

**Saraiva Livreiros S.A.- Under Court-  
Ordered Reorganization**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

**Individual and consolidated interim  
financial information and independent  
auditor's report**

**As of September 30, 2021**

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## Dear Shareholders,

Saraiva Livreiros SA – in Judicial Recovery (“Company” or “Saraiva”) (B3: SLED3 and SLED4), Parent company of Saraiva e Siciliano SA – in Judicial Recovery (“Retail”), one of the largest retail content networks focused on education and culture, announces its financial results for the third quarter (3Q21).

The accounting information contained in this document refers to the third quarter (3Q21) compared to the same periods of the previous year, unless otherwise indicated.

The Individual and Consolidated financial information was prepared in accordance with the International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil.

Any and all non-accounting information or information derived from non-accounting numbers has not been reviewed by the independent auditors.

## Message from Management

Since the approval of the request for judicial recovery, in November 2018, Saraiva has sought to regain its stability, protect its cash and its economic growth, as well as guarantee and preserve the continuity of its operation.

The Company seeks to obtain important advances in relation to previous periods through initiatives such as:

**Readjustment of the product mix:** categories that had lower profitability and greater demand for working capital were discontinued. This category review also allowed for a reduction in the Company's workforce, in addition to the closure of 2 (two) Distribution Centers.

**Reduction of Operating Expenses:** renegotiation and revision of the main contracts with service providers, scope reduction with prioritization of alternatives with greater cost/benefit, and revisions and simplification of the logistic process, adapting the supply system to the new product mix. In the Head Office, a single floor was reduced with a better occupation

**Restructuring of the Store Park:** prioritizing more profitable units, closing stores with a low perspective of generating value and that are not suited to the Company's new product mix. During the period, negotiations with malls evolved, where, through partnerships, a reduction in store space was started, with an increase in profitability per m<sup>2</sup> without the need for large investments.

The first amendment to the Judicial Reorganization Plan (Additive Plan), submitted to the Judicial Reorganization judge on July 3, 2020 and approved at the General Meeting of Creditors held on February 26, 2021 and ratified on March 5, 2021, had as objective to enable payment to Creditors and the success of the judicial reorganization process, in addition to ensuring the maintenance of the production source, the employment of its employees, the fulfillment of the social function of the activities and the encouragement of economic activity in the country through three measures main:

i) the restructuring of liabilities;

- ii) the preservation of investments considered essential for operational continuity; and
- iii) the sale of Groups of Isolated Production Units – UPI's, namely, store operations– UPI Lojas; e-commerce operation– UPI Site; and Stores and Website operations– Mixed UPI, in accordance with the terms established in said Plan.

After successive attempts, the disposal of the UPI's was not successful, which made it impossible to fulfill the obligations contained in the first Amendment in September 2021, the Company presented the Second Amendment to the Judicial Recovery Plan, which proposes the restructuring of debts, the generation of flow operating cash flow for debt payment and generation of resources for the continuity of activities, observing the new reality of the Group.

At the same time, the measures in the Action Plan approved by the Board of Directors for restructuring operations and recovering the economic results necessary for the continuity of the Company's business are still in force.

**New supply management:** Decentralized supply model, through the involvement of suppliers and with reduced logistics costs;

**Back-Office Optimization:** New solution for systems, processes and teams with greater efficiency to reduce fixed costs and administrative expenses;

**Profitability:** Increase in Gross Margin, to the detriment of Gross Revenue, increasing absolute gains in Gross Profit and contributing to the increase in the Company's profitability. In 2021, excluding non-recurring effects from various Saldão actions carried out with the objective of carrying out obsolete and truncated inventories, positive results were already obtained in gross margins.

**Personnel Expenses:** With a reduced operation in terms of revenue, there was a significant reduction in the Company's Personnel expenses.

**Occupancy Expenses:** In relation to Physical Stores, renegotiations with the malls administrators in order to increase the profitability of the units. At the head office there was a reduction in space with the return of floors, which allowed for a reduction in occupancy costs.

**Monetization of Tax Credits:** Varejo was notified by the Finance Department of the State of São Paulo about the progress of one more stage of the administrative process for the realization of the accumulated credit, with the release of said credit in the e-CredAc current account.

The Company remains mobilized to carry out the necessary adjustments to ensure operational continuity. The measures taken, together with the approval of the 2nd Amendment to the Judicial Reorganization Plan, which establishes efficiency measures for the equalization and settlement of the companies' liabilities, such as the restructuring of liabilities and the preservation of investments considered essential to operational continuity, and changes in the Corporate Governance structure, they prove the capacity to generate cash and, consequently, the future viability of the Company.

The review of the financial statements carried out by the external audit did not identify any significant deficiencies in internal controls. The verification of the existence of internal controls without relevant deficiencies and the certification of their level of security are fundamental for the Company's structured recovery.

Management, aware of the relevance of the challenges, is committed to carrying out the New Action Plan, which aims to maintain operational activity, comply with the Judicial Reorganization Plan and the consequent operational continuity and sustainability of the business.

There is a big market challenge, but we are fully confident in the recovery of the book market in Brazil and in the Nova Saraiva that is being built. We know that it will be an intense process, in the search for a promising future for the Company and its stakeholders, and we have the full support and involvement of all our employees.

## **Impact of Coronavirus-COVID-19**

Management closely monitors all the impacts of Coronavirus (COVID-19) on the Company's operations, through a specific internal Committee, in addition to periodically discussing with the Board of Directors the necessary measures and impacts on the operation.

During the period of nine-month of this year, the retail trade was again affected by frequent operating restrictions and store closings, without a counterpart in the reduction of operating expenses. It is estimated that these restrictions have generated a relevant loss of Gross Revenue, with its consequent negative effect on the result for the period.

With the cooling of COVID-19 cases and the recurring relaxation of restriction measures, the contingency plan is focused on the following actions: (i) maintenance of preventive measures required by health agencies such as the use of masks and distance in store environments and from the administrative office, (ii) encourage and intensify sales through e-commerce, which have not been stopped and honor all its commitments to its customers; (iii) structuring action and contingency plans; (iv) monitor the daily evolution of cases of Coronavirus infection and the recommendations of government agencies and retail associations; (v) use the measures available to reduce the impact on the Company's cash.

Among such measures, promotional and marketing actions are carried out, and aiming at the maintenance and longevity of the operation, the Company adopted the following measures to preserve cash:

- Review of contracts with suppliers;
- Renegotiation of all Company occupancy costs;
- Suspension, renegotiation and, consequently, rescheduling of overdue and falling due payments;
- Suspension, as permitted by the Federal Government, of the payment of FGTS to our employees, for the period provided for in the legislation; and
- Daily review of sales and expense projections for the coming months, aiming to protect against unexpected cash impacts.

Management understands that the scenario in the country is changing rapidly and is rapidly adapting to the ideal scenario in the midst of the crisis. It reiterates its willingness to pay all the necessary attention to the situation of the Company and our stakeholders, including all risks arising from the pandemic that could result in losses or changes in business estimates.

## NON-RECURRING IMPACTS

During the third quarter of 2021, Management revised the estimates related to the impairment of assets and provisions for civil and labor tax risks, among other adjustments made in the operation, aiming at increasing profitability, presented below:

- Civil, labor and tax contingencies: R\$3 million;
- Positive impact related to the exclusion of ICMS in the PIS\COFINS calculation basis: R\$34 million; and
- Other impacts: R\$3 million positive in Expenses.

Therefore, so that a more reliable analysis of the Company's operations can be carried out, all the results reported in this Management Report consider the recurring numbers for 3Q21, 3Q20, 2Q21, excluding the effects mentioned above. The table below shows the reconciliation of results:

Reconciliation - 3Q21 (R\$ Million)	3Q21 Accounting	CPC 06 (R2) IFRS 16	Non- Recurring Impacts	3Q21 Adjusted
<b>Gross revenue</b>	<b>22,615</b>		-	<b>22,615</b>
Taxes	(385)		-	(385)
<b>Net revenue</b>	<b>22,230</b>	-	-	<b>22,230</b>
COGS	(10,212)		(2,857)	(13,069)
<b>Gross profit</b>	<b>12,018</b>	-	<b>(2,857)</b>	<b>9,161</b>
<i>Gross margin (%)</i>	54.1%			41.2%
<b>Operating expenses</b>	<b>(20,096)</b>	<b>(6,699)</b>	<b>7,689</b>	<b>(19,106)</b>
<b>EBITDA</b>	<b>(8,078)</b>	<b>(6,699)</b>	<b>4,832</b>	<b>(9,945)</b>
<i>EBITDA margin (%)</i>	-36.2%			-44.7%
<b>Other operating revenues/expenses</b>	<b>33,817</b>	<b>6,699</b>	<b>(47,059)</b>	<b>(6,543)</b>
Finance income (costs), net	38,751	2,349	(47,059)	(5,959)
Depreciation and amortization	(4,934)	4,350		(584)
<b>Profit (loss) before income tax</b>	<b>25,739</b>	-	<b>(42,227)</b>	<b>(16,488)</b>
Income tax and social contribution	-	-	-	-
<b>Profit (loss) before minority interest</b>	<b>25,739</b>	-	<b>(42,227)</b>	<b>(16,488)</b>
Minority interest	(2)			(2)
<b>Adjusted net profit (loss) before discontinued operations</b>	<b>25,737</b>	-	<b>(42,227)</b>	<b>(16,490)</b>
Net profit (loss) from discontinued operations (net of taxes)	(2,594)		1,951	(643)
<b>Net profit (loss)</b>	<b>23,143</b>	-	<b>(40,275)</b>	<b>(17,132)</b>
<i>Net margin (%)</i>	104.1%			-77.1%

## HIGHLIGHTS

- Improvement of R\$13.4 million in adjusted EBITDA in 3Q21 compared to 3Q20;
- Reduction of 1.5 p.p in Gross Margin in 3Q21 compared to 3Q20;
- R\$17 million improvement in recurring operating expenses in 3Q21 compared to 3Q20; and
- On April 5, 2021, the public offering notice was published in the Diário da Justiça Eletrônico, through a virtual judicial bidding process through the presentation of closed proposals, for the sale of isolated productive units ("UPIs"), issued in the records of the Judicial Recovery of the Company and its subsidiary, as provided for in the Amendment to the Judicial Recovery Plan. However, there were no qualified buyers and, sequentially, on April 27, 2021, a second public offer notice was published in the Electronic Justice Gazette with a new deadline for qualification, but there were no subscribers.

