,043
3.04.02.01	General and Administrative Expenses	-57,720,711	-186,443,850	-55,851,398	-167,927,043
3.04.04	Other Operating Income	15,503,577	18,308,438	-509,091	148,572
3.04.04.01	Other operating income	15,503,577	18,308,438	-509,091	148,572
3.04.05	Other operating expenses	2,960,754	-478,076	-753,189	-6,440,628
3.04.05.01	Other operating expenses	2,960,754	-478,076	-753,189	-6,440,628
3.05	Profit Before Finance Income (Costs) and Taxes	87,218,592	261,688,309	63,147,336	196,133,981
3.06	Finance Income (Costs)	-9,299,097	-32,549,786	-12,811,615	-33,057,235
3.06.01	Finance Income	15,698,160	34,345,396	10,532,822	34,677,274
3.06.01.01	Finance income	15,698,160	34,345,396	10,532,822	34,677,274
3.06.02	Finance Costs	-24,997,257	-66,895,182	-23,344,437	-67,734,509
3.06.02.01	Finance Costs	-24,997,257	-66,895,182	-23,344,437	-67,734,509
3.07	Profit Before Income Taxes	77,919,495	229,138,523	50,335,721	163,076,746
3.08	Income Tax and Social Contribution	-1,380,645	-4,044,202	17,791,673	40,024,340
3.08.01	Current	-11,376,943	-50,835,297	-13,841,111	-42,724,998
3.08.02	Deferred	9,996,298	46,791,095	31,272,784	82,749,338
3.09	Profit from Discontinued Operation	76,538,850	225,094,321	68,127,394	203,101,086
3.11	Consolidated Profit/Loss for the Period	76,538,850	225,094,321	68,127,394	203,101,086
3.11.01	Attributable to Owners of the Parent	76,538,850	225,094,321	68,127,394	203,101,086
3.99	Earnings per Share - R\$	0	0	0	0
3.99.01	Basic earnings per share	0	0	0	0
3.99.01.01	Common shares	0,32411	0,95626	0,2887	0,86068
3.99.02	Diluted earnings per share	0	0	0	0
3.99.02.01	Common shares	0,32409	0,95597	0,28863	0,86045

**Consolidated FS / Statement of Comprehensive Income****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 07/01/2023 to 09/30/2023</b>	<b>Accumulated Current Year 01/01/2023 to 09/30/2023</b>	<b>Same Quarter Last Year 07/01/2022 to 09/30/2022</b>	<b>Accumulated Last Year 01/01/2022 to 09/30/2022</b>
4.01	Profit for the Period	76,538,848	225,094,321	68,127,393	203,101,086
4.02	Other Comprehensive Income	0	0	0	0
4.03	Total Comprehensive Income for the Period	76,538,848	225,094,321	68,127,393	203,101,086
4.03.01	Attributable to Owners of the Parent	76,538,848	225,094,321	68,127,393	203,101,086

**Consolidated FS / Statement of Cash Flows - Indirect Method****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2023 to 09/30/2023</b>	<b>Accumulated Last Year 01/01/2022 to 09/30/2022</b>
6.01	Net Cash from Operating Activities	60,443,273	-25,624,691
6.01.01	Cash Generated by Operations	373,074,123	307,765,519
6.01.01.01	Profit (loss) for the year	225,094,321	203,101,086
6.01.01.02	Depreciation and Amortization	97,947,730	83,490,858
6.01.01.03	Interest and exchange differences on borrowings and financing	24,914,871	24,917,368
6.01.01.04	Interest on lease and right-of-use rental	39,069,481	32,476,834
6.01.01.05	Current and deferred income tax and social contribution	4,044,202	-40,024,340
6.01.01.06	Allowance for inventory losses	-525,439	-309,900
6.01.01.07	Provision for civil, labor and tax risks	1,949,845	6,905,236
6.01.01.10	Write-off of property, plant and equipment and intangible assets	89,552	-164,468
6.01.01.11	Tax credits	-13,630,802	0
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-6,348,851	3,069,079
6.01.01.13	Expected credit losses	568,402	-319,819
6.01.01.14	Lease discount	-3,953,890	-2,469,407
6.01.01.15	Options Granted	4,664,883	3,231,150
6.01.01.16	Lease contracts downloaded	-810,182	0
6.01.02	Changes in Assets and Liabilities:	-224,594,042	-255,717,853
6.01.02.01	Trade receivables	104,359,837	85,285,103
6.01.02.03	Inventories	-166,207,794	-247,302,230
6.01.02.04	Recoverable taxes	-27,148,623	-28,582,837
6.01.02.05	Escrow deposits	-9,340,992	-8,126,031
6.01.02.06	Other credits	164,295	-6,065,986
6.01.02.07	Trade payables	-14,190,349	30,114,921
6.01.02.08	Payroll and related taxes	714,746	2,649,075
6.01.02.09	Taxes payable	-72,983,050	-62,959,901
6.01.02.10	Leases payable	-823,580	-2,938,556
6.01.02.11	Taxes in installments	0	-169,925
6.01.02.12	Contingencies paid	-4,620,433	-5,137,740
6.01.02.13	Other payables	-34,608,099	-12,483,746
6.01.03	Others	-88,036,808	-77,672,357
6.01.03.01	Income tax and social contribution paid	-31,629,997	-29,923,438
6.01.03.02	Interest paid on borrowings and financing	-19,551,497	-17,817,131
6.01.03.03	Interest paid on right-of-use lease	-36,855,314	-29,931,788
6.02	Net Cash from Investing Activities	-64,987,372	-28,965,878
6.02.01	Financial Application	85,515,597	92,144,455
6.02.02	Purchases of property and equipment	-118,706,578	-80,735,946
6.02.03	Purchases of intangible assets	-20,683,959	-25,680,446
6.02.09	Treasury Shares	-11,112,432	-14,693,941
6.03	Net Cash from Financing Activities	-85,973,173	-169,328,592
6.03.03	Dividends paid	-85,700,508	-12,708,277
6.03.04	Borrowings and financing	110,000,000	40,000,000
6.03.05	Repayment of borrowings and financing	-62,500,000	-97,843,414
6.03.06	Settlement of derivatives - SWAP agreements	-4,137,100	-3,283,991
6.03.07	Repayment of lease and right-of-use rental	-43,635,565	-37,311,883
6.03.09	Interest on own capital paid	0	-58,181,027
6.05	Increase (Decrease) in Cash and Cash Equivalents	-90,517,272	-223,919,161



