

# **Grupo Cantu Store S.A.**

**Quarterly Information (ITR) on  
June 30, 2023  
and report on the review of  
quarterly information**



(a free translation of the original in Portuguese)

## **Quarterly information review report**

To the Board of Directors and Shareholders of  
Grupo Cantu Store S.A.

### **Introduction**

We reviewed the individual and consolidated interim financial information of Grupo Cantu Store S.A. ("Company") contained in the Quarterly Information Form (ITR) for the quarter ended June 30, 2023, which comprise the balance sheet as of June 30, 2023, and the respective statements of income and comprehensive income for the three- and six-month periods ended on that date and changes in shareholder's equity and cash flows for the six-month period ended on that date, including the accompanying notes.

The Company's Management is responsible for preparing the interim financial information, both individual and consolidated, in keeping with CPC Technical Pronouncement No. 21 – *Demonstração Intermediária* (Interim Financial Statements) and with the international accounting standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information consistently with the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information - ITR. Our duty is to express an opinion on the interim accounting information based on our review.

### **Scope of the review**

We conducted our review in accordance with Brazilian and international standards for the review of interim information (NBC TR 2410 – *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* (Review of Interim Information Performed by the Entity's Auditor) and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily to people responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is significantly smaller than that of an audit conducted in accordance with auditing standards and, as a result, we are not sure that we are aware of all the significant matters that could be identified in an audit. Therefore, an audit opinion is not expressed herein.

### **Conclusion on the interim information**

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim financial information included in the aforementioned quarterly information was not prepared, in all material aspects, in accordance with CPC 21 and IAS 34, applicable to the preparation of Quarterly Information (ITR), and presented in keeping with the rules issued by the Brazilian Securities and Exchange Commission.



Grupo Cantu Store S.A.

## **Other matters**

### **Statements of Added Value**

The aforementioned quarterly information includes the Statements of Value Added (SVA), individual and consolidated, for the six-month period ended on June 30, 2023, prepared under the responsibility of the Company's Management and presented as supplementary information for the matters of IAS 34. These statements were subject to review procedures performed jointly with the review of the quarterly information, in order to conclude whether they are reconciled to the interim accounting information and accounting records, as applicable, and whether their form and content are in accordance with the criteria established by CPC 09 - *Demonstração do Valor Adicionado* (Statement of Value Added). Based on our review, we are not aware of any fact that makes us believe that these statements of value added were not prepared, in all material aspects, according to the criteria established by this Financial Reporting Standard and consistently with the combined interim accounting information, both individual and consolidated.

Florianópolis, August 4, 2023

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

Leandro Sidney Camilo da Costa  
Accountant CRC 1SP236051/O-7

## Cantu Store S.A. and its Subsidiaries

### Balance sheet (In thousands of BRL)

Asset	Note	Parent Company		Consolidated	
		June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Current					
Cash and cash equivalents	8	12	3	212,901	23,557
Trade receivables	10	-	-	526,845	467,371
Trade receivables - related parties	10 and 21	934	20,917	-	-
Inventories	11	-	-	620,115	512,029
Taxes recoverable	12	-	-	166,914	140,401
Advances to suppliers	14	-	46	14,361	3,079
Advances to suppliers - related parties	14 and 21	-	-	5,072	-
Other current assets		1,445	82	15,925	16,970
		<u>2,391</u>	<u>21,048</u>	<u>1,562,133</u>	<u>1,163,407</u>
Noncurrent					
Deferred income tax and social contribution	13	-	-	57,442	49,337
Taxes recoverable	12	-	-	396,282	382,996
Deposits in court	22	-	-	50,073	43,333
Investments	9	-	-	29,663	-
Other noncurrent assets		-	-	1,808	3,743
Investments	15	749,169	383,840	-	-
Premium		-	-	2,405	-
Property, plant, and equipment	16	-	-	44,278	30,701
Intangible assets		-	-	8,718	8,296
Right-of-use asset	28	-	-	73,714	52,712
		<u>749,169</u>	<u>383,840</u>	<u>664,383</u>	<u>571,118</u>
		<u>751,560</u>	<u>404,888</u>	<u>2,226,516</u>	<u>1,734,525</u>

Management notes are an integral part of the interim financial information.

## Cantu Store S.A. and its Subsidiaries

### Balance sheet (In thousands of BRL)

Liability	Note	Parent Company		Consolidated	
		June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
<b>Current</b>					
Suppliers	17	799	42	163,462	174,809
Suppliers - related parties	17 and 21	-	-	29,013	54,414
Loans and financing	18	-	-	221,862	270,580
Taxes and contributions payable and tax installments	19	1	4	94,048	130,149
Wages and social charges		709	608	25,692	16,755
Advances from customers		-	-	2,324	2,560
Leases payable	30	-	-	17,145	7,817
Investments payable	21	-	7,554	-	20,754
Dividends payable		-	65,860	-	65,860
Derivatives	20	-	-	13,734	9,998
Other accounts payable		-	-	1,966	12,199
		<u>1,509</u>	<u>74,068</u>	<u>569,246</u>	<u>765,895</u>
<b>Noncurrent</b>					
Loans and financing	18	-	-	776,845	490,256
Leases payable	28	-	-	58,689	44,727
Loan with related parties	21	26,144	-	-	-
Taxes and contributions payable and tax installments	19	-	-	44,775	48,927
Allowance for contingencies	22	-	-	53,054	53,900
		<u>26,144</u>	<u>-</u>	<u>933,363</u>	<u>637,810</u>
<b>Shareholders' equity</b>	23				
Paid and subscribed capital		262,349	101	262,349	101
Capital reserves		208,630	133,312	208,630	133,312
Surplus reserves		252,928	197,407	253,060	197,407
Equity valuation adjustment		-	-	(132)	-
		<u>723,907</u>	<u>330,820</u>	<u>723,907</u>	<u>330,820</u>
		<u><u>751,560</u></u>	<u><u>404,888</u></u>	<u><u>2,226,516</u></u>	<u><u>1,734,525</u></u>

Management notes are an integral part of the interim financial information.

## Cantu Store S.A. and its Subsidiaries

### Income statement Period ended on June 30 (In thousands of BRL)

	Note	Parent Company				Consolidated			
		April 1, 2023 to June 30, 2023	Jan. 1, 2023 to June 30, 2023	April 1, 2022 to June 30, 2022	Jan. 1, 2022 to June 30, 2022	April 1, 2023 to June 30, 2023	Jan. 1, 2023 to June 30, 2023	April 1, 2022 to June 30, 2022	Jan. 1, 2022 to June 30, 2022
<b>Net sales and services revenue</b>	24	-	-	-	-	579,787	1,171,605	451,226	507,017
Cost of goods sold and services rendered	25	-	-	-	-	(330,754)	(682,559)	(298,424)	(323,043)
<b>Gross profit</b>		-	-	-	-	249,033	489,046	152,802	183,974
<b>Operating revenue (expenses)</b>									
Sales expenses	25	(27)	(27)	-	-	(71,229)	(155,293)	(41,061)	(66,047)
General and administrative expenses	25	(1,014)	(1,835)	(372)	(674)	(79,718)	(140,746)	(39,791)	(50,869)
Equity Income	15	54,362	91,326	29,170	20,542	-	-	-	-
Other operating revenue, net		997	1,813	8,627	8,627	3,683	1,626	12,986	15,080
<b>Income before net financial expenses and taxes</b>		54,318	91,277	37,425	28,495	101,769	194,633	84,936	82,138
Financial revenue	26	-	-	2	2	9,970	14,608	3,015	3,612
Financial expenses	26	(1,158)	(1,616)	(16)	(32)	(52,626)	(99,539)	(29,145)	(44,230)
Exchange rate change, net	26	-	-	-	-	10,572	10,840	(10,935)	(7,128)
<b>Financial expenses, net</b>		(1,158)	(1,616)	(14)	(30)	(32,084)	(74,091)	(37,065)	(47,746)
<b>Earnings before income tax and social contribution</b>		53,160	89,661	37,411	28,465	69,685	120,542	47,871	34,392
Current income tax and social contribution	13	-	-	-	-	(26,585)	(38,986)	(2,857)	(4,756)
Deferred income tax and social contribution	13	-	-	-	-	8,422	8,105	(7,603)	(1,171)
<b>Income for the period</b>		53,160	89,661	37,411	28,465	51,522	89,661	37,411	28,465
<b>Basic earnings per share (BRL per share)</b>	23	0.27	0.45	0.25	0.19	0.25	0.45	0.25	0.19

Management notes are an integral part of the interim financial information.

## Cantu Store S.A. and its Subsidiaries

### Statement of comprehensive income

Period ended on June 30

(In thousands of BRL)

	Parent Company				Consolidated			
	April 1, 2023 to June 30, 2023	Jan. 1, 2023 to June 30, 2023	April 1, 2022 to June 30, 2022	Jan. 1, 2022 to June 30, 2022	April 1, 2023 to June 30, 2023	Jan. 1, 2023 to June 30, 2023	April 1, 2022 to June 30, 2022	Jan. 1, 2022 to June 30, 2022
<b>Income for the period</b>	53,160	89,661	37,411	28,465	51,522	89,661	37,411	28,465
Exchange rate change on investments abroad	-	-	-	-	696	698	-	-
<b>Total comprehensive income for the period</b>	<b>53,160</b>	<b>89,661</b>	<b>37,411</b>	<b>28,465</b>	<b>52,218</b>	<b>90,359</b>	<b>37,411</b>	<b>28,465</b>

Management notes are an integral part of the interim financial information.

## Cantu Store S.A. and its Subsidiaries

### Statement of shareholders' equity

(In thousands of BRL)

	Paid-in Capital	Subscribed Capital	Subscribed Paid-in Capital	Capital Reserves	Surplus Reserves		Equity Valuation Adjustment	Total
					Expansion and Investment Reserves	Retained Earnings (Losses)		
<b>Balance as of January 1, 2022</b>	<b>101</b>	-	-	-	-	(172)	-	<b>(71)</b>
<b>Income or loss for the fiscal year:</b>								
Net income for the fiscal year	-	-	-	-	-	263,439	-	263,439
Mandatory minimum dividend	-	-	-	-	-	(65,860)	-	(65,860)
Expansion and investment reserve	-	-	-	-	197,407	(197,407)	-	-
Corporate reorganization of entities under common control - Related-party transactions	-	-	-	-	-	-	-	-
				133,312		-		133,312
<b>Balance as of December 31, 2022</b>	<b>101</b>	-	-	<b>133,312</b>	<b>197,407</b>	-	-	<b>330,820</b>
<b>Income or loss for the period:</b>								
Net income for the period	-	-	-	-	-	89,661	-	89,661
Dividends paid	-	-	-	-	-	(34,140)	-	(34,140)
Gains (losses) on the conversion of operations abroad of an indirectly controlled entity	-	-	-	-	-	132	(132)	-
Increase in capital through contribution of shares	10,968	-	-	-	-	-	-	10,968
Subscribed capital	-	601,280	-	-	-	-	-	601,280
Paid-in capital in currency	251,280	(251,280)	-	-	-	-	-	-
Constitution of capital reserve through payment in currency	-	-	-	-	-	-	-	-
		(100,000)		100,000		-		-
Capital to be paid-in	-	-	(250,000)	-	-	-	-	(250,000)
Transaction costs in stock issuance	-	-	-	(24,682)	-	-	-	(24,682)
<b>Balance as of June 30, 2023</b>	<b>262,349</b>	<b>250,000</b>	<b>(250,000)</b>	<b>208,630</b>	<b>197,407</b>	<b>55,653</b>	<b>(132)</b>	<b>723,907</b>

Management notes are an integral part of the interim financial information.