On May 13, 2021, the Federal Supreme Court – STF ruled the motions for clarification presented by the National Treasury Attorney, establishing the modulation of the effects of the decision of RE 574.706/PR. By majority vote, the ICMS (Value Added Tax for Circulation of Goods) highlighted in the invoices was excluded from the calculation basis of PIS/COFINS contributions applicable retroactively to taxpayers who filed lawsuits up to March 15, 2017, as in the case of the subsidiary. The subsidiary's Management assesses the impacts and the review of the estimated value and realization of credits, originally recorded considering the ICMS actually paid (COSIT Solution 13/18), in accordance with the STF decision of 5/13/2021 for the four actions filed in 2006 and 2010 and which were final and unappealable between December 2018 and September 2020.

- On July 22, 2021, the Court of the 2nd Court of Bankruptcy and Judicial Reorganizations of the Judicial District of São Paulo, as follows:
  - 1) The request for a new attempt at a judicial bidding process for the sale of the isolated production units ("UPIs") was granted, upon qualification of interested parties in the Judicial Reorganization records, within 10 calendar days, as of 08/12/2021, date on which the new public offer notice was published in the Diário da Justiça Eletrônico.

Qualified interested parties should deliver their Closed Bids to the Trustee by 4 pm on September 10, 2021. The opening of closed bids was held on September 14, 2021, at 2 pm, according to the procedure and instructions indicated in the new Notice of public offering. However, there were no qualified buyers.

- 2) The approval of the sale of the assets of the operational unit of Guarulhos, whose authorization decision issued on April 8, 2020 in the Judicial Reorganization records, had been reformed by means of a decision handed down by the São Paulo Court of Justice on November 4, 2020.
- In September 2021, the Company and its subsidiary filed, with the 2nd Court of Bankruptcy and Judicial Reorganizations of the Central Court of the Judicial District of São Paulo, the second Amendment to the Judicial Reorganization Plan.

## SUBSEQUENT EVENTS

- In a meeting of the Board of Directors held on October 15, 2021, the Management proposal was unanimously approved, which will be submitted to the Extraordinary General Meeting on:
  - The reverse split of the current number of common and preferred shares of the capital stock of R\$301,976, both in the proportion of 35 to 1, changing after the reverse split to 1,811,719 shares (671,819 common shares and 1,139,900 preferred shares) , without changing the share capital; and
  - The increase in the Company's authorized capital to 10,000,000 (ten million) shares, as a measure to contribute to the implementation of the conditions provided for in the judicial reorganization plan.
- On October 25, 2021, by means of a notice published on October 27, 2021, the General Meeting of Creditors was called, which will be held in a virtual environment on first call for November 17, 2021 and on second call for the on November 23, 2021, to resolve on the approval of the 2nd Amendment to the Judicial Reorganization Plan and other matters of interest to Creditors and Debtors.
- On November 1, 2021, Varejo was notified by the Finance Department of the State of São Paulo about the progress of one more stage of the administrative process for the realization of the accumulated credit, with the release of said credit in the e-CredAc checking account , as described in the explanatory note to the interim financial statements, number 7, i).

## MAJOR INDICATORS

**Table 1. (R\$ 000, unless otherwise indicated)**

Note: 1. Adjusted excluding the effect of non-recurring items as previously mentioned in the report.

Consolidated - Adjusted <sup>1</sup>	3Q21	3Q20	Q/Q	2Q21	Q/Q	9M21	9M20	Y/Y
<b>Gross Revenue (Stores + E-commerce)</b>	22,615	29,859	-24,3%	20,391	10,9%	67,114	199,084	-66.3%
Store Sales	20,313	22,239	-8,7%	17,077	19,0%	54,664	125,584	-56.5%
E-commerce Sales	2,302	7,620	-69,8%	3,314	-30,5%	12,450	73,501	-83.1%
<b>Net Revenue (Stores + E-commerce)</b>	22,230	29,798	-25,4%	19,751	12,6%	65,382	194,182	-66.3%
Store Sales	19,730	22,194	-11,1%	16,527	19,4%	52,915	121,938	-56.6%
E-commerce Sales	2,500	7,604	-67,1%	3,224	-22,5%	12,467	72,244	-82.7%
<b>Gross profit</b>	9,161	12,732	-28,0%	8,146	12,5%	27,274	74,023	-63.2%
Gross margin (%)	41.2%	42,7%	-1,5 p.p.	41,2%	0,0 p.p.	41,7%	38,1%	3,6 p.p.
Recurring Operating Expenses <sup>1</sup>	(19,106)	(36,092)	-47,1%	(27,165)	-29,7%	(72,571)	(154,803)	-53.1%
<b>Adjusted EBITDA<sup>1</sup></b>	(9,945)	(23,361)	-57,4%	(19,019)	-47,7%	(45,298)	(80,779)	-43.9%
Adjusted EBITDA Margin (%) <sup>1</sup>	-44,7%	-78,4%	33,7 p.p.	-96,3%	51,6 p.p.	-69,3%	-41,6%	-27,7 p.p.
<b>Adjusted net profit (loss) before discontinued operations<sup>1</sup></b>	(16,490)	(23,996)	-31,3%	(24,701)	-33,2%	(63,393)	(131,740)	-51.9%
Adjusted net margin before discontinued operations (%) <sup>1</sup>	-74,2%	-80,5%	6,4 p.p.	-125,1%	50,9 p.p.	-97,0%	-67,8%	-29,1 p.p.
Net profit (loss) from discontinued operations (net of taxes)	(643)	(3,023)	-78,7%	(103)	>500%	1,116	(3,549)	-
<b>Adjusted net profit (loss)<sup>1</sup></b>	(17,132)	(27,019)	-36,6%	(24,804)	-30,9%	(62,276)	(135,289)	-54.0%
Adjusted net margin (%) <sup>1</sup>	-77,1%	-90,7%	13,6 p.p.	-125,6%	48,5 p.p.	-95,3%	-69,7%	-25,6 p.p.
Same Store Sales (SSS)	4,0%	-65,9%	69,9 p.p.	381,7%	-377,7 p.p.	-30,9%	- 30,9%	0,0 p.p.
E-commerce growth <sup>2</sup>	-69,8%	-84,7%	14,9 p.p.	- 85,8%	16,0 p.p.	-83,1%	- 60,8%	-22,3 p.p.
Quantity of stores - At period-end	37	44	-15,9%	38	-2,6%	37	44	-15,9%
Sales area - At period-end (sqm <sup>2</sup> )	20,044	24,326	-17,6%	20,217	-0,9%	20,044	24,326	-17,6%



## RESULTS

**REVENUE** – In 3Q21, gross revenue reached R\$22.6 million, a decrease of 24.3% when compared to 3Q20. Net revenue followed the same trend in the quarter, with a reduction of 25.4%. It should be noted that the reduction observed is mainly due to the reduction in E-commerce revenue.

**PHYSICAL STORES REVENUE** – Gross revenue from physical stores in 3Q21 reached R\$20.3 million, representing a reduction of 8.7% when compared to the same period of the previous year. Net revenue, following the same line, decreased by 11.1%.

**E-COMMERCE REVENUE** – In 3Q21, gross sales on the Saraiva.com website declined by 69.8% compared to the previous year, while net sales decreased by 67.1%. Saraiva continues with its profitability strategy, seeking greater gross margin and lower variable expenses, generating an additional gain in the contribution margin for the coming periods.

**GROSS RESULT** – Adjusted gross profit showed a loss of 1.5 p.p. in gross margin, which went from 42.7% in 3Q20 to 41.2%. In addition to the profitability prioritization strategy focusing on our book business, which have higher margins than the other categories that were discontinued.

**OPERATING EXPENSES** – The recurring operating expenses line, including the effect of IFRS-16 on the Expenses lines, totaled R\$19.1 million in 3Q21, an improvement of 47.7% in the quarter, as a result of the initiatives carried out over the years/last periods. It is worth noting that Management remains focused on rationalizing expenses to improve results, reaping the benefits of the measures taken. Recurring adjustments to the structure continue to be made, always aiming at improvements in performance and productivity, which solidifies the foundations for the Company's recovery.

**EBITDA** – Recurring EBITDA, with the inclusion of the IFRS-16 effect in the Expenses lines, totaled negative R\$9.9 million in 3Q21, showing a gain of R\$13.4 million compared to 3Q20.

EBITDA	3Q21	3Q20	Q/Q	2Q21	Q/Q	9M21	9M20	Y/Y
<b>Adjusted Net profit (loss)<sup>1</sup></b>	<b>(17,132)</b>	<b>(27,019)</b>	<b>-36.6%</b>	<b>(24,804)</b>	<b>-30.9%</b>	<b>(62,276)</b>	<b>(135,289)</b>	<b>-54.0%</b>
(+) Finance income (costs)	5,959	947	>500%	4,837	23.2%	16,310	7,386	120.8%
(+) Income tax and social contribution	-	(700)	-100.0%	-	0.0%	-	35,960	-100.0%
(+) Depreciation and amortization	584	393	48.7%	845	-30.9%	1,786	7,633	-76.6%
(+) Net profit (loss) from discontinued operation	645	3,019	-78.6%	102	>500%	(1,117)	3,531	-
<b>Adjusted EBITDA</b>	<b>(9,945)</b>	<b>(23,361)</b>	<b>-57.4%</b>	<b>(19,018)</b>	<b>-47.7%</b>	<b>(45,298)</b>	<b>(80,779)</b>	<b>-43.9%</b>
<i>Adjusted EBITDA margin (%)</i>	<i>-44.7%</i>	<i>-78.4%</i>	<i>33.7 p.p.</i>	<i>-96.3%</i>	<i>51.6 p.p.</i>	<i>-69.3%</i>	<i>-41.6%</i>	<i>-27.7 p.p.</i>

**WORKING CAPITAL** \* – The average collection period remained at 14 days in 3Q21, when compared to the same period of the previous year. The average term for inventory coverage increased by 71 days, from 124 days in 3Q20 to 195 days in 3Q21.