**Consolidated FS / Statement of Cash Flows - Indirect Method****(Reais)**

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2023 to 09/30/2023</b>	<b>Accumulated Last Year 01/01/2022 to 09/30/2022</b>
6.05.01	Opening Balance of Cash and Cash Equivalents	160,035,979	325,587,601
6.05.02	Closing Balance of Cash and Cash Equivalents	69,518,707	101,668,440

## Consolidated FS / Statement of Changes in Equity / 01/01/2023 - 09/30/2023

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity Noncontrolling interest	Consolidated equity	
5.01	Opening balances	1,105,381,209	-62,497,225	615,069,283	0	0	1,657,953,267	0	1,657,953,267
5.03	Adjusted opening balances	1,105,381,209	-62,497,225	615,069,283	0	0	1,657,953,267	0	1,657,953,267
5.04	Capital Transactions with partners	0	-6,447,549	0	0	0	-6,447,549	0	-6,447,549
5.04.03	Options Granted Recognized	0	3,034,557	0	0	0	3,034,557	0	3,034,557
5.04.04	Shares in Treasury Acquired	0	-11,112,432	0	0	0	-11,112,432	0	-11,112,432
5.04.08	Shares assigned incentive plans	0	1,630,326	0	0	0	1,630,326	0	1,630,326
5.05	Total Comprehensive Income	0	0	0	225,094,321	0	225,094,321	0	225,094,321
5.05.01	Profit for the Period	0	0	0	225,094,321	0	225,094,321	0	225,094,321
5.07	Closing Balances	1,105,381,209	-68,944,774	615,069,283	225,094,321	0	1,876,600,039	0	1,876,600,039

## Consolidated FS / Statement of Changes in Equity / 01/01/2022 - 09/30/2022

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity	Noncontrolling interest	Consolidated equity
5.01	Opening balances	1,105,381,209	-52,567,635	339,917,790	0	0	1,392,731,364	0	1,392,731,364
5.03	Adjusted opening balances	1,105,381,209	-52,567,635	339,917,790	0	0	1,392,731,364	0	1,392,731,364
5.04	Capital Transactions with Partners	0	-11,462,791	0	0	0	-11,462,791	0	-11,462,791
5.04.03	Options Granted Recognized	0	3,231,150	0	0	0	3,231,150	0	3,231,150
5.04.04	Shares in Treasury Acquired	0	-14,693,941	0	0	0	-14,693,941	0	-14,693,941
5.05	Total Comprehensive Income	0	0	0	203,101,086	0	203,101,086	0	203,101,086
5.05.01	Profit for the Period	0	0	0	203,101,086	0	203,101,086	0	203,101,086
5.07	Closing Balances	1,105,381,209	-64,030,426	339,917,790	203,101,086	0	1,584,369,659	0	1,584,369,659

**Consolidated FS / Statement of Value Added**

<b>(Reais)</b>			
<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2023 to 09/30/2023</b>	<b>Accumulated Last Year 01/01/2022 to 09/30/2022</b>
7.01	Revenues	1,871,639,512	1,480,766,203
7.01.01	Sales of Goods and Services	1,770,835,236	1,479,517,591
7.01.02	Other Income	19,283,205	1,248,612
7.01.02.01	Other Income	18,789,803	1,568,431
7.01.02.02	Expected credit losses	493,402	-319,819
7.01.03	Income related to the Construction of Own Assets	81,521,071	0
7.02	Inputs Purchased from Third Parties	-765,002,913	-593,418,893
7.02.01	Cost of Goods and Services	-378,717,025	-337,904,388
7.02.02	Materials, Electric Power, Outside Services and Others	-306,761,074	-255,514,505
7.02.04	Others	-79,524,814	0
7.02.04.01	Inputs used in the construction of own assets	-79,524,814	0
7.03	Wealth Distributed	1,106,636,599	887,347,310
7.04	Retentions	-97,947,730	-83,492,061
7.04.01	Depreciation, Amortization and Depletion	-97,947,730	-83,492,061
7.05	Wealth Created by the Company	1,008,688,869	803,855,249
7.06	Wealth Received in Transfer	34,345,396	34,489,795
7.06.02	Finance Income	34,345,396	34,489,795
7.07	Value Added for Distribution	1,043,034,265	838,345,044
7.08	Wealth Distributed	1,043,034,265	838,345,044
7.08.01	Personnel	318,045,989	253,248,008
7.08.01.01	Salaries and Wags	253,827,045	204,435,775
7.08.01.02	Benefits	44,237,246	32,442,325
7.08.01.03	F.G.T.S.	19,981,698	16,369,908
7.08.02	Taxes, fees and contributions	422,057,153	306,066,558
7.08.02.01	Federal	192,930,996	120,552,522
7.08.02.02	State	225,143,466	181,432,702
7.08.02.03	Municipal	3,982,691	4,081,334
7.08.03	Lenders and Lessors	77,836,802	75,929,392
7.08.03.01	Interest	65,022,690	64,486,246
7.08.03.02	Rentals	11,134,256	8,678,592
7.08.03.03	Others	1,679,856	2,764,554
7.08.03.03.01	Royalties	1,679,856	2,764,554
7.08.04	Shareholders	225,094,321	203,101,086
7.08.04.03	Retained Earnings / Loss for the Period	225,094,321	203,101,086

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

## **VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES**

### **NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

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

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#### **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 individual and consolidated interim financial information comprises the interim financial information 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 45.08% 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 brand “VIVARA”, 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 September 30, 2023, Tellerina had 352 stores and 20 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 INTERIM FINANCIAL INFORMATION**

The individual and consolidated interim financial information has been prepared in accordance with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and technical pronouncement CPC 21 (R1) - Interim Financial Reporting, and presented in line with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR).

The individual and consolidated interim financial information is presented in thousands of Brazilian reais (R\$), which is the Company’s functional currency, and has been prepared based on the historical cost of each transaction, except for certain financial instruments measured at their fair values.

All relevant information related to the interim financial information and only this information is being disclosed and corresponds to the information used by Management in managing the Company.

