

(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 Six-month Periods  
Ended June 30, 2022

Deloitte Touche Tohmatsu Auditores Independentes Ltda.



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

## 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 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 June 30, 2022, which comprises the balance sheet as at June 30, 2022, and the related statements of profit and loss and of comprehensive income for the three- and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

The Executive Board is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) 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 interim financial information referred to above is 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.

## Other matter

### *Statements of value added*

The individual and consolidated interim financial information referred to above includes the statements of value added (“DVA”) for the six-month period ended June 30, 2022, prepared under the responsibility of the Company’s Executive Board and disclosed as supplemental information for purposes of international standard IAS 34. These statements were subject to review procedures performed together with the review of the Interim Financial Information - ITR to reach a conclusion on whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out 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 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, August 11, 2022

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.

Marcos Helvius Olliver Domingues Marcondes  
Engagement Partner

## 2Q22 PERFORMANCE COMMENT

### HIGHLIGHTS OF THE QUARTER

- Gross Revenue (net of returns) of R\$ 587.3 million and solid growth of 28.6% in relation to 2Q21.
- Growth of 31.0% in same-store sales (SSS) for physical stores, and of 20.2% including digital sales.
- Breaking-record daily sales of R\$ 30.7 million on the eve of Mother's Day, up 7.0% from the previous record.
- Increase of 18.4% in volume of products sold at physical stores; 16.7% growth in same-store sales.
- Gross Profit came to R\$ 317.1 million, with Gross Margin of 67.5% in 2Q22.
- In the quarter, Adjusted EBITDA totaled R\$ 100.9 million, with Adjusted EBITDA Margin of 21.5%.
- Growth of 10.1% in Net Income, which totaled R\$ 89.9 million, with Net Margin of 19.1%.



### KEY FINANCIAL INDICATORS

Main Key Ratios (R\$, 000)	2Q22	2Q21	Δ % 22vs21	1H22	1H21	Δ % 22vs21
Gross Revenue (net of return)	587.282	456.809	28,6%	998.142	730.137	36,7%
Net Revenue	469.390	361.995	29,7%	806.814	579.725	39,2%
Gross Profit	317.058	246.211	28,8%	545.209	388.904	40,2%
Gross Margin (%)	67,5%	68,0%	-47 bps	67,6%	67,1%	49 bps
Adjusted EBITDA <sup>(1)</sup>	100.871	88.616	13,8%	152.117	99.111	53,5%
Adjusted Ebitda Margin (%)	21,5%	24,5%	-299 bps	18,9%	17,1%	176 bps
Net Income	89.886	81.657	10,1%	135.807	85.570	58,7%
Net Margin (%)	19,1%	22,6%	(3,4 p.p.)	16,8%	14,8%	2,1 p.p.
SSS (physical stores)	31,0%	504,5%	na	42,1%	94,0%	na
SSS <sup>(2)</sup> (physical stores + e-commerce)	20,2%	160,4%	na	28,0%	63,8%	na
Operational Cash Generation <sup>(3)</sup>	6.202	107.118	-94,2%	(38.738)	123.135	-131,5%

(1) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-accounting measurement disclosed by the Company in compliance with CVM Instruction 527/12. The fixed portion of rent expenses refers to "Lease of Right of Use," which, due to the adoption of IFRS16/CPC06 starting from January 2019, ceased to be booked as rent under operating expenses. The presentation of Adjusted EBITDA through rent is important to reflect the impact of accelerated expansion in the Company's operating metrics. Apart from the adjustment pursuant to IFRS16/CPC06, non-recurring extemporaneous effects are excluded from Adjusted EBITDA, which are detailed in the Adjusted EBITDA section.

(2) Same-Store Sales (SSS) considers gross revenue, net of returns, from stores in operation for 12 months, as well as revenues from e-commerce, and excludes permanent store closures.

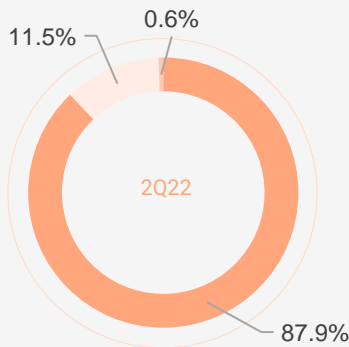
(3) Managerial, non-accounting measurement prepared by the Company that does not fall under the scope of independent audit.

## GROSS REVENUE (Net of Returns)

- Gross Revenue, net of returns, grew 28.6% from 2Q21, driven by the increase in inventory coverage across all categories and the acceleration of organic expansion of Vivara and Life by Vivara stores in the last 12 months. On Mother's Day, the Company posted breaking-record daily sales of R\$ 30.7 million, up 7.0% from the previous record registered during Christmas last year.
- Same-store sales at physical stores increased 31.0% in relation to 2Q21. Including digital sales, SSS were 20.2% higher between the periods. Net revenue came to R\$ 469.4 million, up 29.7% from 2Q21.

Revenue per channel (R\$, 000)	2Q22	2Q21	Δ % 22vs21	1H22	1H21	Δ % 22vs21
Gross Revenue (net of return)	587,282	456,809	28.6%	998,142	730,137	36.7%
Physical Stores	516,140	374,900	37.7%	872,170	587,907	48.4%
Vivara Stores	465,322	353,427	31.7%	787,871	554,347	42.1%
Life Stores	41,057	9,404	336.6%	66,930	14,127	373.8%
Kioks	9,761	12,069	-19.1%	17,369	19,433	-10.6%
Digital Sales	67,826	78,865	-14.0%	119,432	136,794	-12.7%
Others	3,316	3,045	8.9%	6,540	5,436	20.3%
Deductions	(117,891)	(94,814)	24.3%	(191,328)	(150,412)	27.2%
Net Revenue	469,390	361,995	29.7%	806,814	579,725	39.2%
SSS (physical stores)	31.0%	493.7%	na	42.1%	94.0%	na
SSS (physical stores + e-commerce)	20.2%	160.4%	na	28.0%	63.8%	na

SALES BY CHANNEL



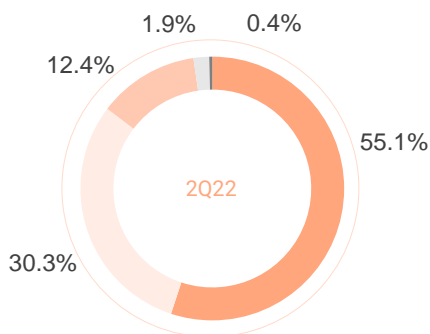
■ Physical Stores ■ Digital Sales ■ Other Revenue

Digital sales decreased 14.1%, reaching for 11.5% of total sales, reflecting the full resumption of operations of physical stores, which last year were affected by the restrictive measures to combat the pandemic.

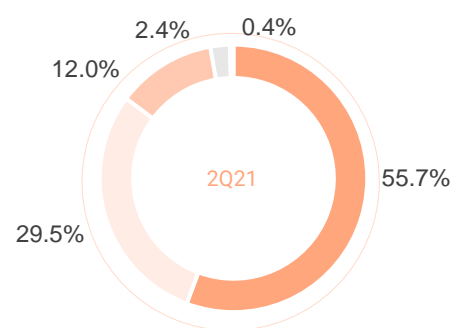
In 2Q21, digital sales were responsible for 17.3% of total sales, in the period still impacted by the closing of stores and, in 2Q19, pre-pandemic period, they represented 5.8% of total revenue.

The quarterly highlight in the sales mix was the Life category, which grew 32.0% in sales and gained 80 bps share in relation to 2Q21. The category's performance is mainly due to the increase in the number of stand-alone Life stores.

SALES BY CATEGORY



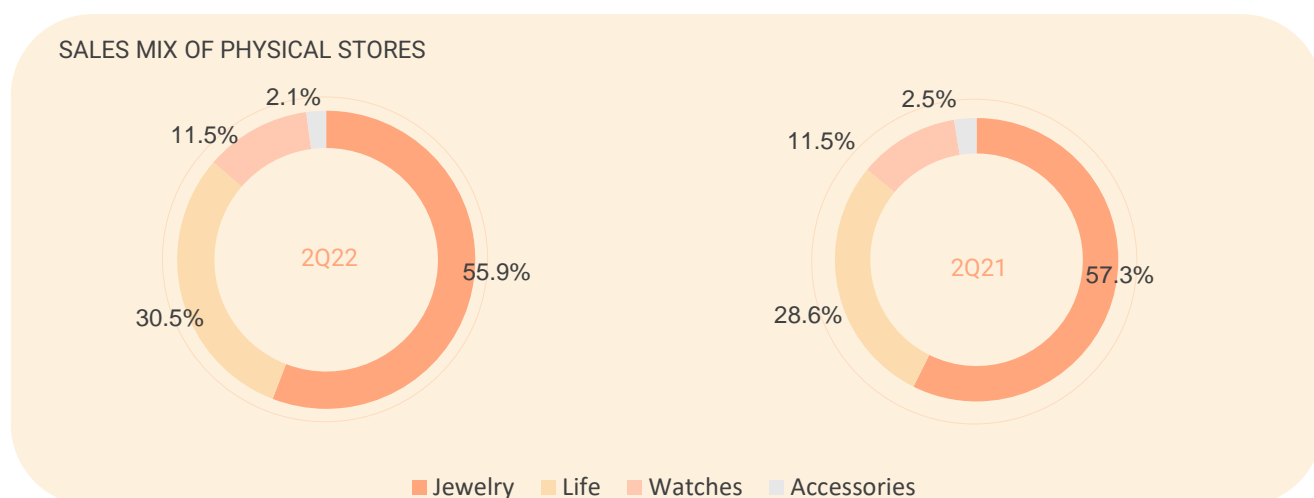
■ Jewelry ■ Life ■ Watches ■ Accessories ■ Services



## GROSS REVENUE (Net of Returns) (cont.)

### SALES AT PHYSICAL STORES

- In 2Q22, sales at physical stores increased 37.7% in relation to 2Q21, with SSS of 31.0% and solid growth across all categories.
- This quarter, sales growth was driven by the volume of products sold, which increased 15.8% in Vivara stores and 294.6% in Life stores. In terms of SSS, sales growth was 15.9% in Vivara stores and 62.5% in Life stores.
- Noteworthy in the sales mix of physical stores is the growth of 190 bps in the Life category in relation to 2Q22, mainly due to the addition of 29 stand-alone Life by Vivara stores in the last 12 months.



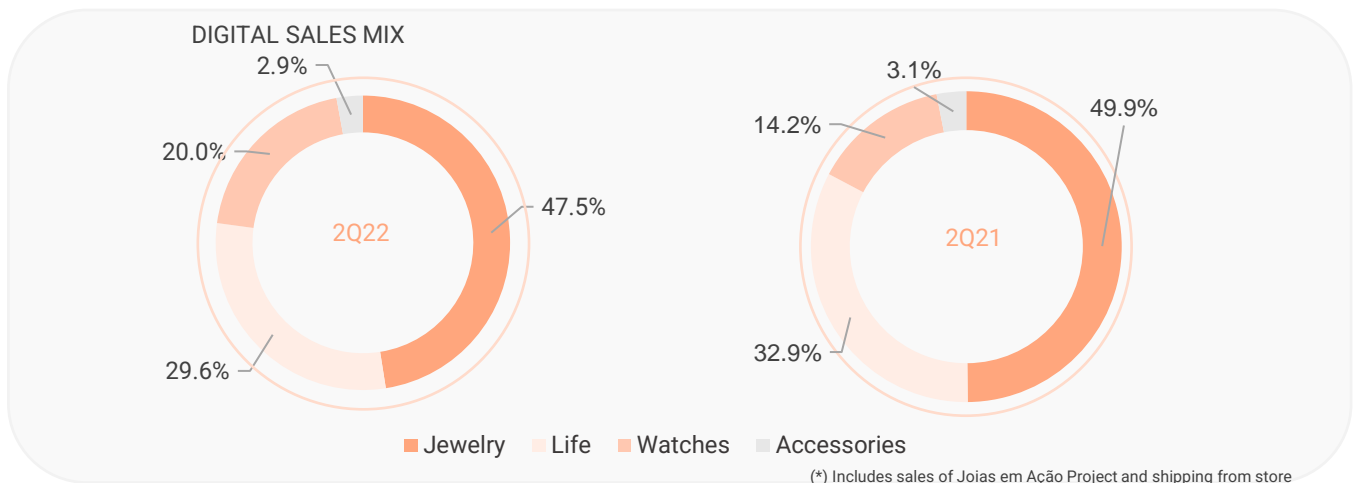
Breakdown by Business (R\$, 000)		2Q22	2Q21	Δ 22vs21	1H22	1H21	Δ 22vs21
Vivara	Number of Stores	232	221	11	232	221	11
	Store Rollouts	1	13	-	3	13	-
	Sales Area (m <sup>2</sup> )	21,098	20,102	5.0%	21,098	20,102	5.0%
	Gross Revenue (net of return)	465,322	353,427	31.7%	787,871	554,347	42.1%
Life	Number of Stores	43	14	29	43	14	29
	Store Rollouts	8	1	-	10	1	-
	Sales Area (m <sup>2</sup> )	2,902	728	298.6%	2,902	728	298.6%
	Gross Revenue (net of return)	41,057	9,404	336.6%	66,930	14,127	373.8%
Kiosk	Number of Stores	23	30	(7)	23	30	(7)
	Store Rollouts	-1	-8	-	-3	-16	-
	Sales Area (m <sup>2</sup> )	149	197	-24.4%	149	197	-24.4%
	Gross Revenue (net of return)	9,761	12,069	-19.1%	17,369	19,433	-10.6%

- Vivara stores, which totaled 232 at the end of the period, registered Gross Revenue (net of returns) of R\$465.3 million in 2Q22, up 31.7% from 2Q21. The good performance by the channel was driven by organic expansion and the increase in inventory coverage.
- Accounting for 8.0% of revenue from the physical channel, stand-alone Life stores ended the quarter with 43 units, totaling 2,902 m<sup>2</sup> of sales area, an increase of 298.6%. As a result of accelerated expansion, Gross Revenue (net of returns) from this channel totaled R\$ 41.1 million in the quarter, growing 336.6% in relation to the same period last year.
- The decline in revenue from kiosks was due to the conversion of the channel into Life stores. In the last 12 months, the Company reduced the number of kiosks in operation by 7.

