

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

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

Report on Review of  
Interim Financial Information  
for the Three- and Nine-month Periods  
Ended September 30, 2022

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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

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

### Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Vivara Participações S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2022, which comprises the individual and consolidated balance sheets as at September 30, 2022 and the related statements of profit and loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

The Executive Board is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (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 ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

## Other matters

### *Statements of value added*

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2022, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with such technical pronouncement and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

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

São Paulo, November 10, 2022

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.

*Marcos H.O.P. Marcondes*

Marcos Helvius Olliver Domingues Marcondes  
Engagement Partner

São Paulo, November 10, 2022 - Vivara Participações S.A. (B3: VIVA3), Latin America's largest jewelry chain, announces its results for the 3rd quarter of 2022 (3Q22).

## HIGHLIGHTS OF THE QUARTER

- Gross revenue (net of returns) of R\$481.4 million, up 17.2% from 3Q21.
- Growth of 14.3% in same-store sales (SSS) at physical stores.
- Gross Profit was R\$268.8 million and Gross Margin was 68.4% in 3Q22, up 70 bps from 3Q21.
- Stores opening record-beak for a single quarter: 20 new points of sales, mostly Life stores, which ended the quarter with 56 stores.
- In the quarter, adjusted EBITDA of R\$71.7 million and Net Income of R\$68.1 million.
- Conclusion of switch from the e-commerce platform to VTEX.
- Completion of the migration of backoffice activities to SAPS/4HANA.
- For the first time in history, Vivara was certified by Great Place to Work® (GPTW).



Main Key Ratios (R\$, 000)	3Q22	3Q21	Δ % 22vs21	9M22	9M21	Δ % 22vs21
Gross Revenue (net of return)	481.376	410.603	17,2%	1.479.518	1.140.740	29,7%
Net Revenue	392.876	337.215	16,5%	1.199.690	916.940	30,8%
Gross Profit	268.822	228.427	17,7%	814.081	617.331	31,9%
Gross Margin (%)	68,4%	67,7%	68 bps	67,9%	67,3%	53 bps
EBITDA	94.521	83.674	13,0%	279.626	213.413	31,0%
Ebitda Margin (%)	24,1%	24,8%	-75 bps	23,3%	23,3%	3 bps
Adjusted EBITDA <sup>(1)</sup>	71.710	66.693	7,5%	223.080	165.804	34,5%
Adjusted Ebitda Margin (%)	18,3%	19,8%	-153 bps	18,6%	18,1%	51 bps
Net Income	68.127	86.258	-21,0%	82.749	171.362	-51,7%
Net Margin (%)	17,3%	25,6%	-824 bps	6,9%	18,7%	-1179 bps
Recurring Net Income <sup>(3)</sup>	68.127	67.360	1,1%	203.101	152.464	33,2%
Recurring Net Margin (%)	17,3%	20,0%	-270 bps	16,9%	16,6%	30 bps
SSS (physical stores)	14,3%	45,3%	na	31,4%	70,4%	na
SSS <sup>(2)</sup> (physical stores + e-commerce)	10,4%	28,9%	na	21,4%	48,8%	na
Operational Cash Generation <sup>(4)</sup>	(24.168)	71.027	-134,0%	(62.907)	194.161	-132,4%

(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. In addition, non-recurring extemporaneous effects were booked in 9M22, which 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.

(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) Recurring Net Income considers the benefit of R\$18.9 million due to the recognition of IRPJ and CSLL credits on the unconstitutionality of taxes on the Selic variation on undue tax payments.

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

# BUSINESS SUPPORT PROJECTS

## BUILDING THE FOUNDATION TO BE THE LARGEST AND BEST JEWELRY CHAIN IN LATIN AMERICA

With the clearly stated purpose of enabling Vivara to “**EXPAND** market leadership, **FASCINATE** customers and **STRENGTHEN EMPLOYEE ENGAGEMENT**”, 2022 has been marked by intense transformations. In 2022, the Company dedicated a strategic pillar to sustainability projects that strengthen its business foundations and prepare the Company's structure for accelerated growth in the coming years.



### INTEGRATION OF CORPORATE STRUCTURES AND MOVE TO NEW HEADQUARTERS

**R\$13.5  
million**

Investments  
for a new  
structure

In August, we concluded works at Vivara's **new headquarters** and the physical integration of the Corporate, Logistics, Customer Service (CS) and Technical Assistance areas. This migration will ensure more agile communication among the areas and, especially, improve **operating efficiency**.

At the new headquarters, the space dedicated to the Logistics and Technical Assistance area has doubled and now spans 1,600 m<sup>2</sup>. E-commerce **inventory** and the distribution center were physically integrated to prepare the Company for a fully automated omni operation, resulting in optimized inventory, as well as greater agility and efficiency.

The Customer Service, Inspection and Store Operation areas now occupy the same space to meet the customer experience requirements quickly and more efficiently.

Also in the new headquarters, Vivara's first **Research and Development Center** is nearing completion. Through studies and analysis, the space aims to seek continuous improvements in processes, reduce lead time and improve product quality.

### STRUCTURAL ADVANCES IN PLANT PRODUCTION CAPACITY

The Manaus plant underwent several changes in 2022. With over **800 people** dedicated to production at the three production lines, the Company increased by **37.7%** the volume of products insourced in the last nine months.

In the Life segment, the insourcing of processes, such as the in-house production of bracelet mesh and stone-in-place casting in wax, increased the **profitability** of the segment, and speeded up stock **replenishment** and the development of **new product lines**.

In Jewelry, new technologies, such as laser cutting and production of pieces in hollow tubes, have ensured more profitable products and special design for pieces.

## BUSINESS SUPPORT PROJECTS (cont.)

The direct casting process implemented this year reduced the number of production stages, increasing **efficiency** gains and improving the jewelry design process.

A **metal purification** station was also set up to optimize the use of raw material and, consequently, reduce losses.

Moreover, during the year, the production processes at the plant were reviewed with assistance from an international consulting firm to establish the guidelines for the new plant to be built in 2023. The new project will focus on adapting production to international quality standards by adopting the **best practices and technologies**. The new plant will occupy an area of **10,000 m<sup>2</sup>**, with the installed capacity to **triple** the volume of items produced in the next five years.



### ► INCREASE OPERATING EFFICIENCY AND REDUCE COMPLEXITY

Early in October, after nine months of intense preparation and efforts by multidisciplinary teams, the Company migrated its backoffice activities to **SAPS/4HANA**. The new ERP is an end-to-end system that will provide a detailed global overview of the business to execute the long-term strategy. The **Vivara 6.0** project is designed to ensure greater agility in administrative routines, more robust and stable processes, as well as transparency and control to the operation through a globally renowned platform.

In 2023, the project will enter the next phases: the systemic operation of the production process at the Manaus plant, integration of e-commerce, logistics and integration with POS. This project is one more important step in the Company's governance and digital transformation, which lays solid a foundation for growth and building the future.

Early in 3Q22, the transition of the digital platform to **VTEX** was completed. With the goal of improving the digital experience of customers, the project has new features, such as the regional inventory system and optimized navigation on key pages, such as product, registration and check-out. It also has an automatic showcase with suggestions of complementary items, interactive digital catalogs, shared cart, live commerce and split shipments (order leaving from more than one location but making a single delivery to the customer).

The logistics area authorized new suppliers and currently has **six** large operators. Splitting up deliveries reduces the dependence on a single player, which enables optimized freight management and quicker change of route in case of traffic bottlenecks.

Regarding Customer Service, the Company completed the implementation of **Zendesk**, a tool that automates and integrates the communication channel between store and support, significantly reducing customer response time.

This year, Vivara also created a sales recovery area, which currently has four exclusive sellers. This area deals with requests related to returns or cancellations through direct resolution of the issue and sales conversion; it is also engaged in sales stimulation. In 3Q22, this sales channel registered sales of **R\$1.1 million**.



## BUSINESS SUPPORT PROJECTS (cont.)

### ▶ INCREASE ENGAGEMENT OF VIVARA TEAM

This year, for the first time, Vivara was elected one of the best companies to work by **Great Place to Work®**, which recognizes organizations that do a good job with their **employees**. Great Place to Work® (GPTW) is a global consulting firm that aids organizations in obtaining better results through a culture of trust, high performance and innovation.

### ▶ COMPLY WITH KEY REQUIREMENTS ON ESG AGENDA

The Environmental, Social and Governance (ESG) Agenda is also prioritized in the Company's strategic planning, and integrates the pillars of business support, with objectives to be unfolded in the next cycles.

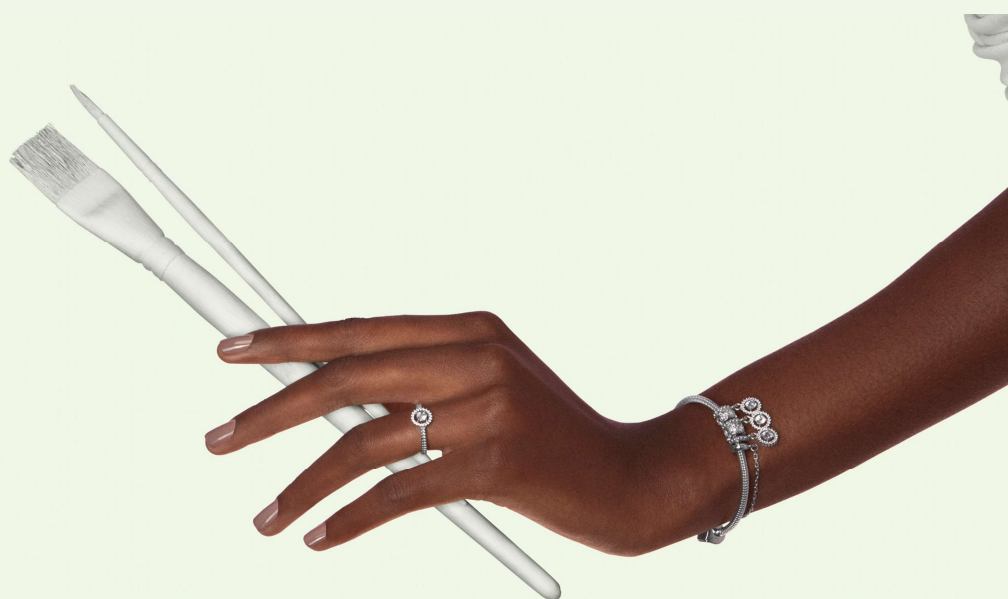
In 2022, in order to strengthen the supply chain and ensure the traceability of raw materials, the Company invested in expanding the **audit of direct suppliers**, ending October with **78%** of audit works concluded and a surprising 95.5% compliance with the checklist, which considers social attributes, respect for environmental laws and occupational safety.

Apart from direct suppliers, Vivara also started auditing suppliers of watches and packaging, thereby expanding the scope and mitigating risks.

In July, the Company concluded the audit to obtain the **Responsible Jewellery Council (RJC) certification**, complying with **98.4%** of the items verified.

As Latin America's largest jewelry chain, Vivara is aware that it must lead by example also in aspects related to the sustainability of the sector. Hence, it closely monitors the internal management of the subject and also the supply chain, which continues to be the biggest challenge in the segment.

**Sustainability is a journey**, and the Company remains focused on continuously improving this process to make sure it is addressed by different business areas across the company in their daily decisions.



# COMMENTS ON FINANCIAL PERFORMANCE

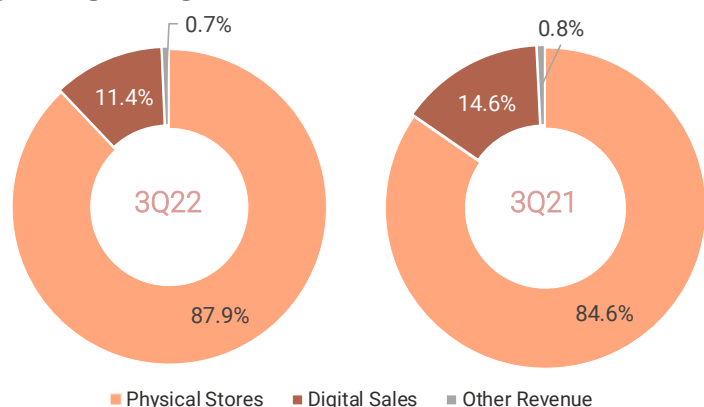
## GROSS REVENUE (Net of Returns)

○ Gross revenue, net of returns, grew 17.2% from 3Q21 and 55.9% from 3Q19, driven by the increase in inventory coverage across all categories and the acceleration of organic expansion of Vivara and Life by Vivara stores in recent months.

○ Same-store sales at physical stores increased 14.3% in relation to 3Q21. Including digital sales, SSS grew 10.4% between the periods. Net revenue came to R\$392.9 million, up 16.5% from 3Q21.