# Cantu Store S.A. and its Subsidiaries

## Cash flow statement (In thousands of BRL)

		Parent Company		Consolidated	
	Note	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Consolidated cash flow in operating activities					
Profit before income tax and social contribution for the period		89,661	28,465	81,556	29,636
Adjustments due to:					
Depreciation and amortization	16	-	-	3,025	1,192
Amortization of leases	30	-	-	7,178	2,546
Allowance for doubtful accounts	10	-	-	8,173	1,376
Allowance for contingencies	22	-	-	(846)	(18,945)
Cost of disposal of property, plant, and equipment		-	-	102	-
Exchange rate change		-	-	(10,572)	13,226
Equity	15	(91,326)	(20,542)	-	-
Appropriated interest on leases	28	-	-	4,330	1,255
Appropriated interest on loans and financing	18	-	-	62,637	21,991
		(1,665)	7,923	155,583	52,277
Changes in assets and liabilities					
Decrease (increase) in trade receivables	10	19,983	(292)	(67,647)	(126,351)
Decrease (increase) in inventories	11	-	-	(108,086)	25,405
Decrease (increase) in advances to suppliers	14	46	-	(16,354)	(53,070)
Decrease (increase) in deposits in court	22	-	-	(6,740)	(3,498)
Decrease (increase) in other accounts receivable		(1,363)	-	(26,683)	(2,224)
Decrease (increase) in recoverable taxes	12	-	-	(39,763)	(7,742)
Increase (decrease) in suppliers	17	757	24	(36,748)	14,397
Increase (decrease) in tax obligations	19	(3)	-	(8,211)	(5,358)
Increase (decrease) in labor and social security obligations		101	417	8,937	4,265
Increase (decrease) in advances from customers		-	10	(236)	(16,162)
Increase (decrease) in leases payable		-	-	(1,637)	(594)
Increase (decrease) in investments payable	15	(7,554)	74,090	(20,754)	(8,569)
Increase (decrease) in other accounts payable		-	-	(6,533)	11,545
Interest on loans paid	18	-	-	(75,345)	(32,371)
Lease payments	28	-	-	(7,583)	(2,364)
Income tax and social contribution paid		-	-	(32,042)	(4,756)
Net cash flow (invested in) used in operating activities		10,302	82,172	(289,842)	(155,170)
Cash flow from investing activities					
Acquisition of equity interest of related parties		-	(82,161)	-	-
Payment of capital in subsidiaries		(274,003)	-	-	-
Premium		-	-	(2,405)	-
Acquisition of intangible assets		-	-	(760)	(2,639)
Acquisition of property, plant, and equipment	16	-	-	(16,366)	(5,581)

Management notes are an integral part of the interim financial information.

## Cantu Store S.A. and its Subsidiaries

### Cash flow statement

(In thousands of BRL)

	Note	Parent Company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Net cash flow (invested in) used in investment activities</b>		(274,003)	(82,161)	(19,531)	(8,220)
<b>Cash flow from financing activities</b>					
Loans obtained	18	-	-	424,568	250,449
Capital increase		262,248	-	262,248	-
Capital contribution for capital reserve		100,000	-	100,000	-
Transaction costs for issuance of securities		(24,682)	-	(24,682)	-
Loan obtained from related parties		26,144	-	-	-
Dividends paid		(100,000)	-	(100,000)	-
Payment of loans and financing	18	-	-	(163,417)	(101,860)
<b>Net cash flow from financing activities</b>		263,710	-	498,717	148,589
<b>Increase (decrease) in cash and cash equivalents</b>		9	11	189,344	(14,801)
<b>Statement of increase (decrease) in cash and cash equivalents</b>					
At the beginning of the period		3	101	23,557	73,479
At the end of the period		12	112	212,901	58,678
<b>Statement of increase (decrease) in cash and cash equivalents</b>		9	11	189,344	(14,801)

Management notes are an integral part of the interim financial information.

## Cantu Store S.A. and its Subsidiaries

### Statement of value added (In thousands of BRL)

	Parent Company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Revenue</b>				
Gross sales of products and services	-	-	1,456,983	612,191
Other revenue	1,813	8,627	1,626	15,080
Allowance for doubtful accounts	-	-	(8,173)	(1,376)
	<u>1,813</u>	<u>8,627</u>	<u>1,450,436</u>	<u>625,895</u>
<b>Inputs purchased from third parties</b>				
Cost of goods sold and services rendered	-	-	(682,559)	(323,043)
Freight and storage expenses	-	-	(82,738)	(30,401)
Commission expenses	-	-	(40,362)	(17,301)
Third-party service expenses	(111)	-	(18,323)	(10,186)
Marketing expenses	(27)	-	(19,126)	(2,706)
IT expenses	-	-	(12,827)	(2,327)
Insurance expenses	(30)	-	(1,617)	(648)
Travel expenses	-	-	(2,452)	(1,921)
Guarantee expenses	-	-	(1,417)	(922)
Import expenses	-	-	(2,089)	(786)
Other expenses	(179)	(32)	(19,626)	(18,926)
	<u>(347)</u>	<u>(32)</u>	<u>(883,136)</u>	<u>(409,167)</u>
<b>Gross value added</b>	<u>1,466</u>	<u>8,595</u>	<u>567,300</u>	<u>216,728</u>
Depreciation and amortization	-	-	(10,203)	(3,743)
<b>Produced value added, net</b>	<u>1,466</u>	<u>8,595</u>	<u>557,097</u>	<u>212,985</u>
<b>Value added received by transfer</b>				
Equity income	91,326	20,542	-	-
Financial revenue	-	2	14,608	3,612
<b>Total value added for distribution</b>	<u><u>92,792</u></u>	<u><u>29,139</u></u>	<u><u>571,705</u></u>	<u><u>216,597</u></u>
<b>Distribution of value added</b>				
Personnel - direct compensation	1,515	674	39,611	13,488
Personnel - benefits	-	-	28,683	9,821
Taxes, fees, and contributions				

Management notes are an integral part of the interim financial information.

## Cantu Store S.A. and its Subsidiaries

### Statement of value added

(In thousands of BRL)

Federal	-	-	30,881	5,927
State	-	-	285,378	105,174
Interest, taxes, and exchange rate changes	1,616	-	88,699	51,358
Rents	-	-	8,792	2,364
Dividends	34,140	-	34,140	-
Retained earnings (loss) for the period	55,521	28,465	55,521	28,465
<b>Distributed value added</b>	<b>92,792</b>	<b>29,139</b>	<b>571,705</b>	<b>216,597</b>

# **Cantu Store S.A. and its Subsidiaries**

## **Management notes on the interim financial information on June 30, 2023 (In thousands of BRL, unless stated otherwise)**

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### **1 Operational context**

Cantu Store S.A. ("Company") is a publicly-held corporation, whose registration with the Brazilian Securities Commission - CVM was granted on March 17, 2022, and is listed in the special segment called Novo Mercado of B3 S.A., - Brasil, Bolsa, Balcão, under the code "PNEU3." It operates mainly in the wholesale and retail trade of tires and has its administrative headquarters in the city of São Paulo, State of São Paulo.

The Company has five distribution centers in Brazil located in the cities of Itajaí (State of Santa Catarina), Serra (State of Espírito Santo), Jaboatão dos Guararapes (State of Pernambuco), Contagem (State of Minas Gerais), and Barueri (State of São Paulo), in addition to another 45 commercial units in the states of the South, Southeast, Northeast, and Midwest regions. It also has a distribution center in the United States located in Connecticut.

Until December 31, 2022, Humberto Gabriel Cantu was the sole shareholder of the Company. On February 8, 2023, the Company approved the subscription of the capital in the amount of BRL 601,280 subscribed in favor of Iris Fundo de Investimento e Participações Multiestratégica, a fund controlled by L Catterton Latin America, which now holds a stake of 21.16%, as shown in Note 23. The capital payment is made in real, and will be carried out in two stages, BRL 351,280 on February 8, 2023, and the remaining balance of BRL 250,000 will be paid by November 8, 2023.

In order to improve its capital structure, the subsidiary of the Company, CPX Distribuidora S.A., approved, on February 8, 2023, the first public issuance of corporate bonds, non-convertible into shares, in the total amount of BRL 375,000, in accordance with CVM Resolution 160/2022, as presented in Note 18.

In January 2023, the Company completed the acquisition process of 100% of the membership interests of Verum Store Tecnologia Ltda, headquartered in the city of Araçatuba-SP, whose main activity is the development and licensing of custom computer programs and consulting in information technology.

The process of acquiring Digitire Professionals LLC, based in Connecticut, United States, through a share contribution, was also completed in January 2023. Digitire's main activity is the import and trade of truck tires in the American market. For this transaction, a holding company, Lahenger Luxembourg S.a.r.l., was established, headquartered in Luxembourg, which became the parent company of Digitire Professionals LLC with a 100% ownership stake in its capital.

In June 2023, its indirect subsidiary, ITR Comércio de Pneus e Peças S/A, signed a letter of intent for the acquisition of 100% of the membership interests of (i) LGN Distribuidora de Pneus Ltda.; (ii) Gripmaster Indústria, Comércio e Soluções em Borracha Ltda.; and (iii) Gripmaster Rubber Ltd., for a total value of sixty million five hundred ninety-one thousand five hundred seventy-seven reais and eighty-five centavos (BRL 60,591,577.85). The conclusion of the transaction is subject to the fulfillment of certain precedent clauses, such as the Brazilian Antitrust Authority (CADE)'s approval.

## **Cantu Store S.A. and its Subsidiaries**

### **Management notes on the interim financial information on June 30, 2023**

(In thousands of BRL, unless stated otherwise)

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## **2 Basis for preparation**

### **2.1 Statement of compliance**

The individual and consolidated interim financial information of the Company has been prepared and is being presented in accordance with the accounting practices adopted in Brazil, in force as of June 30, 2023, which includes the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPCs) and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as interpretations from the IFRS Interpretations Committee (IFRIC). The Company discloses all relevant information specific to its individual and consolidated interim financial information, and only such information, which is consistent with the information used by Management in its decision-making process.