# GROSS REVENUE (Net of Returns) (cont.)

## DIGITAL SALES

- In 2Q22, digital sales came to R\$ 67.8 million, down 14.0% from the same period last year, accounting for 11.5% of total sales in the quarter. This reduction is mainly due to the end of restrictions and resumption of commercial activities at the beginning of 2022, which increased customer traffic at malls, thereby migrating sales from the digital environment to physical stores.
- Marketing strategy changes, with more focus on branding, brought greater balance to traffic in the platform, reducing its dependence on discounts. This initiative mainly affected the Life category, which accounted for 29.6% of the channel's total sales, down 320 bps from 2Q21.
- Joias em Ação project, the direct sales initiative conducted by saleswomen across the chain, accounted for 28.5% of digital sales. The 730 bps decrease in share affected mainly the jewelry category, whose share of digital sales declined 240 bps. The results of this sales format were mainly due to: (i) the replenishment of inventories at physical stores, which reduced their dependence on online inventories, in the infinite shelf system; and (ii) the increase in traffic at stores on seasonal dates during the quarter, which increased the assistance time by the saleswomen to the face-to-face service.
- Around **290,000 customers** who purchased at physical stores in 2Q22 were impacted by online platform, responsible for **26%** of physical stores sales. Furthermore, **17.4%** of digital sales were delivered by stores through the ship from store format, which reinforces the Company's commitment to develop its omnichannel strategy.



## OMNICHANNEL HIGHLIGHTS



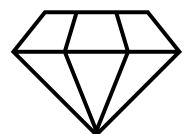
**26%**  
share of digital in  
store sales

**290,000**  
**customers**  
Impacted by digital, converting in  
physical stores



**17.4%**  
Ship from store

**R\$ 19.3 million**  
of sales driven by Joias em Ação



## GROSS PROFIT AND GROSS MARGIN

Gross Profit (R\$, 000) and Gross Margin (%)	2Q22	2Q21	Δ % 22vs21	1S22	1S21	Δ % 21vs20
Net Revenue	469,390	361,995	29.7%	806,814	579,725	39.2%
Total costs	(152,332)	(115,784)	31.6%	(261,605)	(190,821)	37.1%
Acquisition of input, raw materials and products	(134,278)	(106,244)	26.4%	(229,871)	(173,943)	32.2%
% Net Revenue	-28.6%	-29.3%	74 bps	-28.5%	-30.0%	151 bps
Factory Expenses	(18,055)	(9,540)	89.3%	(31,734)	(16,878)	88.0%
% Net Revenue	-3.8%	-2.6%	-121 bps	-3.9%	-2.9%	-102 bps
Personal	(14,722)	(7,522)	95.7%	(25,678)	(13,231)	94.1%
% Net Revenue	-3.1%	-2.1%	-106 bps	-3.2%	-2.3%	-90 bps
Factory expenses	(1,939)	(1,220)	59.0%	(3,590)	(2,135)	68.1%
% Net Revenue	-0.4%	-0.3%	-8 bps	-0.4%	-0.4%	-8 bps
Depreciation	(1,393)	(798)	74.6%	(2,465)	(1,512)	63.1%
% Net Revenue	-0.3%	-0.2%	-8 bps	-0.3%	-0.3%	-4 bps
Gross profit	317,058	246,211	28.8%	545,209	388,904	40.2%
Gross margin %	67.5%	68.0%	-47 bps	67.6%	67.1%	49 bps

○ Gross Profit in 2Q22 totaled R\$ 317.1 million, up 28.8% year on year.

○ Gross Margin in the period reached 67.5%, in line with Company's healthy profitability levels. The decline of 50 bps in relation to 2Q21 is due to the expansion of the plant structure caused by the higher volume of insourced production, which is important to sustain the Company's medium- and long-term growth.



## OPERATING EXPENSES

Operating Expenses (R\$, 000)	2Q22	2Q21	Δ % 22vs21	1S22	1S21	Δ % 22vs21
Operating Expenses	(199,116)	(141,464)	40.8%	(355,285)	(259,006)	37.2%
Operating Expenses/Net Revenue (%)	-42.4%	-39.1%	-334 bps	-44.0%	-44.7%	64 bps
Selling Expenses	(150,510)	(108,673)	38.5%	(264,261)	(193,593)	36.5%
Selling Expenses/Net Revenue (%)	-32.1%	-30.0%	-204 bps	-32.8%	-33.4%	64 bps
General and Administrative Expenses	(48,606)	(32,791)	48.2%	(91,024)	(65,413)	39.2%
General and Administrative Expenses/Net Revenue (%)	-10.4%	-9.1%	-130 bps	-11.3%	-11.3%	0 bps
Other Operating Expenses	(4,392)	806	-644.9%	(6,536)	(1,672)	290.9%
Total Operating Expenses	(203,508)	(140,658)	44.7%	(361,821)	(260,678)	38.8%

○ Operating Expenses (SG&A) in the quarter reached R\$199.1 million, corresponding to 42.4% of Net Revenue.

○ Note that, in **2Q21**, Operating Expenses were benefited from: (i) R\$ 3.8 million in rental discounts due to the temporary closure of stores as a restrictive measure to combat the COVID-19 pandemic; and (ii) R\$3.2 million in personnel expenses with the enactment of Federal Law 14,020/2020, which allowed reduced working hours and suspension of employment contracts.

○ In 2Q22, Selling Expenses increased 38.5%, reflecting the significant sales growth during the period, as well as the acceleration of the expansion plan in the last 12 months and the consequent effect of stores in the maturation phase and new stores on the Company's operating leverage. This effect is more pronounced on Personnel Expenses, which increased 36.7% in relation to 2Q21.

## OPERATING EXPENSES (Cont.)

- General and Administrative Expenses increased 48.2% in the period, mainly due to higher investments in consulting services for strategic projects, which increased Expenses with Third-Party Services. Note that this line was affected by the non-recurring effect of R\$ 5.5 million related to lawyers' success fees due to the elimination of tax risks in tax-deficiency notices between 2012 and 2014. Excluding this effect, General and Administrative Expenses would have increased 31.5%.
- Excluding the effects that benefited expenses in 2Q21 and the non-recurring effect in 2Q22, SG&A pressure on a comparable basis would be -20 bps between the periods.
- Other Operating Expenses (Operating Revenue) totaled R\$ 4.4 million, considering the non-recurring effect of R\$ 2.6 million related to additional payment of the ICMS rate difference (DIFAL) in the year.

## ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

EBITDA Reconciliation (R\$, 000)	2Q22	2Q21	Δ % 22vs21	1H22	1H21	Δ % 22vs21
Net Income	89.886	81.657	10,1%	135.807	85.570	58,7%
(+) Income and Social Contribution Taxes	(11.112)	(227)	4792,6%	(22.319)	(3.769)	492,1%
(+) Financial Result	10.459	5.820	79,7%	20.246	14.504	39,6%
(+) Depreciation and Amortization	25.710	17.491	47,0%	52.119	33.435	55,9%
Total EBITDA	114.943	104.740	9,7%	185.853	129.739	43,3%
(-) Rental expense (IFRS16) <sup>(4)</sup>	(22.153)	(16.124)	37,4%	(41.817)	(30.628)	36,5%
(+) Non-recurring effect <sup>(5)</sup>	8.081	-	na	8.081	-	na
Adjusted EBITDA	100.871	88.616	13,8%	152.117	99.111	53,5%
Adjusted EBITDA Margin (%)	21,5%	24,5%	-299 bps	18,9%	17,1%	176 bps

(4) The fixed portion of rent expenses refers to "Lease of Right of Use," which, due to the adoption of IFRS16/CPC06 starting from January 2019, ceased to be booked as rent under operating expenses. The presentation of Adjusted EBITDA through rent is important to reflect the impact of accelerated expansion in the Company's operating metrics. (5) Non-recurring extemporaneous effects refer to: (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) R\$ 2.6 million for additional DIFAL tax payments in 2021.

- In **2Q22**, the Company recorded Adjusted EBITDA of **R\$ 100.9 million**, with Adjusted EBITDA Margin of **21.5%**. EBITDA in the quarter excluding non-recurring effects of R\$ 8.1 million, as per the note above. The growth of **13.8%** is due to the brisk pace of sales, optimum inventory mix, right pricing strategy and budgetary discipline of the Company.
- Note that, in **2Q21**, Adjusted EBITDA **benefited** from: (i) R\$ 3.8 million in rent discounts due to the temporary closure of stores as a restrictive measure to combat the COVID-19 pandemic; and (ii) R\$ 3.2 million in personnel expenses with the enactment of Federal Law 14,020/2020, which allowed reduced working hours and suspension of employment contracts. **On a comparable basis**, the pressure in **EBITDA margin would be 120 bps**, due to cost pressures at the plant caused by the increase in insourced production, the acceleration of the expansion plan and, consequently, the impact of new stores and stores in the maturation phase on operating leverage, as well as the reinforcement of areas and the engagement of strategic consulting services, which are important for the long-term plans.



## NET INCOME AND NET MARGIN

EBITDA Reconciliation and Net Income (R\$'000)	2Q22	2Q21	Δ % 22vs21	1H22	1H21	Δ % 22vs21
Adjusted EBITDA	100,871	88,616	13.8%	152,117	99,111	53.5%
Adjusted EBITDA Margin (%)	21.5%	24.5%	-299 bps	18.9%	17.1%	176 bps
(-) Rental expense (IFRS16) <sup>(4)</sup>	22,153	16,124	37.4%	41,817	30,628	36.5%
(-) Non-recurring effects	(8,081)	-	na	(8,081)	-	na
(+) Depreciation and Amortization	(25,710)	(17,491)	47.0%	(52,119)	(33,435)	na
(+) Financial Result	(10,459)	(5,820)	79.7%	(20,246)	(14,504)	39.6%
(+) Income and Social Contribution Taxes	11,112	227	4792.6%	22,319	3,769	492.1%
Net Income	89,886	81,657	10.1%	135,807	85,570	58.7%
Net Income Margin (%)	19.1%	22.6%	-341 bps	16.8%	14.8%	207 bps

○ The Company reported Net Income of R\$ 89.9 million in 2Q22 and Net Margin of 19.1%, reflecting good operating performance during the period and the ramp-up of production at the Manaus plant, which once again benefited the Income Tax and Social Contribution line.

## DEBT

Net Debt (R\$, 000)	1S22	2021	Δ %	2020	Δ %
Gross Debt	232.277	291.213	-20,2%	390.321	-40,5%
Short Term	114.007	127.176	-10,4%	277.821	-59,0%
Long Term	118.270	164.037	-27,9%	112.500	5,1%
Cash and cash equivalents and Securities	421.107	653.700	-35,6%	701.921	-40,0%
Net Debt	(188.830)	(362.487)	-47,9%	(311.600)	39,4%
Adjusted EBITDA LTM (last twelve months)	313.645	301.390	4,1%	216.319	45,0%
Net Debt/Adjusted Ebitda	- 0,6x	- 1,2x	na	- 1,4x	na

○ In the first quarter of the year, gross debt decreased by 20.2% in relation to December 2021, mainly due to the amortization of R\$ 55.3 million. Net cash in the period decreased 47.9%, due to higher working capital allocation.