Revenue per channel (R\$, 000)	3Q22	3Q21	3Q19	Δ % 22vs21	Δ % 22vs19	9M22	9M21	9M19	Δ % 22vs21	Δ % 22vs19
Gross Revenue (net of return)	481,376	410,603	308,688	17.2%	55.9%	1,479,518	1,140,740	968,301	29.7%	52.8%
Physical Stores	423,234	347,563	281,429	21.8%	50.4%	1,295,404	935,470	885,401	38.5%	46.3%
Vivara Stores	374,369	325,362	261,383	15.1%	43.2%	1,162,240	879,709	822,440	32.1%	41.3%
Life Stores	41,124	12,016	1,693	242.3%	2329.1%	108,055	26,142	5,623	313.3%	1821.8%
Kioks	7,740	10,185	18,353	-24.0%	-57.8%	25,109	29,618	57,338	-15.2%	-56.2%
Digital Sales	54,748	59,792	23,018	-8.4%	137.9%	174,180	196,586	64,468	-11.4%	170.2%
Others	3,393	3,247	4,242	4.5%	-20.0%	9,933	8,684	18,432	14.4%	-46.1%
Deductions	(88,500)	(73,388)	(68,353)	20.6%	29.5%	(279,828)	(223,800)	(204,219)	25.0%	37.0%
Net Revenue	392,876	337,215	240,335	16.5%	63.5%	1,199,690	916,940	764,082	30.8%	57.0%
SSS (physical stores)	14.3%	45.3%	7.3%	na	na	31.4%	70.4%	6.3%	na	na
SSS (physical stores + e-commerce)	10.4%	28.9%	8.5%	na	na	21.4%	48.8%	9.4%	na	na

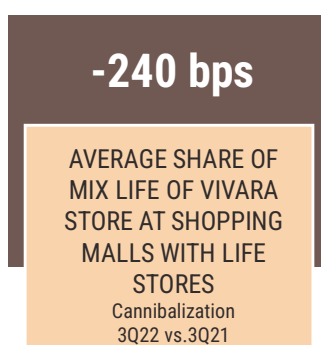
## SALES BY CHANNEL



○ Digital sales decreased 8.4% from 3Q21, accounting for 11.4% of total sales. A similar reduction was also observed in other periods of the year and is explained by the strong recovery in customer traffic at physical stores and the lower share of the *Joias em Ação* project in digital sales.

## LIFE STORES

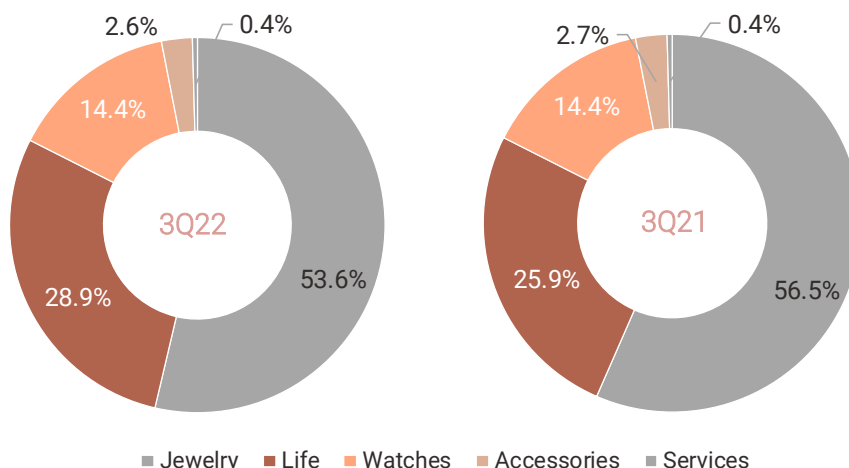
○ The 3rd quarter was marked by the accelerated pace of expansion, especially of stores operating under the new Life concept. Thirteen Life stores were opened during the quarter, which ended with 56 stores in operation. The Company continues to monitor the key indicators of this channel and, consequently, its coexistence with Vivara stores at the same shopping mall.



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

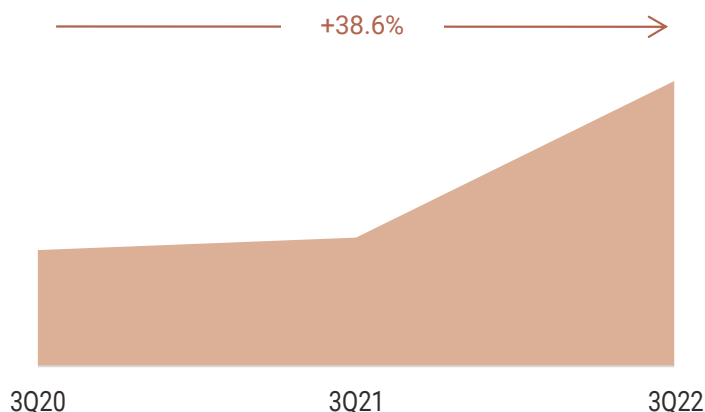
## SALES BY CATEGORY

○ The biggest quarterly highlight in the sales mix was the Life category, which grew 30.4% in relation to 3Q21 and gained 300 bps in total sales. This performance is mainly due to the addition of 37 new stand-alone Life stores in the last 12 months.



## EVOLUTION OF LIFE PRODUCT STRATEGY

### NUMBER OF LIFE PRODUCT MODELS

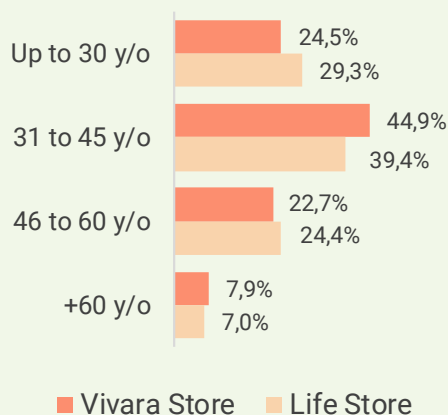
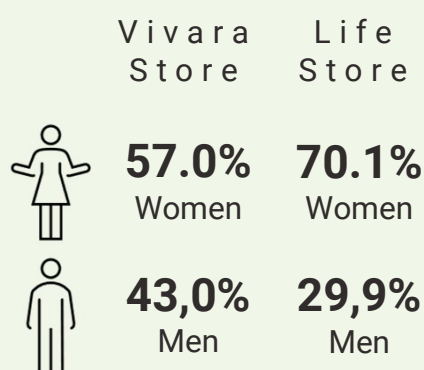


○ 2022 symbolizes the evolution of the Life product strategy. In 3Q22, product assortment increased 38.6% in the last 24 months. Currently, the Life brand has more than 1,800 product models as part of its diversification strategy.

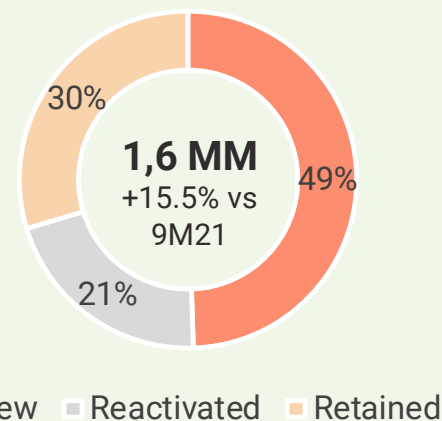
○ The increase in the launch of "Coleções" has boosted sales in this subcategory, which today is accounting for over 50% of total sales of Life products.

○ The Life brand has increasingly been establishing itself as a product with a fashion appeal, thanks to its exclusive design and a jewelry mix at affordable prices.

## CUSTOMERS BY CHANNEL\*



## TOTAL ACTIVE CLIENTS 9M22



\*Exclusive customer of each corresponding channel

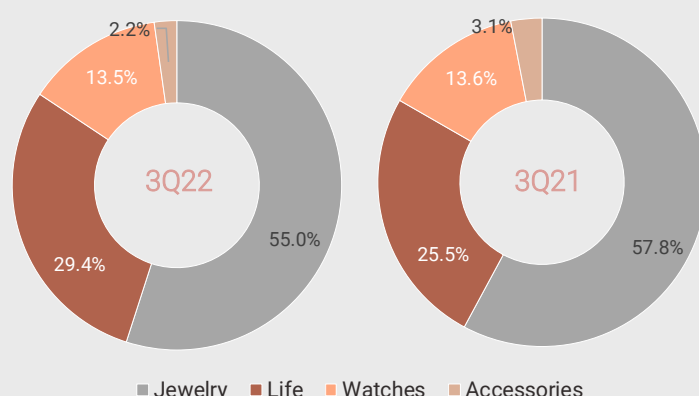
New: Customers who made their 1st purchase  
 Retained: Customers who buy for the 2nd year or more in a row  
 Reactivated: Customers who returned to purchase after 1 year without purchases

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

## SALES AT PHYSICAL STORES

- In 3Q22, sales at physical stores increased 21.8% in relation to 3Q21, with SSS of 14.3%.
- Sales growth in the quarter was driven by the volume of pieces sold, which increased 16.9% at Vivara stores and 233.9% at Life stores. In terms of SSS, considering both Life and Vivara stores, sales increased 7.0%.

### SALES MIX OF PHYSICAL STORES



- Noteworthy in the sales mix of physical stores is the growth of 390 bps in the Life category in relation to 3Q21, mainly due to the addition of 37 stand-alone Life stores in the last 12 months.

Breakdown by Business (R\$, 000)		3Q22	3Q21	3Q19	Δ 22vs21	Δ 22vs19	9M22	9M21	9M19	Δ 22vs21	Δ 22vs19
Vivara	Number of stores	237	227	184	10	53	237	227	184	10	53
	Store rollouts	5	6	6	-1	-1	3	19	11	-16	-8
	Sales area (m <sup>2</sup> )	21,683	20,646	16,681	5.0%	30.0%	21,683	20,646	16,681	5.0%	30.0%
	Gross revenue (net of return)	374,369	325,362	261,383	15.1%	43.2%	1,162,240	879,709	822,440	32.1%	41.3%
Life	Number of stores	56	19	2	37	54	56	19	2	37	54
	Store rollouts	13	5	0	8	13	10	10	0	0	10
	Sales area (m <sup>2</sup> )	4,047	1,102	86	267.2%	4594.4%	4,047	1,102	86	267.2%	4594.4%
	Gross revenue (net of return)	41,124	12,016	1,693	242.3%	2329.1%	108,055	26,142	5,623	313.3%	1821.8%
Kiosk	Number of kiosks	22	29	54	(7)	(32)	22	29	54	(7)	(32)
	Store rollouts	2	-1	0	3	2	-3	-17	-2	14	-1
	Sales area (m <sup>2</sup> )	143	191	341	-25.1%	-58.1%	143	191	341	-25.1%	-58.1%
	Gross revenue (net of return)	7,740	10,185	18,353	-24.0%	-57.8%	25,109	29,618	57,338	-15.2%	-56.2%
Total	Points of sales	315	275	240	40	75	315	275	240	40	75
	Store rollouts	20	10	6	10	14	10	12	9	-2	1
	Sales area (m <sup>2</sup> )	25,873	21,939	17,108	17.9%	51.2%	25,873	21,939	17,108	17.9%	51.2%
	Gross revenue (net of return)	423,234	347,563	281,429	21.8%	50.4%	1,295,404	935,470	885,401	38.5%	46.3%

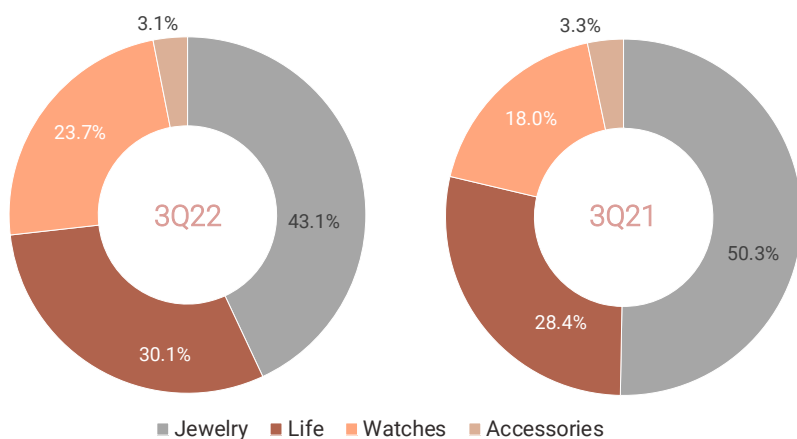
- Vivara stores, which totaled 237 at the end of the period, registered Gross Revenue (net of returns) of R\$374.4 million in 3Q22, up 15.1% from 3Q21. The solid performance by the channel was driven by organic expansion and the strategy of expanding inventory coverage, by which 31.8% more product models were offered in 3Q22 than in 3Q21.
- Accounting for 9.7% of revenue from the physical channel, stand-alone Life stores ended the quarter with 56 units, totaling 4,047 m<sup>2</sup> of sales area, an increase of 267.2%. As a result of accelerated expansion, Gross Revenue (net of returns) from this channel totaled R\$41.1 million in the quarter, growing 242.3% 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 3Q22, digital sales came to R\$54.7 million, down 8.4% from the same period last year, accounting for 11.4% of total sales in the quarter. This reduction is mainly due to the increased customer traffic at malls and the change in Company's marketing strategy in 2022, which involved greater focus on branding and reducing promotional items.
- In 3Q22, the Watches category was the key driver of the digital channel, increasing its share by 570 bps. The expansion is mainly due to the launch of new Vivara brand products and the lower share of *Joias em Ação* project, in which jewelry has a greater share.
- The Life category expanded by 170 bps in digital sales in 3Q22 when compared to the same period of the previous year.
- The *Joias em Ação* project, a direct selling initiative conducted by Vivara sellers, accounted for 28.4% of digital sales, down 990 bps from the same quarter last year, chiefly due to: (i) the increase in customer traffic at stores during the year, which reduced customer demand for online services and increased the assistance time of saleswomen for in-person service. This reduction mainly affected the Jewelry category, whose share of the channel's sales decreased 720 bps; and (ii) the replenishment of inventories at physical stores, which reduced their dependence on online inventories, in the infinite shelf system.