\* to calculate the days of the operating cycle we use the average of the last 12 months

**NET FINANCIAL REVENUE (EXPENSES)** – The adjusted net financial result, excluding the impact of the accounting change due to CPC 06 (R2)/IFRS 16, was an expense of R\$5.9 million in the third quarter of 2021.

**NET INCOME (LOSS) FOR THE PERIOD** – The Company's adjusted net loss, before the net result from discontinued operations, was R\$16.4 million in 3Q21, an improvement of R\$7.5 million.

**LIQUIDITY** – On September 30, 2021, the total balance of Available Cash, Blocked Cash and Credit Card Receivables was R\$3.3 million, against R\$37 million on September 30, 2020, mainly due to lower sales in the period, in addition to the impact of discontinued categories and extraordinary restructuring expenses.

The table below shows the consolidated net debt (excluding the balance of Creditors related to the judicial reorganization process) of Saraiva on September 30, 2021, which totaled R\$172.2 million, against R\$ 162.4 million on July 31, 2021, and R\$126.3 million on September 30, 2020. If we consider credit card receivables, we ended 3Q21 with net debt of R\$170.9 million against R\$160.6 million in 2Q21 , and R\$122.9 million in 3Q20.

**Table 3. Evolution of the main CONSOLIDATED debt indicators monitored by the Company (R\$ 000)**

Note 1: Excludes the portion related to Leases (CPC 06 (R2) - IFRS 16).

Consolidated– Adjusted <sup>1</sup>	3Q21	3Q20	Q/Q	2Q21	Y/Y
<b>Transaction type</b>					
Borrowings and financing	<b>174,110</b>	<b>159,520</b>	<b>9.1%</b>	<b>170,378</b>	<b>2.2%</b>
(+) Accounts payable - Acquisition of companies	0	0	0	0	0.0%
(-) Cash and Cash Equivalents / Financial Investments	1,936	33,171	-94.2%	8,008	-75.8%
<b>Adjusted net debt before receivables</b>	<b>172,174</b>	<b>126,349</b>	<b>36.3%</b>	<b>162,370</b>	<b>6.0%</b>
(-) Credit card receivables	1,326	3,510	-62.2%	1,813	-26.9%
<b>Consolidated net debt after receivables</b>	<b>170,848</b>	<b>122,839</b>	<b>39.1%</b>	<b>160,557</b>	<b>6.4%</b>

**OUR STORES** – In 3Q21, Saraiva had 37 active stores.

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## **Report on the Review of Quarterly Information**

To the Management, Board Members and Shareholders of **Saraiva Livreiros S.A. – Under Court-Ordered Reorganization**  
São Paulo – SP

### **1. Introduction**

We were engaged to review the individual and consolidated interim financial information of Saraiva Livreiros S.A. – Under Court-Ordered Reorganization (“Company”) contained in the Quarterly Information -ITR Form for the quarter ended September 30, 2021, which comprise the balance sheet on September 30, 2021 and related statements of income (operations), of comprehensive income (loss), for the three and nine-month periods then ended and changes in equity (deficiency in assets) and of cash flows for the nine-month period then ended, including explanatory notes.

The Management is responsible for the preparation of individual and consolidated interim financial information in accordance with NBC TG 21— Interim Statement and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this individual and consolidated interim financial information based on our review.

### **2. Scope of Review**

We conducted our review in accordance with Brazilian and international review standards on interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we did not express an audit opinion. As a result of the matter described in “Basis for Disclaimer of Conclusion” section, we were unable to obtain sufficient and appropriate evidence to base our conclusion on the individual and consolidated interim financial information.

### **3. Basis for Disclaimer of Conclusion**

#### ***(i) Relevant Uncertainty Related to the Going Concern and the Effects of the Amendment to the Court-Ordered Reorganization Plan on the Realization of Assets and Settlement of Liabilities***

On 02/26/2021, the 1st amendment to the PRJ (Judicial Reorganization Plan) was approved at the general meeting of creditors, which provided, among other actions, on the sale of UPIs. However, there was no authorization of interested parties to acquire such assets and a 2nd amendment was presented by the Company proposing the restructuring of debts, the generation of operating cash flow to pay the debt and the generation of funds for the continuity of activities, observing the new reality of the Group impacted by the COVID-19 pandemic. On 10/25/21, through a notice published on 10/27/2021, the General Meeting of Creditors-AGC was called, which will be held in a virtual environment on first call for 11/17/2021 and on second call for on 11/23/2021, to deliberate on the approval, modification or rejection of the 2nd Amendment to the PRJ.

The economic feasibility of the Company presented in the original PRJ and in the amendments consider certain assumptions regarding expected billing, cost adjustments, generation and inflow of funds into its cash.

To date, we have not been able to carry out the review procedures on the economic viability of the original PRJ, complemented by the 2nd amendment, taking into account that, in order to effectively produce the expected effects, it must first be assessed and approved in the aforementioned AGC.

Also, in the period of Judicial Reorganization, the Company: (i) continues to face the effects of the Covid 19 pandemic on its operating and financial results (ii) On 09/30/2021, it maintains efforts to monetize its tax credits ; and (iii) On the closing date of the interim financial information, it presents deficiency in assets and net loss for the period, respectively, of R\$(554) million and R\$(9) million (individual and consolidated) and negative net working capital in the consolidated of R\$79 million.

Considering all the above factors, which involve assets and liabilities in the context of the individual and consolidated interim financial information, a scenario of uncertainties results, and possible widespread effects on them, and it is not possible at this time, that we could conclude as to any adjustments to impairment of assets, realization of tax credits and adjustments to liabilities due to this scenario, nor conclude that the going concern assumption and the corresponding basis for preparing these individual and consolidated interim financial information are appropriate.

### **4. Disclaimer of Conclusion**

Because of the materiality of the matters described in the “Basis for Disclaimer of Conclusion”, we were unable to obtain appropriate and sufficient evidence to support our conclusion on Individual and consolidated interim financial information.

We are not therefore expressing a conclusion on this individual and consolidated interim financial information.

## **5. Other Matters**

### ***(i) Statements of Value Added***

We were also engaged to review the individual and consolidated statements of value added for the nine-month period ended September 30, 2021, prepared under responsibility of Company's Management, and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, to determine whether they are reconciled with the interim financial information and carrying amounts, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09-Statements of Value Added. However, because of the materiality of the matters described in the "Basis for Disclaimer of Conclusion" section, we were unable to conduct sufficient review procedures to conclude whether we are aware of any fact that suggest that the Statements of Value Added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole. We are not therefore expressing a conclusion on these Statements of Value Added.

### ***(ii) Preceding Current and Previous Intermediate Accounting Reviews and Previous Annual Financial Statements***

The interim financial information for the third and second quarter ended on 9/30/2020 and 6/30/2021, as well as the financial statements for the previous year ended on 12/31/2020 were reviewed and audited, respectively, by other independent auditors, on which they expressed a Disclaimer Conclusion and Opinion in the audit reports issued by them and dated on 11/11/2020 and 8/13/2021, as well as on 03/26/2021, basically due to facts similar to those by us described in item 3 (i) above.

São Paulo, November 12, 2021.

A handwritten signature in black ink, appearing to read "Luiz Claudio Fontes".

Luiz Claudio Fontes

Assurance Senior Partner and Accountant CRC 1RJ-032.470/O-9

RSM Brasil Auditores Independentes-Sociedade Simples

CRC 2SP-030.002/O-7

## Company information / Capital composition

Quantity of shares (Thousand)	Current quarter 09/30/2021
<b>Paid-in capital</b>	
Common	23,514
Preferred shares	38.896
<b>Total</b>	<b>62,410</b>
<b>Treasury</b>	
Common	16
Preferred shares	0
<b>Total</b>	<b>16</b>

## ITR - Quarterly Information – 09/30/2021 - SARAIVA LIVREIROS S.A.

### Individual Interim Financial Information/Balance Sheets-Assets (R\$ thousand)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	09/30/2021	12/31/2020
1	Total assets	77,356	104,075
1.01	Current assets	3,185	23,685
1.01.01	Cash and cash equivalents	1,600	121
1.01.03	Trade receivables	111	534
1.01.03.02	Other receivables	111	534
1.01.03.02.01	Advances to suppliers	23	466
1.01.03.02.04	Other	88	68
1.01.06	Recoverable taxes	179	179
1.01.06.01	Current recoverable taxes	179	179
1.01.07	Prepaid expenses	1,295	1,424
1.01.08	Other current assets	0	21,427
1.01.08.01	Noncurrent assets available for sale	0	21,427
1.02	Noncurrent assets	74,171	80,390
1.02.01	Long-term assets	74,036	80,214
1.02.01.08	Prepaid expenses	474	1,209
1.02.01.09	Receivables from related parties	56,927	61,875
1.02.01.09.02	Receivables from subsidiaries	56,927	61,875
1.02.01.10	Other noncurrent assets	16,635	17,130
1.02.01.10.03	Judicial deposits	11,558	11,417
1.02.01.10.04	Recoverable taxes	5,077	5,713
1.02.02	Investments	23	23
1.02.02.01	Equity interests	23	23
1.02.02.01.04	Other investments	23	23
1.02.03	Property and equipment	112	153
1.02.03.01	Property, plant and equipment in use	112	153