## CAPEX

Investments (R\$, 000)	2Q22	2Q21	Δ % 22vs21	1H22	1H21	Δ % 22vs21
Total Capex	31,061	19,639	58.2%	54,930	32,589	68.6%
New Stores	16,412	12,199	34.5%	26,822	12,819	109.2%
Reforms and Maintenance	5,541	1,551	257.3%	9,799	3,320	195.2%
Factory	624	1,131	-44.8%	5,035	4,633	8.7%
Systems/IT	5,596	4,758	17.6%	9,782	7,332	33.4%
Others	2,887	-	na	3,492	4,485	-22.2%
CAPEX/Net Revenue (%)	6.6%	5.4%	119 bps	6.8%	5.6%	119 bps

○ In 2Q22, investments totaled R\$ 31.1 million, up 58.2% from 2Q21, mainly due to: (i) the acceleration of the plan for organic expansion of Vivara and Life; (ii) the increase in store renovation and modernization to adapt the stores to new layouts; and (iii) the continuation of investments in systems as part of the technological structuring strategy.



## CASH GENERATION

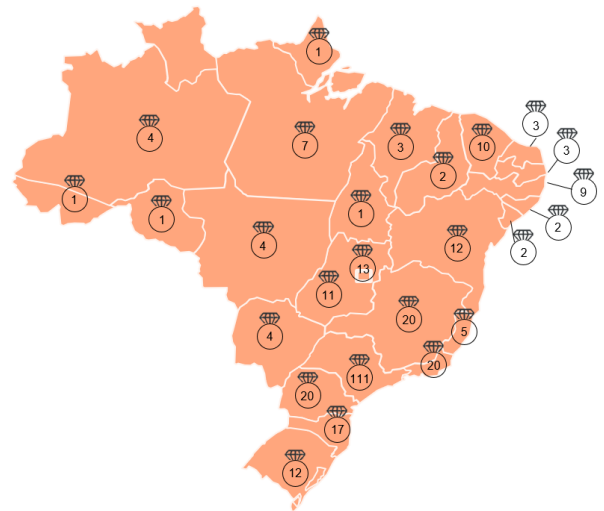
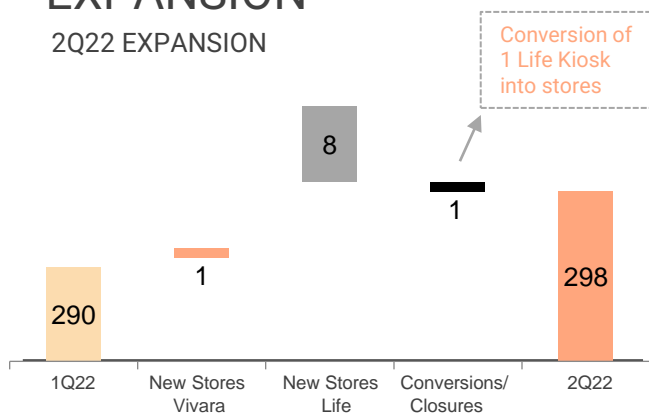
Cash Flow (R\$, 000)	2Q22	2Q21	Δ % 22vs21	1H22	1H21	Δ % 22vs21
Net Income	89.886	81.657	10,1%	135.807	85.570	58,7%
(+/-) Income and Social Contribution Taxes/Others	(7.345)	3.305	-322,3%	(6.479)	3.119	-307,7%
Adjusted Net Income	82.541	84.962	-2,8%	129.328	88.689	45,8%
Working Capital	(76.339)	22.156	-444,5%	(168.067)	34.446	-587,9%
Trade receivables	(68.068)	(81.881)	-16,9%	40.366	43.387	-7,0%
Inventories	(25.983)	(31.014)	-16,2%	(118.612)	(78.534)	51,0%
Trade payables	(4.466)	80.105	-105,6%	9.968	71.082	-86,0%
Recoverable taxes	(5.762)	10.281	-156,0%	(14.974)	34.099	-143,9%
Taxes payable	13.406	24.928	-46,2%	(57.175)	(35.336)	61,8%
Other assets and liabilities	14.535	19.737	-26,4%	(27.640)	(251)	10913,6%
Cash from Management Operating Activities	6.202	107.118	-94,2%	(38.738)	123.135	-131,5%
Capex	(31.061)	(19.639)	58,2%	(54.930)	(32.589)	68,6%
Free Cash Generation <sup>(6)</sup>	(24.859)	87.479	-128,4%	(93.669)	90.546	-203,4%

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

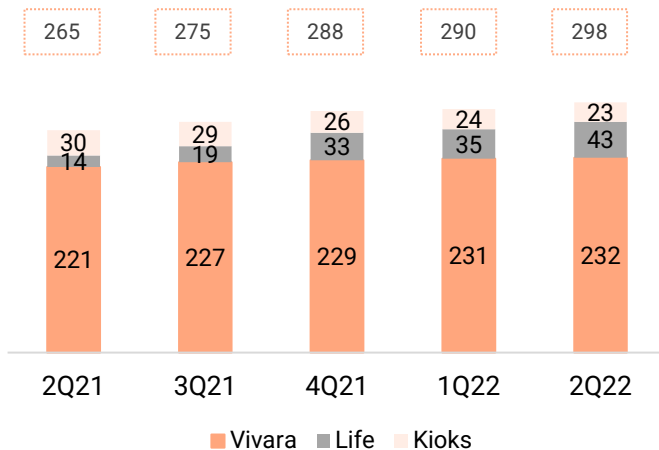
○ The Company consumed free cash of R\$ 24.9 million in 2Q22, mainly due to the increase in working capital allocation and accelerated investments in organic expansion.

## EXPANSION

### 2Q22 EXPANSION



### EXPANSION



Distribution by region	
Southeast	60%
South	19%
North	6%
Northeast	17%
Midwest	12%

New stores by region	
Southeast	78%
South	11%
North	0%
Northeast	11%
Midwest	0%

# OUTLOOK

- **2022** – We remain optimistic about the opportunity that the year still offers us. The resumption of commercial activities and celebrations have ensured intense customer traffic at our point of sales and the continued good pace of sales early in the second half of the year.
- **Expansion** – We ended the quarter with 100% of the 2022 expansion plan contracted. The second half of the year will be intensive in store openings so that we can reach the end of the year with the addition of 35 to 40 Life stores and 15 to 20 Vivara stores.
- **Digital platform** - In July, we started tests on the new platform, migrating 20% of customer traffic. We started August gradually increasing migration after concluding the integration of stores inventories. With the new platform, our customers' digital experience should improve significantly, with faster web page loading and seamless navigation, allowing us to offer high-definition content and images, and new features. Moreover, we will have a technological environment designed to facilitate the integration of diverse platforms quickly and with less investments in the future.

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**Company Information / Capital - Breakdown**

	Current Quarter 06/30/2022
Number of Shares (Units)	
Paid-in Capital	
Common	236,197,769
Preferred	0
<hr/>	
Total	236,197,769
Held in Treasury	
Common	418,412
Preferred	0
<hr/>	
Total	418,412

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06/30/2022</b>	<b>Last Year 12/31/2021</b>
1	Total Assets	1,519,963,540	1,477,832,227
1.01	Current Assets	3,761,114	11,140,116
1.01.01	Cash and Cash Equivalents	774,468	5,249
1.01.01.01	Cash and cash equivalents	774,468	5,249
1.01.03	Trade Receivables	0	62,645,000
1.01.03.02	Trade Receivables	0	62,645,000
1.01.03.02.01	Interest on own capital receivable	0	62,645,000
1.01.06	Recoverable Taxes	2,901,531	11,055,978
1.01.06.01	Current Recoverable Taxes	2,901,531	11,055,978
1.01.06.01.01	Recoverable taxes	2,901,531	11,055,978
1.01.07	Prepaid Expenses	85,115	78,889
1.01.07.01	Prepaid Expenses and other receivables	85,115	78,889
1.02	Noncurrent Assets	1,516,202,426	1,404,047,111
1.02.02	Investments	1,516,202,426	1,404,047,111
1.02.02.01	Equity Interests	1,516,202,426	1,404,047,111
1.02.02.01.02	Equity Interests in Controlled	1,516,202,426	1,404,047,111

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06/30/2022</b>	<b>Last Year 12/31/2021</b>
2	Total Liabilities	1,519,963,540	1,477,832,227
2.01	Current Liabilities	1,121,639	85,100,863
2.01.01	Payroll and Related Taxes	238,066	237,950
2.01.01.01	Social Security Obligations	36,118	36,538
2.01.01.01.01	INSS and FGTS	36,118	36,538
2.01.01.02	Payroll Obligations	201,948	201,412
2.01.01.02.02	Payroll obligations	201,948	201,412
2.01.03	Taxes Payable	8,646	13,684,082
2.01.03.01	Federal Taxes Payable	8,646	13,684,082
2.01.03.01.02	PIS and COFINS payable	1,549	6,817,250
2.01.03.01.04	Other federal taxes payable	7,097	6,866,832
2.01.05	Other Payables	874,927	71,178,831
2.01.05.02	Other	874,927	71,178,831
2.01.05.02.01	Current Liabilities – due to Related Parties	2,927	70,892,231
2.01.05.02.08	Other Payables	872,000	286,600
2.03	Equity	1,518,841,901	1,392,731,364
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	-50,699,967	-52,567,635
2.03.02.04	Options Granted	2,341,160	473,492
2.03.02.07	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	329,186,966	339,917,790
2.03.04.01	Legal Reserve	24,902,488	24,902,488
2.03.04.02	Statutory Reserve	315,015,302	315,015,302
2.03.04.09	Treasury Shares	-10,730,824	0
2.03.05	Retained earnings/accumulated deficit	134,973,693	0

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 04/01/2022 to 06/30/2022</b>	<b>Accumulated Current Year 01/01/2022 to 06/30/2022</b>	<b>Same Quarter Last Year 04/01/2021 to 06/30/2021</b>	<b>Accumulated Last Year 01/01/2021 to 06/30/2021</b>
3.04	Operating Expenses/Income	88,894,628	136,105,324	81,199,397	84,994,403
3.04.02	General and Administrative Expenses	-3,306,031	-5,668,066	-1,744,529	-3,027,034
3.04.02.01	General and Administrative	-3,306,031	-5,668,066	-1,744,529	-3,027,034
3.04.04	Others Operating Income	-3,138	-3,138	0	0
3.04.04.01	Others operating income	-3,138	-3,138	0	0
3.04.06	Share of Profit (Loss) of Investees	92,203,797	141,776,528	82,943,926	88,021,437
3.04.06.01	Share of profit (loss) of investees	92,203,797	141,776,528	82,943,926	88,021,437
3.05	Profit Before Finance Income (Costs) and Taxes	88,894,628	136,105,324	81,199,397	84,994,403
3.06	Finance Income (costs)	157,405	-1,131,632	11,594	129,242
3.06.01	Finance Income	169,400	377,971	13,111	142,854
3.06.01.01	Finance income	169,400	377,971	13,111	142,854
3.06.02	Finance Costs	-11,995	-1,509,603	-1,517	-13,612
3.06.02.01	Finance costs	-11,995	-1,509,603	-1,517	-13,612
3.07	Profit Before Income Taxes	89,052,033	134,973,692	81,210,991	85,123,645
3.08	Income Tax and Social Contribution on Net Income	0	0	-19,751	-19,751
3.08.01	Current	0	0	-19,751	-19,751
3.09	Profit from Discontinued Operation	89,052,033	134,973,692	81,191,240	85,103,894
3.11	Profit/Loss for the Period	89,052,033	134,973,692	81,191,240	85,103,894
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	0,37724	0,57177	0,34374	0,36031
3.99.02	Diluted earnings per share	0	0	0	0
3.99.02.01	Common shares	0,37714	0,57162	0,34374	0,36031

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 04/01/2022 to 06/30/2022</b>	<b>Accumulated Current Year 01/01/2022 to 06/30/2022</b>	<b>Same Quarter Last Year 04/01/2021 to 06/30/2021</b>	<b>Accumulated Last Year 01/01/2021 to 06/30/2021</b>
4.01	Profit for the Period	89,052,033	134,973,693	81,191,240	85,103,894
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	89,052,033	134,973,693	81,191,240	85,103,894