### DIGITAL SALES MIX\*



(\*) Includes sales of *Joias em Ação* Project and shipping from store



- Around 335,000 customers who purchased at physical stores in 3Q22 were activated in the digital platform, accounting for 29.2% of sales at the physical stores. Furthermore, 21.3% of digital sales were through the omnichannel and involved physical stores, either through the ship from store or pick-up in store formats, which underlines the Company's commitment to its strategy of full integration of the channels.
- In August, the Company concluded the migration of the e-commerce traffic to the new Vtex platform. The project is an important driver of the omnichannel strategy, already counting on solutions such as a regionalization system, inventory of nearby stores, shared cart and order splitting. Another important objective of the new platform is to improve the customer experience, already bringing automatic windows with suggestions for complementary items, interactive digital catalogs and various navigation optimizations.

## GROSS PROFIT AND GROSS MARGIN

Gross Profit (R\$, 000) and Gross Margin (%)	3Q22	3Q21	Δ % 22vs21	9M22	9M21	Δ % 21vs20
<b>Net Revenue</b>	<b>392,876</b>	<b>337,215</b>	<b>16.5%</b>	<b>1,199,690</b>	<b>916,940</b>	<b>30.8%</b>
<b>Total costs</b>	<b>(124,054)</b>	<b>(108,788)</b>	<b>14.0%</b>	<b>(385,609)</b>	<b>(299,609)</b>	<b>28.7%</b>
Acquisition of input, raw materials and products	(107,851)	(97,593)	10.5%	(337,722)	(271,536)	24.4%
% Net Revenue	-27.5%	-28.9%	149 bps	-28.2%	-29.6%	146 bps
Factory Expenses	(16,203)	(11,195)	44.7%	(47,886)	(28,073)	70.6%
% Net Revenue	-4.1%	-3.3%	-80 bps	-4.0%	-3.1%	-93 bps
Personal	(12,806)	(8,772)	46.0%	(38,434)	(22,003)	74.7%
% Net Revenue	-3.3%	-2.6%	-66 bps	-3.2%	-2.4%	-80 bps
Factory expenses	(1,837)	(1,610)	14.1%	(5,428)	(3,746)	44.9%
% Net Revenue	-0.5%	-0.5%	1 bps	-0.5%	-0.4%	-4 bps
Depreciation	(1,559)	(812)	91.9%	(4,024)	(2,324)	73.1%
% Net Revenue	-0.4%	-0.2%	-16 bps	-0.3%	-0.3%	-8 bps
<b>Gross profit</b>	<b>268,822</b>	<b>228,427</b>	<b>17.7%</b>	<b>814,081</b>	<b>617,331</b>	<b>31.9%</b>
<i>Gross margin %</i>	<i>68.4%</i>	<i>67.7%</i>	<i>68 bps</i>	<i>67.9%</i>	<i>67.3%</i>	<i>53 bps</i>

○ Gross Profit in 3Q22 totaled R\$268.8 million, up 17.7% year on year, with Gross Margin of 68.4%.

○ The 70 bps increase in Gross Margin in relation to 3Q21 was mainly due to the higher share of Life category in total sales, which led to a dilution of 150 bps in the costs of acquisition of inputs and raw materials and offset the increase in personnel expenses at the plant, caused by the higher volume of production in Manaus.

○ The adequate inventory mix in all categories, combined with the right pricing policy, drove this profitability, once again demonstrating the Company's capacity to manage costs.

## OPERATING EXPENSES

Operating Expenses (R\$, 000)	3Q22	3Q21	Δ % 22vs21	9M22	9M21	Δ % 22vs21
<b>Operating Expenses</b>	<b>(176,104)</b>	<b>(144,657)</b>	<b>21.7%</b>	<b>(532,187)</b>	<b>(403,662)</b>	<b>31.8%</b>
<i>Operating Expenses/Net Revenue (%)</i>	<i>-44.8%</i>	<i>-42.9%</i>	<i>-193 bps</i>	<i>-44.4%</i>	<i>-44.0%</i>	<i>-34 bps</i>
Selling Expenses	(130,214)	(104,366)	24.8%	(394,476)	(297,963)	32.4%
<i>Selling Expenses/Net Revenue (%)</i>	<i>-33.1%</i>	<i>-30.9%</i>	<i>-219 bps</i>	<i>-32.9%</i>	<i>-32.5%</i>	<i>-39 bps</i>
General and Administrative Expenses	(45,890)	(40,290)	13.9%	(137,712)	(105,699)	30.3%
<i>Revenue (%)</i>	<i>-11.7%</i>	<i>-11.9%</i>	<i>27 bps</i>	<i>-11.5%</i>	<i>-11.5%</i>	<i>5 bps</i>
Other Operating Expenses	244	(908)	-126.9%	(6,292)	(2,580)	143.9%
<b>Total Operating Expenses</b>	<b>(175,860)</b>	<b>(145,565)</b>	<b>20.8%</b>	<b>(538,479)</b>	<b>(406,242)</b>	<b>32.6%</b>

○ Operating Expenses (SG&A) in the quarter reached R\$176.1 million, up 21.7% from 3Q21, corresponding to 44.8% of Net Revenue.

○ In 3Q22, Selling Expenses increased 24.8% in the period, mainly impacted by the acceleration of expansion plan. In 3Q22, the Company posted a record number of stores in maturation: 75 stores were opened in the last 24 months, 25.6% of total stores. Despite the accelerated maturation of points of sale, the third quarter, which did not benefit from the seasonal sales effect, is strongly impacted by fixed expenses, especially personnel and rent expenses, due to the combination of stores in the maturation phase and the concentration of 41 inaugurations in 2H22.

○ Pressure of 193 bps in comparison with 3Q21, mainly reflecting: (i) the pre-operating expenses of 19 stores inaugurated in 3Q22 and of the stores to be inaugurated in 4Q22; (ii) the replenishment of average headcount per store; (iii) the price adjustment in freight cost and credit card fees, which were frozen during the pandemic period; and (iii) the resumption of store maintenance services, which had been scaled down in 2021.

## OPERATING EXPENSES (cont.)

- General and Administrative Expenses increased 13.9% in the period, corresponding to 11.7% of Net Revenue. Operating leverage stood at 30 bps despite heavy investments in business support projects, expenses with security services on account of the move to the new headquarters, and insurance, as well as strategic consulting services that will sustain the Company's future growth.

## ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

EBITDA Reconciliation (R\$, 000)	3Q22	3Q21	Δ % 22vs21	9M22	9M21	Δ % 22vs21
Net Income	68,127	86,258	-21.0%	203,101	171,362	18.5%
(+) Income and Social Contribution Taxes	(17,792)	(25,328)	-29.8%	(40,024)	(28,631)	39.8%
(+) Financial Result	12,812	5,154	148.6%	33,057	19,658	68.2%
(+) Depreciation and Amortization	31,373	17,590	78.4%	83,492	51,025	63.6%
<b>Total EBITDA</b>	<b>94,521</b>	<b>83,674</b>	<b>13.0%</b>	<b>279,626</b>	<b>213,413</b>	<b>31.0%</b>
(-) Rental expense (IFRS16)	(22,810)	(16,981)	34.3%	(64,627)	(47,609)	35.7%
(+) Non-recurring effect	-	-	na	8,081	-	na
<b>Adjusted EBITDA</b>	<b>71,710</b>	<b>66,693</b>	<b>7.5%</b>	<b>223,080</b>	<b>165,804</b>	<b>34.5%</b>
<b>Adjusted EBITDA Margin (%)</b>	<b>18.3%</b>	<b>19.8%</b>	<b>-153 bps</b>	<b>18.6%</b>	<b>18.1%</b>	<b>51 bps</b>

- In 3Q22, the Company recorded Adjusted EBITDA of R\$71.7 million, with Adjusted EBITDA Margin of 18.3%. The 7.5% increase reflects the brisk sales pace and optimum inventory mix across all categories. Adjusted EBITDA Margin benefited from the 70 bps increase in Gross Margin and the operating leverage resulting from General and Administrative Expenses, although the effects were not sufficient to offset the impact of higher Selling Expenses.
- The 150 bps pressure on Adjusted EBITDA Margin reflects the impact of accelerated store expansion in the last two years, which mainly affected Personnel and Rent Expenses, the price adjustment of logistics operators and credit card fees, as well as the resumption of store maintenance services.



## NET INCOME AND NET MARGIN

EBITDA Reconciliation and Net Income (R\$'000)	3Q22	3Q21	Δ % 22vs21	9M22	9M21	Δ % 22vs21
Adjusted EBITDA	71.710	66.693	7,5%	223.080	165.804	34,5%
Adjusted EBITDA Margin (%)	18,3%	19,8%	-153 bps	18,6%	18,1%	51 bps
(-) Rental expense (IFRS16)	22.810	16.981	34,3%	64.627	47.609	35,7%
(-) Non-recurring effects	-	-	na	(8.081)	-	na
(+) Depreciation and Amortization	(31.373)	(17.590)	78,4%	(83.492)	(51.025)	na
(+) Financial Result	(12.812)	(5.154)	148,6%	(33.057)	(19.658)	68,2%
(+) Income and Social Contribution Taxes	17.792	25.328	-29,8%	40.024	28.631	39,8%
Net Income	68.127	86.258	-21,0%	203.101	171.362	18,5%
Net Income Margin (%)	17,3%	25,6%	-824 bps	16,9%	18,7%	-176 bps
Non-recurring effect	-	(18.898)	na	-	(18.898)	-100,0%
<b>Recurring Net Income</b>	<b>68.127</b>	<b>67.360</b>	<b>1,1%</b>	<b>203.101</b>	<b>152.464</b>	<b>33,2%</b>
Recurring Net Margin (%)	17,3%	20,0%	-263 bps	16,9%	16,6%	30 bps

○ The Company registered Net Income of R\$68.1 million in 3Q22 and Net Margin of 17.3%. Net income in the period benefited from deferred tax credit resulting from the higher volume of production at the Manaus plant and was affected by higher financial expenses in the period caused by lower cash and higher interest rate between the periods.

○ In addition, R\$18.9 million of Net Income in **3Q21** came from the recognition of IRPJ and CSLL credits on the unconstitutionality of taxes on the SELIC variation on undue tax payments. We report Recurring Net Income exclusively for 9M21 and 3Q21 to reflect this non-recurring effect.

## DEBT

Net Debt (R\$, 000)	9M22	2021	Δ %	2020	Δ %
Gross Debt	235.159	291.213	-19,2%	390.321	-39,8%
Short Term	75.367	127.176	-40,7%	277.821	-72,9%
Long Term	159.792	164.037	-2,6%	112.500	42,0%
Cash and cash equivalents and Securities	337.636	653.700	-48,3%	701.921	-51,9%
Net Cash	102.477	362.487	-71,7%	311.600	-67,1%
Adjusted EBITDA LTM ( <i>last twelve months</i> )	358.665	301.390	19,0%	216.319	65,8%
Net Debt/Adjusted Ebitda	0,3x	1,2x	na	1,4x	na

○ In the 9M22, gross debt decreased by 19.2% in relation to December 2021, mainly due to the amortization of R\$55.3 million in 1Q22. Net cash in the period decreased 71.7%, due to the higher allocation in working capital and higher investments in the period.



## CAPEX

Investments (R\$, 000)	3Q22	3Q21	Δ % 22vs21	9M22	9M21	Δ % 22vs21
Total Capex	51,515	25,621	101.1%	106,447	58,210	82.9%
New Stores	25,996	17,877	45.4%	48,963	38,702	26.5%
Reforms and Maintenance	4,881	2,046	138.6%	17,061	3,864	341.5%
Factory	1,722	2,103	-18.1%	6,757	6,845	-1.3%
Systems/IT	10,067	3,596	179.9%	20,101	8,799	128.5%
Others	8,848	-	na	13,564	0	-
CAPEX/Net Revenue (%)	13.1%	7.6%	551 bps	8.9%	6.3%	252 bps

○ In 3Q22, investments totaled R\$51.5 million, increasing 100.1% from 3Q21, mainly due to: (i) the acceleration of the plan for organic expansion of Vivara and Life; (ii) the investments in the new headquarters; (iii) the increase in store renovation and modernization works to adapt the stores to the new layouts; and (iv) continued investments in systems as part of the technological structuring strategy to drive future growth.