### **2.2 Basis for preparation**

The Company's individual and consolidated interim financial information as of June 30, 2023, comprises the financial information of the companies mentioned in Note 2.5, prepared in accordance with CPC 21 and IAS 34, applicable to the preparation of the Interim Financial Information, and presented in accordance with the rules issued by the Securities and Exchange Commission.

The main accounting policies adopted in the preparation of this interim financial information are described in Note 6.

The preparation of the individual and consolidated interim financial information requires the use of certain critical accounting estimates, as well as the exercise of judgment by the Company's Management in the application process of the accounting policies. The areas that require a higher level of judgment and are more complex, as well as those with assumptions and estimates that are significant for the interim financial information, are disclosed in Note 4.

The Company's individual and consolidated interim financial information were prepared based on historical cost, except for certain financial instruments measured at fair value, when required by the standards.

The issuance of this interim financial information was authorized by the Company's Management on August 1, 2023.

### **2.3 Currency**

The items included in the individual and consolidated interim financial information are measured using the currency of the main economic environment in which the Company operates ("currency").

The currency for the presentation of the Company's individual interim financial information is the real (BRL).

## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information on June 30, 2023 (In thousands of BRL, unless stated otherwise)

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#### Conversion of financial statements of subsidiaries abroad

The assets and liabilities of subsidiaries and affiliates are converted using the exchange rate in effect on the balance sheet date, while the balances in the statement of income and cash flow statements are converted using the average exchange rates for the period. The balances in equity statements are converted using historical exchange rates of the respective transactions. Conversion adjustments, which represent the difference between the average and historical exchange rates, are recorded directly in the comprehensive income.

#### 2.4 Statement of value added

The Statement of Value Added (SVA) is required by Brazilian corporate laws and the accounting practices adopted in Brazil applicable to publicly-held corporations. SVA was prepared in accordance with the criteria established in the Technical Pronouncement CPC 09 - *Demonstração do Valor Adicionado* (Statement of Value Added).

#### 2.5 Consolidation basis and investments in subsidiaries

The consolidated interim financial information comprises the interim financial information of the parent company and its subsidiaries. Control is obtained when the Company directly or indirectly holds the majority of the voting rights or is exposed or is entitled to variable returns based on its involvement with the investee and is able to affect those returns through the power exercised in relation to the investee.

The Company's consolidation basis includes:

Parent Company	Subsidiary	Main Activity
Cantu Store S.A.	CPX Distribuidora S.A.	Tire retail trade
Cantu Store S.A.	CANSPE Participações S.A.	Holding
Cantu Store S.A.	NEOSPE Participações S.A.	Holding
Cantu Store S.A.	CANAAN Trade Ltda	Import and export
NEOSPE Participações S.A.	ITR Com. Pneus e Peças S.A.	Tire wholesale trade
CANSPE Participações S.A.	CP Comercial S.A.	Tire wholesale trade
CPX Distribuidora S.A.	Lahenger Luxembourg S.à r.l	Holding
Lahenger Luxembourg S.à r.l	Digitire Professionals LLC	Tire retail trade
ITR Comércio de Pneus e Peças S.A.	Verum Store Tecnologia Ltda	Development of computer programs

In the process of consolidating the interim financial information, the following eliminations are considered:

- Interests of the parent company in the capital, reserves, and retained results of the consolidated companies;
- Asset and liability account balances held between consolidated companies; and

## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information on June 30, 2023 (In thousands of BRL, unless stated otherwise)

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- Balances of income and expenses arising from transactions carried out between the consolidated companies

In the individual interim financial information, the financial information of subsidiaries and joint ventures is recognized using the equity method.

The subsidiaries that are part of the individual interim financial information are presented in Note 15.

#### 3 Information presented by segment

The Board of Directors and the Strategic Management Committee are responsible for allocating resources and evaluating the performance of the Company's operating segments. Information by operating segments is presented consistently with the internal management reports provided to the main operating decision makers.

#### 4 Use of judgment and estimates

Company's Management used judgments, estimates, and assumptions to prepare this individual and consolidated interim financial information, which impacts the enforcement of the accounting standards and the reported figures for assets, liabilities, revenue, and expenses. The actual results may differ from these estimates.

Estimates and assumptions are continuously reviewed. Estimate reviews are recognized in a prospective way.

#### (a) Uncertainties about assumptions and estimates

Information about uncertainties regarding assumptions and estimates that have a significant risk of resulting in a material adjustment within the next fiscal year are included in the following explanatory notes:

**Note 13** - Deferred income tax and social contribution (recognition of deferred tax assets: availability of future taxable earnings against which temporary deductible deficiency and tax losses may be used).

**Note 22** - Contingencies (assessment of the need to set up allowances for contingencies).

#### (b) Fair value measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then Management assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of the Brazilian Accounting Pronouncements Committee (CPC), including the level in the fair value hierarchy in which the valuations should be classified.



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When measuring the fair value of an asset or a liability, the Company uses observable market data as much as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1** - quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2** - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

**Level 3** - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the period of the interim financial information in which the change has occurred.

#### **5 Changes to the main accounting policies**

The Company did not make any changes to its accounting policies as of June 30, 2023.

#### **6 Significant accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in this individual and consolidated interim financial information.

##### **(a) Transactions base eliminated in the consolidation**

Intra-group balances and transactions, as well as any revenues or expenses derived from intra-group transactions, are eliminated in this consolidated interim financial information. Unrealized losses are eliminated in the same way as unrealized gains are eliminated, but only to the extent that there is no evidence of impairment loss.

##### **(b) Foreign currency transactions**

Transactions in foreign currency are converted into the respective currency of the Company at the exchange rate established on the dates the transactions took place.

Monetary assets and liabilities denominated and calculated in foreign currencies are converted into the currency at the exchange rate in effect on the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are converted into the currency at the exchange rate on the date the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are converted at the exchange rate on the date the transaction took place. Foreign currency differences are generally recognized in income or loss.

## **Cantu Store S.A. and its Subsidiaries**

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#### **(c) Cash and cash equivalents**

They include cash balances and checking accounts (demand bank deposits) in financial institutions, considered to be cash equivalents, i.e., which can be immediately converted into a known amount of cash, subject to an insignificant risk of change in value and which maturity is less than 90 days from the contract date.

#### **(d) Investments**

They include balances with financial institutions, considered not to have immediate liquidity, that is, they will be convertible into a known amount of cash after the presentation of receivables pledged as collateral in loan operations. Financial investments are adjusted for inflation by the yields obtained until the date of these individual and consolidated quarterly financial information.

#### **(e) Trade receivables and allowance for expected loss**

Trade receivables are stated at the corresponding billed amounts, adjusted to present value, where applicable, including any direct taxes for which the Company is liable.

Allowance for expected loss was set up in an amount Management deemed sufficient to cover possible losses on the realization of receivables. The criteria and assumptions used by Management, as well allowances transactions, are described in Note 10.

#### **(f) Inventories**

Inventories are measured at the lowest value of cost and net realizable value. This cost is based on the average price principle and comprises incurred expenses from inventory purchases, as well as their respective shipping costs. The recorded inventory values do not exceed the net realizable values.

The net realizable value is the estimated selling price of goods in the ordinary course of business, less estimated expenses and costs necessary to make the sales.

Inventories are periodically evaluated by the Company, emphasizing the need to establish an impairment, considering the assumptions defined in the internal policy.

#### **(g) Property, plant, and equipment**

##### **(i) *Recognition and measurement***

Property, plant, and equipment are measured by acquisition or construction historical cost, net of accumulated depreciation and accumulated impairment losses, where applicable.

When significant parts of an asset included in property, plant, and equipment have different useful lives, they are accounted for as separate (main) components of the asset.

## **Cantu Store S.A. and its Subsidiaries**

### **Management notes on the interim financial information**

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Any profits and losses arising out of the disposal of a fixed asset are reported in the financial statements.

#### **(ii) Subsequent costs**

The replacement cost of a fixed asset is recognized in the book value of the asset in the event it is probable that the economic benefits incorporated into the asset will flow to the Company and that their cost can be reliably measured. The book value of the asset that has been replaced by another asset is written off. Recurring maintenance and repair costs are recognized in income or loss as incurred.

#### **(iii) Depreciation**

Fixed assets are depreciated as of the date they are available for use, or in case of internally constructed assets, as of the day when construction is completed and the asset is available for use.

Depreciation is calculated on the depreciable value, which is the cost of an asset, or another value that substitutes the cost, less the estimated residual value of the asset.

Depreciation is recognized in income or loss based on the straight-line method in relation to the estimated useful life of each part of a fixed asset, since this is the method that most closely reflects the consumption pattern of future economic benefits incorporated into the asset.

The estimated useful lives of fixed assets are:

Improvements	5 years
Furniture and supplies	10 years
Vehicles	5 years
Machinery and equipment	10 years
Electronic equipment	5 years
Commercial facilities	10 years

Depreciation methods, useful life, and residual values are reviewed at the end of each fiscal year and adjusted if appropriate.

#### **(h) Intangible assets**

#### **(iv) Recognition and measurement**

##### *Software*

They have finite useful lives and are measured at acquisition cost, less accumulated amortization and any impairment losses, where applicable.

#### **(v) Subsequent expenses**

## **Cantu Store S.A. and its Subsidiaries**

### **Management notes on the interim financial information**

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Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset they are related to.

#### **(vi) Amortization**

Software and other intangible assets are amortized using the straight-line method based on their estimated useful life, net of their estimated residual values. Amortization is generally recognized in income or loss. The estimated useful life for software is five years.

#### **(i) Premium**

Premium arises in the acquisition of subsidiaries or affiliates. It is determined as the excess between the sum of the consideration paid in exchange for control of the acquired entity and the fair value, on the acquisition date, of any pre-existing equity interest in the acquired entity, over the fair value of the identifiable net assets acquired and liabilities assumed, measured in accordance with IFRS 3/CPC 15 (R1), on the respective acquisition date. In accordance with IFRS 3 / CPC 15 (R1), premium is accounted for at cost and not amortized, but tested at least annually for impairment purposes.

#### **(j) Suppliers**

The Company presents the balance of suppliers net of the offsetting effects, between the counterparties, of the advance payments granted to suppliers of goods for resale.

#### **(k) Short-term employee benefits**

Short- and long-term employee benefit obligations are recognized as personnel expenses as the corresponding service is rendered. The liability is recognized at the amount of the expected payment if the Company has a present legal or constructive obligation to pay this amount due to a past service rendered by the employee and the obligation can be estimated reliably.

#### **(l) Financial instruments**

The Company classifies its financial assets as subsequently measured at amortized cost. Management determines the classification of its financial assets in their initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

These are financial assets maintained within the business model whose purpose is to keep them for contractual cash flow receipts. The contractual terms of the financial assets gave rise on specified dates to cash flows consisting solely of payments of principal and interest on the outstanding principal amount. Any earnings or losses due to write-off of the asset are recognized directly in income or loss. Impairment losses are recorded in a separate account in the income statement.