## ITR-Quarterly Information – 09/30/2021 - SARAIVA LIVREIROS S.A.

### Individual Interim Financial Information/Balance Sheets-Liabilities (R\$ thousand)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	09/30/2021	12/31/2020
2	Total liabilities	77,356	104,075
2.01	Current liabilities	3,055	29,519
2.01.01	Payroll and related taxes	177	400
2.01.01.01	Social security obligations	51	102
2.01.01.02	Payroll related obligations	126	298
2.01.02	Trade payables	563	1,254
2.01.02.01	Domestic suppliers	563	1,254
2.01.02.01.01	Domestic suppliers	563	1,254
2.01.03	Taxes payable	181	165
2.01.03.01	Taxes payable - Federal	181	165
2.01.03.01.02	Withholding income tax	155	131
2.01.03.01.05	Other	26	34
2.01.05	Other payables	2,134	27,700
2.01.05.02	Other	2,134	27,700
2.01.05.02.07	Creditors - Judicial Reorganization	1,069	1,136
2.01.05.02.08	Other payables	1,065	26,564
2.02	Noncurrent liabilities	628,240	619,630
2.02.02	Other payables	565,466	557,470
2.02.02.02	Other	565,466	557,470
2.02.02.02.04	Payables to former shareholders	562,758	554,874
2.02.02.02.05	Creditors - Judicial Reorganization	2,708	2,596
2.02.04	Provisions	62,774	62,160
2.02.04.01	Provisions for social security, labor and civil risks	62,774	62,160
2.02.04.01.01	Provisions for tax risks	58,911	57,119
2.02.04.01.02	Provision for social security and labor risks	2,284	4,346
2.02.04.01.04	Provision for civil risks	1,579	695
2.03	Equity	-553,939	(545,074)
2.03.01	Paid-in capital	301,976	301,976
2.03.02	Capital reserves	46,363	46,363
2.03.02.04	Stock options granted	5,329	5,329
2.03.02.07	Subscription bonus	41,034	41,034
2.03.04	Earnings reserves	-233	(233)
2.03.04.09	Treasury shares	-233	(233)
2.03.05	Retained earnings (accumulated losses)	-902,045	(904,459)
2.03.06	Valuation adjustments to equity	0	11,279



Version: 1

**ITR-Quarterly Information-09/30/21-SARAIVA LIVREIROS S.A**

**Individual Interim Financial Information/Statement of Income (Operations) (R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
3.04	Operating income (expenses)	25,425	-8,489	-48,899	-209,619
3.04.02	General and administrative expenses	-2,176	-4,381	-2,179	-4,014
3.04.02.01	Management fees	-275	-824	-54	-532
3.04.02.04	Other	-1,901	-3,557	-2,125	-3,482
3.04.04	Other operating income	4,080	4,096	0	4,105
3.04.05	Other operating expenses	212	-319	-25	4,853
3.04.05.01	Depreciation and amortization	-13	-40	-14	-45
3.04.05.02	Other	225	-279	-11	4,898
3.04.06	Share of profit (loss) of investees	23,309	-7,885	-46,695	-214,563
3.05	Profit (loss) before finance income (costs) and taxes	25,425	-8,489	-48,899	-209,619
3.06	Finance income (costs)	312	459	-26	160
3.06.01	Finance income	842	1,709	300	879
3.06.02	Finance costs	-530	-1,250	-326	-719
3.07	Profit (loss) before taxes on income	25,737	-8,030	-48,925	-209,459
3.08	Income tax and social contribution	0	0	701	-5,546
3.08.01	Current	0	0	701	-5,546
3.09	Profit (loss) from continuing operations	25,737	-8,030	-48,224	-215,005
3.10	Profit (loss) from discontinued operations	-2,594	-835	-3,023	-5,161
3.10.01	Profit/loss from discontinued operations	-2,594	-835	-3,023	-5,161
3.11	Profit/loss for the period	23,143	-8,865	-51,247	-220,166
3.99.01.01	Common share	0,36523	-0,13988	0,22973	-4,73752
3.99.01.02	Preferred share	0,36548	-0,13993	-1,27323	-5,78257
3.99.02	Diluted earnings (loss) per share				
3.99.02.01	Common share	0,36523	-0,13988	0,22973	-4,73752
3.99.02.02	Preferred share	0,36548	-0,13993	-1,27323	-5,78257

**Individual Interim Financial Information/Statements of Comprehensive Income (Loss)**  
**(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
4.01	Profit (loss) for the period	23,143	-8,865	-51,247	-220,166
4.03	Comprehensive income for the period	23,143	-8,865	-51,247	-220,166

**Individual Interim Financial Information/Statements of Cash Flows- Indirect Method  
(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
6.01	Net cash provided by operating activities	-30,457	-4,677
6.01.01	Cash provided by operations	-5,203	-622
6.01.01.01	Profit (loss) before income tax and social contribution	-8,030	-209,459
6.01.01.02	Depreciation and amortization	41	45
6.01.01.03	Impairment loss (reversal) of property and equipment and intangible assets	0	-4,909
6.01.01.04	Share of profit (loss) of investees	7,885	214,563
6.01.01.05	Result of Write-Off and/or Sale of Fixed Assets, Intangible Assets and Investments	-4,073	-4,105
6.01.01.06	Finance charges on borrowings and obligations	-1,488	-620
6.01.01.09	Other operating provisions	462	3,863
6.01.02	Changes in assets and liabilities	-25,254	-4,055
6.01.02.01	Other Operational Assets	116	-793
6.01.02.02	Suppliers	-691	-251
6.01.02.04	Other operating assets	-25,510	1,701
6.01.02.05	Trade payables	831	-4,712
6.02	Net Cash from Investing Activities	25,500	25,532
6.02.01	Receiving for Sale of Fixed Assets	25,500	25,532
6.03	Net cash provided by financing activities	6,436	-23,315
6.03.01	Advance for future capital increase	0	5,016
6.03.02	Payment of dividends and interest on capital	0	42,183
6.03.03	Loan Operations with Subsidiary Net of Liquidated Amounts	6,436	-70,514
6.05	Increase (decrease) in cash and cash equivalents	1,479	-2,460
6.05.01	Cash and cash equivalents at the beginning of the period	121	2,603
6.05.02	Cash and cash equivalents at the end of the period	1,600	143

**Individual Interim Financial information/Statements of Changes in Equity (Deficiency in Assets) From 01/01/2021 to 09/30/2021 (R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	Paid-in capital	Capital reserves, stock options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income (loss)	Equity
5.01	Opening balances	301,976	46,130	0	-904,459	11,279	-545,074
5.03	Adjusted opening balances	301,976	46,130	0	-904,459	11,279	-545,074
5.05	Total comprehensive income (loss)	0	0	0	-8,865	0	-8,865
5.05.01	Profit (loss) for the period	0	0	0	-8,865	0	-8,865
5.06	Internal Changes in Shareholders' Equity	0	0	0	11,279	-11,279	0
5.06.04	Write-off of Assigned Cost	0	0	0	11,279	-11,279	0
5.07	Closing balances	301,976	46,130	0	-902,045	0	-553,939

**Individual Interim Financial Information/Statements of Changes in Equity (Deficiency in Assets) From 01/01/2020 to 09/30/2020  
(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	Paid-in capital	Capital reserves, stock options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income (loss)	Equity
5.01	Opening balances	282,999	17,909	0	-484,864	11,279	-172,677
5.03	Adjusted opening balances	282,999	17,909	0	-484,864	11,279	--172,677
5.04	Capital transactions with shareholders	18,719	28,480	0	0		47,199
5.04.01	Capital increases	17,754	-12,738	0	0		5,016
5.04.08	Special reserve for undistributed mandatory dividends	965	41,218	0	0		42,183
5.05	Total comprehensive income (loss)	0	0	0	-220,166	0	-220,166
5.05.01	Profit (loss) for the period	0	0	0	-220,166	0	-220,166
5.06	Internal Changes in Shareholders' Equity	0	0	0	11,279	-11,279	0
5.06.04	Write-off of Assigned Cost	0	0	0	11,279	-11,279	0
5.07	Closing balances	301,976	46,389	0	-693,751	0	-345,644'

**Individual Interim Financial Information/Statements of Value Added  
(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
7.01	Revenues	25.523	25.581
7.01.01	Other income	25.523	25.532
7.01.04	Provision/Reversal of Creds. Reversal of Doubtful Receivables	0	49
7.02	Inputs Acquired from Third Parties	-25.210	-19.589
7.02.02	Materials, Energy, Third-Party Services and Others	-3.783	-3.071
7.02.04	Others	-21.427	-16.518
7.02.04.01	Other operating expenses	-21.427	-16.518
7.03	Gross Value Added	313	5.992
7.04	Retention	-875	-5.206
7.04.01	Depreciation, Amortization and Depletion	-40	-45
7.04.02	Others	-835	-5.161
7.04.02.01	Result of Discontinued Operations	-835	-5.161
7.05	Net wealth created	-562	786
7.06	Wealth received in transfer	-6.176	-213.684
7.06.01	Equity in Earnings (Losses)	-7.885	-214.563
7.06.02	Finance income	1.709	879
7.07	Total wealth for distribution	-6.738	-212.898
7.08	Wealth distributed	-6.738	-212.898
7.08.01	Personnel	816	822
7.08.01.01	Salaries and wages	832	541
7.08.01.02	Benefits	-3	50
7.08.01.03	Severance Pay Fund (FGTS)	1	1
7.08.01.04	Others	-14	230
7.08.02	Taxes, Fees and Contributions	61	5.740
7.08.02.01	Federal	55	5.566
7.08.02.03	Municipal	6	174
7.08.03	Lenders and lessors	1.250	706
7.08.03.01	Interest	250	33
7.08.03.03	Other	1.000	673
7.08.03.03.01	Financial Expenses	1.000	673
7.08.04	Shareholders	-8.865	-220.166
7.08.04.03	Retained Earnings / Loss for the Period	-8.865	-220.166