## CASH GENERATION

Cash Flow (R\$, 000)	3Q22	3Q21	Δ % 22vs21	9M22	9M21	Δ % 22vs21
Net Income	68,127	86,258	-21.0%	203,101	171,362	18.5%
(+/-) Income and Social Contribution Taxes/Others	(2,647)	(21,178)	-87.5%	(8,292)	(16,217)	-48.9%
Adjusted Net Income	65,480	65,080	0.6%	194,809	155,144	25.6%
Working Capital	(89,648)	5,947	-1607.5%	(257,716)	39,017	-760.5%
Trade receivables	44,919	21,225	111.6%	85,285	64,612	32.0%
Inventories	(128,690)	(85,167)	51.1%	(247,302)	(165,551)	49.4%
Trade payables	20,147	77,959	-74.2%	30,115	149,041	-79.8%
Recoverable taxes	(14,997)	(11,174)	34.2%	(29,971)	23,066	-229.9%
Taxes payable	(5,785)	(4,744)	21.9%	(62,960)	(40,080)	57.1%
Other assets and liabilities	(5,242)	7,847	-166.8%	(32,883)	7,930	-514.7%
Cash from Management Operating Activities	(24,168)	71,027	-134.0%	(62,907)	194,161	-132.4%
Capex	(51,515)	(25,621)	101.1%	(106,447)	(58,210)	82.9%
Free Cash Generation <sup>(5)</sup>	(75,683)	45,405	-266.7%	(169,354)	135,951	-224.6%

(5) This is a managerial, non-accounting measurement prepared by the Company, which is not in the scope of independent audit.

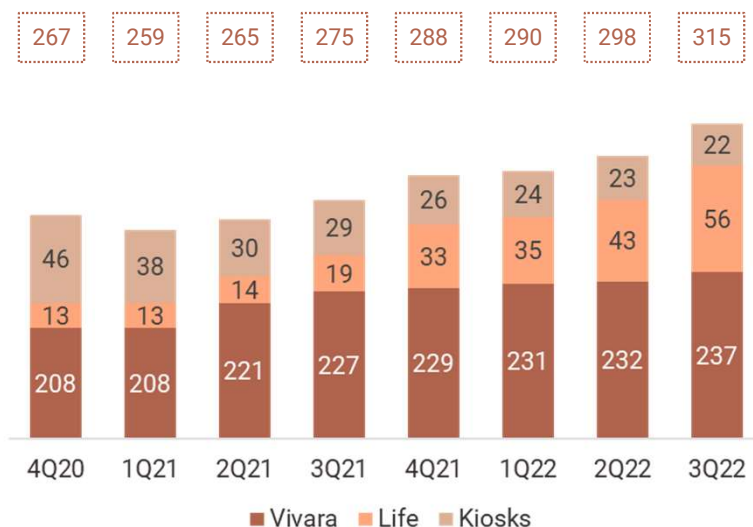
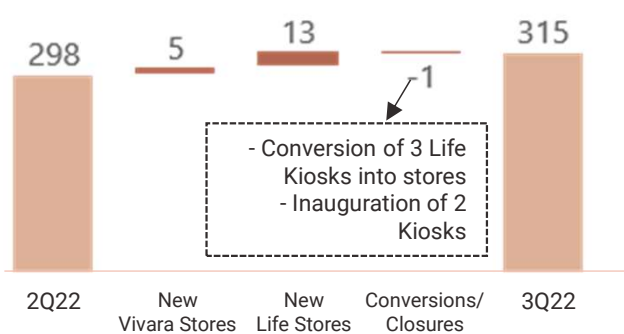
○ The Company consumed free cash of R\$75.7 million in 3Q22, mainly due to: (i) the increase in working capital allocation on account of the increased inventory coverage at stores, and the preparation for the quarter with the greatest seasonal effect, to guarantee stores supplies for Black Friday and Christmas; and (ii) accelerated investments in its organic expansion.

○ It is important to note that cash generation in the period was impacted by the effect of R\$18.2 million from Reverse Factoring transactions. In the same period last year, cash generation had benefited by R\$34.8 million from transactions of the same nature.

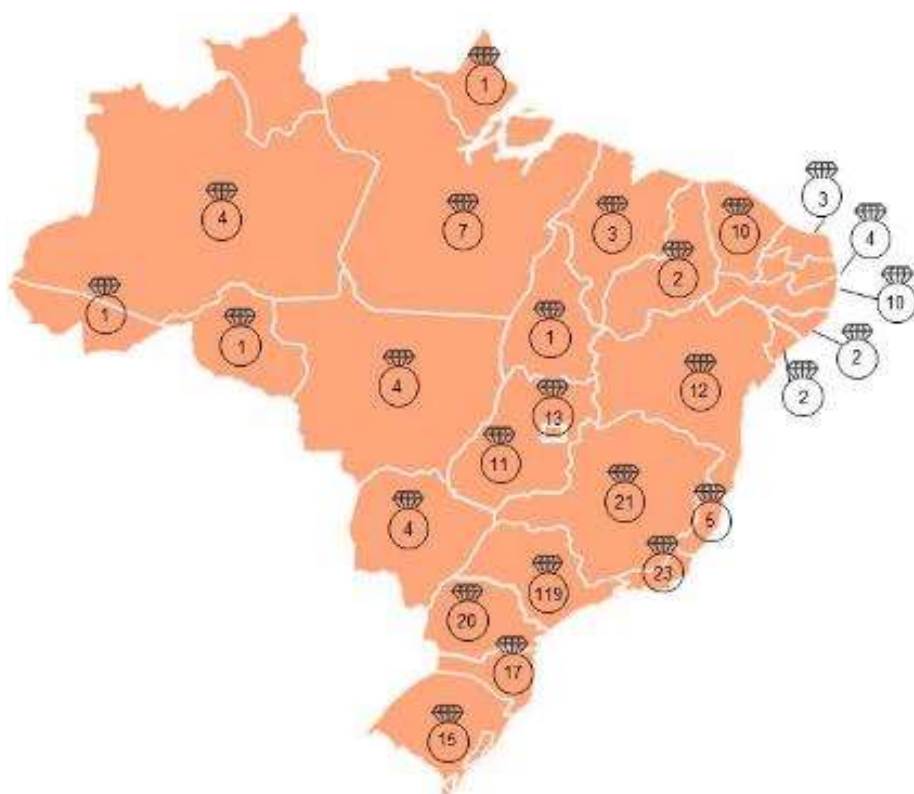
# EXPANSION

Setting a new record in inaugurations, the expansion plan in 3Q22 included the opening of 5 Vivara stores, 13 Life stores and 2 kiosks.

## 3Q22 EXPANSION



## NUMBER OF STORES PER STATE

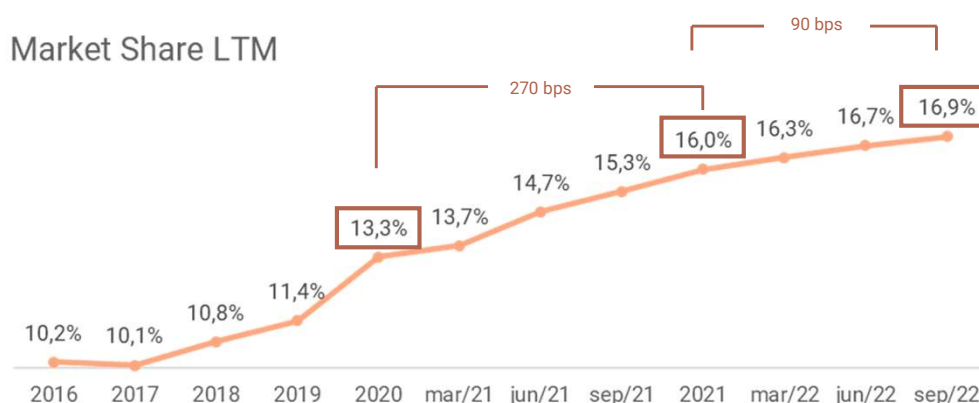


New stores by region	
Southeast	65%
South	15%
North	0%
Northeast	10%
Midwest	10%

Distribution by region	
Southeast	54%
South	17%
North	5%
Northeast	15%
Midwest	10%

# OUTLOOK

- 2022 – We remain **optimistic about the most important quarter of the year** for our results. Our teams are 100% focused on the **Black Friday** and **Christmas** campaigns, with well-stocked inventories, numerous upcoming launches, a very well-trained team, and support areas prepared to help the sales force in ensuring the best experience in choosing the perfect gift. The final quarter of the year is seasonally the most significant for our results. In 2021, 4Q21 accounted for 38.1% of Gross Revenue (Net of Returns) and 45.1% of EBITDA. In 2022, we expect that 4Q22 will be similar in terms of relevance, as last year, due to the addition of new stores in the second half of the year.
- Expansion – For the final quarter of the year, we expect to roll out the **largest annual expansion plan in the Company's history**. In 4Q22 the number of openings should be even higher, especially for the Life brand, which should end the year with over 70 stores.
- Market Share - The Company continues the structural projects envisaged in its strategic plan, confident of retaining and expanding its market leadership. The Company gained **90 bps market share** in the first nine months of the and **160 bps** in the last 12 months, driven not only by the opening of physical stores, but also by the successful launches of collections and efficient management of product mix and prices.



\* Internal measurement based on Euromonitor indicators and Cielo's Flash Setorial indicators for jewelry stores and opticians.

Earnings Conference Call  
Friday, November 11, 2022

Portuguese  
With simultaneous translation into English  
11 a.m. (BR) | 9 a.m. (US ET)



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**Company Information / Capital - Breakdown**

Number of Shares (Units)	Current Quarter 09/30/2022
<b>Paid-in Capital</b>	
Common	236,197,769
Preferred	0
<b>Total</b>	<b>236,197,769</b>
<b>Held in Treasury</b>	
Common	607,612
Preferred	0
<b>Total</b>	<b>607,612</b>

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 09/30/2022</b>	<b>Last Year 12/31/2021</b>
1	Total Assets	1,585,992,306	1,477,832,227
1.01	Current Assets	2,945,771	11,140,116
1.01.01	Cash and Cash Equivalents	5,374	5,249
1.01.01.01	Cash and cash equivalents	5,374	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	2,802,735	11,055,978
1.01.06.01	Current Recoverable Taxes	2,805,735	11,055,978
1.01.06.01.01	Recoverable taxes	2,805,735	11,055,978
1.01.07	Prepaid Expenses	137,662	78,889
1.01.07.01	Prepaid Expenses and other receivables	137,662	78,889
1.02	Noncurrent Assets	1,583,046,535	1,404,047,111
1.02.02	Investments	1,583,046,535	1,404,047,111
1.02.02.01	Equity Interests	1,583,046,535	1,404,047,111
1.02.02.01.02	Equity Interests in Controlled	1,583,046,535	1,404,047,111

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 09/30/2022</b>	<b>Last Year 12/31/2021</b>
2	Total Liabilities	1,585,992,306	1,477,832,227
2.01	Current Liabilities	1,622,647	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	6,761	13,684,082
2.01.03.01	Federal Taxes Payable	6,761	13,684,082
2.01.03.01.02	PIS and COFINS payable	1,436	6,817,250
2.01.03.01.04	Other federal taxes payable	5,325	6,866,832
2.01.05	Other Payables	1,377,820	71,178,831
2.01.05.02	Other	1,377,820	71,178,831
2.01.05.02.01	Current Liabilities – due to Related Parties	2,926	70,892,231
2.01.05.02.08	Other Payables	1,374,894	286,600
2.03	Equity	1,584,369,659	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	-49,336,485	-52,567,635
2.03.02.04	Options Granted	3,704,642	473,492
2.03.02.07	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	325,223,849	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	-14,693,941	0
2.03.05	Retained earnings/accumulated deficit	203,101,086	0

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 07/01/2022 to 09/30/2022</b>	<b>Accumulated Current Year 01/01/2022 to 09/30/2022</b>	<b>Same Quarter Last Year 07/01/2021 to 09/30/2021</b>	<b>Accumulated Last Year 01/01/2021 to 09/30/2021</b>
3.04	Operating Expenses/Income	68,044,722	204,150,047	86,258,108	171,252,510
3.04.02	General and Administrative Expenses	-3,474,387	-9,142,453	-1,055,783	-4,082,817
3.04.02.01	General and Administrative	-3,474,387	-9,142,453	-1,055,783	-4,082,817
3.04.04	Others Operating Income	0	-3,137	0	0
3.04.04.01	Others operating income	0	-3,137	0	0
3.04.06	Share of Profit (Loss) of Investees	71,519,109	213,295,637	87,313,891	175,335,327
3.04.06.01	Share of profit (loss) of investees	71,519,109	213,295,637	87,313,891	175,335,327
3.05	Profit Before Finance Income (Costs) and Taxes	68,044,722	204,150,047	86,258,108	171,252,510
3.06	Finance Income (costs)	82,671	-1,048,691	-370	128,872
3.06.01	Finance Income	89,305	467,276	7	142,861
3.06.01.01	Finance income	89,305	467,276	7	142,861
3.06.02	Finance Costs	-6,634	-1,516,237	-377	-13,989
3.06.02.01	Finance costs	-6,634	-1,516,237	-377	-13,989
3.07	Profit Before Income Taxes	68,127,393	203,101,086	86,257,738	171,381,382
3.08	Income Tax and Social Contribution on Net Income	0	0	0	-19,750
3.08.01	Current	0	0	0	-19,750
3.09	Profit from Discontinued Operation	68,127,393	203,101,086	86,257,738	171,361,632
3.11	Profit/Loss for the Period	68,127,393	203,101,086	86,257,738	171,361,632
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	0,2887	0,86068	0,36519	0,7255
3.99.02	Diluted earnings per share	0	0	0	0
3.99.02.01	Common shares	0,28863	0,86045	0,36519	0,7255