Loans and receivables are recorded at amortized cost using the effective interest method.

## **Cantu Store S.A. and its Subsidiaries**

### **Management notes on the interim financial information on June 30, 2023 (In thousands of BRL, unless stated otherwise)**

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Transactions with derivatives are recognized at fair value in assets and/or liabilities with a corresponding entry in the financial result in the income statement.

Investments are initially recognized at fair value. All other financial assets (including assets designated at fair value through income or loss) are initially recognized on the trade date on which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are written off when the rights to receive cash flows from investments have expired or have been transferred; in the latter, as soon as the Company has significantly transferred all the risks and benefits of ownership. Financial assets measured at fair value through income or loss are subsequently recorded at fair value.

#### **(m) Impairment**

##### **(vii) *Non-derivative financial assets***

The Company recognizes allowances for expected credit losses on accounts receivable.

The Company assumes that the credit risk of a financial asset has increased significantly if it is more than 180 days past due and without guarantees that it can be used for its realization.

The gross book value of a financial asset is written off when the Company has no reasonable expectation of recovering the financial asset in whole or in part. Regarding individual or corporate clients, the Company makes an individual assessment of the time and the amount of the write-off based on whether there is reasonable expectation of recovery. The Company does not expect any significant recovery from the amount written off. However, the financial assets written off may still be subject to credit execution for compliance with the Company's procedures for recovering the amounts due.

##### **(viii) *Non-financial assets***

The book values of the Company's non-financial assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is an indication of impairment. If such an indication occurs, then the recoverable value of the asset is estimated.

#### **(n) Allowances**

An allowance is recognized, due to a past event, if the Company has a present legal or constructive obligation that can be reliably estimated, and an economic resource will probably be required to settle the obligation.

#### **(o) Sales revenue**

##### ***Sale of goods***

Operating revenue from the sale of goods in the ordinary course of business is measured at the fair value of the compensation received or receivable. Sales revenue is recognized when there is compelling evidence that contractual performance obligations have been fulfilled,

## **Cantu Store S.A. and its Subsidiaries**

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that it is probable that the economic and financial benefits will flow to the entity, that the associated costs and the possible return of the goods can be reliably estimated, that there is no ongoing involvement with the goods sold, and that the amount of operating income can be measured reliably. If it is probable that discounts will be granted and the amount can be reliably measured, then the discount is recognized as a reduction in operating revenue as sales are recognized.

In practice, the right moment of fulfilling the contractual performance obligations occurs when the product is delivered to the customer's warehouse. However, for some international shipments, the transfer occurs upon loading the goods onto the relevant carrier at the seller's port.

#### ***Service provision***

They are recognized when it is probable that the obligations related to the service provided will occur.

#### **(p) Financial revenue**

Interest revenues are recognized using the straight-line method based on time and on the effective interest rate on the outstanding principal amount, with the effective interest rate being the one that exactly discounts the estimated future cash receipts during the estimated life of the financial instrument in relation to the initial net book value of this asset.

#### **(q) Government subsidies and assistance**

Government subsidies are initially recognized as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the subsidy, and are recognized in income or loss as other revenue on a systematic basis over the asset's useful life.

Subsidies intended to offset incurred expenses are recognized in income or loss on a systematic basis in the same period in which the expenses are recorded, pursuant to Law No. 11973/14.

#### **(r) Income tax and social contribution**

Income tax and social contribution for the current and deferred fiscal year are calculated based on the rates of 15%, plus the additional 10% on taxable income exceeding BRL 240 for income tax and 9% on taxable income for social contribution on net income, and consider the offset of tax losses and negative social contribution base, limited to 30% of the income for the fiscal year.

Income tax and social contribution expenses comprise current and deferred income taxes and social contribution. Current and deferred taxes are recognized in income or loss unless related to the combination of business, or items directly recognized in the shareholders' equity or other comprehensive income or loss.

## **Cantu Store S.A. and its Subsidiaries**

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#### **(i) Current income tax and social contribution expenses**

Income tax and social contribution are based on taxable income for the fiscal year. The current income tax and social contribution are the expected tax payable or receivable on the taxable income or loss for the fiscal year and any adjustment to the taxes payable in relation to the previous fiscal years. The amount of current taxes payable or receivable is recognized in the balance sheet as a tax asset or liability based on the best estimate of the expected tax amount to be paid or received that reflects the uncertainties related to their calculation, if any. It is measured based on tax rates enacted on the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

#### **(ii) Deferred income tax and social contribution expenses**

Deferred tax assets and liabilities are recognized in relation to temporary differences between the book values of assets and liabilities for interim financial information purposes and those used for tax purposes. Changes in deferred tax assets and liabilities in the fiscal year are recognized as deferred income tax and social contribution expenses. The deferred tax is not recognized for temporary differences in the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither the taxable income or loss nor the income statement for the year.

A deferred tax asset is recognized in relation to unused tax losses and deductible temporary differences, to the extent that future taxable income will probably be available, against those that will be used. Future taxable income is determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to fully recognize a deferred tax asset, future taxable income will be considered, adjusted for reversals of current temporary differences, based on the parent company and its subsidiary's business plans individually.

Deferred tax assets are reviewed on each balance sheet date and are reduced to the extent that their realization is no longer likely.

Deferred tax assets and liabilities are measured according to the rates expected to be applied to temporary differences when they are reversed, based on the rates enacted up to the reporting date.

The deferred tax assets and liabilities measurement reflects the tax consequences arising from the Company's approach to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

#### **(s) Related parties**

Disclosures of transactions with related parties were made on terms equivalent to those prevailing in transactions with independent parties and are made only if these terms can be effectively substantiated. The nature of these transactions and the accounting record are

## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information on June 30, 2023

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described in Note 21.

#### 7 New rules and interpretations not yet adopted

There were no IFRS issuances/changes made by the IASB that are effective for the fiscal year beginning in 2023 that could impact the individual and consolidated interim financial information of the Company.

#### 8 Cash and cash equivalents

The balance is composed of the following amounts:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Cash and checking accounts	12	3	36,968	11,521
Investments	-	-	175,933	12,036
	<u>12</u>	<u>3</u>	<u>212,901</u>	<u>23,557</u>

The financial investments refer to CDBs (Certificates of Deposit), which are remunerated on average at a rate of 106.5% of the CDI (Interbank Deposit Certificate). The financial investments are readily convertible into a known cash amount and are subject to an insignificant risk of change in value. For this reason, they have been considered as cash and cash equivalents in the cash flow statements.

The increase in the balance of financial investments is explained by the capital contribution occurring on February 8, 2023.

#### 9 Long-term investments

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Long-term investments	-	-	29,663	-
	<u>-</u>	<u>-</u>	<u>29,663</u>	<u>-</u>

Long-term investment consists of CDBs that are remunerated on average at 101% of CDIs and due April 17, 2028. The integrity of the balance is unavailable for transactions as it has been pledged as "cash collateral" in favor of the corporate bond contract.



## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information on June 30, 2023

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#### 10 Trade receivables

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Trade receivables	-	-	550,046	482,399
Related parties (Note 21)	934	20,917	-	-
Allowance for expected losses	-	-	(23,201)	(15,028)
	<u>934</u>	<u>20,917</u>	<u>526,845</u>	<u>467,371</u>

Trade receivables have the following composition by maturity:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Unmatured	934	20,917	499,681	447,856
Overdue up to 30 days	-	-	15,820	10,589
Overdue from 31 to 90 days	-	-	4,882	4,392
Overdue from 91 to 180 days	-	-	6,462	4,536
Overdue from 181 to 360 days	-	-	9,986	4,849
Over 360 days	-	-	13,215	10,177
(-) Allowance for expected losses	-	-	(23,201)	(15,028)
	<u>934</u>	<u>20,917</u>	<u>526,845</u>	<u>467,371</u>

The changes in the allowance for credit losses from customers in the consolidated interim financial information are shown below:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Opening balance	-	-	(15,028)	-
Initial effect of the corporate reorganization	-	-	-	(11,274)
Allowance constituted	-	-	(8,577)	(3,754)
Allowance reversed	-	-	404	-
Balance at the end of the fiscal year	<u>-</u>	<u>-</u>	<u>(23,201)</u>	<u>(15,028)</u>

## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information on June 30, 2023

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The expected losses are estimated based on the history of realization of the customer portfolio, except for cases in which we receive collateral that is considered sufficient by Management to cover any losses in the realization of credits.

#### 11 Inventories

The balance in the interim financial information is made up of the following amounts:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Goods for resale	-	-	620,115	512,029
	-	-	620,115	512,029

For the tire inventory, DOT (Department of Transportation) codes are used to identify the manufacturing date. Goods with DOT over the one-year mark are monitored and sent to the sales team to create campaigns and sales actions.

The Company has not considered that setting up an allowance for obsolete inventories is needed.

#### 12 Taxes recoverable

The balance is composed of the following amounts:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
ICMS (i)	-	-	63,400	56,281
COFINS (ii)	-	-	391,629	374,627
PIS (ii)	-	-	95,602	88,403
IRRF	-	-	1,915	740
IRPJ	-	-	1,296	2,753
CSLL	-	-	523	523
IPI	-	-	8,346	70
OTHERS	-	-	485	-
	-	-	563,196	523,397
Current asset	-	-	166,914	140,401
Noncurrent asset	-	-	396,282	382,996

## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information

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- (i) The Company appropriates ICMS (Value-added Tax on Sales and Services) credits on purchases of goods for resale. The credits are realized over the marketing of goods and in the normal flow of ascertainment of this tax.
- (ii) Credit arising predominantly from the final and unappealable lawsuit, in the Superior Court of Justice – STJ in May 2021, in favor of the subsidiary CPX Distribuidora S.A. The monetization of these credits occurs monthly by offsetting against federal tax debts, such as INSS (National Social Security Institute), IRRF (Withholding Income Tax), IPI (Tax on Manufactured Products), IRPJ (Corporate Income Tax), and CSLL (Social Contribution on Net Income). It is directly associated with the future expectation of increased taxable income, increased payroll, and the start of IPI taxation in February 2023. The expectation of realization of PIS (Social Integration Program) and COFINS (Social Security Financing Contribution) credits is defined as follows:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Up to 12 months	-	-	90,948	70,221
From 13 to 24 months	-	-	152,886	108,756
From 25 to 36 months	-	-	166,227	156,469
From 37 to 48 months	-	-	77,170	127,584
	<u>-</u>	<u>-</u>	<u>487,231</u>	<u>463,030</u>

## 13 Income tax and social contribution

### (a) Reconciliation of the effective rate of current taxes

Current income tax and social contribution expenses for the period ended June 30, 2023, and December 31, 2022, can be reconciled with the book profit, as follows:

## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Income before income tax and social contribution	89,661	263,439	120,542	334,872
Nominal tax rate 34%	(30,485)	(89,569)	(40,984)	(113,856)
(+) Investment grants	-	-	10,165	15,569
(+) Equity	31,051	89,787	-	-
(+) Selic income on tax credit	-	-	44	23,187
(+/-) Allowance for contingencies	-	-	288	(2,545)
(-) Allowance for doubtful accounts	-	-	(2,633)	(912)
(+/-) Other net additions/exclusions	(566)	(218)	(5,866)	(4,600)
	-	-	(38,986)	(83,157)
Income tax and social contribution in the results	-	-	(38,986)	(83,157)
Effective tax rate	0%	0%	32%	25%

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

Deferred tax credits and debits of Income Tax and Social Contribution were ascertained pursuant to CVM Resolution No. 109/22, which approved CPC Technical Pronouncement No. 32 (IAS 12) – *Tributos sobre o lucro* (Taxes on profit).