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

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2022 to 06/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 06/30/2021</b>
6.01	Net Cash from Operating Activities	-9,876,867	-7,633,435
6.01.01	Cash Generated by Operations	-5,290,355	-3,038,486
6.01.01.01	Profit (loss) for the year	134,973,693	85,103,894
6.01.01.05	Deferred Income Tax and Social Contribution	0	19,751
6.01.01.08	Share of profit (loss) of investees	-141,776,528	-88,021,436
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-355,188	-140,695
6.01.01.15	Options Granted	1,867,668	0
6.01.02	Changes in Assets and Liabilities	-4,586,512	-4,594,949
6.01.02.04	Recoverable taxes	-3,419	0
6.01.02.06	Other credits	-6,226	-25,869
6.01.02.08	Payroll and Social Security Obligations	115	31,774
6.01.02.09	Taxes payable	-5,162,383	-4,304,548
6.01.02.13	Other payables	585,401	-296,306
6.02	Net Cash from Investing Activities	51,914,176	42,271,785
6.02.08	Interest on own capital received	62,645,000	42,271,785
6.02.09	Treasury Shares	-10,730,824	0
6.03	Net Cash from Financing Activities	-41,268,090	-34,830,561
6.03.02	Dividends Received	29,621,214	0
6.03.03	Dividends Paid	-12,708,277	-12,479,567
6.03.09	Interest on Equity Reserve Paid	-58,181,027	-22,350,994
6.05	Increase (Decrease) in Cash and Cash Equivalents	769,219	-192,211
6.05.01	Opening Balance of Cash and Cash Equivalents	5,249	223,606
6.05.02	Closing Balance of Cash and Cash Equivalents	774,468	31,395

**Parent FS / Statement of Changes in Equity / 01/01/2022 - 06/30/2022****(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	-8,863,156	0	0	0	-8,863,156
5.04.03	Options Granted Recognized	0	1,867,668	0	0	0	1,867,668
5.04.04	Shares in Treasury Acquired	0	-10,730,824	0	0	0	-10,730,824
5.05	Total Comprehensive Income	0	0	0	134,973,693	0	134,973,693
5.05.01	Profit for the Period	0	0	0	134,973,693	0	134,973,693
5.07	Closing Balances	1,105,381,209	-61,430,791	339,917,790	134,973,693	0	1,518,841,901

**Parent FS / Statement of Changes in Equity / 01/01/2021 - 06/30/2021****(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	-53,041,127	119,135,731	0	0	1,171,475,813
5.03	Adjusted opening balances	1,105,381,209	-53,041,127	119,135,731	0	0	1,171,475,813
5.04	Capital Transactions with Partners	0	0	573	0	0	573
5.04.06	Dividends	0	0	573	0	0	573
5.05	Total Comprehensive Income	0	0	0	85,103,894	0	85,103,894
5.05.01	Profit for the Period	0	0	0	85,103,894	0	85,103,894
5.07	Closing Balances	1,105,381,209	-53,041,127	119,136,304	85,103,894	0	1,256,580,280



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

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2022 to 06/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 06/30/2021</b>
7.02	Inputs Purchased from Third Parties	-1,890,143	-1,884,374
7.02.02	Materials, Electric Power, Outside Services and Others	-1,890,143	-1,884,374
7.03	Gross Value Added	-1,890,143	-1,884,374
7.05	Wealth Created by the Company	-1,890,143	-1,884,374
7.06	Wealth Received in Transfer	142,154,499	88,164,291
7.06.02	Finance Income	377,971	142,855
7.06.03	Others	141,776,528	88,021,436
7.06.03.01	Share of profit of subsidiaries and associates	141,776,528	88,021,436
7.07	Wealth for Distribution	140,264,356	86,279,917
7.08	Wealth Distributed	140,264,356	86,279,917
7.08.01	Personnel	3,531,767	938,873
7.08.01.01	Salaries and Wags	3,530,366	938,873
7.08.01.02	Benefits	1,401	0
7.08.02	Taxes, Fees and Contributions	1,757,203	236,071
7.08.02.01	Federal	1,757,203	236,071
7.08.03	Lenders and Lessors	1,693	1,079
7.08.03.01	Interest	1,693	1,079
7.08.04	Shareholders	134,973,693	85,103,894
7.08.04.03	Retained Earnings / Loss for the Period	134,973,693	85,103,894

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 06/30/2022</b>	<b>Last Year 12/31/2021</b>
1	Total Assets	2,553,457,711	2,563,868,834
1.01	Current Assets	1,471,842,946	1,583,219,784
1.01.01	Cash and Cash Equivalents	164,942,368	325,587,601
1.01.01.01	Cash and Cash Equivalents	164,942,368	325,587,601
1.01.02	Financial Application	111,433,888	141,707,127
1.01.02.03	Financial application valued at amortized cost	111,433,888	141,707,127
1.01.03	Trade Receivables	491,508,047	531,777,249
1.01.03.01	Trade receivables	491,508,047	531,777,249
1.01.03.01.01	Trade receivables	491,508,047	531,777,249
1.01.04	Inventories	646,090,699	527,139,036
1.01.04.01	Inventories	646,090,699	527,139,036
1.01.06	Recoverable Taxes	44,239,893	47,627,009
1.01.06.01	Current Recoverable Taxes	44,239,893	47,627,009
1.01.06.01.01	Recoverable taxes	44,239,893	47,627,009
1.01.07	Prepaid Expenses	13,628,051	8,223,085
1.01.07.01	Prepaid expenses and other receivables	13,628,051	8,223,085
1.01.08	Other Current Assets	0	1,158,677
1.01.08.03	Others	0	1,158,677
1.01.08.03.01	Derivative financial assets	0	1,158,677
1.02	Noncurrent Assets	1,081,614,765	980,649,050
1.02.01	Long-Term Assets	504,947,474	469,787,167
1.02.01.03	Financial application valued at amortized cost	144,731,228	186,405,142
1.02.01.07	Deferred Taxes	163,794,790	112,318,236
1.02.01.07.01	Deferred Income Tax and Social Contribution	163,794,790	112,318,236
1.02.01.10	Other Noncurrent Assets	196,421,456	171,063,789
1.02.01.10.03	Escrow deposits	21,788,497	15,016,045
1.02.01.10.05	Recoverable taxes	174,632,959	156,047,744
1.02.03	Property, plant and equipment	550,425,301	480,987,952
1.02.03.01	Property, Plant and Equipment in Use	550,425,301	480,987,952
1.02.03.01.01	Property, plant and equipment	550,425,301	480,987,952
1.02.04	Intangible Assets	26,241,990	29,873,931
1.02.04.01	Intangible assets	26,241,990	29,873,931
1.02.04.01.02	Intangible assets	26,241,990	29,873,931

## Consolidated FS / Balance Sheet Liabilities (Reais)

Code Account	Account Description	Current Quarter 06/30/2022	Last Year 12/31/2021
2	Total Liabilities	2,553,457,711	2,563,868,834
2.01	Current Liabilities	542,927,206	674,295,867
2.01.01	Payroll and Related Taxes	74,512,965	78,046,070
2.01.01.01	Social Security Obligations	8,708,675	11,923,228
2.01.01.01.01	INSS / FGTS	8,708,675	11,923,228
2.01.01.02	Payroll Obligations	65,804,290	66,122,842
2.01.01.02.01	Vacation Provision and 13th Salary	36,891,560	23,526,423
2.01.01.02.02	Payroll Obligations	28,912,730	42,596,419
2.01.02	Trade payables	167,524,322	157,555,945
2.01.02.01	Domestic Suppliers	137,723,945	121,909,485
2.01.02.01.01	Domestic	137,723,945	121,909,485
2.01.02.02	Foreign Suppliers	29,800,377	35,646,460
2.01.02.02.01	Foreign	29,800,377	35,646,460
2.01.03	Taxes Payable	66,429,045	113,490,886
2.01.03.01	Federal Taxes Payable	42,323,494	70,217,523
2.01.03.01.01	Income Tax and Social Contribution Payable	10,873,093	5,354,263
2.01.03.01.02	PIS and COFINS payable	9,050,227	25,543,461
2.01.03.01.03	IPI payable	20,807,798	20,102,739
2.01.03.01.04	Other federal taxes payable	1,592,376	19,217,060
2.01.03.02	State Taxes Payable	23,540,512	42,612,435
2.01.03.02.01	State VAT (ICMS)	21,098,717	40,561,516
2.01.03.02.02	Other state taxes payable	2,441,795	2,050,919
2.01.03.03	Municipal Taxes Payable	565,039	660,928
2.01.03.03.01	Service tax (ISS)	565,039	660,928
2.01.04	Borrowings and Financing	114,006,946	127,176,043
2.01.04.01	Borrowings and Financing	114,006,946	127,176,043
2.01.04.01.01	In Local Currency	30,213,712	31,361,661
2.01.04.01.02	In Foreign Currency	83,793,234	95,814,382
2.01.05	Other Payables	120,453,928	198,026,923
2.01.05.02	Others	120,453,928	198,026,923
2.01.05.02.01	Dividends and Interest on own capital receivable	2,926	70,892,231
2.01.05.02.04	Leases payable	17,745,510	17,140,915
2.01.05.02.05	Right-of-use payable	60,841,677	59,919,745
2.01.05.02.06	Passive derivative instruments	590,658	0
2.01.05.02.07	Taxes in installments	275,457	266,976
2.01.05.02.08	Other payables	40,997,700	49,807,056
2.02	Noncurrent Liabilities	491,688,603	496,841,603
2.02.01	Borrowings and Financing	118,270,257	164,036,728
2.02.01.01	Borrowings and Financing	118,270,257	164,036,728
2.02.01.01.01	In Local Currency	98,270,257	104,036,728
2.02.01.01.02	In Foreign Currency	20,000,000	60,000,000
2.02.02	Other payables	353,079,899	315,750,489



<b>Code</b>	<b>Account Description</b>	<b>Current Quarter</b>	<b>Last Year</b>
<b>Account</b>		<b>06/30/2022</b>	<b>12/31/2021</b>
2.02.02.02	Others	353,079,899	315,750,489
2.02.02.02.04	Right-of-use payable	346,374,878	310,148,354
2.02.02.02.05	Passive derivative instruments	1,729,743	0
2.02.02.02.07	Taxes in installments	511,013	632,868
2.02.02.02.08	Other payables	3,198,331	3,703,333
2.02.02.02.09	Payroll Obligations	1,265,934	1,265,934
2.02.04	Provisions	20,338,447	17,054,386
2.02.04.01	Provision for Tax, Social Security, Labor and Civil	20,338,447	17,054,386
2.02.04.01.01	Tax Provisions	10,357,198	5,832,134
2.02.04.01.02	Provision for Social Security and Labor Obligations	6,910,370	8,524,912
2.02.04.01.04	Civil Provisions	3,070,879	2,697,340
2.03	Consolidated Equity	1,518,841,902	1,392,731,364
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	-50,699,967	-52,567,635
2.03.02.04	Options Granted	2,341,160	473,492
2.03.02.07	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	329,186,967	339,917,790
2.03.04.01	Legal Reserve	24,902,489	24,902,488
2.03.04.02	Statutory Reserve	315,015,302	315,015,302
2.03.04.09	Treasury Shares	-10,730,824	0
2.03.05	Retained earnings/accumulated deficit	134,973,693	0