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 07/01/2022 to 09/30/2022</b>	<b>Accumulated Current Year 01/01/2022 to 09/30/2022</b>	<b>Same Quarter Last Year 07/01/2021 to 09/30/2021</b>	<b>Accumulated Last Year 01/01/2021 to 09/30/2021</b>
4.01	Profit for the Period	68,127,393	203,101,086	86,257,739	171,361,633
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	68,127,393	203,101,086	86,257,739	171,361,633

**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 09/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 09/30/2021</b>
6.01	Net Cash from Operating Activities	-11,357,844	-8,671,342
6.01.01	Cash Generated by Operations	-7,405,369	-4,094,639
6.01.01.01	Profit (loss) for the year	203,101,086	171,361,633
6.01.01.05	Deferred Income Tax and Social Contribution	0	19,750
6.01.01.08	Share of profit (loss) of investees	-213,295,637	-175,335,327
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-441,968	-140,695
6.01.01.15	Options Granted	3,231,150	0
6.01.02	Changes in Assets and Liabilities	-3,952,475	-4,576,703
6.01.02.04	Recoverable taxes	-3,985	-977
6.01.02.06	Other credits	-58,773	-72,171
6.01.02.08	Payroll and Social Security Obligations	115	32,195
6.01.02.09	Taxes payable	-4,978,126	-4,307,730
6.01.02.13	Other payables	1,088,294	-228,020
6.02	Net Cash from Investing Activities	47,951,059	43,315,885
6.02.08	Interest on own capital received	62,645,000	43,315,885
6.02.09	Treasury Shares	-14,693,941	0
6.03	Net Cash from Financing Activities	-36,593,090	-34,832,933
6.03.02	Dividends Received	34,296,214	0
6.03.03	Dividends Paid	-12,708,277	-12,481,154
6.03.09	Interest on Equity Reserve Paid	-58,181,027	-22,351,779
6.05	Increase (Decrease) in Cash and Cash Equivalents	125	-188,390
6.05.01	Opening Balance of Cash and Cash Equivalents	5,249	223,606
6.05.02	Closing Balance of Cash and Cash Equivalents	5,374	35,216

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

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

**Parent FS / Statement of Changes in Equity / 01/01/2021 - 09/30/2021****(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	171,361,633	0	171,361,633
5.05.01	Profit for the Period	0	0	0	171,361,633	0	171,361,633
5.07	Closing Balances	1,105,381,209	-53,041,127	119,136,304	171,361,633	0	1,342,838,019

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

<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2022 to 09/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 09/30/2021</b>
7.02	Inputs Purchased from Third Parties	-2,996,664	-2,357,274
7.02.02	Materials, Electric Power, Outside Services and Others	-2,996,664	-2,357,274
7.03	Gross Value Added	-2,996,664	-2,357,274
7.05	Wealth Created by the Company	-2,996,664	-2,357,274
7.06	Wealth Received in Transfer	213,762,913	175,478,188
7.06.02	Finance Income	467,276	142,861
7.06.03	Others	213,295,637	175,335,327
7.06.03.01	Share of profit of subsidiaries and associates	213,295,637	175,335,327
7.07	Wealth for Distribution	210,766,249	173,120,914
7.08	Wealth Distributed	210,766,249	173,120,914
7.08.01	Personnel	5,781,438	1,433,359
7.08.01.01	Salaries and Wags	5,780,037	1,433,359
7.08.01.02	Benefits	1,401	0
7.08.02	Taxes, Fees and Contributions	1,880,583	324,471
7.08.02.01	Federal	1,876,923	324,471
7.08.02.03	Municipal	3,660	0
7.08.03	Lenders and Lessors	3,142	1,451
7.08.03.01	Interest	3,142	1,451
7.08.04	Shareholders	203,101,086	171,361,633
7.08.04.03	Retained Earnings / Loss for the Period	203,101,086	171,361,633

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 09/30/2022</b>	<b>Last Year 12/31/2021</b>
1	Total Assets	2,679,775,949	2,563,868,834
1.01	Current Assets	1,499,454,853	1,583,219,784
1.01.01	Cash and Cash Equivalents	101,668,440	325,587,601
1.01.01.01	Cash and Cash Equivalents	101,668,440	325,587,601
1.01.02	Financial Application	107,623,206	141,707,127
1.01.02.03	Financial application valued at amortized cost	107,623,206	141,707,127
1.01.03	Trade Receivables	446,811,965	531,777,249
1.01.03.01	Trade receivables	446,811,965	531,777,249
1.01.03.01.01	Trade receivables	446,811,965	531,777,249
1.01.04	Inventories	774,751,166	527,139,036
1.01.04.01	Inventories	774,751,166	527,139,036
1.01.06	Recoverable Taxes	54,311,004	47,627,009
1.01.06.01	Current Recoverable Taxes	54,311,004	47,627,009
1.01.06.01.01	Recoverable taxes	54,311,004	47,627,009
1.01.07	Prepaid Expenses	14,289,072	8,223,085
1.01.07.01	Prepaid expenses and other receivables	14,289,072	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	1,180,321,095	980,649,050
1.02.01	Long-Term Assets	527,569,921	469,787,167
1.02.01.03	Financial application valued at amortized cost	128,344,607	186,405,142
1.02.01.07	Deferred Taxes	195,067,574	112,318,236
1.02.01.07.01	Deferred Income Tax and Social Contribution	195,067,754	112,318,236
1.02.01.10	Other Noncurrent Assets	204,157,740	171,063,789
1.02.01.10.03	Escrow deposits	24,444,302	15,016,045
1.02.01.10.05	Recoverable taxes	179,713,438	156,047,744
1.02.03	Property, plant and equipment	615,824,450	480,987,952
1.02.03.01	Property, Plant and Equipment in Use	615,824,450	480,987,952
1.02.03.01.01	Property, plant and equipment	615,824,450	480,987,952
1.02.04	Intangible Assets	36,926,723	29,873,931
1.02.04.01	Intangible assets	36,926,723	29,873,931
1.02.04.01.02	Intangible assets	36,926,723	29,873,931

## Consolidated FS / Balance Sheet Liabilities (Reais)

Code Account	Account Description	Current Quarter 09/30/2022	Last Year 12/31/2021
2	Total Liabilities	2,679,775,947	2,563,868,834
2.01	Current Liabilities	529,421,555	674,295,867
2.01.01	Payroll and Related Taxes	80,695,145	78,046,070
2.01.01.01	Social Security Obligations	8,163,078	11,923,228
2.01.01.01.01	INSS / FGTS	8,163,078	11,923,228
2.01.01.02	Payroll Obligations	72,532,067	66,122,842
2.01.01.02.01	Vacation Provision and 13th Salary	42,095,287	23,526,423
2.01.01.02.02	Payroll Obligations	30,436,780	42,596,419
2.01.02	Trade payables	187,670,865	157,555,945
2.01.02.01	Domestic Suppliers	124,144,595	121,909,485
2.01.02.01.01	Domestic	124,144,595	121,909,485
2.01.02.02	Foreign Suppliers	63,526,270	35,646,460
2.01.02.02.01	Foreign	63,526,270	35,646,460
2.01.03	Taxes Payable	63,332,547	113,490,886
2.01.03.01	Federal Taxes Payable	43,702,801	70,217,523
2.01.03.01.01	Income Tax and Social Contribution Payable	14,629,120	5,354,263
2.01.03.01.02	PIS and COFINS payable	6,233,909	25,543,461
2.01.03.01.03	IPI payable	21,308,334	20,102,739
2.01.03.01.04	Other federal taxes payable	1,531,438	19,217,060
2.01.03.02	State Taxes Payable	18,908,609	42,612,435
2.01.03.02.01	State VAT (ICMS)	15,160,867	40,561,516
2.01.03.02.02	Other state taxes payable	3,747,742	2,050,919
2.01.03.03	Municipal Taxes Payable	721,137	660,928
2.01.03.03.01	Service tax (ISS)	721,137	660,928
2.01.04	Borrowings and Financing	75,366,789	127,176,043
2.01.04.01	Borrowings and Financing	75,366,789	127,176,043
2.01.04.01.01	In Local Currency	30,398,904	31,361,661
2.01.04.01.02	In Foreign Currency	44,967,885	95,814,382
2.01.05	Other Payables	122,356,209	198,026,923
2.01.05.02	Others	122,356,209	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	14,202,359	17,140,915
2.01.05.02.05	Right-of-use payable	64,583,814	59,919,745
2.01.05.02.06	Passive derivative instruments	660,138	0
2.01.05.02.07	Taxes in installments	263,228	266,976
2.01.05.02.08	Other payables	42,643,744	49,807,056
2.02	Noncurrent Liabilities	565,984,733	496,841,603
2.02.01	Borrowings and Financing	159,792,209	164,036,728
2.02.01.01	Borrowings and Financing	159,792,209	164,036,728
2.02.01.01.01	In Local Currency	99,792,209	104,036,728
2.02.01.01.02	In Foreign Currency	60,000,000	60,000,000
2.02.02	Other payables	387,370,643	315,750,489

<b>Code</b>	<b>Account Description</b>	<b>Current Quarter</b>	<b>Last Year</b>
<b>Account</b>		<b>09/30/2022</b>	<b>12/31/2021</b>
2.02.02.02	Others	387,370,643	315,750,489
2.02.02.02.04	Right-of-use payable	383,750,328	310,148,354
2.02.02.02.05	Passive derivative instruments	207,791	0
2.02.02.02.07	Taxes in installments	466,691	632,868
2.02.02.02.08	Other payables	2,945,833	3,703,333
2.02.02.02.09	Payroll Obligations	0	1,265,934
2.02.04	Provisions	18,821,881	17,054,386
2.02.04.01	Provision for Tax, Social Security, Labor and Civil	18,821,881	17,054,386
2.02.04.01.01	Tax Provisions	9,030,636	5,832,134
2.02.04.01.02	Provision for Social Security and Labor Obligations	6,989,960	8,524,912
2.02.04.01.04	Civil Provisions	2,801,285	2,697,340
2.03	Consolidated Equity	1,584,369,659	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	-49,336,485	-52,567,635
2.03.02.04	Options Granted	3,704,642	473,492
2.03.02.07	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	325,223,849	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	-14,693,941	0
2.03.05	Retained earnings/accumulated deficit	203,101,086	0

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

Account Code	Account Description	Current Quarter 07/01/2022 to 09/30/2022	Accumulated Current Year 01/01/2022 to 09/30/2022	Same Quarter Last Year 07/01/2021 to 09/30/2021	Accumulated Last Year 01/01/2021 to 09/30/2021
3.01	Revenue from Sale of Goods and/or Services	392,875,888	1,199,689,839	337,214,980	916,940,092
3.01.01	Net Revenue from Sales and Services	392,875,888	1,199,689,839	337,214,980	916,940,092
3.02	Cost of Sales and Services	-124,054,128	-385,608,737	-108,788,395	-299,609,212
3.02.01	Cost of sales and services	-124,054,128	-385,608,737	-108,788,395	-299,609,212
3.03	Gross Profit	268,821,760	814,081,102	228,426,585	617,330,880
3.04	Operating Expenses/Income	-205,674,424	-617,947,121	-162,342,248	-454,942,367
3.04.01	Selling Expenses	-150,067,124	-443,728,022	-115,731,038	-329,681,535
3.04.01.01	Selling expenses	-150,067,124	-443,728,022	-115,731,038	-329,681,535
3.04.02	General and Administrative Expenses	-55,851,398	-167,927,043	-45,703,340	-122,680,995
3.04.02.01	General and Administrative Expenses	-55,851,398	-167,927,043	-45,703,340	-122,680,995
3.04.04	Other Operating Income	-509,091	148,572	-897,136	-2,558,278
3.04.04.01	Other operating income	-509,091	148,572	-897,136	-2,558,278
3.04.05	Other operating expenses	753,189	-6,440,628	-10,734	-21,559
3.04.05.01	Other operating expenses	753,189	-6,440,628	-10,734	-21,559
3.05	Profit Before Finance Income (Costs) and Taxes	63,147,336	196,133,981	66,084,337	162,388,513
3.06	Finance Income (Costs)	-12,811,615	-33,057,235	-5,154,309	-19,658,338
3.06.01	Finance Income	10,532,822	34,677,274	11,052,629	24,476,813
3.06.01.01	Finance income	10,532,822	34,677,274	11,052,629	24,476,813
3.06.02	Finance Costs	-23,344,437	-67,734,509	-16,206,938	-44,135,151
3.06.02.01	Finance Costs	-23,344,437	-67,734,509	-16,206,938	-44,135,151
3.07	Profit Before Income Taxes	50,335,721	163,076,746	60,930,028	142,730,175
3.08	Income Tax and Social Contribution	17,791,673	40,024,340	25,327,711	28,631,458
3.08.01	Current	-13,481,111	-42,724,998	-8,869,882	-20,662,870
3.08.02	Deferred	31,272,784	82,749,338	34,197,593	49,294,328
3.09	Profit from Discontinued Operation	68,127,394	203,101,086	86,257,739	171,361,633
3.11	Consolidated Profit/Loss for the Period	68,127,394	203,101,086	86,257,739	171,361,633
3.11.01	Attributable to Owners of the Parent	68,127,394	203,101,086	0	0
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	0,2887	0,86068	0,36519	0,7255
3.99.02	Diluted earnings per share	0	0	0	0
3.99.02.01	Common shares	0,28863	0,86045	0,36519	0,7255