The individual and consolidated interim financial information must be analyzed together with the individual and consolidated financial statements for the year ended December 31, 2022, disclosed on March 16, 2023, and the main accounting policies were disclosed in note 3 to these financial statements.

The interim financial information for the quarter ended September 30, 2023 was approved for disclosure by the Board of Directors on November 8, 2023.

### 3. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash	-	-	5,282	7,365
Banks - checking account	196	108	2,409	2,938
Short-term investments (a)	-	-	61,828	149,733
Total	196	108	69,519	160,036

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

	Consolidated			
	09/30/2023	Weighted average CDI rate	12/31/2022	Weighted average CDI rate
Bank Certificate of Deposit (CDB)	61,121	92.5%	137,294	103.1%
Automatic investments	707	1%	12,439	10%
Total	61,828		149,733	

### 4. SECURITIES

	Return	Consolidated	
		09/30/2023	12/31/2022
Financial bills	71.0% of CDI	137,315	222,831
Total		137,315	222,831
Current assets		137,315	155,139
Noncurrent assets		-	67,692
Total		137,315	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\$39,699 in investments in financial bills.

## 5. TRADE RECEIVABLES

	Consolidated	
	09/30/2023	12/31/2022
Credit card companies	556,035	657,646
Checks to be cleared	875	1,527
Bank slips	2,504	5,738
Subtotal	559,414	664,911
Allowance for expected credit losses	(545)	(1,114)
Total	558,869	663,797

The aging list of trade receivables is as follows:

	Consolidated	
	09/30/2023	12/31/2022
Past-due:	662	2,488
Current:	558,752	662,423
Total	559,414	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	
	09/30/2023	12/31/2022
Balance at the beginning of the period	(1,114)	(709)
Additions	(70)	(813)
Reversals	639	408
Balance at the end of the period	(545)	(1,114)

## 6. INVENTORIES

	Consolidated	
	09/30/2023	12/31/2022
Finished products	603,365	479,467
Raw materials	200,894	182,787
Consumables and packaging materials	25,262	22,947
Inventories in transit and advances to suppliers	52,459	29,521
Allowance for inventory losses	(5,535)	(5,010)
Total	876,445	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	
	09/30/2023	12/31/2022
Balance at the beginning of the period	(5,010)	(4,379)
Additions	(2,520)	(2,614)
Reversals	3,045	1,983
Balance at the end of the period	<u>(5,535)</u>	<u>(5,010)</u>

## 7. RECOVERABLE TAXES

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Income tax (IRPJ) (a)	2,018	2,715	54,139	68,549
Social contribution (CSLL) (a)	-	-	22,064	23,184
State VAT (ICMS) (b)	-	-	179,336	139,894
Taxes on revenue (PIS and COFINS) (c)	-	-	19,855	-
Federal VAT (IPI)	-	-	2,864	5,893
Other recoverable taxes	16	-	4,086	43
Total	<u>2,034</u>	<u>2,715</u>	<u>282,344</u>	<u>237,563</u>
Current assets	2,034	2,715	75,213	55,870
Noncurrent assets	-	-	207,131	181,693
Total	<u>2,034</u>	<u>2,715</u>	<u>282,344</u>	<u>237,563</u>

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

#### Credit balance

The Company presented credit balance in the calculation of IRPJ and CSLL for 2021 and 2022. As at September 30, 2023, it offset tax credits against federal taxes, remaining the amount of R\$2,018 (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 2022 and 2021. As at September 30, 2023, it offset tax credits against federal taxes, remaining the amount of R\$9,689 (R\$20,333 as at December 31, 2022) of balances for offset.

Tellerina presented credit balance in the calculation of IRPJ and CSLL in 2019, 2020 and 2021 in the amount of R\$2,993 (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 (R\$36,848 as at December 31, 2022), arising from the deduction from its tax basis of the grant incentives for investment, pursuant to article 30 of Law No. 12.973/2014. These credits were offset against other federal taxes and the offsets were rejected by the Brazilian Federal Revenue Service, and in 2019 and 2020 the Company filed administrative proceedings for statement of objection. Up to the date of disclosure of this interim financial information, the lawsuits are in progress and the likelihood of loss is remote based on the opinion of the Company's legal counsel.

### 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 No. 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 No. 1020648-21.2020.4.01.3200 with the 1<sup>st</sup> 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:

Year	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
2023	202	1,084	11,431	28,603
2024	1,816	1,631	3,269	1,627
2025	-	-	61,503	61,503
Total	<u>2,018</u>	<u>2,715</u>	<u>76,203</u>	<u>91,733</u>

### (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\$34,610 (R\$44,895 as at December 31, 2022), the Company received the incentive set forth in Law No. 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 the amount of R\$90,879 (R\$70,537 as at December 31, 2022). In June 2021, the Company started the process to with the State Government through e-CredAc, established by CAT Ordinance No. 26/2010. The credit eligibility process is comprised of a few stages for validation and inspection.

On April 19, 2023, the Finance Department of the State of São Paulo approved the utilization of the credit from June 2019 to May 2022 in the amount of R\$61,819. On October 16, 2023, tax credits were approved for the period from July to September 2022, November 2022, January to April 2023 and June 2023, in the amount of R\$19,038. On November 7, 2023, tax credits corresponding to May 2023 were approved, in the amount of R\$4,626.

On November 7, 2023, the Company was notified by the Regional Tax Office of the São Paulo State Department of Finance concerning the request deferral and recognition of the interdependence between subsidiaries Conipa and Tellerina for the purpose of utilizing accumulated ICMS credits - e-Credac. Up to the issuance date of this interim financial information, the tax credits approved by the Department of Finance total R\$85,483.

The ICMS credits are expected to be realized as follows:

Year	Consolidated 09/30/2023	Consolidated 12/31/2022
2023	24,979	19,704
2024	94,059	28,171
2025	14,205	27,720
2026	14,231	34,809
2027 and thereafter	31,862	29,490
Total	<u>179,336</u>	<u>139,894</u>

(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 No. 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), are pending approval by the Brazilian Federal Revenue Service and correspond to 2007-2022 period. Tax credits for 2023 were recognized in the monthly calculations.