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

Account Code	Account Description	Current Quarter 04/01/2022 to 06/30/2022	Accumulated Current Year 01/01/2022 to 06/30/2022	Same Quarter Last Year 04/01/2021 to 06/30/2021	Accumulated Last Year 01/01/2021 to 06/30/2021
3.01	Revenue from Sale of Goods and/or Services	469,390,205	806,813,951	246,211,465	388,904,295
3.01.01	Net Revenue from Sales and Services	469,90,205	806,813,951	361,995,079	579,725,112
3.01.02	Cost of sales and services	0	0	-115,783,614	-190,820,817
3.02	Cost of Sales and Services	-152,282,115	-261,554,609	0	0
3.02.01	Cost of sales and services	-152,282,115	-261,554,609	0	0
3.03	Gross Profit	317,108,090	545,259,342	246,211,465	388,904,295
3.04	Operating Expenses/Income	-228,622,837	-412,272,697	-158,961,952	-292,600,119
3.04.01	Selling Expenses	-165,609,312	-293,660,898	-119,319,270	-213,950,497
3.04.01.01	Selling expenses	-165,609,312	-293,660,898	-119,319,270	-213,950,497
3.04.02	General and Administrative Expenses	-58,621,745	-112,075,645	-38,836,957	-76,977,655
3.04.02.01	General and Administrative Expenses	-58,621,745	-112,075,645	-38,836,957	-76,977,655
3.04.04	Other Operating Income	340,407	657,663	-800,840	-1,661,142
3.04.04.01	Other operating income	340,407	657,663	-800,840	-1,661,142
3.04.05	Other operating expenses	-4,732,187	-7,193,817	-4,885	-10,825
3.04.05.01	Other operating expenses	-4,732,187	-7,193,817	-4,885	-10,825
3.05	Profit Before Finance Income (Costs) and Taxes	88,485,253	132,986,645	87,249,513	96,304,176
3.06	Finance Income (Costs)	-10,459,368	-20,245,619	-5,819,699	-14,504,028
3.06.01	Finance Income	11,281,235	24,144,452	7,431,909	13,424,185
3.06.01.01	Finance income	11,281,235	24,144,452	7,431,909	13,424,185
3.06.02	Finance Costs	-21,740,603	-44,390,071	-13,251,608	-27,928,213
3.06.02.01	Finance Costs	-21,740,603	-44,390,071	-13,251,608	-27,928,213
3.07	Profit Before Income Taxes	78,025,885	112,741,026	81,429,814	81,800,148
3.08	Income Tax and Social Contribution	11,026,148	22,232,667	-238,574	3,303,746
3.08.01	Current	-15,632,481	-29,243,887	-5,694,261	-11,792,988
3.08.02	Deferred	26,658,629	51,476,554	5,455,687	15,096,734
3.09	Profit from Discontinued Operation	89,052,033	134,973,693	81,191,240	85,103,894
3.11	Consolidated Profit/Loss for the Period	89,052,033	134,973,693	81,191,240	85,103,894
3.11.01	Attributable to Owners of the Parent	89,052,033	134,973,693	81,191,240	85,103,894
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	0,37724	0,57177	0,34374	0,36031
3.99.02	Diluted earnings per share	0	0	0	0
3.99.02.01	Common shares	0,37714	0,57162	0,34374	0,36031

## Consolidated FS / Statement of Comprehensive Income

(Reais)

Account Code	Account Description	Current Quarter 04/01/2022 to 06/30/2022	Accumulated Current Year 01/01/2022 to 06/30/2022	Same Quarter Last Year 04/01/2021 to 06/30/2021	Accumulated Last Year 01/01/2021 to 06/30/2021
4.01	Profit for the Period	89,052,033	134,973,693	81,191,240	85,103,894
4.02	Other Comprehensive Income	0	0	0	0
4.03	Total Comprehensive Income for the Period	89,052,033	134,973,693	81,191,240	85,103,894
4.03.01	Attributable to Owners of the Parent	89,052,033	134,973,693	81,191,240	85,103,894

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

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2022 to 06/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 06/30/2021</b>
6.01	Net Cash from Operating Activities	-12,511,275	134,641,804
6.01.01	Cash Generated by Operations	207,935,728	136,640,005
6.01.01.01	Profit (loss) for the year	134,973,693	85,103,894
6.01.01.02	Depreciation and Amortization	52,118,746	33,434,700
6.01.01.03	Interest and exchange differences on borrowings and financing	16,211,300	6,642,389
6.01.01.04	Interest on lease and right-of-use rental	20,883,987	16,966,371
6.01.01.05	Current and deferred income tax and social contribution	-22,232,667	-3,303,746
6.01.01.06	Allowance for inventory losses	-339,300	1,850,268
6.01.01.07	Provision for civil, labor and tax risks	6,033,615	2,036,186
6.01.01.10	Write-off of property, plant and equipment and intangible assets	1,013,723	10,211
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-1,071,577	-818,698
6.01.01.13	Expected credit losses	-97,211	218,801
6.01.01.14	Lease discount	-1,426,249	-5,500,371
6.01.01.15	Options Granted	1,867,668	0
6.01.02	Changes in Assets and Liabilities:	-167,253,946	32,595,971
6.01.02.01	Trade receivables	40,366,413	43,386,719
6.01.02.03	Inventories	-118,612,363	-80,384,475
6.01.02.04	Recoverable taxes	-14,819,223	34,098,628
6.01.02.05	Escrow deposits	-6,079,750	-854
6.01.02.06	Other credits	-5,404,967	-10,138,428
6.01.02.07	Trade payables	9,968,378	71,082,073
6.01.02.08	Payroll and related taxes	-3,533,105	6,686,543
6.01.02.09	Taxes payable	-57,174,639	-35,336,008
6.01.02.10	Leases payable	604,595	13,601,044
6.01.02.11	Taxes in installments	-113,375	-117,806
6.01.02.12	Contingencies paid	-2,749,554	-663,258
6.01.02.13	Other payables	-9,706,356	-9,618,207
6.01.03	Others	-53,193,057	-34,594,172
6.01.03.01	Income tax and social contribution paid	-19,131,090	-9,832,964
6.01.03.02	Interest paid on borrowings and financing	-14,365,293	-7,733,600
6.01.03.03	Interest paid on right-of-use lease	-19,696,674	-17,027,608
6.02	Net Cash from Investing Activities	6,032,997	-117,684,698
6.02.01	Financial Application	71,947,153	-85,096,153
6.02.02	Purchases of property and equipment	-44,514,984	-28,636,095
6.02.03	Purchases of intangible assets	-10,668,348	-3,952,450
6.02.09	Treasury Shares	-10,730,824	0
6.03	Net Cash from Financing Activities	-154,166,955	-133,108,915
6.03.03	Dividends Paid	-12,708,277	-12,479,567
6.03.04	Borrowings and financing	0	120,343,414
6.03.05	Repayment of borrowings and financing	-55,343,414	-226,162,650
6.03.06	Settlement of derivatives - SWAP agreements	-1,959,083	19,047,902
6.03.07	Repayment of lease and right-of-use rental	-25,975,154	-11,507,020
6.03.09	Interest on Equity Reserve Paid	-58,181,027	-22,350,994
6.05	Increase (Decrease) in Cash and Cash Equivalents	-160,645,233	-116,151,809

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

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2022 to 06/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 06/30/2021</b>
6.05.01	Opening Balance of Cash and Cash Equivalentts	325,587,601	477,319,379
6.05.02	Closing Balance of Cash and Cash Equivalentts	164,942,368	361,167,570

**Consolidated FS / Statement of Changes in Equity / 01/01/2022 - 06/30/2022****(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>	<b>Noncontrolling interest</b>	<b>Consolidated equity</b>
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	-8,863,156	0	0	0	-8,863,156	0	-8,863,156
5.04.03	Options Granted Recognized	0	1,867,668	0	0	0	1,867,668	0	1,867,668
5.04.04	Shares in Treasury Acquired	0	-10,730,824	0	0	0	-10,730,824	0	-10,730,824
5.05	Total Comprehensive Income	0	0	0	134,973,693	0	134,973,693	0	134,973,693
5.05.01	Profit for the Period	0	0	0	134,973,693	0	134,973,693	0	134,973,693
5.07	Closing Balances	1,105,381,209	-61,430,791	339,917,790	134,973,693	0	1,518,841,901	0	1,518,841,901

**Consolidated FS / Statement of Changes in Equity / 01/01/2021 - 06/30/2021****(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	-53,041,127	119,135,731	0	0	1,171,475,813	0	1,171,475,813
5.03	Adjusted opening balances	1,105,381,209	-53,041,127	119,135,731	0	0	1,171,475,813	0	1,171,475,813
5.04	Capital Transactions with Partners	0	0	573	0	0	573	0	573
5.04.06	Options Granted Recognized	0	0	573	0	0	573	0	573
5.05	Total Comprehensive Income	0	0	0	85,103,894	0	85,103,894	0	85,103,894
5.05.01	Profit for the Period	0	0	0	85,103,894	0	85,103,894	0	85,103,894
5.07	Closing Balances	1,105,381,209	-53,041,127	119,136,304	85,103,894	0	1,256,580,280	0	1,256,580,280

**Consolidated FS / Statement of Value Added**

<b>(Reais)</b>		<b>Accumulated</b>	<b>Accumulated</b>
<b>Account Code</b>	<b>Account Description</b>	<b>Current Year</b>	<b>Last Year</b>
		<b>01/01/2022 to</b>	<b>01/01/2021 to</b>
		<b>06/30/2022</b>	<b>06/30/2021</b>
7.01	Revenues	98,666,891	730,516,128
7.01.01	Sales of Goods and Services	998,142,085	730,137,386
7.01.02	Other Income	524,806	378,742
7.01.02.01	Other Income	622,017	159,941
7.01.02.02	Expected credit losses	-97,211	218,801
7.02	Inputs Purchased from Third Parties	-403,723,462	-291,819,144
7.02.01	Cost of Goods and Services	-229,965,789	-173,637,932
7.02.02	Materials, Electric Power, Outside Services and Others	-173,757,673	-118,181,212
7.03	Wealth Distributed	594,943,429	438,696,984
7.04	Retentions	-52,118,747	-33,434,700
7.04.01	Depreciation, Amortization and Depletion	-52,118,747	-33,434,700
7.05	Wealth Created by the Company	542,824,682	405,262,284
7.06	Wealth Received in Transfer	23,956,974	13,424,185
7.06.02	Finance Income	23,956,974	13,424,185
7.07	Value Added for Distribution	566,781,656	418,686,469
7.08	Wealth Distributed	566,781,656	418,686,469
7.08.01	Personnel	168,536,600	120,808,621
7.08.01.01	Salaries and Wags	136,300,086	97,430,103
7.08.01.02	Benefits	21,131,004	14,922,232
7.08.01.03	F.G.T.S.	11,105,510	8,456,286
7.08.02	Taxes, fees and contributions	213,176,356	182,304,438
7.08.02.01	Federal	87,196,653	74,407,577
7.08.02.02	State	123,230,257	105,489,748
7.08.02.03	Municipal	2,749,446	2,407,113
7.08.03	Lenders and Lessors	50,095,007	30,469,516
7.08.03.01	Interest	41,632,617	27,029,674
7.08.03.02	Rentals	6,513,649	2,665,316
7.08.03.03	Others	1,948,741	774,526
7.08.03.03.01	Royalties	1,948,741	774,526
7.08.04	Shareholders	134,973,693	85,103,894
7.08.04.03	Retained Earnings / Loss for the Period	134,973,693	85,103,894

(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 JUNE 30, 2022**

(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 57.9% 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 June 30, 2022, Tellerina had 275 stores and 23 kiosks (235 stores and 30 kiosks as at June 30, 2021) 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, 2021, disclosed on March 17, 2022, and the main accounting policies were disclosed in note 3 to these financial statements.

The interim financial information for the quarter ended June 30, 2022 was approved for disclosure by the Board of Directors on August 11, 2022.

### 3. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash	-	-	3.631	5.806
Banks – checking account	75	5	6.018	4.179
Short-term investments (a)	699	-	155.293	315.603
<b>Total</b>	<b>774</b>	<b>5</b>	<b>164.942</b>	<b>325.588</b>

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

	Parent		Consolidated			
	06/30/2022	Weighted average CDI rate	06/30/2022	Weighted average CDI rate	12/31/2021	Weighted average CDI rate
Bank Certificate of Deposit (CDB)	-	-	152.999	103%	301.095	92,8%
Repurchase transaction	699	80%	2.090	80%	11.284	80%
Automatic investments	-	-	204	10%	3.224	10%
<b>Total</b>	<b>699</b>		<b>155.293</b>		<b>315.603</b>	

### 4. SECURITIES

	Return	Consolidated	
		06/30/2022	12/31/2021
Investment funds (a)	Variable (*)	-	79.789
Financial bills (b)	67% of CDI	256.165	248.323
<b>Total</b>		<b>256.165</b>	<b>328.112</b>
Current assets		111.434	141.707
Noncurrent assets		144.731	186.405
<b>Total</b>		<b>256.165</b>	<b>328.112</b>

a) Investment funds showed weighted return of 1.04% p.m. in 2022 (return of 0.8% p.m. as at December 31, 2021).

b) Financial bills refer to fixed-income securities subject to fixed or floating interest rates, issued by financial institutions highly rated by credit rating agencies, with a minimum term of 2 years, 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 2024, the amount of R\$42,000 in investments in long-term financial bills.

## 5. TRADE RECEIVABLES

	Consolidated	
	06/30/2022	12/31/2021
Credit card companies	486.301	527.056
Checks to be cleared	1.490	1.607
Bank slips	4.524	3.823
Subtotal	492.315	532.486
Allowance for expected credit losses	(807)	(709)
Total	491.508	531.777

The aging list of trade receivables is as follows:

	Consolidated	
	06/30/2022	12/31/2021
Past-due:	1.661	1.281
Current:	490.654	531.205
Total	492.315	532.486

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

## 6. INVENTORIES

	Consolidated	
	06/30/2022	12/31/2021
Finished products	434.202	332.692
Raw materials	166.618	170.655
Consumables and packaging materials	14.553	8.860
Inventories in transit and advances to suppliers	34.758	19.311
Allowance for inventory losses	(4.040)	(4.379)
Total	646.091	527.139

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.