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

<b>Account Code</b>	<b>Account Description</b>	<b>Current Quarter 07/01/2022 to 09/30/2022</b>	<b>Accumulated Current Year 01/01/2022 to 09/30/2022</b>	<b>Same Quarter Last Year 07/01/2021 to 09/30/2021</b>	<b>Accumulated Last Year 01/01/2021 to 09/30/2021</b>
4.01	Profit for the Period	68,127,393	203,101,086	86,257,739	171,361,633
4.03	Total Comprehensive Income for the Period	68,127,393	203,101,086	86,257,739	171,361,633
4.03.01	Attributable to Owners of the Parent	68,127,393	203,101,086	86,257,739	171,361,633

**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 09/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 09/30/2021</b>
6.01	Net Cash from Operating Activities	-25,624,691	214,610,820
6.01.01	Cash Generated by Operations	307,765,519	232,369,199
6.01.01.01	Profit (loss) for the year	203,101,086	171,361,633
6.01.01.02	Depreciation and Amortization	83,490,858	51,024,776
6.01.01.03	Interest and exchange differences on borrowings and financing	24,917,368	11,405,008
6.01.01.04	Interest on lease and right-of-use rental	32,476,834	26,003,358
6.01.01.05	Current and deferred income tax and social contribution	-40,024,340	-28,631,458
6.01.01.06	Allowance for inventory losses	-309,900	5,036,371
6.01.01.07	Provision for civil, labor and tax risks	6,905,236	3,125,519
6.01.01.10	Write-off of property, plant and equipment and intangible assets	-164,468	10,211
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-3,069,079	-1,760,807
6.01.01.13	Expected credit losses	-319,819	294,959
6.01.01.14	Lease discount	-2,469,407	-5,500,371
6.01.01.15	Options Granted	3,231,150	0
6.01.02	Changes in Assets and Liabilities:	-255,717,853	39,016,944
6.01.02.01	Trade receivables	85,285,103	64,611,673
6.01.02.03	Inventories	-247,302,230	-165,551,082
6.01.02.04	Recoverable taxes	-28,582,837	23,066,025
6.01.02.05	Escrow deposits	-8,126,031	639,794
6.01.02.06	Other credits	-6,065,986	-8,983,062
6.01.02.07	Trade payables	30,114,921	149,040,741
6.01.02.08	Payroll and related taxes	2,649,075	13,544,122
6.01.02.09	Taxes payable	-62,959,901	-40,080,099
6.01.02.10	Leases payable	-2,938,556	11,416,323
6.01.02.11	Taxes in installments	-169,925	-175,042
6.01.02.12	Contingencies paid	-5,137,740	-3,281,629
6.01.02.13	Other payables	-12,483,746	-5,230,820
6.01.03	Others	-77,672,357	-56,775,323
6.01.03.01	Income tax and social contribution paid	-29,923,438	-22,415,005
6.01.03.02	Interest paid on borrowings and financing	-17,817,131	-9,589,243
6.01.03.03	Interest paid on right-of-use lease	-29,931,788	-24,771,075
6.02	Net Cash from Investing Activities	-28,965,878	-159,997,322
6.02.01	Financial Application	92,144,455	-101,787,449
6.02.02	Purchases of property and equipment	-80,735,946	-51,576,685
6.02.03	Purchases of intangible assets	-25,680,446	-6,633,188
6.02.09	Treasury Shares	-14,693,941	0
6.03	Net Cash from Financing Activities	-169,328,592	-144,804,509
6.03.03	Dividends Paid	-12,708,277	-12,481,154
6.03.04	Borrowings and financing	40,000,000	120,343,414
6.03.05	Repayment of borrowings and financing	-97,843,414	-228,662,652
6.03.06	Settlement of derivatives - SWAP agreements	-3,283,991	18,797,378
6.03.07	Repayment of lease and right-of-use rental	-37,311,883	-20,449,716
6.03.09	Interest on Equity Reserve Paid	-58,181,027	-22,351,779
6.05	Increase (Decrease) in Cash and Cash Equivalents	-223,919,161	-90,191,011

**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 09/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 09/30/2021</b>
6.05.01	Opening Balance of Cash and Cash Equivalentents	325,587,601	477,319,379
6.05.02	Closing Balance of Cash and Cash Equivalentents	101,668,440	387,128,368

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

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

**Consolidated FS / Statement of Changes in Equity / 01/01/2021 - 09/30/2021****(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	171,361,633	0	171,361,633	0	171,361,633
5.05.01	Profit for the Period	0	0	0	171,361,633	0	171,361,633	0	171,361,633
5.07	Closing Balances	1,105,381,209	-53,041,127	119,136,304	171,361,633	0	1,342,838,019	0	1,342,838,019

**Consolidated FS / Statement of Value Added**

<b>(Reais)</b>			
<b>Account Code</b>	<b>Account Description</b>	<b>Accumulated Current Year 01/01/2022 to 09/30/2022</b>	<b>Accumulated Last Year 01/01/2021 to 09/30/2021</b>
7.01	Revenues	1,480,766,203	1,141,309,308
7.01.01	Sales of Goods and Services	1,479,517,591	1,140,740,111
7.01.02	Other Income	1,248,612	569,197
7.01.02.01	Other Income	1,568,431	274,238
7.01.02.02	Expected credit losses	-319,819	294,959
7.02	Inputs Purchased from Third Parties	-593,418,893	-458,887,201
7.02.01	Cost of Goods and Services	-337,904,388	-271,698,494
7.02.02	Materials, Electric Power, Outside Services and Others	-255,514,505	-187,188,707
7.03	Wealth Distributed	-887,347,310	682,422,107
7.04	Retentions	-83,492,061	-51,024,776
7.04.01	Depreciation, Amortization and Depletion	-83,492,061	-51,024,776
7.05	Wealth Created by the Company	803,855,249	631,397,331
7.06	Wealth Received in Transfer	34,489,795	24,476,813
7.06.02	Finance Income	34,489,795	24,476,813
7.07	Value Added for Distribution	838,345,044	655,874,144
7.08	Wealth Distributed	838,345,044	655,874,144
7.08.01	Personnel	253,248,008	187,173,007
7.08.01.01	Salaries and Wags	204,435,775	151,369,597
7.08.01.02	Benefits	32,442,325	23,234,685
7.08.01.03	F.G.T.S.	16,369,908	12,568,725
7.08.02	Taxes, fees and contributions	306,066,558	246,693,068
7.08.02.01	Federal	120,552,522	92,926,949
7.08.02.02	State	181,432,702	150,435,068
7.08.02.03	Municipal	4,081,334	3,331,051
7.08.03	Lenders and Lessors	75,929,392	50,646,436
7.08.03.01	Interest	64,486,246	42,606,657
7.08.03.02	Rentals	8,678,592	6,295,246
7.08.03.03	Others	2,764,554	1,744,533
7.08.03.03.01	Royalties	2,764,554	1,744,533
7.08.04	Shareholders	203,101,086	171,361,633
7.08.04.03	Retained Earnings / Loss for the Period	203,101,086	171,361,633

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

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

### **NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED SEPTEMBER 30, 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 brands “VIVARA” and “LIFE”, Tellerina is primarily engaged in the import, export and retail and wholesale trade of jewelry, costume jewelry, articles made from non-precious metals and their alloys, plated jewelry, precious stones, watches, chronometric instruments, leather goods and similar goods, besides providing jewelry design and repair services in general. As at September 30, 2022, Tellerina had 293 stores and 22 kiosks (246 stores and 29 kiosks as at September 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 September 30, 2022 was approved for disclosure by the Board of Directors on November 10, 2022.

### 3. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash	-	-	3,698	5,806
Banks - checking account	5	5	2,053	4,179
Short-term investments (a)	-	-	95,917	315,603
Total	5	5	101,668	325,588

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

	Consolidated			
	09/30/2022	Weighted average CDI rate	12/31/2021	Weighted average CDI rate
Bank Certificate of Deposit (CDB)	90,013	102.5%	301,095	92.8%
Repurchase transaction	5,708	80%	11,284	80%
Automatic investments	196	10%	3,224	10%
Total	95,917		315,603	

### 4. SECURITIES

	Return	Consolidated	
		09/30/2022	Return 12/31/2021
Investment funds (a)	Variable (*)	-	Variable (*) 79,789
Financial bills (b)	64.7% of CDI	235,968	86% of CDI 248,323
Total		235,968	328,112
Current assets		107,623	141,707
Noncurrent assets		128,345	186,405
Total		235,968	328,112

(a) Investment funds were redeemed and 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\$30,000 in investments in long-term financial bills.

## 5. TRADE RECEIVABLES

	Consolidated	
	09/30/2022	12/31/2021
Credit card companies	442,419	527,056
Checks to be cleared	1,535	1,607
Bank slips	3,887	3,823
Subtotal	447,841	532,486
Allowance for expected credit losses	(1,029)	(709)
Total	446,812	531,777

The aging list of trade receivables is as follows:

	Consolidated	
	09/30/2022	12/31/2021
Past-due:	1,293	1,281
Current:	446,548	531,205
Total	447,841	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	
	09/30/2022	12/31/2021
Finished products	534,280	332,692
Raw materials	200,006	170,655
Consumables and packaging materials	23,454	8,860
Inventories in transit and advances to suppliers	21,080	19,311
Allowance for inventory losses	(4,069)	(4,379)
Total	774,751	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	
	09/30/2022	12/31/2021
Balance at the beginning of the period	(4,379)	(6,171)
Additions	(1,271)	(2,058)
Reversals	1,581	3,850
Balance at the end of the period	<u>(4,069)</u>	<u>(4,379)</u>

## 7. RECOVERABLE TAXES

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Income tax (IRPJ) (a)	2,799	11,056	65,374	70,112
Social contribution (CSLL) (a)	-	-	22,636	22,636
State VAT (ICMS) (b)	-	-	141,714	108,227
Taxes on revenue (PIS and COFINS)	-	-	22	2,700
Withholding income tax (IRRF)	4	-	4,279	-
Total	<u>2,803</u>	<u>11,056</u>	<u>234,025</u>	<u>203,675</u>
Current assets	2,803	11,056	54,311	47,627
Noncurrent assets	-	-	179,714	156,048
Total	<u>2,803</u>	<u>11,056</u>	<u>234,025</u>	<u>203,675</u>

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

The IRPJ credits recorded by the Company and its subsidiary Conipa comprise credit balances arising from tax computation for FY2021 and were partially offset during the period.

The IRPJ and CSLL credits of subsidiary Tellerina arise from the unconstitutional taxation on the Selic rate-based inflation adjustments to unduly paid taxes and in connection with administrative proceedings involving a statement of discontentment filed with the Brazilian Federal Revenue Service to ensure the entitlement to tax credits derived from the deduction of investment grant incentives from their tax bases, pursuant to article 30 of Law 12973/2014, as prescribed by ICPC 22 that provides for uncertainties over the income tax treatment.

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

Year	Parent 09/30/ 2022	Parent 12/31/ 2021	Consolidated 09/30/2022	Consolidated 12/31/2021
2022	280	11,056	18,032	28,669
2023	2,519	-	28,778	27,231
2024	-	-	41,200	36,848
Total	<u>2,799</u>	<u>11,056</u>	<u>88,010</u>	<u>92,748</u>

### (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 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 a benefit renewal request was filed on September 20, 2022.