8. INVESTMENT

	Investment		Share of profit (loss) of subsidiaries	
	09/30/2023	12/31/2022	09/30/2023	09/30/2022
Tellerina	600,096	584,655	15,441	3,005
Conipa	1,277,913	1,158,408	221,030	210,291
Total - direct subsidiaries	1,878,009	1,743,063	236,471	213,296

(a) Investments in subsidiaries

Variations in investments are broken down below:

	09/30/2023	12/31/2022
Balance at the beginning of the period	1,743,063	1,404,047
Share of profit (loss) of subsidiaries	236,471	374,833
Dividends received	(101,525)	(35,818)
Balance at the end of the period	1,878,009	1,743,063

(b) Tax incentive reserve

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 Rio de Janeiro, Minas Gerais, Pará and Pernambuco.

The variations in these reserves are broken down as follows:

	12/31/2022	Consolidated Additions	09/30/2023
ICMS tax incentive	437,199	153,980	591,179
Tax incentive - operating profit	157,964	48,245	206,209
Total	595,163	202,225	797,388

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.

## 9. PROPERTY, PLANT AND EQUIPMENT

	Annual average depreciation rate - %	Consolidated			12/31/2022
		09/30/2023	Accumulated depreciation	Residual value	Residual value
		Cost			
Leasehold improvements	20	185,638	(97,561)	88,077	65,692
Furniture and fixtures	10	76,287	(28,177)	48,110	38,409
Machinery, equipment and facilities	10	60,378	(16,594)	43,784	32,843
Company cars	20	189	(81)	108	46
IT equipment	20	22,685	(12,437)	10,248	9,694
Land	-	350	-	350	350
Right-of-use assets - lease of properties	10 to 25	683,005	(228,975)	454,030	449,131
Right-of-use assets - cloud		12,380	(10,220)	2,160	5,254
Advances to suppliers and construction in progress (a)	-	91,410	-	91,410	50,745
Total		1,132,322	(394,045)	738,277	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 its subsidiaries Tellerina and Conipa as the cash-generating units. The Company reassessed the projections used for the year ended December 31, 2022 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:

	12/31/2021	Additions	Consolidated 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

	Consolidated			
	12/31/2021	Additions	Write-offs	12/31/2022
	693,164	292,304	(36,950)	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)	652,164

	Consolidated			
	12/31/2022	Additions	Write-offs (b)	09/30/2023
Cost:				
Leasehold improvements	146,847	291	-	185,638
Furniture and fixtures	61,913	786	-	76,287
Machinery, equipment and facilities	45,661	11,511	(2)	60,378
Company cars	132	112	(55)	189
IT equipment	19,656	3,168	(149)	22,685
Land	350	-	-	350
Right-of-use assets (a)	622,960	70,807	(10,762)	683,005
Right-of-use assets - cloud	12,380	-	-	12,380
Advances to suppliers and construction in progress	50,745	95,971	-	91,410
	960,644	182,646	(10,968)	1,132,322
Depreciation:				
Leasehold improvements	(81,155)	(16,406)	-	(97,561)
Furniture and fixtures	(23,504)	(4,673)	-	(28,177)
Machinery, equipment and facilities	(12,818)	(3,776)	-	(16,594)
Company cars	(86)	(7)	12	(81)
IT equipment	(9,963)	(2,579)	105	(12,437)
Right-of-use assets	(173,829)	(60,225)	5,062	(228,975)
Right-of-use assets - cloud	(7,125)	(3,095)	-	(10,220)
	(308,480)	(90,761)	5,196	(394,045)
Total	652,164	91,884	(5,772)	738,277

- (a) In the period, the additions amounting to R\$60,225 and referring to "Right-of-use assets" correspond to the inclusion of new contracts and remeasurement of contracts over the contractual adjustment period, without affecting cash when included in property, plant and equipment.

## 10. INTANGIBLE ASSETS

	Consolidated			
	12/31/2021	Additions	Write-offs	12/31/2022
Cost:				
Points of sale	31,135	1,090	-	32,225
IT systems under implementation	10,319	19,322	(953)	2,039
IT system	35,880	8,313	-	58,411
Other intangible assets	-	-	-	305
	77,334	28,725	(953)	92,980

	Consolidated				
	12/31/2021	Additions	Write-offs	Transfers (a)	12/31/2022
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

	Consolidated				
	12/31/2022	Additions	Write-offs	Transfers (a)	09/30/2023
Cost:					
Points of sale	32,225	-	-	-	32,225
IT systems under implementation	2,038	19,268	-	-	21,306
IT system	58,411	1,416	-	-	59,827
Other intangible assets	305	-	-	-	305
	92,979	20,684	-	-	113,663
Amortization:					
Points of sale	(30,897)	(257)	-	-	(31,154)
IT system	(19,787)	(6,883)	-	-	(26,670)
Other intangible assets	(56)	(46)	-	-	(102)
	(50,740)	(7,186)	-	-	(57,926)
Total	42,239	13,498	-	-	55,737

- (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.

## 11. 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 09/30/2023	Consolidated 12/31/2022
Trade payables		
Domestic	44,315	57,018
Foreign	29,209	47,943
Total	73,524	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 nor changes 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. 0) 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 September 30, 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 September 30, 2023, the balance payable related to these transactions amounts to R\$57,493 (R\$40,247 as at December 31, 2022).

## 12. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Accrued vacation pay	-	-	32,154	30,616
Accrued 13 <sup>th</sup> salary	-	-	19,573	-
Payroll	124	122	13,326	21,349
Bonus	-	-	13,692	17,375
Severance pay fund (FGTS)	-	-	1,814	3,216
Social security contribution (INSS)	36	36	7,652	10,787
Withholding income tax (IRRF)	84	80	3,430	8,366
Other	-	-	1,412	629
Total	244	238	93,053	92,338

## 13. TAXES PAYABLE

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
State VAT (ICMS)	-	-	24,984	36,579
Federal VAT (IPI) (a)	-	-	43	25,165
Taxes on revenue (PIS and COFINS)	1	1	9,628	21,420
Income tax (IRPJ) and social contribution (CSLL)	-	-	18,284	23,702
Taxes in installments	-	-	463	675
Other	7	8	5,196	4,744
Total	8	9	58,598	112,285
Current liabilities	8	9	58,279	111,870
Noncurrent liabilities	-	-	319	415
Total	8	9	58,598	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.