**Consolidated Interim Financial Information/Balance Sheets -Assets**  
**(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	09/30/2021	12/31/2020
1	Total assets	281,449	333,193
1.01	Current assets	92,958	145,597
1.01.01	Cash and cash equivalents	1,936	28,603
1.01.03	Trade receivables	7,944	14,860
1.01.03.01	Trade receivables	3,102	7,333
1.01.03.02	Other receivables	4,842	7,527
1.01.03.02.01	Advances to suppliers	4,035	6,662
1.01.03.02.02	Other supplier accounts	589	620
1.01.03.02.04	Other	218	245
1.01.04	Inventories	28,891	45,649
1.01.06	Recoverable taxes	52,609	33,309
1.01.06.01	Current recoverable taxes	52,609	33,309
1.01.07	Prepaid expenses	1,578	1,749
1.01.08	Other current assets	0	21,427
1.01.08.01	Noncurrent assets available for sale	0	21,427
1.02	Noncurrent assets	188,491	187,596
1.02.01	Long-term assets	81,504	73,832
1.02.01.08	Prepaid expenses	558	1,381
1.02.01.10	Other noncurrent assets	80,946	72,451
1.02.01.10.03	Judicial deposits	27,032	26,406
1.02.01.10.04	Recoverable taxes	52,416	44,579
1.02.01.10.06	Other	1,498	1,466
1.02.02	Investments	150	150
1.02.02.01	Equity interests	23	23
1.02.02.01.05	Other investments	23	23
1.02.02.02	Investment Properties	127	127
1.02.03	Property and equipment	106,837	113,614
1.02.03.01	Property, plant and equipment in use	9,262	12,082
1.02.03.02	Right of use - Lease	97,572	101,532
1.02.03.03	Fixed Assets in Progress	3	0

**ITR-Quarterly Information–09/30/2021-SARAIVA LIVREIROS S.A.**  
**Consolidated Interim Financial Information/Balance Sheets-Liabilities**  
**(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

<b>Account</b>	<b>Description</b>	<b>09/30/2021</b>	<b>12/31/2020</b>
2	Total liabilities	281,449	333,193
2.01	Current liabilities	171,979	213,849
2.01.01	Payroll and related taxes	4,383	5,770
2.01.01.01	Social security obligations	1,556	1,503
2.01.01.02	Payroll related obligations	2,827	4,267
2.01.02	Trade payables	87,020	104,394
2.01.02.01	Domestic suppliers	86,791	104,148
2.01.02.01.01	Domestic suppliers	86,791	104,148
2.01.02.02	Foreign suppliers	229	246
2.01.03	Taxes payable	1,154	1,190
2.01.03.01	Taxes payable - Federal	580	578
2.01.03.01.02	Withholding income tax	332	386
2.01.03.01.04	Taxes in installments - Law No. 12.966/14	103	0
2.01.03.01.05	Other	145	192
2.01.03.02	Taxes payable - State	492	595
2.01.03.02.01	Value-added tax on sales and services	49	92
2.01.03.02.02	Taxes in installments - State	443	503
2.01.03.03	Taxes payable - Municipal	82	17
2.01.04	Borrowings and financing	45,700	52,816
2.01.04.01	Borrowings and financing	23,199	31,740
2.01.04.01.01	In local currency	23,199	31,740
2.01.04.03	Lease Financing	22,501	21,076
2.01.04.03.01	In local currency	22,501	21,076
2.01.05	Other payables	32,503	48,682
2.01.05.02	Other payables	32,503	48,682
2.01.05.02.05	Operating lease	13,831	5,609
2.01.05.02.08	Advances from customers	341	1,993
2.01.05.02.09	Creditors - Judicial Reorganization	14,015	10,384
2.01.05.02.11	Other payables	4,316	30,696
2.01.06	Provisions	1,219	997
2.01.06.02	Other provisions	1,219	997
2.01.06.02.05	Customer Loyalty Program	1,219	997
2.02	Noncurrent liabilities	663,455	664,463
2.02.01	Borrowings and financing	237,554	223,861
2.02.01.01	Borrowings and financing	143,845	124,280
2.02.01.01.01	In local currency	143,845	124,280
2.02.01.03	Finance lease	93,709	99,581
2.02.01.03.03	Finance lease	93,709	99,581
2.02.02	Other payables	196,324	193,454
2.02.02.02	Other	196,324	193,454
2.02.02.02.03	Taxes in installments - Law No. 12.966/14	369	0
2.02.02.02.04	Creditors - Judicial Reorganization	191,469	187,559
2.02.02.02.06	Taxes in installments - State	515	865
2.02.02.02.07	Other	3,971	5,030
2.02.04	Provisions	229,577	247,148
2.02.04.01	Provisions for social security, labor and civil risks	229,577	247,148
2.02.04.01.01	Provisions for tax risks	203,299	224,998
2.02.04.01.02	Provision for social security and labor risks	8,572	8,666
2.02.04.01.04	Provision for civil risks	17,706	13,484
2.03	Consolidated Equity	-553,985	-545,119
2.03.01	Paid-in capital	301,976	301,976
2.03.02	Capital reserves	46,363	46,363
2.03.02.04	Stock options granted	5,329	5,329
2.03.02.07	Subscription bonus	41,034	41,034
2.03.04	Earnings reserves	-233	-233
2.03.04.09	Treasury shares	-233	-233
2.03.05	Retained earnings (accumulated losses)	-902,045	-904,459
2.03.06	Valuation adjustments to equity	0	11,279
2.03.09	Noncontrolling Interests	-46	-45



**ITR-Quarterly Information –09/30/2021-SARAIVA LIVREIROS S.A.**

**Consolidated Interim Financial Information/ Statements of Income (Operations)**

**(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

<b>Account</b>	<b>Description</b>	<b>07/01/2021 to 09/30/2021</b>	<b>01/01/2021 to 09/30/2021</b>	<b>07/01/2020 to 09/30/2020</b>	<b>01/01/2020 to 09/30/2020</b>
3.01	Revenue from sales and/or services	22,230	65,382	41,667	206,051
3.01.01	Gross revenue from sales and/or services	22,615	67,114	41,799	211,024
3.01.02	Deductions from gross revenue	-385	-1,732	-132	-4,973
3.02	Cost of sales and/or services	-10,212	-41,701	-36,755	-148,212
3.03	Gross profit (loss)	12,018	23,681	4,912	57,839
3.04	Operating income (expenses)	-25,030	-55,261	-48,872	-244,930
3.04.01	Selling expenses	-11,767	-38,463	-25,226	-93,769
3.04.02	General and administrative expenses	-8,491	-24,999	-15,433	-53,378
3.04.02.01	Management fees	-458	-1,397	-163	-1,029
3.04.02.03	Other	-8,033	-23,602	-15,270	-52,349
3.04.04	Other operating income	89,162	116,303	4,206	33,023
3.04.05	Other operating expenses	-93,934	-108,102	-12,419	-130,806
3.04.05.01	Depreciation and amortization	-4,934	-14,402	-8,021	-37,634
3.04.05.02	Other	-89,000	-93,700	-4,398	-93,172
3.05	Profit (loss) before finance income (costs) and taxes	-13,012	-31,580	-43,960	-187,091
3.06	Finance income (costs)	38,751	23,549	-4,969	-22,386
3.06.01	Finance income	48,323	51,793	1,089	2,378
3.06.02	Finance costs	-9,572	-28,244	-6,058	-24,764
3.07	Profit (loss) before taxes on income	25,739	-8,031	-48,929	-209,477
3.08	Income tax and social contribution	0	0	701	-5,546
3.08.01	Current	0	0	701	-5,546
3.09	Profit (loss) from continuing operations	25,739	-8,031	-48,228	-215,023
3.10	Profit (loss) from discontinued operations	-2,594	-835	-3,023	-5,161
3.10.01	Profit/loss from discontinued operations	-2,594	-835	-3,023	-5,161
3.11	Consolidated profit/loss for the period	23,145	-8,866	-51,251	-220,184
3.11.01	Attributable to the Company's owners	23,143	-8,865	-51,247	-220,166
3.11.02	Attributable to noncontrolling interests	2	-1	-4	-18
3.99	Earnings (loss) per share (R\$/share)				
3.99.01	Basic earnings (loss) per share	0,36523	-0,13988	0,22973	-4,73752
3.99.01.01	Common share	0,36548	-0,13993	-1,27323	-5,78257
3.99.01.02	Preferred share				
3.99.02	Diluted earnings (loss) per share				
3.99.02.01	Common share	0,36548	-0,19993	-1,27323	-5,78257
3.99.02.02	Preferred share	0,36523	-0,13988	0,22973	-4,73752

## ITR -Quarterly Information–09/30/2021-SARAIVA LIVREIROS S.A.

### Consolidated Interim Financial Information/Statements of Comprehensive Income (Loss) (R\$ thousand)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
4.01	Consolidated profit (loss) for the period	23,145	-8,866	-51,251	-220,184
4.03	Consolidated comprehensive income	23,145	-8,866	-51,251	-220,184
4.03.01	Attributable to the Company's owners	23,143	-8,865	-51,247	-220,166
4.03.02	Attributable to noncontrolling interests	2	-1	-4	-18