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 09/30/2022	Consolidated 12/31/2021
2022	19,198	36,863
2023	29,791	30,798
2024	37,324	7,658
2025	29,860	7,699
2027	7,399	7,741
2027 and thereafter	18,142	17,468
Total	141,714	108,227

## 8. INVESTMENT

	Equity	Equity interest	Investment	Share of profit (loss) of subsidiaries
Tellerina	417,642	100%	417,642	3,005
Conipa	1,165,405	100%	1,165,405	210,291
Total - direct subsidiaries	1,583,047		1,583,047	213,296

### a) Investments in subsidiaries

September 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	213,296
Dividends received	(34,296)
Balance at the end of the period	1,583,047

Up to September 2022, the Company received from subsidiary Conipa the amount of R\$34,296 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	09/30/2022
ICMS tax incentive	238,542	142,422	380,964
Tax incentive - operating profit	83,971	51,179	135,150
<b>Total</b>	<b>322,513</b>	<b>193,601</b>	<b>516,114</b>

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			
		09/30/2022			12/31/2021
		Cost	Accumulated depreciation	Residual value	Residual value
Leasehold improvements	20	146,798	(75,784)	71,014	51,744
Furniture and fixtures	10	61,886	(21,984)	39,902	25,496
Machinery, equipment and facilities	10	43,893	(11,771)	32,122	23,501
Company cars	20	272	(187)	85	88
IT equipment	20	18,950	(9,132)	9,818	8,827
Land	-	350	-	350	350
Right-of-use assets - lease of properties	10 to 25	589,339	(161,978)	427,361	346,881
Right-of-use assets - cloud		12,380	(6,093)	6,287	-
Advances to suppliers and construction in progress (*)	-	28,886	-	28,886	24,101
<b>Total</b>		<b>902,754</b>	<b>(286,929)</b>	<b>615,825</b>	<b>480,988</b>

(\*) 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 nine-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				
	12/31/2021	Additions	Write-offs	Transfers (**)	09/30/2022
<b>Cost</b>					
Leasehold improvements	113,957	7,718	-	25,123	146,798
Furniture and fixtures	43,908	10,587	(56)	7,447	61,886
Machinery, equipment and facilities	32,585	8,769	(19)	2,558	43,893
Company cars	341	25	(94)	-	272
IT equipment	15,739	2,973	(4)	242	18,950
Land	350	-	-	-	350
Right-of-use assets - lease of properties (*)	462,183	138,034	(21,298)	10,420	589,339
Right-of-use assets – cloud (**)		253	-	12,127	12,380
Advances to suppliers and construction in progress	24,101	50,575	-	(45,790)	28,886
	<u>693,164</u>	<u>218,934</u>	<u>(21,471)</u>	<u>12,127</u>	<u>902,754</u>
<b>Depreciation</b>					
Leasehold improvements	(62,213)	(13,571)	-	-	(75,784)
Furniture and fixtures	(18,412)	(3,616)	44	-	(21,984)
Machinery, equipment and facilities	(9,084)	(2,695)	8	-	(11,771)
Company cars	(253)	(27)	93	-	(187)
IT equipment	(6,912)	(2,221)	1	-	(9,132)
Right-of-use assets - lease of properties	(115,302)	(53,530)	6,854	-	(161,978)
Right-of-use assets - cloud	-	(6,093)	-	-	(6,093)
	<u>(212,176)</u>	<u>(81,753)</u>	<u>7,000</u>	<u>-</u>	<u>(286,929)</u>
<b>Total</b>	<u>480,988</u>	<u>137,211</u>	<u>(14,501)</u>	<u>12,127</u>	<u>615,825</u>

(\*) In the period, the additions amounting to R\$138,034 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\$10,420 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				
	12/31/2021	Additions	Write-offs	Transfers (*)	09/30/2022
<b>Cost:</b>					
Points of sale	31,135	1,090	-	-	32,225
IT systems under implementation	10,319	15,676	(953)	(6,388)	18,654
IT system	35,880	5,105	-	(5,739)	35,246
	<u>77,334</u>	<u>25,428</u>	<u>(953)</u>	<u>(12,127)</u>	<u>86,125</u>
<b>Amortization:</b>					
Points of sale	(30,567)	(263)	-	-	(30,829)
IT system	(16,893)	(1,475)	-	-	(18,369)
	<u>(47,460)</u>	<u>(1,738)</u>	<u>-</u>	<u>-</u>	<u>(49,198)</u>
<b>Total</b>	<u>29,874</u>	<u>23,690</u>	<u>(953)</u>	<u>(12,127)</u>	<u>36,927</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, without changing the payment terms agreed upon with suppliers, and classifies it separately from line item "Trade payables". The average prepayment term is 90 days.

## 12. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Accrued vacation pay	-	-	25,678	23,526
Accrued 13 <sup>th</sup> salary	-	-	16,417	-
Payroll	122	121	11,532	17,689
Bonuses (*)	-	-	14,711	19,032
Severance pay fund (FGTS)	-	-	1,532	2,790
Social security contribution (INSS)	36	37	6,631	9,134
Withholding income tax (IRRF)	80	80	3,179	6,943
Other	-	-	1,015	198
<b>Total</b>	<b>238</b>	<b>238</b>	<b>80,695</b>	<b>79,312</b>
Current liabilities	238	238	80,695	78,046
Noncurrent liabilities	-	-	-	1,266
	<b>238</b>	<b>238</b>	<b>80,695</b>	<b>79,312</b>

(\*) Includes the amounts of bonuses and rewards related to the Initial Public Offering in the amount of R\$2,432 (R\$3,891 in December 2021) to be paid in annual installments up to September 2023.

## 13. TAXES PAYABLE

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
State VAT (ICMS)	-	-	16,542	41,265
Federal VAT (IPI) (a)	-	-	21,309	20,103
Taxes on revenue (PIS and COFINS)	2	6,817	6,234	25,543
Income tax (IRPJ) and social contribution (CSLL)	-	-	14,629	5,354
Withholding income tax (IRRF) on interest on capital	-	6,817	-	17,872
Other	5	50	4,619	3,354
<b>Total</b>	<b>7</b>	<b>13,684</b>	<b>63,333</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 within a 30-day period from the court decision date. Nevertheless, on account of the court proceedings, it is not possible to determine whether this scenario will hold up to late 2022.

## 14. BORROWINGS AND FINANCING

### a) Breakdown of balances

Institution and type	Rate	Maturity	Consolidated 09/30/2022	Consolidated 12/31/2021
<u>In local currency</u>				
Banco Safra - working capital	CDI + 2.203547% p.a.	01/2023	5,023	12,544
Banco Safra - working capital	CDI + 1.60% p.a.	12/2022	23,271	21,115
Banco Santander - working capital	CDI + 2.46% p.a.	09/2022	-	41,058
Banco Itaú BBA S.A - working capital	CDI + 2.55% p.a.	10/2023	64,594	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	52,105	50,203
Banco Itaú BBA S.A - working capital	CDI + 1.55% p.a.	09/2024	40,228	-
Total borrowings in local currency			<u>185,221</u>	<u>239,535</u>
<u>In foreign currency</u>				
Banco Santander – Resolution 4131	Fixed - 2.3475% p.a.	02/2024	49,938	51,678
Total borrowings and financing in foreign currency			<u>49,938</u>	<u>51,678</u>
Total borrowings and financing			<u>235,159</u>	<u>291,213</u>
<u>Derivatives (assets) and liabilities – swap contracts</u>				
Banco Santander (Brasil) - swap derivative	Exchange rate changes + 2.35% p.a.	02/2024	868	(1,158)
Total derivatives (assets) – swap contracts			<u>868</u>	<u>(1,158)</u>
Total borrowings and financing, net of derivative instruments			<u>236,027</u>	<u>290,055</u>
Current assets			-	(1,158)
Current liabilities			76,027	127,176
Noncurrent liabilities			160,000	164,037
Total			<u>236,027</u>	<u>290,055</u>

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 09/30/2022	Consolidated 09/30/2021
Balance at the beginning of the period	290,055	378,554
Borrowings	40,000	120,344
Principal repayments	(97,843)	(228,663)
Swap contract settlement	(3,284)	18,797
Interest payment	(17,817)	(9,589)
Cash flows from financing activities	(78,944)	(99,111)
Interest incurred	21,362	11,003
Exchange rate changes	5,313	7,490
Finance charges on swap contracts	(1,759)	(7,088)
Noncash variations	24,916	11,405
Balance at the end of the period	236,027	290,848

The amount classified in noncurrent liabilities matures as follows:

Year	Consolidated	
	09/30/2022	12/31/2021
From 1 to 2 years	120,000	112,500
From 2 to 3 years	40,000	51,537
Total	160,000	164,037

There are no covenants for all borrowings and financing agreements entered into with financial institutions; however, early settlement clauses apply in case of any note protest filed against the issuer exceeding R\$10,000. At the date of issue of this interim financial information, the Company was not subject to any protest. There are borrowing agreements maturing in December 2022 with collaterals linked to long-term investments, in the amount of R\$30,000.

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

As at September 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	2,809	2,396	8,590	13,795
Payments	(803)	(1,882)	(2,453)	(5,138)
Reversals	(1,902)	(2,076)	(2,911)	(6,889)
Balance as at September 30, 2022	<u>2,801</u>	<u>7,124</u>	<u>8,897</u>	<u>18,822</u>
<u>Escrow deposits</u>				
Balance as at December 31, 2021	15	907	14,094	15,016
Additions	874	-	10,232	11,106
Inflation adjustments	-	127	1,175	1,302
Redemptions	(889)	(136)	(1,955)	(2,980)
Balance as at September 30, 2022	<u>-</u>	<u>898</u>	<u>23,546</u>	<u>24,444</u>

### a) Civil lawsuits

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

### b) Labor lawsuits

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

### c) Tax lawsuits

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

Tellerina and Conipa filed a preliminary injunction, which suspended the payment of social security contribution on the constitutional one-third vacation bonus. In light of the STF's decision referred to above, 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 (FECP) 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 September 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	
	09/30/2022	12/31/2021
Civil	10,352	9,411
Tax risks (*)	116,681	113,003
Total	<u>127,033</u>	<u>122,414</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 September 30, 2022, capital is held as follows:

Vivara Participações	Common shares
Company's owners	136,775,433
Outstanding shares	98,814,724
Treasury shares	<u>607,612</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 September 2022, the Company repurchased 607,612 shares to be held in treasury, as follows:

	Date	Consolidated		Average price per share
		Number of shares	Purchase amounts (in R\$)	
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
Repurchase of treasury shares	07/15/2022	95,000	1,960,253	20.63
Repurchase of treasury shares	07/22/2022	94,200	2,002,864	21.26
Balances as at September 30, 2022		<u>607,612</u>	<u>14,693,941</u>	<u>24.18</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

In May 2022, the Company recorded receivables from its subsidiaries, in the amount of R\$62,645, 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 09/30/2022		01/01 to 09/30/2021	
	TELLERINA	CONIPA	TELLERINA	CONIPA
<b>Transaction</b>				
Sales (purchases) of goods	(1,085,697)	1,085,697	(809,163)	809,163
Sales (purchases) of raw materials	12,726	(12,726)	42,000	(42,000)
Copyrights	166,313	(166,313)	121,163	(121,163)
<b>Total</b>	<b>(906,658)</b>	<b>906,658</b>	<b>(646,000)</b>	<b>646,000</b>

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 September 30, 2022:

	Consolidated					
	09/30/2022			09/30/2021		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	1,485	-	1,485	1,335	-	890
Statutory officers	3,892	3,074	6,966	2,909	135	3,034
<b>Total</b>	<b>5,377</b>	<b>3,074</b>	<b>8,451</b>	<b>4,244</b>	<b>135</b>	<b>3,924</b>

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

	Consolidated					
	09/30/2022			09/30/2021		
	Fixed	Variable	Total	Fixed	Variable	Total
Executive officers	3,435	3,379	6,814	4,310	423	4,733
<b>Total</b>	<b>3,435</b>	<b>3,379</b>	<b>6,814</b>	<b>4,310</b>	<b>423</b>	<b>4,733</b>

## 18. INCOME TAX AND SOCIAL CONTRIBUTION

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

	Parent		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Profit before income tax and social contribution	203,101	171,381	163,076	142,730
Combined statutory rate	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(69,054)	(58,270)	(55,446)	(48,528)
Income tax and social contribution on tax loss carryforwards for which no corresponding deferred taxes were recognized	(3,466)	(1,344)	(3,466)	(1,344)
Permanent differences:	-	-	-	-
Share of profit (loss) of subsidiaries	72,520	59,614	-	-
Other permanent differences	-	(20)	(684)	(8,926)
Additional IRPJ difference	-	-	18	-

	Parent		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Tax credits from the unconstitutional taxation – inflation adjustments based on the Selic rate	-	-	-	18,898
Tax incentive – deemed ICMS credits	-	-	48,423	31,793
Tax incentive – operating profit	-	-	51,179	36,739
<b>Total</b>	-	(20)	40,024	28,632
Current	-	(20)	(42,725)	(20,662)
Deferred	-	-	82,749	49,294
<b>Total</b>	-	(20)	40,024	28,632

## b) Deferred income tax and social contribution

	Consolidated			
	09/30/2022		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	1,029	1,029	709	709
Allowance for inventory losses	4,069	4,069	4,379	4,379
Accrued expenses	55,579	56,015	56,249	56,249
Unrealized profit from subsidiaries' operations	374,109	374,109	149,774	149,774
Provision for civil, labor and tax risks	18,822	19,599	17,054	17,054
Right-of-use leases	43,744	43,744	28,966	28,966
Tax loss carryforwards	76,573	75,829	73,414	72,670
Deferred tax base (*)	573,925	573,181	330,545	329,801
Deferred income tax assets (25%)	-	143,481	-	82,636
Deferred social contribution assets (9%)	-	51,586	-	29,682
Deferred income tax and social contribution assets	-	195,067	-	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	
	09/30/2022	12/31/2021
Up to 1 year	37,889	10,969
From 1 to 2 years	37,091	8,369
From 2 to 3 years	35,893	9,391
From 3 to 5 years	33,496	12,798
Over 5 years	50,698	70,791
<b>Total</b>	<b>195,067</b>	<b>112,318</b>

## 19. NET REVENUE FROM SALES AND SERVICES

	Consolidated 09/30/2022	Consolidated 09/30/2021
Gross sales revenue	1,794,550	1,375,893
Gross service revenue	6,286	5,142
Deductions from gross revenue:		
State VAT (ICMS)	(137,308)	(114,228)
Tax on revenue (COFINS)	(103,123)	(79,750)
Tax on revenue (PIS)	(22,367)	(17,339)
FTI (*)	(16,716)	(12,226)
Service Tax (ISS)	(314)	(257)
Sales returns/exchanges	(321,318)	(240,295)
<b>Total</b>	<b>1,199,690</b>	<b>916,940</b>