## 14. BORROWINGS AND FINANCING

### a) Breakdown of balances

Institution and type	Rate	Maturity	Consolidated 09/30/2023	Consolidated 12/31/2022
<u>In local currency</u>				
Banco Safra - working capital	CDI + 2.20% p.a.	01/2023	-	2,512
Banco Safra - working capital	CDI + 1.55% p.a.	12/2024	20,819	20,091
Banco Itaú BBA S.A. - working capital	CDI + 1.85% p.a.	02/2025	61,363	62,294
Banco Itaú BBA S.A. - working capital	CDI + 1.55% p.a.	09/2024	40,193	41,672
Banco Bradesco - working capital	CDI + 1.47% p.a.	12/2023	52,061	50,253
Total borrowings in local currency			174,436	176,822
<u>In foreign currency</u>				
Banco Santander - Resolution 4131	Fixed rate of 5.97% p.a.	08/2025	53,179	-
Banco Santander - Resolution 4131	Fixed rate of 2.3475% p.a.	02/2024	46,766	48,334
Total borrowings and financing in foreign currency			99,945	48,334
Total borrowings and financing			274,381	225,156
<u>Derivatives - swap contracts</u>				
Banco Santander (Brazil) - derivative asset	Exchange rate changes + 6.90% p.a.	08/2025	(2,099)	-
Banco Santander (Brazil) - derivative liability	Exchange rate changes + 2.35% p.a.	02/2024	4,086	2,486
Total derivatives - swap contracts			1,987	2,486
Total borrowings and financing, net of derivative instruments			276,368	227,642
Noncurrent assets			(2,099)	-
Current liabilities			145,863	117,642
Noncurrent liabilities			132,604	110,000
Total			276,368	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 are applied in case of any note protest filed against the issuer exceeding R\$10,000. There are borrowing agreements maturing through September 2024, which are collateralized by short-term investments in the amount of R\$39,699. 0}

## b) Variations in borrowings and financing

	Consolidated 09/30/2023	Consolidated 09/30/2022
Balance at the beginning of the period	227,642	290,055
Borrowings	110,000	-
Principal repayments	(62,500)	(55,344)
Swap contract settlement	(4,137)	(1,959)
Interest payment	(19,551)	(14,365)
Cash flows from financing activities	(23,811)	(71,668)
Interest incurred	18,111	14,048
Exchange rate changes	1,068	(3,279)
Finance charges on swap contracts	5,737	5,442
Noncash variations	24,915	16,211
Balance at the end of the period	276,368	292,197

The amount classified in noncurrent liabilities matures as follows:

Year	Consolidated 09/30/2023	Consolidated 12/31/2022
From 1 to 2 years	132,604	90,000
From 2 to 3 years	-	20,000
Total	132,604	110,000

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

As at September 30, 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
<u>Provision</u>				
Balance as at December 31, 2022	2,731	6,797	8,726	18,254
Additions	2,982	13,320	4,676	20,978
Payments	(568)	(3,083)	(970)	(4,621)
Reversals	(1,457)	(9,610)	(7,961)	(19,028)
Balance as at September 30, 2023	3,688	7,424	4,471	15,583
<u>Escrow deposits</u>				
Balance as at December 31, 2022	-	827	27,386	28,213

	Consolidated			
	Civil (a)	Labor (b)	Tax (c)	Total
Additions	8,144	122	4,415	12,681
Inflation adjustments	-	61	2,556	2,617
Redemptions	(847)	(223)	(2,540)	(3,610)
Balance as at September 30, 2023	<u>7,297</u>	<u>787</u>	<u>31,817</u>	<u>39,901</u>

## (a) Civil lawsuits

Refer to lawsuits involving store rental renewals, under which the Company 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, 13<sup>th</sup> 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 September 30, 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	
	09/30/2023	12/31/2022
Civil	9,485	9,133
Tax risks (*)	126,179	123,319
Total	152,064	132,452

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

## 16. EQUITY

### a) Capital

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

As at September 30, 2023, capital is held as follows:

Vivara Participações	Common shares	Equity interest - %
Company's owners	106,473,888	45.08%
Treasury shares	996,955	0.42%
Outstanding shares	128,726,926	54.50%
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, 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 No. 567/15 and other applicable standards. The Company can acquire up to 5% of outstanding shares. The previously approved Share Buyback Plan was effective through February 2023.

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 September 30, 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.

## 17. RELATED PARTIES

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:

Balances	09/30/2023		09/30/2022	
	TELLERINA	CONIPA	TELLERINA	CONIPA
<u>Transaction</u>				
Sales (purchases) of goods	(1.120.028)	1.120.028	(1.085.697)	1.085.697
Sales (purchases) of raw materials	46.053	(46.053)	12.726	(12.726)
Copyrights	155.474	(155.474)	166.313	(166.313)
Total	(918.501)	918.501	(906.658)	906.658

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).

	Consolidated					
	09/30/2023			09/30/2022		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	1,512	745	2,257	1,485	-	1,485
Statutory officers	5,763	10,121	15,884	3,892	3,074	6,966
Total	7,275	10,866	18,141	5,377	3,074	8,451

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

	Consolidated					
	09/30/2023			09/30/2022		
	Fixed	Variable	Total	Fixed	Variable	Total
Executive officers	6,456	4,116	10,572	3,435	3,379	6,814
Total	6,456	4,116	10,572	3,435	3,379	6,814

## 18. INCOME TAX AND SOCIAL CONTRIBUTION

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

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Profit before income tax and social contribution	225,094	203,101	229,138	163,076
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(76,532)	(69,054)	(77,907)	(55,446)
Income tax and social contribution on tax loss carryforwards for which no corresponding deferred taxes were recognized	(3,868)	(3,466)	(3,868)	(3,466)
Permanent differences:				
Share of profit (loss) of subsidiaries	80,400	72,520	-	-
Other permanent differences	-	-	(22,885)	(684)
Additional IRPJ difference	-	-	18	18
Tax incentive - deemed ICMS credits	-	-	52,353	48,423
Tax incentive - operating profit	-	-	48,245	51,179
Total	-	-	(4,044)	40,024
Current	-	-	(50,835)	(42,725)
Deferred	-	-	46,791	82,749
Total	-	-	(4,044)	40,024