## ITR - Quarterly Information –09/30/2021- SARAIVA LIVREIROS S.A.

### Consolidated Interim Financial Information/Statements of Cash Flows-Indirect Method (R\$ thousand)

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

		01/01/2021 to 09/30/2021	01/01/2020 à 09/30/2020
6.01	Net cash provided by operating activities	-32,600	-21,336
6.01.01	Cash provided by operations	49,323	-86,287
6.01.01.01	Profit (loss) before income tax and social contribution	-8,031	-209,477
6.01.01.02	Depreciation and amortization	15,653	39,896
6.01.01.03	Allowance for expected credit losses	197	-243
6.01.01.04	Gain (loss) on write-off and sale of property and equipment	-4,093	-918
6.01.01.05	Finance charges on borrowings and obligations	-28,852	14,648
6.01.01.07	Loss (reversal) with stock obsolescence	2,532	-23,041
6.01.01.08	Allowance for inventory losses	83,549	77,737
6.01.01.09	Impairment losses	-11,632	15,111
6.01.02	Changes in assets and liabilities	-81,923	64,951
6.01.02.01	Trade receivables - customers	4,034	16,234
6.01.02.02	Inventories	14,226	79,010
6.01.02.03	Other receivables	-62,526	19,047
6.01.02.04	Trade payables	-17,374	21,062
6.01.02.06	Payment of interest on borrowings and financing	-663	0
6.01.02.07	Other Operating Liabilities	-20,451	-65,690
6.01.02.08	Other operating liabilities	831	-4,712
6.02	Net cash provided by investing activities	25,318	23,362
6.02.01	Advance for future capital increase	-206	-2,284
6.02.02	Payments of dividends and interest on capital	25,524	25,646
6.03	Net cash provided by financing activities	-19,385	10,681
6.03.01	Advance for future capital increase	0	5,016
6.03.02	Payments of dividends and interest on capital	0	42,183
6.03.04	Amortization of borrowings and financing	-19,385	-36,518
6.05	Increase (decrease) in cash and cash equivalents	-26,667	12,707
6.05.01	Cash and cash equivalents at the beginning of the period	28,603	20,464
6.05.02	Cash and cash equivalents at the end of the period	1,936	33,171

**ITR - Quarterly Information–09/30/2021-SARAIVA LIVREIROS S.A.**

**Consolidated Interim Financial Information/Statements of Changes in Equity (Deficiency in Assets) From 01/01/2021 to 09/30/2021  
(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	Paid-in	Capital reserves, stock options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income (loss)	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	301,976	46,130	0	-904,459	11,279	-545,074	-45	-545,119
5.03	Adjusted opening balances	301,976	46,130	0	-904,459	11,279	-545,074	-45	-545,119
5.05	Total comprehensive income (loss)	-	0	0	-8,865	0	-8,865	-1	-8,866
5.05.01	Profit (loss) for the period	-	0	0	-8,865	0	-8,865	-1	-8,866
5.06	Internal Changes in Shareholders' Equity	-	0	0	11,279	-11,279	0	0	0
5.06.01	Write-off of Assigned Cost	-	0	0	11,279	-11,279	0	0	0
5.07	Closing balances	301,976	46,130	0	-902,045	0	-553,939	-46	-553,985

**ITR - Quarterly Information –09/30/2021 -SARAIVA LIVREIROS S.A.**

**Consolidated Interim Financial Information/Statement of Changes in Equity (Deficiency in Assets) From 01/01/2020 to 09/30/2020  
(R\$ thousand)**

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

Account	Description	Paid-in	Capital reserves, stock options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income (loss)	Equity
5.01	Opening balances	282,999	17,909		-484,864	11,279	-172,677
5.03	Adjusted opening balances	282,999	17,909		-484,864	11,279	-172,677
5.04	Capital transactions with shareholders	18,719	28,480		0	0	47,199
5.04.01	Capital increases	17,754	-12,738		0	0	5,016
5.04.08	Special reserve for undistributed mandatory dividends	965	41,218		0	0	42,183
5.05	Total comprehensive income (loss)	0	0		-220,166	0	-220,166
5.05.01	Profit (loss) for the period	0	0		-220,166	0	-220,166
5.06	Internal changes in equity	0	0		11,279	-11,279	0
5.06.04	Write-off of Deemed Cost	0	0		11,279	-11,279	0
5.07	Closing balances	301,718	46,389		-693,751	0	-345,644

**ITR - Quarterly Information – 09/30/2021 -SARAIVA LIVREIROS S.A.**

**Consolidated Interim Financial Information /Statements of Value Added- (R\$ thousand)**

<b>Account</b>	<b>Description</b>	<b>01/01/2021 to 09/30/2021</b>	<b>01/01/2020 to 09/30/2020</b>
7.01	Revenue	204,430	270,409
7.01.01	Sales of goods, products and services	66,893	212,852
7.01.02	Other income	137,734	57,751
7.01.04	Allowance/Reversal of allowance for expected credit losses	-197	-194
7.02	Inputs acquired from third parties	-195,930	-345,304
7.02.01	Cost of products, goods and services rendered	-41,727	-150,492
7.02.02	Materials, electric power, outside services and other	-49,222	-92,347
7.02.04	Other	-104,981	-102,465
7.02.04.01	Other operating expenses	-104,981	-102,465
7.03	Gross value added	8,500	-74,895
7.04	Retentions	-16,487	-45,057
7.04.01	Depreciation, amortization and depletion	-15,652	-39,896
7.04.02	Other	-835	-5,161
7.04.02.01	Loss from discontinued operations	-835	-5,161
7.05	Net wealth created	-7,987	-119,952
7.06	Wealth received in transfer	51,793	2,378
7.06.02	Finance income	51,793	2,378
7.07	Total wealth for distribution	43,806	-117,574
7.08	Wealth distributed	43,806	-117,574
7.08.01	Personnel	19,893	58,658
7.08.01.01	Salaries and wages	12,660	33,836
7.08.01.02	Benefits	4,037	10,560
7.08.01.03	Severance Pay Fund (FGTS)	1,229	6,791
7.08.01.04	Other	1,967	7,471
7.08.02	Taxes and contributions	4,547	18,465
7.08.02.01	Federal	2,682	12,145
7.08.02.02	State	848	3,297
7.08.02.03	Municipal	1,017	3,023
7.08.03	Lenders and lessors	28,232	25,487
7.08.03.01	Interest	19,381	16,113
7.08.03.02	Rentals	645	1,242
7.08.03.03	Other	8,206	8,132
7.08.03.03.01	Finance costs	8,206	8,132
7.08.04	Shareholders	-8,866	-220,184
7.08.04.03	Retained earnings / Loss for the period	-8,865	-220,166
7.08.04.04	Noncontrolling interests in retained earnings	-1	-18

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## **SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY**

### **NOTES ON INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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

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#### **1. GENERAL INFORMATION**

Saraiva Livreiros S.A. – under judicial reorganization (“Parent Company”), is a Brazilian publicly-held corporation headquartered, founded in 1914, at Rua Henrique Schaumann, 270, in the city of São Paulo, State of São Paulo, with shares traded on B3 S.A. - Brasil, Bolsa Balcão (“B3”) under the ticker symbols SLED3 and SLED4 and Level 2 of Corporate Governance, engaged in the retail segment by means of Saraiva e Siciliano S A under judicial reorganization (“Varejo” or “Subsidiary”).

Varejo is a Brazilian privately-held company headquartered in the city of São Paulo, State of São Paulo, controlled by the Parent, which holds a direct equity interest of 99.99% in its common shares, and is primarily engaged in the retail of books and stationary. Sales is carried out through electronic retail, a network of 38 stores and by means of its own marketplace, integrated to the e-commerce.

The Company and its subsidiary are undergoing judicial reorganization, ratified on September 4, 2019. On July 3, 2020, the Company submitted the Addendum to the Original Court-Ordered Reorganization Plan (Amended Plan) for approval by the General Creditors’ Meeting and for judicial ratification, which was approved on February 26, 2021 and ratified on March 5, 2021 (Note No. 31).

Concurrently, the Company continues with the implementation of the Action Plan approved by the Board of Directors, in line with the provisions of the Amended Plan, which aims at promoting a structural change in processes at all levels of activities of the Company and its subsidiary, through the implementation of a restructuring culture and is based on the following ongoing projects:

- New supply management
- Full e-commerce
- Back-Office optimization
- Restructuring the store network

The projects will contribute to making the Company leaner and more efficient without compromising the operation.

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## **SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY**

### **NOTES ON INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION**

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

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The increase in COVID-19 cases in the first semester of 2021 required greater austerity of the restriction measures imposed by government authorities. The Management of the Company and its subsidiary maintained the measures adopted to face the impacts of the pandemic disclosed in the annual financial statements published as of March 31, 2021, closely following all the guidelines and security protocols defined by the state governments. With the advance of vaccination and its positive effects, we expect that the restrictive measures will be relaxed and the economy will recover. The impacts brought to the operation as a result of the restrictive measures adopted will still be assessed by Management. Management continues committed in performing the necessary adjustments to ensure the success of the court-ordered reorganization process, even in the face of the restrictions imposed by the pandemic, seeking to quickly adapt to changes in scenarios. Moreover, it relies on the recovery of the book market in Brazil and Nova Saraiva that is being built and, thus, maintains its optimism regarding its capacity to recover and maintain the operating activity.

## **2. BASIS OF PREPARATION AND PRESENTATION OF THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION**

### *Statement of Compliance*

The interim financial information includes the individual and consolidated interim financial information, prepared and presented in accordance with CPC 21- Interim Financial Reporting, and the consolidated interim financial information in accordance with CPC 21 and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Interim

Financial Information (ITR). The accounting practices adopted in Brazil applied to the individual financial information do not differ from the International Financial Reporting Standards (IFRS), which has permitted entities to measure investments in subsidiaries, associates and shared-control companies in the separate financial statements using the equity method of accounting.

All material information related to the interim individual and consolidated accounting information and that alone is being disclosed, which corresponds to that used by Management of the Company and its subsidiary.

The basis of preparation and presentation of the Parent's and Varejo's interim financial information relating to the measurement, functional currency and sources of judgment and estimates are the same as those disclosed in the financial statements for the year ended December 31, 2020 (Note No. 2), published on March 31, 2021.

The Board of Directors' meeting held on November 12, 2021 authorized the completion and disclosure of this individual and consolidated interim financial information, which comprises, when applicable, events occurred subsequently to September 30, 2021.



(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY

### NOTES ON INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

The individual and consolidated interim financial information was prepared under the same accounting policies as those disclosed in the financial statements for the year ended December 31, 2020 (Note No. 3), published on March 31, 2021.