As of June 30, 2023, and December 31, 2022, the deferred Income Tax and Social Contribution recognized in the consolidated interim financial information are as follows:

## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information on June 30, 2023

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	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Tax loss and negative basis	-	-	79,394	66,185
Deferred income tax and social contribution on tax loss and negative base	-	-	26,993	22,503
Temporary differences				
Allowance for contingencies	-	-	18,038	18,326
Allowance for doubtful accounts	-	-	7,742	5,109
Other allowances	-	-	4,669	3,399
	-	-	30,449	26,834
Deferred income tax and social contribution on temporary differences	-	-	30,449	26,834
	-	-	57,442	49,337

Management estimates that deferred taxes arising from temporary differences will be realized in proportion to the realization of projected contingencies, losses, and obligations.

As concerns deferred tax credits, recorded on tax losses and negative basis of social contribution, Management estimates that they should be realized in the next five years, in view of the projection of future profits.

The expected realization of the deferred tax asset is defined as follows:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
2023	-	-	16,644	14,435
2024	-	-	13,218	11,370
2025	-	-	10,250	8,817
2026	-	-	8,906	7,661
2027	-	-	8,425	7,054
	-	-	57,443	49,337

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### Management notes on the interim financial information on June 30, 2023

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The balance of advances to suppliers is related to the purchase of goods for resale and is composed of the following amounts:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Suppliers	-	46	14,361	3,079
Related parties (Note 21)	-	-	5,072	-
	-	46	19,433	3,079

## 15 Investments in subsidiaries

As of the corporate reorganization completed on March 17, 2022, the consolidation basis of the Company's interim financial information includes the following companies:

			Direct Interest (%)
Parent Company	Subsidiary	Main Activity	June 30, 2023
Cantu Store S.A.	CPX Distribuidora S.A.	Tire retail and wholesale trade	100%
Cantu Store S.A.	CANSPE Participações S.A.	Holding	100%
Cantu Store S.A.	NEOSPE Participações S.A.	Holding	100%
Cantu Store S.A.	CANAAN Trade Ltda	Import and Export Service	100%

  

			Indirect Interest (%)
Parent Company	Subsidiary	Main Activity	June 30, 2023
NEOSPE Participações S.A.	ITR Comércio de Pneus S.A.	Tire wholesale trade	100%
CANSPE Participações S.A.	CP Comercial S.A.	Tire wholesale trade	100%
ITR Comércio de Pneus e Peças S.A.	Verum Store Tecnologia Ltda	Development of computer programs	100%
CPX Distribuidora S.A.	Lahenger Luxembourg S.à r.l.	Holding	100%
Lahenger Luxembourg S.à r.l.	Digitire Professionals LLC	Tire retail trade	100%

As of June 30, 2023, investments in subsidiaries are represented by the following amounts:

Subsidiaries	Interest %	Asset	Liability	Capital	Shareholders' equity
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## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

CPX Distribuidora S.A.	100%	1,873,652	1,196,572	300,968	677,080
NEOSPE Participações S.A.	100%	72,318	1,445	49,000	70,873
CANSPE Participações S.A.	100%	65	-	13,201	65
CANAAN Trade Ltda	100%	<u>34,042</u>	<u>32,891</u>	<u>2,280</u>	<u>1,151</u>
		1,980,077	1,230,908	365,449	749,169

The changes in investments in direct subsidiaries, presented in the interim financial information, are as follows:

Transaction	CPX Distribuidora S.A.	CANSPE Participações S.A.	NEOSPE Participações S.A.	CANAAN Trade Ltda	Total
Balance as of January 1, 2023	363,062	(8,472)	29,709	(459)	383,840
Capital increase	224,523	13,200	35,000	1,280	274,003
Equity	<u>89,495</u>	<u>(4,663)</u>	<u>6,164</u>	<u>330</u>	<u>91,326</u>
Balance as of June 30, 2023	<u>677,080</u>	<u>65</u>	<u>70,873</u>	<u>1,151</u>	<u>749,169</u>

## Cantu Store S.A. and its Subsidiaries

### Management notes on the interim financial information

on June 30, 2023

(In thousands of BRL, unless stated otherwise)

#### 16 Property, plant, and equipment

	Consolidated								
	Lands	Improvements	Machinery and equipment	Vehicles	Electronic equipment	Facilities	Furniture and utensils	Other fixed assets	Works in progress (a)
<b>Depreciation rate</b>		20%	10%	25%	20%	10%	10%	20%	
<b>Balance as of January 1, 2023</b>	<b>102</b>	<b>11,932</b>	<b>6,097</b>	<b>1,540</b>	<b>1,208</b>	<b>6,748</b>	<b>1,643</b>	<b>828</b>	<b>603</b>
Cost	102	14,809	7,694	2,798	2,852	8,246	3,284	952	603
Accumulated depreciation		(2,877)	(1,597)	(1,258)	(1,644)	(1,498)	(1,641)	(124)	-
<b>Balance as of January 1, 2023</b>	<b>102</b>	<b>11,932</b>	<b>6,097</b>	<b>1,540</b>	<b>1,208</b>	<b>6,748</b>	<b>1,643</b>	<b>828</b>	<b>603</b>
Additions	-	1,161	3,841	630	703	4,167	1,382	678	3,804
Transfers and write-offs	(102)	-	-	-	-	-	-	-	-
Depreciation	-	(958)	(423)	(248)	(215)	(511)	(277)	(55)	-
<b>Balance as of June 30, 2023</b>	<b>-</b>	<b>12,135</b>	<b>9,515</b>	<b>1,922</b>	<b>1,696</b>	<b>10,404</b>	<b>2,748</b>	<b>1,451</b>	<b>4,407</b>
Cost	-	15,970	11,535	3,428	3,555	12,413	4,666	1,630	4,407
Accumulated depreciation		(3,835)	(2,020)	(1,506)	(1,859)	(2,009)	(1,918)	(179)	-
<b>Balance as of June 30, 2023</b>	<b>-</b>	<b>12,135</b>	<b>9,515</b>	<b>1,922</b>	<b>1,696</b>	<b>10,404</b>	<b>2,748</b>	<b>1,451</b>	<b>4,407</b>

a) They refer to expenses with renovations and improvements in the properties where the headquarters and branches are established.



## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

#### Assessment for impairment of assets

According to technical pronouncement CPC 01 – *Redução ao Valor Recuperável de Ativos* (Impairment of Assets), the recoverable amount of property, plant, and equipment is analyzed at least annually, and for the period ended June 30, 2023, Management did not identify any signs of impairment and, consequently, did not identify the need to set up an allowance for losses.

#### 17 Suppliers

The balance is composed of the following amounts:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Suppliers	799	42	163,462	174,809
Related parties (Note 21)	-	-	29,013	54,414
	<u>799</u>	<u>42</u>	<u>192,475</u>	<u>229,223</u>

#### 18 Loans and financing

The balance in the interim financial information is made up of the following amounts:

	Interest	Maturity Date	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
<b>In foreign currency</b>						
Working capital	CDI + 3.8%	Feb. 2027	-	-	184,116	206,163
<b>Brazilian currency</b>						
Working capital	CDI + 3.5%	Mar. 2026	-	-	278,067	342,432
FGI working capital	CDI + 4.4%	Nov. 2025	-	-	1,000	28,053
Finep	TJLP + 3.5%	Jan. 2032	-	-	16,123	16,123
Finame	CDI + 2.0%	Jul. 2028	-	-	30,000	30,000
Drawee Risk	21.7%	Mar. 2023	-	-	-	17,643
Corporate bond - pneu11	CDI + 4.8%	Dec. 2026	-	-	114,401	120,422
Corporate bond - cpxd11	CDI + 3.0%	Dec. 2027	-	-	375,000	-
			<u>-</u>	<u>-</u>	<u>998,707</u>	<u>760,836</u>
Current			-	-	221,862	270,580
Noncurrent			-	-	776,845	490,256

The rate informed represents the weighted average of the rates of contracts in force on June 30, 2023.

Guarantees posted are comprised of fiduciary assignment of receivables, inventories, and suretyship.

On June 30, 2023, the Company and its subsidiaries had receivables given as collateral, related to loan and financing operations amounting to BRL 393,946.

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

#### Corporate bonds

On September 2021, ITR Comércio de Pneus e Peças S.A. executed the “Private Simple Bond Indenture, Not Convertible into Shares, of the Secured Interest Type,” and with an Additional Personal Guarantee, in a Single Series, for Public Distribution, with Restricted Efforts, with the following companies as sureties: ITR Comércio de Pneus e Peças S.A., jointly with CP Comercial S.A., CPX Distribuidora S.A., N.E.O.S.P.E Empreendimentos e Participações S.A., and N.H.A.S.P.E Empreendimentos e Participações S.A. A total of 120,000,000 corporate bonds were issued in the amount of BRL 120,000, maturing on December 17, 2026.

On March 2023, CPX Comércio de Pneus e Peças S.A. executed the “Private Simple Bond Indenture, Not Convertible into Shares, of the Secured Interest Type, and with an Additional Personal Guarantee, in a Single Series, for Public Distribution, with Restricted Efforts of CPX Distribuidora S.A., CP Comercial S.A., ITR Comércio de Pneus e Peças S.A. e Cantu Store S.A. A total of 375,000 corporate bonds were issued in the amount of BRL 375,000, maturing on December 15, 2027.