## b) Deferred income tax and social contribution

	Consolidated			
	09/30/2023		09/30/2022	
	<u>IRPJ tax base</u>	<u>CSLL tax base</u>	<u>IRPJ tax base</u>	<u>CSLL tax base</u>
Deferred tax assets on temporary differences:				
Allowance for doubtful debts	545	545	1,029	1,029
Allowance for inventory losses	5,535	5,535	4,069	4,069
Accrued expenses	58,468	58,468	55,579	56,015
Unrealized profit from subsidiaries' operations	740,977	740,977	374,109	374,109
Provision for civil, labor and tax risks	15,583	15,583	18,822	19,599
Right-of-use leases	64,017	64,017	43,744	43,744
Tax loss carryforwards	92,734	92,336	76,573	75,829
Deferred tax base (a)	1,027,859	977,461	573,925	573,181
Deferred income tax assets		175,868	-	143,481
Deferred social contribution assets		70,077	-	51,586
Deferred income tax and social contribution assets (b)		<u>245,945</u>	-	<u>195,067</u>

- (a) 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.
- (b) 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	
	<u>09/30/2023</u>	<u>12/31/2022</u>
Up to 1 year	29,277	34,739
From 1 to 2 years	47,765	35,078
From 2 to 3 years	46,376	34,395
From 3 to 5 years	41,313	31,160
Over 5 years	81,514	63,781
Total	<u>245,945</u>	<u>199,153</u>

## 19. NET REVENUE FROM SALES AND SERVICES

	Consolidated 09/30/2023	Consolidated 09/30/2022
Gross sales revenue	2,166,792	1,794,550
Gross service revenue	7,218	6,286
Deductions from gross revenue:		
State VAT (ICMS)	(198,529)	(137,308)
Tax on revenue (COFINS)	(117,964)	(103,123)
Tax on revenue (PIS)	(25,611)	(22,367)
FTI and UEA (*)	(19,521)	(16,716)
Service tax (ISS)	(362)	(314)
Sales returns/exchanges	(403,176)	(321,318)
Total	<u>1,408,847</u>	<u>1,199,690</u>

The ICMS amounts are stated net of the tax incentive of same nature mentioned in note 8.b in the amount of R\$153,980 (R\$142,422 as at September 30, 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.

## 20. 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 09/30/2023	Consolidated 09/30/2022
Acquisition cost of inputs and raw materials and goods for resale	(379,718)	(337,722)
Personnel	(46,207)	(38,435)
Depreciation and amortization	(5,122)	(4,024)
Electric power, water and telephone	(1,190)	(1,309)
Freight	(4,885)	(4,119)
	<u>(437,122)</u>	<u>(385,609)</u>

## b) Selling expenses

	Consolidated 09/30/2023	Consolidated 09/30/2022
Personnel	(242,993)	(190,892)
Freight	(24,646)	(21,299)
Marketing/selling expenses	(70,419)	(62,334)
Professional services	(17,682)	(12,152)
Variable rentals and common area maintenance fees	(50,768)	(40,511)
Depreciation and amortization	(58,652)	(49,252)
Commission on credit cards	(35,311)	(28,671)
Electric power, water and telephone	(5,796)	(5,164)
Taxes and fees	(16,574)	(18,795)
Other expenses by nature	(18,583)	(14,658)
	<u>(541,424)</u>	<u>(443,728)</u>

## c) General and administrative expenses

	Parent 09/30/2023	Parent 09/30/2022	Consolidated 09/30/2023	Consolidated 09/30/2022
Personnel	(8,455)	(6,077)	(80,527)	(68,634)
Professional services	(2,242)	(2,271)	(46,363)	(45,800)
Rentals and common area maintenance fees	-	-	(670)	(921)
Electric power, water and telephone	-	-	(1,512)	(943)
Depreciation and amortization	-	-	(34,174)	(30,215)
Taxes and fees	(694)	(596)	(7,995)	(14,149)
Other expenses by nature	(232)	(199)	(15,203)	(7,265)
	<u>(11,623)</u>	<u>(9,143)</u>	<u>(186,444)</u>	<u>(167,927)</u>

## 21. 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 exclusively 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 (net of return) by category and sales channel, as shown below:

Gross revenue, less returns	Consolidated 09/30/2023	Consolidated 09/30/2022
Jewelry	903,046	808,706
Life	603,686	436,833
Watches	214,312	194,176
Accessories	42,873	33,517
Services	7,218	6,286
Total	<u>1,770,835</u>	<u>1,479,518</u>
Stores	1,496,583	1,264,241
Online sales	263,106	205,343
Other	3,928	3,648
Services	7,218	6,286
Total	<u>1,770,835</u>	<u>1,479,518</u>

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

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Provision for civil, labor and tax risks (a)	-	-	(1,950)	(6,905)
Expected credit losses	-	-	568	(320)
Share of profit (loss) of subsidiaries	236,471	213,296	-	-
Write-off of property, plant and equipment items	-	-	(90)	(979)
Lease agreements written off	-	-	810	1,233
Tax credits	-	-	13,631	-
Other income/(expenses)	(9)	3	4,862	679
Total	<u>236,462</u>	<u>213,299</u>	<u>17,831</u>	<u>(6,292)</u>

## 23. FINANCE INCOME

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Income from short-term investments	71	25	17,302	30,502
Inflation adjustments (*)	207	442	12,573	3,069
Exchange gains	-	-	4,316	927
Other finance income	-	-	155	179
Total	<u>278</u>	<u>467</u>	<u>34,345</u>	<u>34,677</u>

(\*) Refers to the inflation adjustment of tax credits and escrow deposits based on the Selic rate.

## 24. FINANCE COSTS

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Interest on borrowings and financing	-	-	(18,111)	(21,363)
Exchange differences on translating borrowings and financing	-	-	(1,066)	1,758
Finance charges on derivative instruments	-	-	(5,737)	(5,313)
Charges on right-of-use leases	-	-	(39,069)	(32,477)
Tax on financial transactions (IOF)	(1)	(4)	(171)	(72)
Bank fees	(1)	(3)	(552)	(485)
Interest and fines on taxes and accessory obligations	(2)	(1,487)	(73)	(3,981)
Exchange losses	(2)	-	(160)	(4,168)
Other finance costs	(17)	(22)	(2,276)	(1,634)
<b>Total</b>	<b>(23)</b>	<b>(1,516)</b>	<b>(66,895)</b>	<b>(67,735)</b>

## 25. 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. The Group does not enter into any transactions affecting the dilution of earnings.