Watches and accessories with sales cycles above twelve months are classified as slow-moving inventories. Gold and silver jewelry, when considered as slow-moving inventories or when their production needs to be discontinued, are subject to melting and purification process and, due to the technology used, losses are insignificant and precious metals and stones are recovered.

Variations in the allowance for inventory losses are as follows:

	Consolidated	
	06/30/2022	12/31/2021
Balance at the beginning of the period	(4.379)	(6.171)
Additions	(1.100)	(2.058)
Reversals	1.439	3.850
Balance at the end of the period	(4.040)	(4.379)

## 7. RECOVERABLE TAXES

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Income tax (IRPJ) (a)	2.898	11.056	63.801	70.112
Social contribution (CSLL) (a)	-	-	22.636	22.636
State VAT (ICMS) (b)	-	-	129.698	108.227
Taxes on revenue (PIS and COFINS)	-	-	22	2.700
Withholding income tax (IRRF)	-	-	2.712	-
Other	4	-	4	-
<b>Total</b>	<b>2.902</b>	<b>11.056</b>	<b>218.873</b>	<b>203.675</b>
Current assets	2.902	11.056	44.240	47.627
Noncurrent assets	-	-	174.633	156.048
<b>Total</b>	<b>2.902</b>	<b>11.056</b>	<b>218.873</b>	<b>203.675</b>

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

The IRPJ and CSLL credits recorded by the Company and its subsidiaries comprise credit balances arising from tax computation and tax credits derived from the unconstitutional taxation on the Selic rate-based inflation adjustments applied to the unduly paid taxes and administrative proceedings of noncompliance with the Brazilian Federal Revenue Service to ensure the right to credits originating from the deduction from its tax basis of the investment incentives, pursuant to article 30 of Law 12.973/2014.

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

Year	Parent	Parent	Consolidated	Consolidated
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
2022	869	11.056	20.329	28.669
2023	2.029	-	24.907	27.231
2024	-	-	41.201	36.848
<b>Total</b>	<b>2.898</b>	<b>11.056</b>	<b>86.437</b>	<b>92.748</b>

### (b) State VAT (ICMS)

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, Rio Grande do Norte and Alagoas.

In Pernambuco, which accounts for most of this credit balance, the Company received, by mid-January 2022, the incentive set forth in Law 11675 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. As a contra entry, the Company implemented in May 2022 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, 2022, and can be renewed as requested by the Company, which must be in compliance with all State requirements.

The purchase of raw material by the branch in São Paulo from Conipa has accumulated ICMS credit balance. Together with its legal counsel, the Company started the process to redeem this balance with the State Government through e-CredAc. After the homologation by the Finance Department, these credits can be transferred to Tellerina.

The ICMS credits are expected to be realized as follows:

Year	Consolidated 06/30/2022	Consolidated 12/31/2021
2022	14.904	36.863
2023	33.466	30.798
2024	46.347	7.658
2025	7.834	7.699
2027	7.869	7.741
2027 and thereafter	19.278	17.468
Total	129.698	108.227

## 8. INVESTMENT

	Equity	Equity interest	Investment	Share of profit (loss) of subsidiaries
Tellerina	420.072	100%	420.072	5.436
Conipa	1.096.130	100%	1.096.130	136.341
Total - direct subsidiaries	1.516.202		1.516.202	141.777

### (a) Investments in subsidiaries

June 30, 2022

Variations in investments are broken down below:

	Parent
Balance at the beginning of the period	1.404.047
Share of profit (loss) of subsidiaries	141.777
Dividends received	(29.621)
Balance at the end of the period	1.516.202

Up to June 2022, the Company received from subsidiary Conipa the amount of R\$29,621 as advanced dividends relating to profit earned in 2022.

### (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 and funding, 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, Bahia and Pará.

The variations in these reserves are broken down as follows:

	Consolidated		
	12/31/2021	Additions	06/30/2022
ICMS tax incentive	238.542	91.553	330.095
Tax incentive - operating profit	83.971	32.236	116.207
Total	322.513	124.036	446.549

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			
		Cost	06/30/2022		12/31/2021
			Accumulated depreciation	Residual value	Residual value
Leasehold improvements	20	134.889	(70.809)	64.080	51.744
Furniture and fixtures	10	52.479	(20.655)	31.824	25.496
Machinery, equipment and facilities	10	39.880	(10.805)	29.075	23.501
Company cars	20	366	(270)	96	88
IT equipment	20	17.068	(8.354)	8.714	8.827
Land	-	350	-	350	350
Right-of-use assets - lease of properties	10 to 25	533.208	(147.321)	385.887	346.881
Right-of-use assets - cloud		12.380	(5.061)	7.319	-
Advances to suppliers and construction in progress (*)	-	23.079	-	23.079	24.101
Total		813.699	(263.275)	550.424	480.988

(\*) Refers to the cost of construction works at new points of sale 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.

Based on the earnings recorded for the six-month period and expected earnings for the year in line with the projections and analyses conducted and disclosed in the financial statements for 2021, the Company's Management concluded that there is no indication of the need to record the impairment of its assets.

Variations in property, plant and equipment are as follows:

	Consolidated				06/30/2022
	12/31/2021	Additions	Write-offs	Transfers (**)	
<b>Cost</b>					
Leasehold improvements	113.957	6.217	-	14.715	134.889
Furniture and fixtures	43.908	5.809	(86)	2.848	52.479
Machinery, equipment and facilities	32.585	6.122	(19)	1.192	39.880
Company cars	341	25	-	-	366
IT equipment	15.739	1.364	(5)	(30)	17.068
Land	350	-	-	-	350
Right-of-use assets - lease of properties (*)	462.183	63.755	-	7.270	533.208
Right-of-use assets – cloud (**)		253		12.127	12.380
Advances to suppliers and construction in progress	24.101	24.978	(5)	(25.995)	23.079
	<u>693.164</u>	<u>108.523</u>	<u>(115)</u>	<u>12.127</u>	<u>813.699</u>
<b>Accumulated</b>					
Leasehold improvements	(62.213)	(8.596)	-	-	(70.809)
Furniture and fixtures	(18.412)	(2.286)	43	-	(20.655)
Machinery, equipment and facilities	(9.084)	(1.729)	8	-	(10.805)
Company cars	(253)	(17)	-	-	(270)
IT equipment	(6.912)	(1.443)	1	-	(8.354)
Right-of-use assets - lease of properties	(115.302)	(32.019)	-	-	(147.321)
Right-of-use assets - cloud	-	(5.061)	-	-	(5.061)
	<u>(212.176)</u>	<u>(51.151)</u>	<u>52</u>	<u>-</u>	<u>(263.275)</u>
<b>Total</b>	<u>480.988</u>	<u>57.372</u>	<u>(63)</u>	<u>12.127</u>	<u>550.424</u>

(\*) In the period, the additions amounting to R\$63,755 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. The transfers in the amount of R\$7,270 contemplate amounts paid relating to the acquisition of points of sale and which are initially considered as advances before the inauguration of stores.

(\*\*) 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.

## 10. INTANGIBLE ASSETS

	Consolidated				06/30/2022
	12/31/2021	Additions	Write-offs	Transfers (*)	
<b>Cost:</b>					
Points of sale	31.135	-	-	-	31.135
IT systems under implementation	10.319	9.380	(953)	-	18.746
IT system	35.880	1.035	-	(12.127)	24.788
	<u>77.334</u>	<u>10.415</u>	<u>(953)</u>	<u>(12.127)</u>	<u>74.669</u>
<b>Amortization:</b>					
Points of sale	(30.567)	(87)	-	-	(30.654)
IT system	(16.893)	(880)	-	-	(17.773)
	<u>(47.460)</u>	<u>(967)</u>	<u>-</u>	<u>-</u>	<u>(48.427)</u>
<b>Total</b>	<u>29.874</u>	<u>9.448</u>	<u>(953)</u>	<u>(12.127)</u>	<u>26.242</u>

(\*) Transfer to right-of-use leases of contractual amounts recognized in the fourth quarter of 2021 as IT systems.

## 11. TRADE PAYABLES

### (a) Trade payables

Substantially consist of purchases of raw materials, inputs, packaging materials and goods for resale, with an average payment term of 90 days.

### (b) Trade payables - agreement

Refer to financial liabilities assumed by suppliers that elected to collect their receivables in advance by using the Company's credit facilities held with financial institutions, without changing the terms agreed upon between the Company and suppliers. The finance costs incurred on prepayment of the receivable, which is payable by our suppliers, have a weighted average rate of 1.15% per month. The Company understands that such type of transaction has a specific nature and classifies it separately from line item "Trade payables". The average prepayment term is 90 days.

## 12. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Accrued vacation pay	-	-	26.006	23.526
Accrued 13 <sup>th</sup> salary	-	-	10.886	-
Payroll	122	121	12.576	17.689
Bonuses (*)	-	-	11.796	19.032
Severance pay fund (FGTS)	-	-	1.666	2.790
Social security contribution (INSS)	36	37	7.042	9.134
Withholding income tax (IRRF)	80	80	4.828	6.943
Other	-	-	979	198
<b>Total</b>	<b>238</b>	<b>238</b>	<b>75.779</b>	<b>79.312</b>
Current liabilities	238	238	74.513	78.046
Noncurrent liabilities	-	-	1.266	1.266
	<b>238</b>	<b>238</b>	<b>75.779</b>	<b>79.312</b>

(\*) Includes the amounts of bonuses and rewards related to the Initial Public Offering in the amount of R\$3,641 (R\$3,891 in December 2021) to be paid in annual installments up to September 2023.

The amounts classified in noncurrent liabilities mature as follows:

Year	Consolidated	
	06/30/2022	12/31/2021
2023	1.266	1.266
<b>Total</b>	<b>1.266</b>	<b>1.266</b>

## 13. TAXES PAYABLE

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
State VAT (ICMS)	-	-	22.156	41.265
Federal VAT (IPI) (a)	-	-	20.808	20.103
Taxes on revenue (PIS and COFINS)	2	6.817	9.050	25.543
Income tax (IRPJ) and social contribution (CSLL)	-	-	10.873	5.354
Withholding income tax (IRRF) on interest on capital	-	6.817	-	17.872
Other	7	50	3.542	3.354
<b>Total</b>	<b>9</b>	<b>13.684</b>	<b>66.429</b>	<b>113.491</b>

### (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.

As at the reporting date, the preliminary injunctions and interlocutory appeals granted to the aforesaid entity remain effective, upholding the Federal VAT (IPI) non-payment. Based on its legal counsel's opinion, the Company's Management believes that the relevant lawsuit settlement and judgment is probable and that such tax liability may be required and settled during 2022.

## 14. BORROWINGS AND FINANCING

### a) Breakdown of balances

Institution and type	Rate	Maturity	Consolidate	Consolidate
			d	d
			06/30/2022	12/31/2021
<u>In local currency</u>				
Banco Safra - working capital	CDI + 2.203547% p.a.	01/2023	7.533	12.544
Banco Safra - working capital	CDI + 1.60% p.a.	12/2022	22.434	21.115
Banco Santander - working capital	CDI + 2.46% p.a.	09/2022	41.534	41.058
Banco Itaú BBA S.A - working capital	CDI + 2.55% p.a.	10/2023	62.123	61.489
Banco Itaú BBA S.A - working capital	CDI + 1.55% p.a.	04/2022	-	53.126
Banco Bradesco - working capital	CDI + 1.47% p.a.	12/2023	50.248	50.203
<b>Total borrowings in local currency</b>			<b>183.872</b>	<b>239.535</b>
<u>In foreign currency</u>				
Banco Santander – Resolution 4131	Fixed - 2.3475% p.a.	02/2024	48.406	51.678
<b>Total borrowings and financing in foreign currency</b>			<b>48.406</b>	<b>51.678</b>
<b>Total borrowings and financing</b>			<b>232.278</b>	<b>291.213</b>

Institution and type	Rate	Maturity	Consolidate	Consolidate
			d	d
			06/30/2022	12/31/2021
<u>Derivatives (assets) and liabilities – swap contracts</u>				
	Exchange rate changes +			
Banco Santander (Brasil) - swap derivative	2.35% p.a.	02/2024	2.320	(1.158)
Total derivatives (assets) – swap contracts			2.320	(1.158)
Total borrowings and financing, net of derivative instruments			234.598	290.055
Current assets			-	(1.158)
Current liabilities			114.598	127.176
Noncurrent liabilities			120.000	164.037
Total			234.598	290.055

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

## b) Variations in borrowings and financing

	Consolidated	Consolidated
	06/30/2022	06/30/2021
Balance at the beginning of the period	290.055	378.554
Borrowings	-	120.343
Principal repayments	(55.344)	(226.163)
Swap contract settlement	(1.959)	19.048
Interest payment	(14.365)	(7.734)
Cash flows from financing activities	(71.668)	(94.506)
Interest incurred	14.048	6.595
Exchange rate changes	(3.279)	3.435
Finance charges on swap contracts	5.442	(3.387)
Noncash variations	16.211	6.643
Balance at the end of the period	234.598	290.691

The amount classified in noncurrent liabilities matures as follows:

Year	Consolidated	
	06/30/2022	12/31/2021
From 1 to 2 years	120.000	112.500
From 2 to 3 years	-	51.537
Total	120.000	164.037

There are no covenants for all borrowings and financing agreements entered into with financial institutions. There are borrowing agreements with collaterals linked to long-term investments in the amount of R\$42,000.