Loans and financing made during the fiscal years ended June 30, 2023, and December 31, 2022, are as follows:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Opening balance	-	-	760,836	-
Initial effect of the corporate reorganization	-	-	-	461,344
Funding in the period	-	-	424,568	415,353
Financial charges	-	-	62,637	62,794
Exchange rate change	-	-	(10,572)	13,857
Amortization - principal	-	-	(163,417)	(132,995)
Amortization - interest and changes	-	-	(75,345)	(59,517)
Balance at the end of the fiscal year	-	-	<b>998,707</b>	<b>760,836</b>

Installments classified as noncurrent liabilities will be paid as follows:

Year of maturity	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
2024	-	-	107,396	226,518
2025	-	-	296,862	160,454
2026	-	-	198,482	78,985
2027	-	-	126,525	10,995
2028 to 2032	-	-	47,580	13,304
	-	-	<b>776,845</b>	<b>490,256</b>

#### Covenants

In the consolidated financial information, the Company is subject to certain restrictive covenants in the loan and financing agreements, based on certain financial and non-financial indicators. The financial indicators consist of:

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

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- (a) Current liquidity ratio greater than or equal to 1.10.
- (b) Net debt index / EBITDA less than or equal to 2.30
- (c) Distribution of dividends to shareholders equal to or less than 50% of net income.
- (d) Cash and cash equivalent balance greater than or equal to BRL 20,000.
- (e) EBITDA ratio / net financial result greater than 2.00.
- (f) Reduction of the capital by any amount.
- (g) Direct or indirect change of corporate control

For the period ended June 30, 2023, the Company is complying with all financial indicators required in the covenants.

## 19 Taxes and contributions payable and tax installments

In the interim financial information, the balance is composed of the following amounts:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
IPI	-	-	36,464	35,161
ICMS	-	-	24,744	21,997
IRPJ	-	-	41,448	70,142
CSLL	-	-	15,223	25,788
Installments	-	-	19,855	24,645
Others	1	4	1,089	1,343
	<u>1</u>	<u>4</u>	<u>138,823</u>	<u>179,076</u>
Current liability	1	4	94,048	130,149
Noncurrent liability	-	-	44,775	48,927

### Installments

They refer to ICMS and ICMS Tax Substitution debts, declared with the State Department of Finance, with terms between 12 and 36 installments and inflation adjustment based on the Selic rate.

## 20 Derivatives

The Company has the following operations with derivatives as of June 30, 2023:

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

Operation	Type	Risk	Requested value
SWAP	Exchange rate	Dollar	137,192
SWAP	Exchange rate	Euro	24,000
SWAP	Rate	CDI	161,090
			322,282

The operations are intended to protect against fluctuations in exchange rates and rates ("CDI") in loan and financing agreements.

These operations had a negative impact and were recognized as financial loss, as follows:

	Fair value adjustment	Gain (loss) posted	Consolidated	
			June 30, 2023	Dec. 31, 2022
Program				
Currency exposure protection				
US dollar agreements	(3,598)	(12,334)	(15,932)	(7,501)
Euro agreements	(2,332)	(3,818)	(6,150)	991
Rate exposure protection				
Swap fixed rate versus CDI floating rate	2,194	(1,306)	888	(18,138)
	(3,736)	(17,458)	(21,194)	(24,648)

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

The Company made the accounting record based on its market price on June 30, 2023, and December 31, 2022, at fair value as follows:

	<b>Consolidated</b>	
	June 30, 2023	Dec. 31, 2022
Program		
Currency exposure protection		
US dollar agreements	(11,099)	(7,501)
Euro agreements	(1,310)	991
Rate exposure protection		
Swap fixed rate versus CDI floating rate	(1,324)	(3,488)
	<u>(13,734)</u>	<u>(9,998)</u>

## 21 Related parties

The main assets and liabilities balances on June 30, 2023, and December 31, 2022, refer to commercial transactions of purchase and sale of goods.

The liability balances with related parties include goods supply transactions.

As of June 30, 2023	<b>Parent Company</b>					
	Accounts receivable	Advances receivable	Loan payable	Services rendered	Sales	Purchases
CP Comercial S.A.	-	-	26,144	-	-	-
CPX Distribuidora S.A.	934	-	-	-	-	-
	<u>934</u>	<u>-</u>	<u>26,144</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

Consolidated						
As of June 30, 2023	Accounts receivable	Advances receivable	Accounts payable	Services rendered	Sales	Purchases
Absolute Trade S.A.	-	-	25,161	-	-	388,705
Level Trade S.A.	-	-	3,852	-	-	71,006
RJU Trading S.A.	-	5,072	-	-	-	207,171
CP Comercial S.A.	-	-	-	7,163	7,439	11,481
CPX Distribuidora S.A.	-	-	-	-	332,463	7,738
Canaan Trade Ltda	-	-	-	-	78,695	-
Verum Store Tecnologia Ltda	-	-	-	522	-	-
ITR Comércio de Pneus S.A.	-	-	-	-	1	325,224
	-	5,072	29,013	7,685	418,598	1,011,325

Parent Company						
As of December 31, 2022	Accounts receivable	Dividends payable	Investments payable	Services rendered	Sales	Purchases
CP Comercial S.A.	3	-	-	-	-	-
CPX Distribuidora S.A.	20,808	-	-	-	-	-
ITR Comércio de Pneus S.A.	106	-	-	-	-	-
Humberto Gabriel Cantu	-	65,860	7,554	-	-	-
	20,917	65,860	7,554	-	-	-

Consolidated						
As of December 31, 2022	Accounts receivable	Advances receivable	Accounts payable	Investments payable	Sales	Purchases
Absolute Trade S.A.	-	-	20,238	-	-	141,645
Level Trade S.A.	-	-	21,448	-	-	112,596
RJU Trading S.A.	-	-	12,728	-	-	428,889
Humberto Gabriel Cantu	-	-	-	20,754	-	-
	-	-	54,414	20,754	-	683,130

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

The outstanding balances between the related parties reported in the consolidated statement are priced with agreements executed between the parties, whose prices are based on conditions usually applicable to transactions between unrelated parties. No balance has guarantees.

### Remuneration of key management personnel

Key management personnel include the board of directors. The remuneration paid or payable to key management personnel for their services is reported below:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Salaries and compensations for work	1,103	1,098	2,813	3,431
Direct and indirect benefits	32	64	446	516
Profit sharing	154	-	1,059	389
	<u>1,289</u>	<u>1,162</u>	<u>4,318</u>	<u>4,336</u>

### Share-based compensation plan

The Company approved, at the Special Shareholders' Meeting held on October 19, 2021, the Stock Option Grant Plan for the professionals selected at the sole discretion of the Board of Directors from: (a) managers of the Company or its subsidiaries; (b) executives and employees who hold a management position in the Company or in its subsidiaries; (c) employees, including employees who hold strategic positions for the business of the Company or its subsidiaries; and (d) members of the Company's Advisory Board, as identified by the Board of Directors or by the managers.

On December 15, 2021, the Company's Board of Directors approved the terms and conditions of the Program, as well as the grants to the participants who should adhere to the Plan and the Program by signing their respective Adhesion Agreement.

Under the terms of the Plan, the maximum number of Options that may be granted under the Plan may not exceed, in terms of issuance of new Shares, the limit of two percent (2%) of the Company's capital on a fully diluted basis. Under the Program, approved on December 15, 2021, by the Company's Board of Directors, a total of 1,528,986 Options were granted to Participants, including Company's managers and employees, with each Option granted relating to one Share.

Under the Program, approved at a meeting of the Board of Directors held on December 15, 2021, the fair value of the options on the grant date was BRL 6.90, while the exercise price of the Options was BRL 13.57 per Option ("Exercise Price"), which was defined based on the Company's equity value at the time of the grant, and should be paid in cash, simultaneously with the formalization of the subscription or purchase, accordingly, of the Shares corresponding to the Options exercised by the Participant and, in any case, prior to the annotation of the

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

subscription or transfer of the Shares, accordingly, in the Company's books.

The multiplication of the number of shares granted by the fair value of the options on the grant date amounts to BRL 6,659.

Under the Program, approved at a meeting of the Board of Directors held on December 15, 2021, the Options granted to Participants may only be exercised after becoming vested options, that is, after the Grace Period has elapsed and provided that the occurrence of any of the Liquidity Events is found, being: (i) The financial settlement of an initial public offering (IPO), primary and/or secondary, of Shares issued by the Company that results in the listing and actual trading of Shares issued by the Company on a stock exchange in Brazil or abroad ("IPO"); or (ii) the direct sale of more than fifty percent (50%) of the total Shares issued by the Company, in return for the receipt of cash ("Sale of Control"), including through a corporate reorganization or restructuring operation, such as conversion, merger, consolidation, spin-off, and any other form of corporate restructuring.

## 22 Contingencies

The Company is a party in lawsuits and administrative proceedings before several courts and government agencies, arising from the normal course of operations, involving civil, labor, and tax disputes. The allowances for possible losses arising from these lawsuits are estimated and updated by management, supported by its external legal advisors. On June 30, 2023, and December 31, 2022, the allowance for civil, labor, and tax lawsuits assessed as being of probable risk is reported as follows:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Allowance for tax claims (a)	-	-	52,285	52,713
Allowance for labor and civil claims	-	-	769	1,187
	-	-	53,054	53,900
(-) Deposits in court related to taxes (b)	-	-	(50,073)	(43,333)
	-	-	2,981	10,567

### (a) Tax claims

It refers to the ICMS DIFAL, in which CPX Distribuidora S.A. is the plaintiff in lawsuits filed against twenty-two Brazilian States, questioning the legality of charging ICMS - Differential rate on interstate sales transactions aimed at end consumers and carried out over the Internet.

The lawsuits were filed at two different times, namely: 1) Lawsuits filed in 2018 that question the legality of DIFAL collection until December 31, 2021, and 2) Lawsuits filed in 2022 that question the legality of DIFAL collection between January and December 2022.

### (b) Tax judicial deposit

The company CPX Distribuidora S.A. obtained preliminary decisions issued by the regional courts of the States that allow ICMS DIFAL amounts calculated on non-face-to-face sales operations to be collected through judicial deposit slips.



## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

#### Possible losses, not provisioned in the balance sheet

The Company's subsidiaries have tax, civil, and labor claims filed against them, involving loss risks classified by management as possible, based on the assessment of its legal advisors, for which there is no allowance constituted, as shown in the following composition and estimate: Within the context of the consolidated interim financial information, there are civil, labor, and tax lawsuits assessed by the legal advisors as having a risk of loss classified as possible, amounting to BRL 24,747 (BRL 24,026 on December 31, 2022).

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Tax claims (c)	-	-	22,055	21,413
Civil claims	-	-	2,453	2,381
Labor claims	-	-	239	232
	<u>-</u>	<u>-</u>	<u>24,747</u>	<u>24,026</u>

(c) **São Paulo State Finance Department**

Refers to the annulment lawsuit against the tax-deficiency notice, which has as its subject matter the maintenance of the right to ICMS credit on the purchase of goods from third parties. The updated amount is BRL 5,538.

**Minas Gerais State Finance Department**

Refers to the administrative proceeding against the tax-deficiency notice, which has as its subject matter the maintenance of the right to ICMS credit on sales return operations. The updated amount is BRL 1,677.

**Brazilian Federal Revenue Service**

Refers to the administrative proceeding against the tax-deficiency notice which has as its subject matter the collection of IPI on resale of imported products. The updated amount is BRL 14,840.