The results from discontinued operations presented in the quarter comprise the residual results from operations related to the Parent's publishing segment, sold to Editora Ática S.A. in 2015.

New applicable standards and interpretations issued by the IASB, not yet effective:

<u>STANDARDS</u>	<u>DESCRIPTION</u>	<u>EFFECTIVE PERIOD</u>
IFRS10 - Consolidated Financial Statements and IAS 28 (amendments)	Sales or Contributions of Assets between an Investor and its Associate/Joint Venture	Undefined
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current	01/01/2023
Amendments to IFRS 3	Reference to the Conceptual Framework	01/01/2022
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use	01/01/2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	01/01/2022
Annual Improvements to the 2018–2020 IFRS Cycle	Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards , IFRS 9 - Financial Instruments, IFRS 16- Leases	01/01/2022

### 4. CASH AND CASH EQUIVALENTS

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/21</u>	<u>12/31/20</u>	<u>09/30/21</u>	<u>12/31/20</u>
Cash and banks current account	<u>1,600</u>	<u>121</u>	<u>1,936</u>	<u>28,603</u>

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

**SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY**

**NOTES ON INDIVIDUAL AND  
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**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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

**5. TRADE RECEIVABLES FROM CUSTOMERS**

	<b>Consolidated</b>	
	<b><u>09/30/21</u></b>	<b><u>12/31/20</u></b>
Titles to Receive	2,155	3,988
Receivable-Card of Credit and Debit	<u>1,327</u>	<u>3,736</u>
<b>Gross Receivables</b>	<b>3,482</b>	<b>7,724</b>
Expected Loss	<u>(380)</u>	<u>(391)</u>
<b>Total Net Amount</b>	<b><u>3,102</u></b>	<b><u>7,333</u></b>

The average collection term for sales of goods made by Varejo (“trade notes receivable”) is 14 days (18 days as of 12/31/20). Trade receivables represented by credit cards are mainly distributed among the following acquiring companies: Rede, Cielo and PagSeguro.

Expected losses for trade notes receivable, overdue and falling due and credit card receivables are estimated based on the probability of collection and considering the loss history in their calculation.

Trade receivables are not adjusted to present value as they mature in the short term and since the effects are not material in the financial statements taken as a whole. The maximum exposure to credit risk at the end of each period is the carrying amount of each maturity bracket.

**Aging List of Receivables**

	<b>Consolidated</b>	
	<b><u>09/30/21</u></b>	<b><u>12/31/20</u></b>
Undue Receivable	1,327	4,240
Overdue Receivable:		
Up to 60 days	517	836
From 61 to 90 days	228	368
From 91 to 180 days	1,166	1,886
Over than 180 days	<u>244</u>	<u>394</u>
<b>Total Gross Receivables</b>	<b><u>3,482</u></b>	<b><u>7,724</u></b>

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY

### NOTES ON INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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

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Trade receivables from Varejo customers are mostly represented by credit and debit card receivables whose losses are originated by sales cancellations or charge back, either because the transaction is not recognized by the cardholder or due to fraud involving the use of cards. The expected losses related to credit card receipts are estimated based on sales made and the history of losses and are adjusted for credit receipts. An allowance for expected credit losses is recognized based on the likelihood of collection and its calculation considers receivables more than 180 days past due and objective evidence of insolvency, default or delays on the part of the debtor. No other significant losses were identified in analyzing impairment of receivables.

The consolidated amount of losses recorded in the profit (loss) is, respectively: R\$197 and R\$243 for the period of nine months ended 09/30/21 and 09/30/20.

#### 6. INVENTORIES

	<u>Consolidated</u>	
	<u>09/30/21</u>	<u>12/31/20</u>
Goods to Resale	37,019	51,245
(-) Loss with Obsolescence	<u>(8,128)</u>	<u>(5,596)</u>
Total Net Amount	<u><u>28,891</u></u>	<u><u>45,649</u></u>

#### Consignment (Sales-or-Return) of Goods

Varejo has a large volume of goods received in Consignment (Sale-or-Return) in the category Books, equal to R\$28,206 (R\$41,961 as of 12/31/20). The consignment inventory is recorded in specific control items to appropriate the cost of the goods sold and the amounts payable in this contractual format, so that the inventory presented in the financial statements only reflects permanent acquisitions. The cost of goods sold is appropriated to profit or loss for each unit sold on the sale date, regardless of whether the goods were received on a sale-or-return or permanent acquisition basis.

In the period of nine-month ended 09/30/21, there were returns of goods received on consignment in the amount of R\$1,536. In the period from October 1, 2021 and the date of completing this accounting information, goods received on consignment were returned in the amount of R\$210.

#### Loss on obsolescence of inventories

Varejo's obsolescence losses are estimated for groups of similar items of the inventory in which there is evidence that the goods' net realization value originating from sale in the normal course of business will be lower than cost value due to deterioration, obsolescence, slow-moving nature or lack of movement based on criteria established in the inventory obsolescence loss policy adopted by the Company. The provision recorded for the period of nine-month ended 09/30/21, in the amount of R\$2,532, is mainly related to the low volumes of sales and purchases in the period of greatest impact of the pandemic.

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**SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY**

**NOTES ON INDIVIDUAL AND  
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**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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

**7. RECOVERABLE TAXES**

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b><u>09/30/21</u></b>	<b><u>12/31/20</u></b>	<b><u>09/30/21</u></b>	<b><u>12/31/20</u></b>
Contribution for Financing Social Security- COFINS (ii)	1,636	1,687	37,032	7,681
Social Integration Program- PIS (ii)	16	25	7,542	1,598
Corporate Income Tax- IRPJ (iii)	1,422	2,033	4,656	7,706
Corporate Social Contribution of Net Income- CSLL (iii)	2,003	1,968	4,937	4,716
Added Value Tax for Circulation of Goods ICMS Tax Recoverable, Net (i)	-	-	50,597	55,656
Others	179	179	261	531
<b>Total Net Amount</b>	<b><u>5,256</u></b>	<b><u>5,892</u></b>	<b><u>105,025</u></b>	<b><u>77,888</u></b>
Total Current Assets	179	179	52,609	33,309
Total Non Current Assets	5,077	5,713	52,416	44,579
<b>Total Net Amount</b>	<b><u>5,256</u></b>	<b><u>5,892</u></b>	<b><u>105,025</u></b>	<b><u>77,888</u></b>

- (i) ICMS and ICMS through tax substitution (ICMS ST) of the business and supply operations of Varejo, in the amount of R\$50,597 for ICMS (R\$ 55,656 as of 12/31/20), net of provision for loss of realizable value in the amount of R\$45,777 (R\$45,777 as of 12/31/20). Administrative measures are in progress before the São Paulo State Finance Department, where, until 2020, the retail supply operations were centralized, with the purpose of recovering accumulated ICMS credits through the e-CredAc system – costing, under the terms of current legislation in the RICMS– SP, in the amount of approximately R\$50,098, net of impairment in the amount of R\$9,653, of which Varejo estimates to recover the total amount between the third quarter of 2021 and the first quarter of 2022, through an administrative proceeding. As of 03/17/21 the Company was formally notified of the approval of the administrative proceeding (See note nr 32).
- (ii) Substantially consists of PIS/COFINS credits, originated in Varejo’s operations, in the amount of R\$42,922 (R\$7,568 as of 12/31/20), net of realization impairment of R\$235,964 (R\$151,987 as of December 31, 2020), appropriated on purchased goods and services, consumables and expenses in accordance with the existing legislation for the period 2014 to 2021, not offset by the end of the year against the amount payable and paid of these contributions.

Exclusion of ICMS from PIS and COFINS calculation basis

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

## **SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY**

### **NOTES ON INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

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

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Varejo received the final and unappealable decisions in four lawsuits claiming the exclusion of ICMS from the PIS and COFINS calculation basis between December 2018 and September 2020, subject to judgment of the Extraordinary Appeal with General Repercussion – RE 574.706/PR, which decided that the ICMS does not comprise the companies' billing or gross revenue and, therefore, should be excluded from the calculation basis of said contributions.

At 05/13/21, the Federal Supreme Court – STF ruled the motions for clarification presented by the National Treasury Attorney, establishing the modulation of the effects of the decision of RE 574.706/PR. By majority vote, the ICMS highlighted in the invoices was excluded from the calculation basis of PIS/COFINS contributions applicable retroactively to taxpayers who filed lawsuits until 03/15/17, as in the case of the Company's subsidiary. The estimated amount, originally under the terms of the COSIT Solution 13/18, of R\$5,688 as at 12/31/20, net of loss at the realization value of R\$8,532, was adjusted to R\$39,647, net of loss at the realization value of R\$92,509.

The subsidiary's Management evaluates the realization alternatives and proceeds with the judicial procedure for the settlement of the sentence and subsequent execution of the court decision by means of court orders, represented by credits resulting from the annual calculations of income tax and social contribution on net income, collected by the estimation scheme.

(iii) Management estimated a loss in the realization of tax credits in the total amount of R\$281,741 (R\$197,764 as at 12/31/20).

## **8. INCOME TAX (IRPJ) AND SOCIAL CONTRIBUTION ON NET INCOME (CSLL)**

### **a) Deferred income tax (IRPJ) and social contribution on net income (CSLL)**

The realization of deferred tax assets recognized in Parent and Varejo on temporary differences was considered up to the limit of deferred tax liabilities recognized on temporary differences.

The tax credits originating from income tax - IRPJ and the social contribution on net income -CSLL calculated respectively on Varejo's tax losses and negative CSLL basis were reversed as there is no history of taxable income or evidence they will be taxable income in the future, pursuant to CPC 32– Income Taxes.