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

As at June 30, 2022, 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, 2021	2.697	8.686	5.671	17.054
Additions	1.387	1.369	7.092	9.848
Payments	(159)	(1.263)	(1.328)	(2.750)
Reversals	(854)	(1.746)	(1.215)	(3.815)
Balance as at June 30, 2022	<u>3.071</u>	<u>7.046</u>	<u>10.220</u>	<u>20.337</u>
<u>Escrow deposits</u>				
Balance as at December 31, 2021	15	907	14.094	15.016
Additions	874	-	7.305	8.179
Inflation adjustments	-	102	578	680
Redemptions	(676)	(112)	(1.299)	(2.087)
Balance as at June 30, 2022	<u>213</u>	<u>897</u>	<u>20.678</u>	<u>21.788</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, 13th salary, compensation for pain and suffering, bonuses, employment relationship and overtime bank system annulment. The provision is recognized considering lawsuits assessed as probable loss and increased based on the history of loss on the group of lawsuits assessed as possible loss.

### (c) Tax lawsuits

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

Tellerina and Conipa filed a preliminary injunction, which suspended the payment of social security contribution on the constitutional one-third vacation bonus. In light of the STF's decision referred to above, the Company's legal counsel has suggested recognizing a provision for tax amounts unpaid since October 2020.

On February 24, 2021, the Federal Higher Court (STF) issued a decision on ADI 5469 which determined that the clauses of Agreement 93/2015 that regulate the method of collection of the difference of the ICMS rate (Difal) are unconstitutional, as it refers to a matter that requires the issuance of Supplementary Law.

Tellerina filed writs of security to annul the collection of the difference in the ICMS rate (Difal) and the state fund of poverty eradication (FECF) in interstate sales transactions to individuals and legal entities that are not ICMS taxpayers, due to the unconstitutionality of such collection according to the principles of ninety-day and annual precedence. Also, according to the opinion of our legal counsel, the Company elected to make an escrow deposit of the relevant amounts to avoid the collection of late payment interest and fine.

## Lawsuits assessed as possible losses

As at June 30, 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	
	06/30/2022	12/31/2021
Civil	10.725	9.411
Tax risks (*)	125.436	113.003
Total	<u>136.161</u>	<u>134.871</u>

(\*) 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 June 30, 2022, capital is held as follows:

<u>Vivara Participações</u>	<u>Common shares</u>
Company's owners	136.775.433
Outstanding shares	99.003.924
Treasury shares	<u>418.412</u>
Total	<u>236.197.769</u>

On February 14, 2022, the Board of Directors' Meeting approved the Company's Share Repurchase plan, which aims to provide greater returns to its shareholders through investments in the acquisition of shares on stock exchanges, at market prices, to be held in treasury, cancelled or subsequently disposed of in the market or assigned to participants under the Company's share-based incentive plans, without any capital decreases, in accordance with paragraph 1, article 30 of the Brazilian Corporate Law, ICVM 567/15 and other applicable standards. The Company may acquire up to 5% of outstanding shares, which corresponds to 4,972,342 common shares. The Repurchase Plan will be effective for a twelve-month period beginning February 15, 2022.

Up to June 2022, the Company repurchased 418,412 shares to be held in treasury, as follows:

	Date	Consolidated		
		Number of shares	Purchase amounts (in R\$)	Average price per share
Balances as at December 31, 2021	-	-	-	-
Repurchase of treasury shares	03/28/2022	100	2.658	26,58
Repurchase of treasury shares	03/29/2022	68.500	1.904.971	27,81
Repurchase of treasury shares	04/01/2022	68.000	1.911.624	28,11
Repurchase of treasury shares	04/08/2022	69.212	1.875.499	27,10
Repurchase of treasury shares	05/13/2022	25.300	635.091	25,10
Repurchase of treasury shares	05/27/2022	55.000	1.395.723	25,38
Repurchase of treasury shares	06/03/2022	47.300	1.133.734	23,97
Repurchase of treasury shares	06/10/2022	85.000	1.871.524	22,02
Balances as at June 30, 2022		<u>418.412</u>	<u>10.730.824</u>	<u>25,65</u>

## b) 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

Balances	Parent	
	06/30/2022	12/31/2021
<u>Assets</u>		
Tellerina	-	19.805
Conipa	-	42.840
Total	<u>-</u>	<u>62.645</u>
Current	-	62.645
Total	<u>-</u>	<u>62.645</u>

In 2022 the Company recorded receivables from its subsidiaries relating to interest on capital distributed based on profit recognized in 2021.

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	01/01 to 06/30/2022		01/01 to 06/30/2021	
	TELLERINA	CONIPA	TELLERINA	CONIPA
<u>Transaction</u>				
Sales (purchases) of goods	(716.472)	716.472	(422.813)	422.813
Sales (purchases) of raw materials	3.983	(3.983)	15.942	(15.942)
Copyrights	111.961	(111.961)	63.724	(63.724)
Total	<u>(600.528)</u>	<u>600.528</u>	<u>(343.147)</u>	<u>343.147</u>

On April 29, 2022, the Annual General Meeting approved the Company's overall management compensation for 2022 of up to R\$17,727 (R\$11,938 for 2021), and the following amounts were paid and accrued as at June 30, 2022:

	Consolidated					
	06/30/2022			06/30/2021		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	990	-	990	890	-	890
Statutory officers	2.609	3.027	5.636	1.878	135	2.013
Total	<u>3.599</u>	<u>3.027</u>	<u>6.626</u>	<u>2.768</u>	<u>135</u>	<u>2.903</u>

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

	Consolidated					
	06/30/2022			06/30/2021		
	Fixed	Variable	Total	Fixed	Variable	Total
Executive officers	2.406	3.301	5.707	2.826	424	3.250
Total	<u>2.406</u>	<u>3.301</u>	<u>5.707</u>	<u>2.826</u>	<u>424</u>	<u>3.250</u>

## 18. INCOME TAX AND SOCIAL CONTRIBUTION

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

	Parent		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Profit before income tax and social contribution	134.974	85.124	112.741	81.800
Combined statutory rate	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(45.891)	(28.942)	(38.332)	(27.812)
Income tax and social contribution on tax loss carryforwards for which no corresponding deferred taxes were recognized	(2.313)	(985)	(2.313)	(985)
Permanent differences:	-	-	-	-
Share of profit (loss) of subsidiaries	48.204	30.086	-	-
Other permanent differences	-	(20)	(510)	(2.156)
Additional IRPJ difference	-	-	24	-
Tax incentive – deemed ICMS credits	-	-	31.128	16.674
Tax incentive – operating profit	-	-	32.236	17.583
Total	-	139	22.233	3.304
Current	-	(20)	(29.244)	(11.793)
Deferred	-	-	51.477	15.097
Total	-	(20)	22.233	3.304

### b) Deferred income tax and social contribution

	Consolidated			
	06/30/2022		12/31/2021	
	IRPJ tax base	CSLL tax base	IRPJ tax base	CSLL tax base
Deferred tax assets on temporary differences:				
Allowance for doubtful debts	807	807	709	709
Allowance for inventory losses	4.040	4.040	4.379	4.379
Accrued expenses	57.903	57.903	56.249	56.249
Unrealized profit from subsidiaries' operations	288.880	288.880	149.774	149.774
Provision for civil, labor and tax risks	20.337	20.337	17.054	17.054
Right-of-use leases	38.819	38.819	28.966	28.966
Tax loss carryforwards	71.160	70.416	73.414	72.670
Deferred tax base (*)	481.946	481.202	330.545	329.801
Deferred income tax assets (25%)	-	120.487	-	82.636
Deferred social contribution assets (9%)	-	43.308	-	29.682
Deferred income tax and social contribution assets	-	163.795	-	112.318

### 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	
	06/30/2022	12/31/2021
Up to 1 year	31.232	10.969
From 1 to 2 years	30.429	8.369
From 2 to 3 years	29.318	9.391
From 3 to 5 years	26.958	12.798
Over 5 years	45.858	70.791
Total	163.795	112.318

## 19. NET REVENUE FROM SALES AND SERVICES

	Consolidated 06/30/2022	Consolidated 06/30/2021
Gross sales revenue	1.209.368	879.589
Gross service revenue	4.172	3.337
Deductions from gross revenue:		
State VAT (ICMS)	(95.935)	(82.820)
Tax on revenue (COFINS)	(69.642)	(50.066)
Tax on revenue (PIS)	(15.105)	(10.906)
FTI (*)	(10.437)	(6.454)
Service tax (ISS)	(209)	(167)
Sales returns/exchanges	(215.398)	(152.788)
Total	<u>806.814</u>	<u>579.725</u>

The ICMS amounts are stated net of the tax incentive of same nature mentioned in note 8.b in the amount of R\$91,553 (R\$49,041 as at June 30, 2021).

(\*) 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.

## 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 06/30/2022	Consolidated 06/30/2021
Acquisition cost of inputs and raw materials and goods for resale	(229.871)	(173.943)
Personnel	(25.628)	(13.231)
Depreciation and amortization	(2.465)	(1.512)
Electric power, water and telephone	(868)	(479)
Freight	(2.723)	(1.656)
	<u>(261.555)</u>	<u>(190.821)</u>

### b) Selling expenses

	Consolidated 06/30/2022	Consolidated 06/30/2021
Personnel	(127.332)	(94.780)
Freight	(13.086)	(11.573)
Marketing/selling expenses	(41.963)	(29.473)
Professional services	(7.272)	(4.016)
Variable rentals and common area maintenance fees	(28.329)	(23.543)
Lease discounts	1.426	5.500
Depreciation and amortization	(29.400)	(20.358)
Commission on credit cards	(19.249)	(13.018)
Electric power, water and telephone	(3.504)	(2.744)
Taxes and fees	(14.897)	(13.454)
Other expenses by nature	(10.055)	(6.491)
	<u>(293.661)</u>	<u>(213.950)</u>

## c) General and administrative expenses

	Parent 06/30/2022	Parent 06/30/2021	Consolidated 06/30/2022	Consolidated 06/30/2021
Personnel	(3.728)	(1.127)	(45.586)	(34.185)
Professional services	(1.366)	(1.350)	(33.393)	(20.920)
Rentals and common area maintenance fees	-	-	(625)	(1.061)
Electric power, water and telephone	-	-	(575)	(635)
Depreciation and amortization	-	-	(20.254)	(11.565)
Taxes and fees	(441)	(399)	(5.721)	(6.520)
Other expenses by nature	(133)	(151)	(5.921)	(2.092)
	<u>(5.668)</u>	<u>(3.027)</u>	<u>(112.075)</u>	<u>(76.978)</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:

	Consolidated 06/30/2022	Consolidated 06/30/2021
Gross revenue, less returns		
Jewelry	550.563	404.306
Life	297.951	215.509
Watches	124.648	88.791
Accessories	20.808	18.196
Services	4.172	3.336
Total	<u>998.142</u>	<u>730.138</u>

	Consolidated 06/30/2022	Consolidated 06/30/2021
Gross revenue, less returns		
Stores	851.466	584.570
Online sales	140.137	136.795
Other	2.367	5.437
Services	4.172	3.336
Total	<u>998.142</u>	<u>730.138</u>

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

	Consolidated 06/30/2022	Consolidated 06/30/2021
Provision for civil, labor and tax risks	(6.034)	(2.036)
Write-off of property, plant and equipment items and intangible assets	(979)	(10)
Expected credit losses	(97)	219
Other income	574	155
Total	<u>(6.536)</u>	<u>(1.672)</u>