## 23 Shareholders' equity

### (a) Capital

The Company's subscribed capital totals BRL 512,349 (BRL 101 as of December 31, 2022), and is divided into one hundred ninety-nine million one hundred twelve thousand five hundred seventy-five (199,112,575) shares, of which one hundred fifty-six million nine hundred seventy-one thousand two hundred ninety-four (156,971,294) are registered common shares with no par value and forty-two million one hundred forty-one thousand two hundred eighty-one (42,141,281) are registered preferred shares with no par value. As of June 30, 2023, the amount of BRL 250,000 was pending payment.

On February 8, 2023, the Company's Special Shareholders' Meeting was held, which approved the subscription of capital in the amount of BRL 601,280, of which BRL 501,280 were allocated to the Company's capital account and BRL 100,000 were allocated to the Company's capital reserve. On the same date, the amount of BRL 351,280 was subscribed and paid and the remaining balance of BRL 250,000 will be paid until November 8, 2023.

### (b) Dividends

The Company's Articles of Incorporation establish that 25% of the profit for the fiscal year must be allocated as payment of mandatory minimum dividends.

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

On February 8, 2023, the payment of BRL 100,000 in dividend securities was made, of which the amount of BRL 65,860 refers to the minimum mandatory dividend for the fiscal year 2022, and the amount of BRL 34,140 refers to supplemental dividends.

#### (c) Investment and expansion reserve

It is provided for in the Company's Articles of Incorporation that the remaining balance of net income, after legal allocations, will be allocated to the surplus reserve created by the Articles referred to as "Investment and Expansion Reserve," with a view to financing the expansion of the Company's activities.

#### (d) Capital reserves

The balances are shown below:

<b>Balance as of January 1, 2022</b>	<b>-</b>
Corporate reorganization (1)	<u>133,312</u>
<b>Balance as of December 31, 2022</b>	<b><u>133,312</u></b>
Capital contribution in BRL (2)	100,000
Transaction costs in the issuance of securities (3)	<u>(24,682)</u>
<b>Balance as of June 30, 2023</b>	<b><u><u>208,630</u></u></b>

##### 1) Corporate reorganization

It derives from the corporate reorganization of entities under common control (related parties) that resulted in the incorporation of the Cantu Store Group on March 17, 2022. The amount represents the difference between the acquisition value of the equity interests and the equity value of the investees on the transaction date.

	Based on the preceding historical cost	Amount paid	Difference
CPX Distribuidora S.A.	193,412	(68,160)	125,252
CANSPE Participações S.A.	4,029	(1)	4,028
NEOSPE Participações S.A.	<u>18,032</u>	<u>(14,000)</u>	<u>4,032</u>
	<u><u>215,473</u></u>	<u><u>(82,161)</u></u>	<u><u>133,312</u></u>

##### 2) Capital contribution in BRL

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

It derives from the capital increase approved on February 8, 2023, in which the amount of BRL 100,000 was allocated to set aside a capital reserve. Contribution made by the company Iris Fundo de Investimento e Participações Multiestratégica, a fund controlled by L Catterton Latin America, which now holds an interest in the Company's capital as of this date.

#### 3) Transaction costs in the issuance of securities

According to CPC 08 (R1), all transaction costs in funding through the issuance of equity securities must be recognized prominently in a shareholders' equity deduction account in a capital reserve account.

#### (e) Earnings per share

The basic calculation of earnings per share is made by dividing the net income for the fiscal year, attributed to the holders of shares of the parent company, by the number of available shares, considering the effect of share split-up.

	Basic earnings	
	June 30, 2023	Dec. 31, 2022
In thousands		
Total preferred shares	42,141	-
Total common shares	<u>156,972</u>	<u>150,750</u>
	<u>199,113</u>	<u>150,750</u>
Net profit (loss) for the period	89,661	(8,946)
Profit (loss) per share: (in BRL)	0.45	(0.06)

#### (f) Legal reserve

It is recorded, before any other allocation, at the rate of five percent (5%) of the net income ascertained in each fiscal year under the terms of Article 193 of Law 6404/76, up to a limit of 20% of the capital. In the fiscal year in which the balance of legal reserve plus the amount of capital reserves surpasses 30% of the capital, allocating part of the net income for the fiscal year to the legal reserve will not be mandatory.

#### 24 Net operating revenue

Net revenue is composed as follows:

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023 (In thousands of BRL, unless stated otherwise)

	Parent Company				Consolidated			
	April 1, 2023 June 30, 2023	Jan. 1, 2023 June 30, 2023	April 1, 2022 June 30, 2022	Jan. 1, 2022 June 30, 2022	April 1, 2023 June 30, 2023	Jan. 1, 2023 June 30, 2023	April 1, 2022 June 30, 2022	Jan. 1, 2022 June 30, 2022
Sales in Brazil	-	-	-	-	746,601	1,494,049	547,530	623,260
Services rendered	-	-	-	-	9,509	21,770	7,040	8,365
Gross operating revenue	-	-	-	-	756,110	1,515,819	554,570	631,625
Tax on sales (i)	-	-	-	-	(143,563)	(285,378)	(92,050)	(105,174)
Returns and rebates	-	-	-	-	(32,760)	(58,836)	(11,294)	(19,434)
Deductions from revenue	-	-	-	-	(176,323)	(344,214)	(103,344)	(124,608)
	-	-	-	-	579,787	1,171,605	451,226	507,017

- (i) Refers to taxes levied on sales of goods, net of the effects of the recognition of gains with tax benefits that the Company has with the States of Espírito Santo, Pernambuco, and Minas Gerais. On June 30, 2023, the total amount of tax benefits pertaining to the presumed ICMS credit amounted to BRL 29,896.

## 25 Cost of goods sold, sales expenses, and administrative and general expenses

	Parent Company				Consolidated			
	April 1, 2023 June 30, 2023	Jan. 1, 2023 June 30, 2023	April 1, 2022 June 30, 2022	Jan. 1, 2022 June 30, 2022	April 1, 2023 June 30, 2023	Jan. 1, 2023 June 30, 2023	April 1, 2022 June 30, 2022	Jan. 1, 2022 June 30, 2022
Cost of goods resold and services rendered	-	-	-	-	330,754	682,559	298,424	323,043
Freight and storage expenses	-	-	-	-	36,643	82,738	20,950	30,401
Expenses with personnel and charges	767	1,515	372	674	39,608	68,294	17,439	23,309
Sales commission expenses	-	-	-	-	17,070	40,362	15,138	17,301
Expenses with third-party services	65	111	-	-	10,479	18,323	8,839	10,186
Depreciation and amortization	-	-	-	-	4,692	10,203	2,895	3,738
Marketing expenses	16	27	-	-	10,827	19,126	2,541	2,706
Rent expenses	-	-	-	-	5,320	8,792	1,933	2,364
IT expenses	-	-	-	-	6,514	12,827	2,278	2,327
Travel expenses	-	-	-	-	1,172	2,452	1,784	1,921
Allowance for doubtful accounts	-	-	-	-	4,527	8,173	691	1,376
Expenses with guarantees	-	-	-	-	756	1,417	987	1,198

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

Import expenses	-	-	-	-	1,112	2,089	732	786
Expenses on insurance	15	30	-	-	841	1,617	499	648
Maintenance expenses	-	-	-	-	482	1,685	575	642
Other costs and expenses	178	179	-	-	10,904	17,941	3,571	18,013
	<u>1,041</u>	<u>1,862</u>	<u>372</u>	<u>674</u>	<u>481,701</u>	<u>978,598</u>	<u>379,276</u>	<u>439,959</u>

#### (ii) Reconciliation of costs and expenses by function

	Parent Company				April 1, 2023 June 30, 2023	Consolidated		
	April 1, 2023 June 30, 2023	Jan. 1, 2023 June 30, 2023	April 1, 2022 June 30, 2022	Jan. 1, 2022 June 30, 2022		Jan. 1, 2023 June 30, 2023	April 1, 2022 June 30, 2022	Jan. 1, 2022 June 30, 2022
Sales costs	-	-	-	-	330,754	682,559	298,424	323,043
Sales expenses	27	27	-	-	71,229	155,293	41,061	66,047
Administrative expenses	1,014	1,835	372	674	79,718	140,746	39,791	50,869
	<u>1,041</u>	<u>1,862</u>	<u>372</u>	<u>674</u>	<u>481,701</u>	<u>978,598</u>	<u>379,276</u>	<u>439,959</u>

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023 (In thousands of BRL, unless stated otherwise)

#### 26 Financial revenue and expenses

	Parent Company				Consolidated			
	April 1, 2023 June 30, 2023	Jan. 1, 2023 June 30, 2023	April 1, 2022 June 30, 2022	Jan. 1, 2022 June 30, 2022	April 1, 2023 June 30, 2023	Jan. 1, 2023 June 30, 2023	April 1, 2022 June 30, 2022	Jan. 1, 2022 June 30, 2022
<b>Financial expenses</b>								
Charges on bank debt	-	-	-	-	(33,798)	(65,996)	(19,444)	(22,468)
Credit cards charges	-	-	-	-	(32)	(32)	(1,502)	(4,544)
Interest paid to third parties	-	-	-	-	(2,613)	(5,462)	(3,833)	(4,059)
Interest on leases	-	-	-	-	(1,731)	(4,330)	(1,080)	(1,391)
Interest liabilities on loan agreements	(1,146)	(1,590)	-	-	-	-	-	-
Bank fees	(12)	(26)	(16)	(32)	(808)	(1,710)	(1,076)	(1,369)
Expenses with derivatives	-	-	-	-	(13,157)	(21,194)	-	-
IOF	-	-	-	-	(51)	(126)	(204)	(586)
Others	-	-	-	-	(436)	(689)	(2,006)	(9,813)
	(1,158)	(1,616)	(16)	(32)	(52,626)	(99,539)	(29,145)	(44,230)
<b>Financial revenue</b>								
Interest revenue	-	-	-	-	2,068	4,173	1,246	1,438
Discounts obtained	-	-	-	-	462	1,012	340	408
Financial investment return	-	-	2	2	7,319	9,186	1,192	1,527
Others	-	-	-	-	121	237	237	239
	-	-	2	2	9,970	14,608	3,015	3,612
<b>Exchange rate change, net</b>								
Loss with exchange rate variation	-	-	-	-	(707)	(1,575)	(14,695)	(14,919)
Gain with exchange rate variation	-	-	-	-	11,279	12,415	3,760	7,791
	-	-	-	-	10,572	10,840	(10,935)	(7,128)
	(1,158)	(1,616)	(14)	(30)	(32,084)	(74,091)	(37,065)	(47,746)

#### 27 Financial instruments

The Company uses the measurement presented in keeping with Note 3 at each balance sheet date in accordance with the rules established by the International Accounting Standards for each type of financial assets and liabilities.