	Consolidated	
	09/30/2023	09/30/2022
<b>Numerator</b>		
Profit for the year (a)	225,094	203,101
<b>Denominator (in thousands of shares)</b>		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(807)	(219)
Weighted average number of outstanding shares (b)	235,391	235,979
<b>Basic earnings per share (in R\$) (a/b)</b>	<b>0.95626</b>	<b>0.86068</b>
<b>Denominator (in thousands of shares)</b>		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(807)	(219)
Weighted average number of shares granted - 1 <sup>st</sup> plan	72	62
Weighted average number of diluted shares (c)	235,463	236,041
<b>Diluted earnings per share (in R\$) (a/c)</b>	<b>0.95597</b>	<b>0.86045</b>

The dilutive effect on earnings per share is represented by stock option plans disclosed in note 28 - Share-based Payment.

## 26. RIGHT-OF-USE LEASES

As at September 30, 2023, the Group entered into 372 agreements (341 agreements as at December 31, 2022) for the lease of their stores, kiosks, factory and administrative center with third parties. Of this total, 47 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\$11,553 (R\$10,744 as at September 30, 2022), as stated in note 20.

The Company determined its discount rates based on the BM&FBovespa benchmark rate of Dlxpre, 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 September 30, 2023, the 325 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 11.58% 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 No. 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 September 30, 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%	4.63%
6 years	32	11.05%	4.90%
7 years	22	11.36%	5.78%
8 years	29	11.55%	6.13%
9 years	33	11.72%	6.10%
10 years	205	11.88%	6.11%
Total	325		

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

	Consolidated	
	09/30/2023	12/31/2022
Balance at the beginning of the period	474,643	370,068
Addition of new agreements	52,584	111,993
Remeasurement	11,356	66,776
Write-offs	(6,492)	(25,312)
Finance charges recognized	39,069	44,602
Lease discounts	(3,954)	(4,789)
Interest payment	(36,855)	(42,815)
Principal repayments	(43,636)	(45,880)
Balance at the end of the period	<u>486,715</u>	<u>474,643</u>
Current liabilities	70,193	59,546
Noncurrent liabilities	<u>416,522</u>	<u>415,097</u>
Total	<u>486,715</u>	<u>474,643</u>

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 September 30, 2023:

	Consolidated	
Agreement maturity	09/30/2023	12/31/2022
Installment maturity:		-
2023	26,360	106,766
2024	114,014	105,854
2025	109,498	100,960
2026	96,905	88,240
2027 and thereafter	<u>356,739</u>	<u>280,198</u>
Total undiscounted installments	703,517	682,018
Embedded interest	<u>(216,802)</u>	<u>(207,375)</u>
Balance of right-of-use lease liability	<u>486,715</u>	<u>474,643</u>

As at September 30, 2023, the potential PIS and COFINS credit on the gross contractual flow is R\$65,075 and that adjusted to present value over the weighted average term is R\$45,021.

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

	Consolidated	
	09/30/2023	12/31/2022
Balance at the beginning of the period	622,960	462,183
Addition of new agreements	52,584	111,993
Remeasurement	11,356	66,776
Write-offs	(10,762)	(36,499)
Direct costs - points of sale	<u>6,867</u>	<u>18,507</u>
Balance at the end of the period	<u>683,005</u>	<u>622,960</u>
	Consolidated	
	09/30/2023	09/30/2022
Amortization expenses in the period	(60,225)	(53,530)

## 27. FINANCIAL INSTRUMENTS

### a) Categories of financial instruments

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
<u>Financial assets</u>				
Amortized cost:				
Cash and cash equivalents	196	108	69,519	160,036
Trade receivables	-	-	558,869	663,797
Securities	-	-	137,315	222,831
Due from related parties	-	59	-	-
Subtotal	196	167	765,703	1,046,664
Fair value through profit or loss:				
Derivatives	-	-	2,099	-
Total financial assets	196	167	767,802	1,046,664
<u>Financial liabilities</u>				
Amortized cost:				
Trade payables	-	-	73,524	104,951
Trade payables - agreement	-	-	57,493	40,247
Interest on capital payable	2	2	2	2
Dividends payable	3	85,704	3	85,704
Due to related parties	233	-	-	-
Right-of-use leases payable	-	-	486,715	474,643
Borrowings and financing	-	-	274,382	225,156
Subtotal	238	85,706	892,119	930,703
Fair value through profit or loss:				
Derivatives	-	-	4,086	2,486
Total financial liabilities	238	85,706	896,205	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:

Type of transaction	Consolidated 09/30/2023			
	Financial institution	Debt amount	Derivative	Net exposure
Resolution 4131	Banco Santander	46,827	(46,827)	-
Resolution 4131	Banco Santander	53,179	(53,179)	-
Total borrowings and financing		100,006	(100,006)	-
Foreign suppliers (*)	-	29,209	-	29,209
Total foreign exchange exposure		129,215	(100,006)	29,209
US dollar quotation - balance sheet		5.0070	5.0070	5.0070
Total exposure in US dollars		25,807	(19,973)	5,834

(\*) 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.

## 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.

As at September 30, 2023, the outstanding swap transactions are broken down as follows:

Description	Rates	Consolidated		Cumulative effect up to 09/30/2023 marked to market
		Notional amount	Fair value	
<u>Swap contracts</u>				
Long position:				
Exchange rate changes				
- US\$	US\$ +2.3475% p.a.	46,827	46,827	-
Short position:				
CDI fluctuation	CDI + 1.2% p.a.	46,827	(50,913)	(4,086)
Net amount payable				(4,086)

The liability balance totaling R\$4,086 refers to the net adjustment payable, calculated at fair value as at September 30, 2023, of derivatives outstanding on that date, which was recorded in line item "Derivative liabilities".