The ICMS amounts are stated net of the tax incentive of same nature mentioned in note 8.b in the amount of R\$142,422 (R\$93,511 as at September 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 statement of profit and loss is presented based on a classification of expenses according to their function. The information on the nature of these expenses recognized in the statement of profit and loss is as follows:

### a) Costs of sales and services

	Consolidated 09/30/2022	Consolidated 09/30/2021
Acquisition cost of inputs and raw materials and goods for resale	(337,722)	(271,536)
Personnel	(38,435)	(22,003)
Depreciation and amortization	(4,024)	(2,324)
Electric power, water and telephone	(1,309)	(874)
Freight	(4,119)	(2,871)
	<b>(385,609)</b>	<b>(299,608)</b>

### b) Selling expenses

	Consolidated 09/30/2022	Consolidated 09/30/2021
Personnel	(190,892)	(143,705)
Freight	(21,299)	(17,530)
Marketing/selling expenses	(62,334)	(47,215)
Professional services	(12,152)	(6,326)
Variable rentals and common area maintenance fees	(40,511)	(30,016)
Depreciation and amortization	(49,252)	(31,719)

	Consolidated 09/30/2022	Consolidated 09/30/2021
Commission on credit cards	(28,671)	(20,281)
Electric power, water and telephone	(5,164)	(4,162)
Taxes and fees	(18,795)	(18,132)
Other expenses by nature	(14,658)	(10,596)
	<u>(443,728)</u>	<u>(329,682)</u>

## c) General and administrative expenses

	Parent 09/30/2022	Parent 09/30/2021	Consolidated 09/30/2022	Consolidated 09/30/2021
Personnel	(6,077)	(1,721)	(68,634)	(54,333)
Professional services	(2,271)	(1,605)	(45,800)	(34,510)
Rentals and common area maintenance fees	-	-	(921)	(1,256)
Electric power, water and telephone	-	-	(943)	(1,140)
Depreciation and amortization	-	-	(30,215)	(16,982)
Taxes and fees	(596)	(523)	(14,149)	(11,072)
Other expenses by nature	(199)	(234)	(7,265)	(3,388)
	<u>(9,143)</u>	<u>(4,083)</u>	<u>(167,927)</u>	<u>(122,681)</u>

## 21. SEGMENT REPORTING

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

Such view is based on the following factors:

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

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

For managerial purposes, Management monitors the consolidated gross revenue (net of return) by category and sales channel, as shown below:

Gross revenue, less returns	Consolidated 09/30/2022	Consolidated 09/30/2021
Jewelry	808,706	636,450
Life	436,833	322,034
Watches	194,176	147,876
Accessories	33,517	29,238
Services	6,286	5,142
<b>Total</b>	<b>1,479,518</b>	<b>1,140,740</b>
Stores	1,264,241	930,327
Online sales	205,343	196,587
Other	3,648	8,684
Services	6,286	5,142
<b>Total</b>	<b>1,479,518</b>	<b>1,140,740</b>

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

	Consolidate d 09/30/2022	Consolidate d 09/30/2021
Provision for civil, labor and tax risks	(6,905)	(3,126)
Write-off of property, plant and equipment items and intangible assets	(979)	(10)
Lease agreements written off	1,233	-
Expected credit losses	(320)	295
Other income	679	261
<b>Total</b>	<b>(6,292)</b>	<b>(2,580)</b>

## 23. FINANCE INCOME

	Parent		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Income from short-term investments	25	2	30,502	21,072
Inflation adjustments (*)	442	141	3,069	1,761
Exchange gains	-	-	927	1,451
Other finance income	-	-	179	193
<b>Total</b>	<b>467</b>	<b>143</b>	<b>34,677</b>	<b>24,477</b>

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

## 24. FINANCE COSTS

	Parent		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Interest on borrowings and financing	-	-	(21,363)	(11,003)
Exchange differences arising on translating borrowings and financing	-	-	1,758	(7,490)
Finance charges on derivative instruments	-	-	(5,313)	7,088
Charges on right-of-use leases	-	-	(32,477)	(26,003)
Tax on financial transactions (IOF)	(4)	(1)	(72)	(485)
Bank fees	(3)	(1)	(485)	(685)
Interest and fines on taxes and accessory obligations	(1,487)	(5)	(3,981)	(2,247)
Exchange losses	-	-	(4,168)	(1,656)
Other finance costs	(22)	(7)	(1,633)	(1,654)
<b>Total</b>	<b>(1,516)</b>	<b>(14)</b>	<b>(67,734)</b>	<b>(44,135)</b>

## 25. EARNINGS PER SHARE

The table below shows the profit attributable to shareholders and the weighted average number of outstanding shares used to calculate basic and diluted earnings. The Group does not enter into any transactions affecting the dilution of earnings.

	Consolidated	
	09/30/2022	09/30/2021
<b>Numerator</b>		
Profit for the year (a)	203,101	171,361
<b>Denominator (in thousands of shares)</b>		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(219)	-
Weighted average number of outstanding shares (b)	235,979	236,198
<b>Basic earnings per share (in R\$) (a/b)</b>	<b>0.86068</b>	<b>0.72550</b>
<b>Denominator (in thousands of shares)</b>		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(219)	-
Weighted average number of shares granted – 1 <sup>st</sup> plan	62	-
Weighted average number of diluted shares (c)	236,041	236,198
<b>Diluted earnings per share (in R\$) (a/c)</b>	<b>0.86045</b>	<b>0.72550</b>

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

## 26. RIGHT-OF-USE LEASES

As at September 30, 2022, the Group entered into 320 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, 49 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\$10,744 (R\$10,936 as at September 30, 2021), as stated in note 20.

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

As at September 30, 2022, the 271 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 CVM, using as basis the average inflation between the CDI x IPCA rates obtained from the B3 website, as at September 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	11.55%	5.55%
6 years	9	11.55%	5.67%
7 years	48	11.05%	5.79%
8 years	17	11.36%	5.87%
9 years	40	11.72%	5.94%
10 years	150	11.88%	5.93%
Total	271		

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

	Consolidated	
	09/30/2022	12/31/2021
Balance at the beginning of the period	370,068	275,228
Addition of new agreements	88,057	46,164
Remeasurement	43,122	82,466
Write-offs	(15,677)	(966)
Finance charges recognized	32,477	35,690
Lease discounts	(2,469)	(5,735)
Interest payment	(29,932)	(32,984)
Principal repayments	(37,312)	(29,795)
Balance at the end of the period	<u>448,334</u>	<u>370,068</u>
Current liabilities	64,584	59,920
Noncurrent liabilities	<u>383,750</u>	<u>310,148</u>
Total	<u>448,334</u>	<u>370,068</u>

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 September 30, 2022:

Agreement maturity	Consolidated	
	09/30/2022	12/31/2021
Installment maturity:		
2022	42,238	101,689
2023	103,625	84,813
2024	102,431	82,845
2025 and thereafter	<u>377,598</u>	<u>242,820</u>
Total undiscounted installments	625,892	511,768
Embedded interest	(177,558)	(141,700)
Balance of right-of-use lease liability	<u>448,334</u>	<u>370,068</u>

As at September 30, 2022, the potential PIS and COFINS credit on the gross contractual flow is R\$57,895 and that adjusted to present value over the weighted average term is R\$41,471.

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

	Consolidated	
	09/30/2022	12/31/2021
Balance at the beginning of the period	462,183	320,442
Addition of new agreements	88,058	46,164
Remeasurement	43,122	82,466
Write-offs	(21,298)	(1,098)
Direct costs – points of sale	<u>17,274</u>	<u>14,210</u>
Balance at the end of the period	<u>589,339</u>	<u>462,183</u>
Amortization expenses in the period	(53,530)	(34,349)

## 27. FINANCIAL INSTRUMENTS

### a) Categories of financial instruments

	Parent		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
<u>Financial assets</u>				
Amortized cost:				
Cash and cash equivalents	5	5	101,668	325,588
Securities			235,968	248,323
Trade receivables	-	-	446,812	531,777
Due from related parties	-	62,645	-	-
Subtotal	5	62,650	784,448	1,105,688
Fair value through profit or loss:				
Securities	-	-	-	79,789
Derivative instruments	-	-	-	1,158
Total financial assets	5	62,650	784,448	1,186,635
<u>Financial liabilities</u>				
Amortized cost:				
Trade payables	-	-	110,224	88,207
Trade payables - agreement	-	-	77,447	69,349
Right-of-use leases payable	-	-	448,334	370,068
Interest on capital payable	2	58,183	2	58,183
Dividends payable	1	12,709	1	12,709
Borrowings and financing	-	-	235,159	291,213
Subtotal	3	70,892	871,167	889,729
Fair value through profit or loss:				
Derivative instruments	-	-	868	-
Total financial liabilities	3	70,892	872,035	889,729

### b) Financial risks

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

### c) Foreign exchange risk management

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

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

Type of transaction	Consolidated			
	09/30/2022			
	Financial institution	Debt amount	Derivative	Net exposure
Resolution 4131	Banco Santander	50,004	(50,004)	-
Total borrowings and financing		50,004	(50,004)	-
Foreign suppliers (*)	-	63,526	-	63,526
Total foreign exchange exposure		113,530	(50,004)	63,526
US dollar quotation – balance sheet		5.3916	5.3916	5.3916
Total exposure in US dollars		21,057	(9,274)	11,782

(\*) 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 September 30, 2022, the outstanding swap transactions are broken down as follows:

Description	Rates	Consolidated		Cumulative effect up to 09/30/2022 marked to market
		Notional amount	Fair value	
<u>Swap contracts</u>				
Long position:				
Exchange rate changes – US\$	US\$ +2.3475% p.a.	50,004	50,004	-
Short position:				
CDI fluctuation	CDI + 1.2% p.a.	50,004	50,872	(868)
Net amount payable				(868)

The liability balance totaling R\$868 refers to the net adjustment payable, calculated at fair value as at September 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	63,526
Total foreign exchange exposure in foreign currency	<u>11,782</u>

Accordingly, as a result of the considerations above, only the amount of R\$63,526 is being applied for the sensitivity analysis purposes. The US dollar foreign exchange rate was R\$5.3916 at the balance sheet date.

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

Under scenario I, an exchange rate of R\$5.3916 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 October 14, 2022.

Group's risk	Scenario I	Scenario II	Scenario III
Notional amount of the net exposure (in foreign currency)	11,782	11,782	11,782
Notional amount of the net exposure (in local currency)	63,526	63,526	63,526
Projected value (in local currency)	62,700	65,835	58,311
Effects of exchange rate changes	(826)	2,309	(5,215)
U.S. dollar rate	5.3216	5.5877	4.9491

### Interest rate risk

Considering that all foreign currency-denominated borrowings and financing are hedged by swap contracts as at September 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	236,027
Short-term investments of cash and cash equivalents exposed to the CDI rate	(95,917)
Investments in financial bills exposed to the CDI rate	<u>(233,743)</u>
Net exposure gains to the CDI rate	<u>(93,633)</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 0.7% 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 October 14, 2022.

Group's risk	Scenario I	Scenario II	Scenario III
Net exposure gains to the CDI rate	93,633	93,633	93,633
Projected value	93,633	94,272	93,722
CDI fluctuation gains	-	639	89
CDI rate	13.65%	14.33%	13.75%

#### e) Credit risk management

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

#### f) Liquidity risk management

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

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

Transaction	Up to 1 year	Up to 2 years	2 to 5 years	Over 5 years	Total
Trade payables	110,224	-	-	-	110,224
Trade payables - agreement	77,447	-	-	-	77,447
Borrowings and financing	136,427	125,274	-	-	261,701
Interest on capital payable	2	-	-	-	2
Dividends payable	1	-	-	-	1
Derivative instruments	1,184	-	-	-	1,184
Right-of-use leases payable	42,238	103,625	274,321	205,708	625,892

#### 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 September 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 1<sup>st</sup> and 2<sup>nd</sup> 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 1<sup>st</sup> 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 2<sup>nd</sup> Stock Option Program, in turn, provides for the grant of shares to participants selected by the Board of Directors, provided that, among other conditions, the participants invest own funds in the acquisition and maintenance of a certain number of shares issued by the Company during a grace period. The 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 1<sup>st</sup> and 2<sup>nd</sup> 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, in the amount of R\$3,231, is recorded in line item "Personnel", in Administrative Expenses (note 20), and 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 September 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 September 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 2023).
- International freight – US\$70,000 (effective through April 2023).
- Cyber risks - R\$25,000 (effective through June 2023).

### 30. EVENTS AFTER THE REPORTING PERIOD

On October 11, 2022, according to the Material Event Notice disclosed by the Company, the shareholders Nelson Kaufman, Marina Kaufman Bueno Netto, Márcio Monteiro Kaufman, Paulo Kruglensky and the Company, in the capacity of intervening and consenting party, entered into the first addendum to and consolidated the shareholders' agreement of Vivara Participações S.A., in compliance with article 33, XVIII, of CVM Resolution 80, of March 29, 2022. This addendum describes the exercise of voting rights and control power, including the transfers of shares and preemptive right to acquire them. This agreement will be effective for a 15-year period from the execution date, subject to automatic renewal for subsequent periods of ten years, unless otherwise opposed by a shareholder, in writing, to the automatic renewal within at least one (1) year before the date on which the addendum would be automatically renewed.

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