All operations with financial instruments are recognized in the individual and consolidated interim financial information, as shown in the table below:

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023 (In thousands of BRL, unless stated otherwise)

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
<b>Financial assets</b>				
Amortized cost:				
Cash and cash equivalents	12	3	212,901	23,557
Trade receivables and related parties	934	20,917	526,845	467,371
	<u>946</u>	<u>20,920</u>	<u>739,746</u>	<u>490,928</u>
<b>Financial liabilities:</b>				
Fair value				
Derivatives payable	-	-	13,734	9,998
Amortized cost:				
Suppliers and related parties	799	42	192,475	229,223
Leases payable	-	-	75,834	52,544
Loans and financing	-	-	998,707	760,836
Loan with related parties	26,144	-	-	-
Other accounts payable	<u>-</u>	<u>-</u>	<u>1,966</u>	<u>12,199</u>
	<u>26,943</u>	<u>42</u>	<u>1,282,716</u>	<u>1,064,800</u>

### Cash and cash equivalents

The Company held cash and cash equivalents which represent its maximum credit exposure regarding such assets. Cash and cash equivalents are held with banks and prime financial institutions.

### Accounts receivable and suppliers

These arise directly from the Company's operations. They are measured at amortized cost and recorded at their original value, deducting the allowance for losses and adjustments to present value, where applicable. The book value is substantially equivalent to the fair value, considering the very short term for settlement of these transactions.

### Loans and financing

They are classified as other financial liabilities not measured at fair value and are recorded using the amortized cost method according to the contractual terms. This definition was adopted because it reflects the most relevant financial information, according to Management's understanding. The fair values of these loans are equivalent to their book values, since they are financial instruments with rates equivalent to market rates and have unique characteristics arising from specific funding sources.

### Financial risk management

The Company is exposed to the following risks arising from the use of financial instruments:

- Credit risk
- Liquidity risk and capital structure

# Cantu Store S.A. And its Subsidiaries

## Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

Market risk  
Foreign exchange risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, the policies and processes for measuring and managing risk, and capital management. Additional quantitative disclosures are included throughout this interim financial information.

### Risk management structure

The Company adopted and follows a risk management policy that provides guidance in relation to transactions and requires diversification of transactions and corresponding entries. Under this policy, the nature and overall position of financial risks are regularly monitored and managed in order to assess the results and impacts on cash flow.

The Company's risk management policies are established to identify and analyze the risks faced, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Through its training and management policies and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Management monitors compliance with the Company's risk management policies and procedures, in addition to analyzing the adequacy of the risk management framework in relation to the risks faced by the Company.

### Credit risk

Credit risk is the risk of financial loss if a customer or the other party in a financial instrument fails to meet their contractual obligations, which arise primarily from the Company's trade receivables.

The Company's exposure to credit risk is influenced primarily by the individual characteristics of each customer. However, Management also considers the demographics of the customer base, including the credit risk of the industry and country in which the customers operate, since these factors can have an influence on credit risk, especially considering the current deteriorating economic circumstances.

### Liquidity risk and capital structure

It results from the option between shareholders' equity (capital contributions and profit retention) and third-party capital that the Company uses to finance its operations. To mitigate liquidity risks and optimize the weighted average cost of capital, the Company permanently monitors indebtedness levels in accordance with market standards.

Consistent with other companies in the sector, the Company monitors capital based on the financial leverage ratio. This ratio corresponds to the liquidated debt divided by the total capital.

Net debt, in turn, corresponds to total loans (including short- and long-term loans, as shown in the balance sheet), subtracted from the amount of cash, cash equivalents, and restricted financial investments. The total capital is determined by the sum of shareholders' equity, as shown in the balance sheet, with net debt.

The financial leverage index on June 30, 2023, and December 31, 2022, is summed up as follows:

	Parent Company		Consolidated	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Total financing and loans (Note 18)	-	-	998,707	760,836



## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

(-) Cash and cash equivalents (Note 8)	(12)	(3)	(212,901)	(23,557)
Net debt	(12)	(3)	785,806	737,279
Shareholders' equity	723,907	330,820	723,907	330,820
Total capital	723,895	330,817	1,509,713	1,068,099
Financial leverage index	0.00	0.00	0.52	0.69

The table below analyzes the Group's financial liabilities that are settled on a net basis by the Company, according to their maturity dates, corresponding to the remaining period between the balance sheet date and the maturity date of the agreement. The amounts presented in the table are the requested undiscounted cash flows.

	<u>Less than one year</u>	<u>One to two years</u>	<u>Two to five years</u>	<u>More than five years</u>
<b>As of June 30, 2023</b>				
Loans	221,862	107,396	621,869	47,580
Lease liabilities	17,145	14,672	44,017	-
Suppliers	192,475	-	-	-

### Market risk

Market risk is defined as the risk that changes in market prices, such as exchange rates and interest rates, or the prices of products sold and services rendered by the Company and other inputs, have on the Company's earnings or their interest in financial instruments. Market risk management aims to manage and control exposures to market risks within acceptable parameters while optimizing the return.

### Foreign exchange risk

The Company is subject to currency risk on purchases made in a currency other than the Company's respective currency. The currencies in which these transactions are primarily made are: USD and EUR.

### Sensitivity analysis

Financial revenue and expenses arising from the Company's foreign currency financing are affected by exchange rate changes, such as the US dollar. However, the Company does not expect significant impacts on financial expenses and income as the exchange rate exposure is not substantial.

Financial expenses arising from the Company's financing are affected by the changes in interest rates, such as the TJLP and the SELIC rates.

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

The income arising from financial investments, as well as the financial expenses from the Company's financing, are affected by the changes in interest rates, such as the SELIC rate.

The tables below consider three scenarios. The Company adopted the likely scenario. The likely scenario considered the market levels prevailing at the balance sheet closing date.

#### Operations with financial investments and cash equivalents

##### Consolidated

	Balance as of June 30, 2023	Likely scenario	Scenario I (*)	Scenario II (**)
SELIC rate increase	175,933	21,112	30,243	18,138
Impact on income or loss	29,663	3,559	5,099	3,058

(\*) Considers a 25% increase in the SELIC rate.

(\*\*) Considers a 25% decrease in the SELIC rate.

The SELIC closing rate on June 30, 2023, was 13.75% (on December 31, 2022, was 13.75%) and the rate used for scenarios I and II was 12.00% per year on June 30, 2023, the same used for the base value projection (likely scenario).

#### Loan and financing operations

##### Consolidated

	Balance as of June 30, 2023	Likely scenario	Scenario I (*)	Scenario II (**)
SELIC rate increase	998,707	119,845	171,677	102,967
Impact on income or loss				

(\*) Considers a 25% increase in the SELIC rate.

(\*\*) Considers a 25% decrease in the SELIC rate.

The SELIC closing rate on June 30, 2023, was 13.75% (on December 31, 2022, was 13.75%) and the rate used for scenarios I and II was 12.00% per year on June 30, 2023, the same used for the base value projection (likely scenario).

## 28 Leases

The Company acts as a lessee in contracts related to properties (warehouses and distribution centers). Since 2019, the Company recognizes these contracts in accordance with CPC 06 (R2)/IFRS 16, on the balance sheet as right-of-use assets and lease liabilities.

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

The right-of-use asset is initially measured at cost, which comprises the initial measurement value of the lease liability, adjusted for any lease payments made up to the effective date, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the location at which it is placed, or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of lease payments that are not made on the effective date, discounted at the interest rate implied in the lease or, if this rate cannot be determined immediately, at the Company's incremental lending rate.

The Company determines its incremental rate on loans by obtaining interest rates from various external financing sources and making some adjustments to reflect the terms of the agreement and the type of leased asset.

The Company chose not to recognize right-of-use assets and lease liabilities for low-value asset leases and short-term leases, including IT equipment. The Company recognizes lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

	Consolidated	
	June 30, 2023	Dec. 31, 2022
Opening Balance	52,712	-
Initial effect of the corporate reorganization	-	30,315
Addition due to new agreements Direct costs incurred	28,180	29,436
Amortization expense	(7,178)	(7,039)
Balance at the end of the period	73,714	52,712

### Lease liabilities

The changes in the balances of lease liabilities are shown in the table below:

	Consolidated	
	June 30, 2023	Dec. 31, 2022
Opening Balance	52,544	-
Initial effect of the corporate reorganization	-	28,779
Provisioned interest	4,330	3,835
Paid interest	(3,942)	(2,391)
Addition due to new agreements	30,485	32,679
Payments	(7,583)	(10,358)
Balance at the end of the period	75,834	52,544
Current liability	17,145	7,817
Noncurrent liability	58,689	44,727

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

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#### Additional disclosures required by the CVM

In compliance with the Circular Letter/CVM/SNC/SEP/ in 02/2019, the Company reports the comparative balances of lease liabilities, right of use, financial expense, and depreciation expense, considering the effect of future inflation projected in the lease agreement flows, discounted at the nominal rate:

	2023	2024	2025	2026
<b>Lease liabilities</b>				
Accounting - IFRS 16 / CPC 06 (R2)	55,412	44,329	33,246	22,163
Flow with inflation projection	62,061	48,429	36,155	24,046
Change	12.00%	9.25%	8.75%	8.50%
<b>Net right of use - final balance</b>				
Accounting - IFRS 16 / CPC 06 (R2)	51,316	38,488	25,660	12,832
Flow with inflation projection	57,473	42,048	27,905	13,922
Change	12.00%	9.25%	8.75%	8.50%
<b>Financial expenses</b>				
Accounting - IFRS 16 / CPC 06 (R2)	7,065	4,432	2,992	1,939
Flow with inflation projection	7,912	4,842	3,254	2,103
Change	12.00%	9.25%	8.75%	8.50%
<b>Depreciation expense</b>				
Accounting - IFRS 16 / CPC 06 (R2)	12,828	12,828	12,828	12,828
Flow with inflation projection	14,367	14,014	13,951	13,918
Change	12.00%	9.25%	8.75%	8.50%

#### 29 Insurance coverage (unreviewed)

## Cantu Store S.A. And its Subsidiaries

### Explanatory notes on the interim financial information on June 30, 2023

(In thousands of BRL, unless stated otherwise)

The coverage was taken out for amounts considered sufficient by management to cover possible losses, considering the nature of its activity, the risks involved in its operations, and the advice of its insurance consultants.

As of June 30, 2023, the Company presented the following main insurance policies taken out from third parties:

Insured assets	Covered risks	Coverage amount
Civil Liability	Civil Liability of Managers and Officers	20,000
Buildings, Machinery, Inventory	Fire, Lightning, Explosion	90,000
Buildings, Machinery, Inventory	Electrical damage	400
Buildings, Machinery, Inventory	Windstorm, Hurricane, Cyclone, Tornado	900
Buildings, Machinery, Inventory	Robbery, Theft	600
Inventory (per shipment/trip)	Cargo Transport in Brazil	1,000
Inventory (per vessel)	International Transport (ocean)	USD 1,200
Inventory (per vehicle/aircraft)	International Transport (land/air)	USD 500

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