	Consolidated			
		Notional amount	Fair value	Cumulative effect up to 09/30/2023 marked to market
Description	Rates			
<u>Swap contracts</u>				
Long position:				
Exchange rate changes - US\$	US\$ +5.97% p.a.	53,179	53,179	-
Short position:				
CDI fluctuation	VC + 6.9% p.a.	51,080	53,179	2,099
Net amount receivable				2,099

The asset balance totaling R\$2,099 refers to the net adjustment receivable, calculated at fair value as at September 30, 2023, of derivatives outstanding on that date, which was recorded in line item "Derivative assets".

## 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	<u>29,209</u>
Total foreign exchange exposure in foreign currency	<u>5,834</u>

Accordingly, as a result of the considerations above, only the amount of R\$29,209 is being applied for the sensitivity analysis purposes. The US dollar foreign exchange rate was R\$5.0070 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.

Under scenario I, an exchange rate of R\$5.1810 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 -2.5% 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 October 23, 2023.

Group's risk	Scenario I	Scenario II	Scenario III
Notional amount of the net exposure (in foreign currency)	5,834	5,834	5,834
Notional amount of the net exposure (in local currency)	29,209	29,209	29,209
Projected value (in local currency)	30,224	30,828	29,460
Effects of exchange rate changes	1,015	1,620	251
U.S. dollar rate	5.1810	5.2846	5.0500

## Interest rate risk

Considering that all foreign currency-denominated borrowings and financing are hedged by swap contracts as at September 30, 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
Total borrowings and financing pegged to the CDI fluctuation	276,369
Short-term investments of cash and cash equivalents exposed to the CDI rate	(61,828)
Investments in financial bills exposed to the CDI rate	(137,315)
Total losses on the exposure to the CDI rate	77,226

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 scenario II and 12.6% decrease in scenario III in CDI rate, respectively, based on a Selic rate projected at the end of 2023 of 11.75%, as per the Focus Report issued by the Central Bank of Brazil (BACEN) on October 23, 2023.

Group's risk	Scenario I	Scenario II	Scenario III
Net exposure to the CDI rate	77,226	77,226	77,226
Projected value	77,226	76,707	75,921
Effects of CDI fluctuation	-	(519)	(1,305)
CDI rate	13.44%	12.77%	11.75%

## 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	73,524	-	-	-	73,524
Trade payables - agreement	57,493	-	-	-	57,493
Borrowings and financing	159,619	140,511	-	-	300,130
Interest on capital payable	2	-	-	-	2
Dividends payable	3	-	-	-	3
Derivatives	4,086	-	-	-	4,086
Right-of-use leases payable	88,152	112,778	278,598	223,989	703,517

#### 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 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 September 30, 2023, all derivative financial instruments were grouped into Level 2.

## 28. 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 1<sup>st</sup> Stock Option Program, exclusive for Directors, were granted. The shares were transferred to participants in May 2023, with additional lock-up of 12 months. The cost of the grants under this plan was based on the fair values of the equity instruments on the grant date and other assumptions applicable to the measurement model.

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.

The 2<sup>nd</sup> Stock Option Program, in turn, provides for the grant of 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 grace period. The program provides for an individual investment limit of no more than six net wages.

In October 2021, the participants acquired 16,205 shares using own funds. Provided that upon fulfilment of the conditions stipulated in the program, after 36 months, the number of treasury shares issued by the Company that will be granted can range between 102,387 (lower overall limit) and 219,401 (upper overall limit). The provisions were calculated considering attainment of 100% of the goals equivalent to the total of 146,267 shares.

In May 2022, the statutory officers eligible to the 2<sup>nd</sup> Option Plan acquired 42,727 shares using own funds. Provided that upon fulfilment of the conditions stipulated in the program, after 36 months, the number of treasury shares issued by the Company that will be granted can range between 179,453 (lower overall limit) and 384,543 (upper overall limit). The provisions were calculated considering attainment of 100% of the goals equivalent to the total of 256,362 shares. The cost of the grants under the 2<sup>nd</sup> plan was based on the fair values of the equity instruments on the grant date and other assumptions applicable to the measurement model.

In May 2023, the statutory officers eligible to the 2<sup>nd</sup> Option Plan acquired 86,653 shares using own funds. Provided that upon fulfilment of the conditions stipulated in the program, after 36 months, the number of treasury shares issued by the Company that will be granted can range between 329,906 (lower overall limit) and 494,888 (upper overall limit). The provisions were calculated considering attainment of 100% of the goals equivalent to the total of 412,407 shares. The cost of the grants under the 2<sup>nd</sup> plan was based on the fair values of the equity instruments on the grant date and other assumptions applicable to the measurement model.

## 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 April 2022, for the Matching Shares Plan, the Company's executives acquired 29,086 shares using own funds. Provided that upon fulfilment of the conditions stipulated in the program, after 36 months, the number of treasury shares issued by the Company that will be granted can range between 61,081 (lower overall limit) and 130,887 (upper overall limit). The provisions were calculated considering attainment of 100% of the goals equivalent to the total of 87,258 shares. The cost of the grants under the Matching Shares Plan was based on the fair values of the equity instruments on the grant date and other assumptions applicable to the measurement model.

The long-term incentive plans were valued based on the average quotation of shares at the inception of each program. 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 20. As at September 30, 2023, the amount recognized in profit or loss for the period is R\$5,228 (R\$3,231 as at September 30, 2022).

The variations in the shares granted in the period were as follows:

Amounts in number of shares	Consolidated			
	1 <sup>st</sup> Option Plan	2 <sup>nd</sup> Option Plan	Matching Shares Plan	Grand Total
Balances as at December 31, 2021	229,034	-	-	229,034
Cancellation of grants to executives	(20,622)	-	-	(20,622)
Grant to executives	-	256,362	87,258	343,620
Balances as at December 31, 2022	208,412	256,362	87,258	552,032
Grant to Directors	84,763	-	-	84,763
Grant to executives	-	412,407	-	412,407
Write-off due to the assignment of shares to Directors	(62,145)	-	-	(62,145)
Write-off due to the assignment of shares to Executives	(8,212)	-	-	(8,212)
Balances as at September 30, 2023	222,818	668,769	87,258	978,845

## 29. 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 March 31, 2023, the insurance coverage is broken down as follows:

- Property damages - R\$314,458 (effective through February 2024).
  - Loss of profits - R\$435,000 (effective through February 2024).
  - Sundry risks (inventories) - R\$352,836 (effective through February 2024).
  - 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).
-