## 23. FINANCE INCOME

	Parent		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Income from short-term investments	23	2	22.002	11.134
Inflation adjustments (*)	355	141	1.072	1.293
Exchange gains	-	-	927	927
Other finance income	-	-	144	70
Total	<u>378</u>	<u>143</u>	<u>24.145</u>	<u>13.424</u>

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

## 24. FINANCE COSTS

	Parent		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Interest on borrowings and financing	-	-	(14.048)	(6.595)
Exchange differences arising on translating borrowings and financing	-	-	3.279	(3.435)
Finance charges on derivative instruments	-	-	(5.442)	3.387
Charges on right-of-use leases	-	-	(20.884)	(16.966)
Tax on financial transactions (IOF)	(3)	(1)	(61)	(453)
Bank fees	(2)	(1)	(377)	(534)
Interest and fines on taxes and accessory obligations	(1.487)	(5)	(3.346)	(1.651)
Exchange losses	-	-	(2.389)	(715)
Other finance costs	(18)	(7)	(1.122)	(966)
Total	<u>(1.510)</u>	<u>(14)</u>	<u>(44.390)</u>	<u>(27.928)</u>

## 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	
	06/30/2022	06/30/2021
Numerator		
Profit for the year (a)	134.974	85.104
Denominator (in thousands of shares)		
Weighted average number of shares	236.198	236.198
Weighted average number of treasury shares	(135)	-
Weighted average number of outstanding shares (b)	236.063	236.198
Basic earnings per share (in R\$) (a/b)	0,57177	0,36031
Denominator (in thousands of shares)		
Weighted average number of shares	236.198	236.198
Weighted average number of treasury shares	(135)	-
Weighted average number of shares granted – 1st plan	62	-
Weighted average number of diluted shares (c)	236.125	236.198
Diluted earnings per share (in R\$) (a/c)	0,57162	0,36031

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 June 30, 2022, the Group entered into 304 agreements (293 agreements as at December 31, 2021) for the lease of their stores, kiosks, factory and administrative center with third parties. Of this total, 67 agreements (64 agreements as at December 31, 2021) 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\$7,705 (R\$8,043 as at June 30, 2021), 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 June 30, 2022, the 237 lease agreements (229 lease agreements as at December 31, 2021), classified as right-of-use leases, mature between five and 10 years and the weighted average discount rate in the period is 11.62% per year (11.55% per year as at December 31, 2021).

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

For compliance with CVM Circular Letter 02/2019, the Company discloses the minimum inputs for purposes of projecting the statutory rate and discounted cash flow model recommended by CMV, using as basis the average inflation between the CDI x IPCA rates obtained from the B3 website, as at June 30, 2022.

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	7	11,05%	6,82%
6 years	34	11,05%	6,88%
7 years	14	11,36%	6,93%
8 years	31	11,55%	6,94%
9 years	45	11,72%	6,96%
10 years	106	11,88%	6,96%
Total	237		

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

	Consolidated	
	06/30/2022	12/31/2021
Balance at the beginning of the period	370.068	275.228
Addition of new agreements	27.499	46.164
Remeasurement	35.864	82.466
Write-offs	-	(966)
Finance charges recognized	20.884	35.690
Lease discounts	(1.426)	(5.735)
Interest payment	(19.697)	(32.984)
Principal repayments	(25.975)	(29.795)
Balance at the end of the period	407.217	370.068
Current liabilities	60.842	59.920
Noncurrent liabilities	346.375	310.148
Total	407.217	370.068

As prescribed by 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 June 30, 2022:

Agreement maturity	Consolidated	
	06/30/2022	12/31/2021
Installment maturity:		
2022	59.634	101.689
2023	95.006	84.813
2024	93.688	82.845
2025 and thereafter	320.351	242.820
Total undiscounted installments	568.679	511.768
Embedded interest	(161.462)	(141.700)
Balance of right-of-use lease liability	407.217	370.068

As at June 30, 2022, the potential PIS and COFINS credit on the gross contractual flow is R\$52,603 and that adjusted to present value over the weighted average term is R\$37,668.

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

	Consolidated	
	06/30/2022	12/31/2021
Balance at the beginning of the period	462.184	320.442
Addition of new agreements	27.499	46.164
Remeasurement	35.864	82.466
Write-offs	-	(1.098)
Direct costs – points of sale	7.661	14.210
Balance at the end of the period	<u>533.208</u>	<u>462.183</u>

	Consolidated	
	06/30/2022	06/30/2021
Amortization expenses in the period	(32.019)	(22.015)

## 27. FINANCIAL INSTRUMENTS

### a) Categories of financial instruments

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
<u>Financial assets</u>				
Amortized cost:				
Cash and cash equivalents	774	5	164.942	325.588
Securities	-	-	256.165	248.323
Trade receivables	-	-	491.508	531.777
Due from related parties	-	62.645	-	-
Subtotal	<u>774</u>	<u>62.650</u>	<u>912.615</u>	<u>1.105.688</u>
Fair value through profit or loss:				
Securities	-	-	-	79.789
Derivative instruments	-	-	-	1.158
Total financial assets	<u>774</u>	<u>62.650</u>	<u>912.615</u>	<u>1.186.635</u>
<u>Financial liabilities</u>				
Amortized cost:				
Trade payables	-	-	71.888	88.207
Trade payables - agreement	-	-	95.636	69.349
Right-of-use leases payable	-	-	407.217	370.068
Interest on capital payable	2	58.183	2	58.183
Dividends payable	1	12.709	1	12.709
Borrowings and financing	-	-	232.277	291.213
Subtotal	<u>3</u>	<u>70.892</u>	<u>807.021</u>	<u>889.729</u>
Fair value through profit or loss:				
Derivative instruments	-	-	2.320	-
Total financial liabilities	<u>3</u>	<u>70.892</u>	<u>809.341</u>	<u>889.729</u>

## 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			
	06/30/2022			
	Financial institution	Debt amount	Derivative	Net exposure
Resolution 4131	Banco Santander	50.788	(48.467)	2.320
Total borrowings and financing		50.788	(48.467)	2.320
Foreign suppliers (*)	-	29.800	-	29.800
Total foreign exchange exposure		80.588	(48.467)	32.120
US dollar quotation – balance sheet		5,2268	5,2268	5,2268
Total exposure in US dollars		15.418	(9.273)	6.145

(\*) 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.

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

As at June 30, 2022, the outstanding swap transactions are broken down as follows:

Description	Consolidated			Cumulative effect up to 06/30/2022 marked to market
	Rates	Notional amount	Fair value	
<u>Swap contracts</u>				
Long position:				
Exchange rate changes – US\$	US\$ +2.3475% p.a.	50.788	48.467	(2.320)
Short position:				
CDI fluctuation	CDI + 1.2% p.a.	50.788	50.788	-
Net amount payable				(2.320)

The liability balance totaling R\$2,320 refers to the net adjustment payable, calculated at fair value as at June 30, 2022, of derivatives outstanding on that date, which was recorded in line item "Derivatives".

## d) Sensitivity analysis

### Foreign exchange risk

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

Total foreign exchange exposure in local currency	29.800
Total foreign exchange exposure in foreign currency	<u>5.701</u>

Accordingly, as a result of the considerations above, only the amount of R\$29,800 is being applied for the sensitivity analysis purposes. The US dollar foreign exchange rate was R\$5.2268 at the balance sheet date.

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

Under scenario I, an exchange rate of R\$5.4673 was defined based on the future U.S. dollar quotation on B3, limited to 12 months. Under scenario II, a 5% appreciation of the U.S. dollar was projected by Management on conservative basis. Under scenario III, a 7% 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 July 15, 2022.

Group's risk	Scenario I	Scenario II	Scenario III
Notional amount of the net exposure (in foreign currency)	5.701	5.701	5.701
Notional amount of the net exposure (in local currency)	29.800	29.800	29.800
Projected value (in local currency)	31.169	32.727	28.987
Effects of exchange rate changes	1.369	2.927	(813)
U.S. dollar rate	5,4673	5,7406	5,0846

### Interest rate risk

Considering that all foreign currency-denominated borrowings and financing are hedged by swap contracts as at June 30, 2022, 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:

	<u>Consolidated</u>
Total borrowings and financing pegged to the CDI fluctuation	234.598
Short-term investments of cash and cash equivalents exposed to the CDI rate	(155.293)
Investments in financial bills exposed to the CDI rate	<u>(256.165)</u>
Net exposure gains to the CDI rate	<u>(176.860)</u>

Although the Company's Management considers the risk of significant fluctuations in the CDI rate throughout 2022 and in the sensitivity analysis on the risk of CDI rate increase that would affect finance costs, two projected scenarios were considered stressing 5% and 11.5% increases in such rate, respectively, based on a Selic rate projected at the end of 2022 of 13.75%, as per the Focus Report issued by the Central Bank of Brazil (BACEN) on July 17, 2022.

Group's risk	Scenario I	Scenario II	Scenario III
Net exposure gains to the CDI rate	176.860	176.860	176.860
Projected value	176.860	180.349	184.768
CDI fluctuation gains	-	3.489	7.908
CDI rate	13,15%	15,12%	17,62%

#### 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	71.888	-	-	-	80.120
Trade payables - agreement	95.636	-	-	-	95.636
Borrowings and financing	136.365	122.841	-	-	259.206
Interest on capital payable	2	-	-	-	2
Dividends payable	1	-	-	-	1
Derivative instruments	2.183	-	-	-	2.183
Right-of-use leases payable	59.635	95.006	248.904	165.134	568.679

#### g) Fair value of financial instruments

When applicable, the Company adopts 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 June 30, 2022, all derivative financial instruments were grouped into Level 2, whereas all short-term investments and securities were grouped into Level 1.

## 28. SHARE-BASED PAYMENT

On September 14, 2021, the Extraordinary General Meeting approved the “Incentive Plans” comprised of: (i) Stock Option Plan (“Option Plan”); and (ii) Share Investment Plan (“Matching Shares Plan”).

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.

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 or company under its control will be eligible to participate in the Option 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 grace period. The Company’s officers, managers or employees are eligible to participate in the Matching Shares Plan.

On September 24, 2021, the meeting of the Board of Directors approved the 1st and 2nd Stock Option Programs, both under the scope of the Stock Option Plan, with establishment of terms and conditions, and the Share Investment Program (Matching Shares), under the scope of the Share Investment Plan, filed at the Company’s head office.

For the 1st Stock Option Program, exclusive for directors, the upper overall limit of 62,145 shares at market price were made available, based on the closing quotation at B3, which will be definitely made available to the participants after 24 months, with additional lock-up of 12 months.

The 2nd 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 upper overall limit offered for acquisition at B3 using the participants’ own funds were 19,151 shares. 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 33,378 (lower overall limit) and 250,334 (upper overall limit), based on the Company’s performance indicators reached in the period (ROIC and TSR). The program provides for an individual investment limit of no more than six net wages.

Continuing with the Incentive Plan, in 2022 the Company offered 73,286 shares, upper overall limit, to be acquired at the B3 using the participants’ 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 70,492 (lower overall limit) and 528,687 (upper overall limit), based on the Company’s performance indicators reached in the period (ROIC and TSR). The program provides for an individual investment limit of no more than six net wages. There were no grants of shares to the members of the Board of Directors in 2022.

The Incentive Plans came into effect on the date of their approval by the Company’s General Meeting and will remain effective for an indefinite period, but they can be liquidated at any time as decided by the General Meeting.

The signature of such stock option instruments, by the participants selected and elected by the Board of Directors, corresponding to the 1st and 2nd Stock Option Programs occurred on October 4, 2021 and October 28, 2021, respectively. In 2022 the grant occurred on April 11. The provision corresponding to the period was calculated considering 100% of attainment of the performance goals, based on the market value of the share of R\$28.25, R\$26.40 and R\$26.45, respectively.

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

Amounts in number of shares	Consolidated		
	Board of Directors	Executives	Grand Total
Balances as at December 31, 2020	-	-	-
Shares granted	62.145	166.889	229.034
Balances as at December 31, 2021	62.145	166.889	229.034
Shares granted	-	352.458	352.458
Balances as at June 30, 2022	62.145	519.347	581.492

## 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 June 30, 2022, insurance coverage is as follows:

- Property damages - R\$238,072 (effective through February 2023).
- Loss of profits - R\$334,000 (effective through February 2023).
- Sundry risks (inventories) - R\$547,293 (effective through February 2023).
- Civil liability - R\$20,000 (effective through May 2023).
- D&O liability – R\$60,000 (effective through September 2022).
- International freight – US\$70,000 (effective through April 2023).
- Cyber risks - R\$25,000 (effective through June 2023)