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**SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY**

**NOTES ON INDIVIDUAL AND  
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**(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)**

- b) Reconciliation of effective income tax (IRPJ) and social contribution on net income (CSLL) expense

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b><u>09/30/21</u></b>	<b><u>12/31/20</u></b>	<b><u>09/30/21</u></b>	<b><u>12/31/20</u></b>
Accounting before Corporate Income Tax and Social Contribution on Net Income	(8,030)	(209,459)	(8,031)	(209,477)
Combined Tax Rate	<u>34%</u>	<u>34%</u>	<u>34%</u>	<u>34%</u>
<b>Corporate Income Tax and Social Contribution as per Combined Tax Rate</b>	<b>2,730</b>	<b>71,216</b>	<b>2,731</b>	<b>71,222</b>
Permanent Additions /Deductions				
Non Deductible Expenses	-	(11)	14,502	(5,203)
Permanent Deductions:				
Equity Method of Accounting Pick-Up	(2,681)	(72,951)	-	-
Taxes Credit Not Recorded	<u>(49)</u>	<u>(3,800)</u>	<u>(17,233)</u>	<u>(71,565)</u>
	<u>-</u>	<u>(5,546)</u>	<u>-</u>	<u>(5,546)</u>
<b>Corporate Income Tax and Social Contribution to the Income Statement:</b>				
<b>Current Taxes</b>	<u>-</u>	<u>(6,247)</u>	<u>-</u>	<u>(6,247)</u>

**9. RELATED PARTIES**

- a) Business transactions and intragroup loans

The Parent's related parties are as follows:

- Varejo – subsidiary;

Related-party transactions include donation operations; reimbursement of subsidiary's expenses and intragroup loans.

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Loans awarded to the Subsidiary:

	<u>Parent Company</u>	
	<u>09/30/21</u>	<u>12/31/20</u>
<b>Balance at the Beginning of Year</b>	<b>61,875</b>	<b>-</b>
Loans Granted		
Net of Receipts	15,242	69,701
Realized Payments	(21,678)	(8,799)
Financial Interest Income	1,488	973
<b>Balance at the End of Year</b>	<b><u>56,927</u></b>	<b><u>61,875</u></b>

b) Remuneration of the members of the Board of Directors and of the Board of Directors:

	<u>Parent Company</u>				<u>Consolidated</u>			
	<u>07/01/21</u>	<u>01/01/21</u>	<u>07/01/20</u>	<u>01/01/20</u>	<u>07/01/21</u>	<u>01/01/21</u>	<u>07/01/20</u>	<u>01/01/20</u>
	<u>to 09/30/21</u>	<u>to 09/30/21</u>	<u>to 09/30/20</u>	<u>to 30/09/20</u>	<u>to 09/30/21</u>	<u>to 09/30/21</u>	<u>to 09/30/20</u>	<u>to 30/09/20</u>
Pro-labor of the Board of Directors	270	810	47	521	271	836	60	582
Pro-labor of the Board	10	14	7	11	373	561	103	447
<b>Subtotal</b>	<b>280</b>	<b>824</b>	<b>54</b>	<b>532</b>	<b>644</b>	<b>1,397</b>	<b>163</b>	<b>1,029</b>
Other remunerations	67	198	20	139	116	346	50	284
<b>Total Amount</b>	<b><u>347</u></b>	<b><u>1,022</u></b>	<b><u>74</u></b>	<b><u>671</u></b>	<b><u>760</u></b>	<b><u>1,743</u></b>	<b><u>213</u></b>	<b><u>1,313</u></b>

Other Remunerations (National Social Security Institute Tax- INSS + Medial Assistance)

The Parent does not grant postemployment and severance benefits. Under Brazilian Corporate Law and the Parent's bylaws, shareholders are responsible for setting, at the Annual Shareholders' Meeting, the overall compensation of the Board of Directors and the Executive Board. Management members may be granted profit sharing under article 152 of Law No. 6404/76.

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**10. INVESTMENTS**

Varejo's equity interests and main information:

	<u>09/30/21</u>	<u>12/31/20</u>
Quantity of Capital Shares (in thousand)	489,666	489,666
Quantity of Shares Owned (in thousand)	489,626	489,626
Interest of Capital	99.99%	99.99%
Parent Company' Share in Equity (Deficiency in Assets) (Including Receivables from Retail)	100.00%	100.00%
Capital	515,123	515,123
Equity (Deficiency in Assets)	<u>(562,804)</u>	<u>(554,919)</u>
<b>Total</b>	<b><u>(562,804)</u></b>	<b><u>(554,919)</u></b>
Allowance for Investment Loss	<u>(562,758)</u>	<u>(554,874)</u>
Investment	<u>          -</u>	<u>          -</u>

Basis to calculate share of profit (loss) of investees by the Parent:

	<u>Parent Company</u>			
	<u>07/01/21</u>	<u>01/01/21</u>	<u>07/01/20</u>	<u>01/01/20</u>
	<u>to 09/30/21</u>	<u>to 09/30/21</u>	<u>to 09/30/20</u>	<u>a 30/09/20</u>
Calculation Basis of Equity				
Method of Accounting				
In Retail Income (Loss)	<u>23,311</u>	<u>(7,886)</u>	<u>(46,699)</u>	<u>(214,581)</u>
<b>Equity Method of Accounting Results</b>	<b><u>23,309</u></b>	<b><u>(7,885)</u></b>	<b><u>(46,695)</u></b>	<b><u>(214,563)</u></b>



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Changes in investments were as follows

	<u>09/30/21</u>	<u>12/31/20</u>
Participation on the Retail Income	(7,885)	(407,039)
Excess Portion of the Accounting Balance of Participation Transferred to Non Current Liabilities	<u>7,885</u>	<u>407,039</u>
<b>Balance at the End of the Period/Year</b>	<u><u>-</u></u>	<u><u>-</u></u>

Varejo Main's Information:

	<u>09/30/21</u>	<u>12/31/20</u>
Total Assets	261.103	291.051
Current and Non Current Liabilities	823.907	845.970
Equity (Deficiency in Assets)	(562.804)	(554.919)

	<u>09/30/2021</u>	<u>09/30/2020</u>
Net Operating Revenue	65.382	206.051
Cost of Goods and Services Sold	<u>(41.701)</u>	<u>(148.212)</u>
Gross Profit	23.681	57.839
Operating Expenses	(59.081)	(143.133)
Depreciation	(14.362)	(37.589)
Other Revenue (Expenses)	<u>18.786</u>	<u>(69.152)</u>
Operating Income (Loss)	(30.976)	(192.035)
Net Financial Income (Loss)	<u>23.090</u>	<u>(22.546)</u>
Loss Before Income Taxes	<u>(7.886)</u>	<u>(214.581)</u>
Net Loss for the Period	<u><b>(7.886)</b></u>	<u><b>(214.581)</b></u>

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**11. PROPERTY, PLANT AND EQUIPMENT**

	<b>Annual Rate of Depreciation-%</b>	<b>Parent Company</b>					
		<b>09/30/21</b>			<b>12/31/20</b>		
		<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Amount</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Amount</b>
Machinery and Equipment	10	679	(679)	-	679	(679)	-
Furniture & Fixtures and Installations	10	2,490	(2,393)	97	2,490	(2,359)	131
Leasehold Improvements	(*)	5,421	(5,406)	15	5,421	(5,399)	22
Computer Equipment	20	12,387	(12,387)	-	12,387	(12,387)	-
<b>Total Amount</b>		<b>20,977</b>	<b>(20,865)</b>	<b>112</b>	<b>20,977</b>	<b>(20,824)</b>	<b>153</b>

(\*) The facilities and leasehold improvements are depreciated over the shortest of the lease term or the economic useful lives of the assets.

	<b>Annual Rate of Depreciation-%</b>	<b>Consolidated</b>					
		<b>09/30/21</b>			<b>12/31/20</b>		
		<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Amount</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Amount</b>
Machinery and Equipment	10	1,055	(1,054)	1	1,080	(1,079)	1
Furniture & Fixtures and Installations	10	27,103	(23,932)	3,171	28,599	(24,727)	3,872
Leasehold Improvements	(*)	61,493	(56,371)	5,122	70,306	(63,837)	6,469
Computer Equipment	20	32,910	(31,942)	968	33,564	(31,824)	1,740
Right to Use in Lease Fixed Assets in Progress	-	137,222	(39,650)	97,572	135,630	(34,098)	101,532
		3	-	3	-	-	-
<b>Total Amount</b>		<b>259,786</b>	<b>(152,949)</b>	<b>106,837</b>	<b>269,179</b>	<b>(155,565)</b>	<b>113,614</b>

(\*) The facilities and leasehold improvements are depreciated over the shortest of the lease term or the economic useful lives of the assets.

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Changes in Property and equipment were as follows:

	<b>Parent Company</b>			<b>09/30/21</b>
	<b>12/31/20</b>	<b>Additions</b>	<b>Disposals</b>	
<b>Cost:</b>				
Machinery & Equipment	679	-	-	679
Furniture, Fixtures and Installations	2,490	-	-	2,490
Leasehold				
Improvement	5,421	-	-	5,421
IT Equipment	12,387	-	-	12,387
<b>Total Cost</b>	<b><u>20,977</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>20,977</u></b>
<b>Accumulated Depreciation:</b>				
Machinery & Equipment	<u>(679)</u>	-	-	(679)
Furniture, Fixtures and Installations	(2,359)	(34)	-	(2,393)
Leasehold				
Improvement	(5,399)	(7)	-	(5,406)
IT Equipment	<u>(12,387)</u>	<u>-</u>	<u>-</u>	<u>(12,387)</u>
<b>Total Accumulated Depreciation</b>	<b><u>(20,824)</u></b>	<b><u>(41)</u></b>	<b><u>-</u></b>	<b><u>(20,865)</u></b>
<b>Net Value</b>	<b><u>153</u></b>	<b><u>(41)</u></b>	<b><u>-</u></b>	<b><u>112</u></b>

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	<b>Consolidated</b>				
	<b>12/31/20</b>	<b>Additions</b>	<b>Disposals</b>	<b>Provision for Impairment</b>	
<b>Cost:</b>					
Machinery and Equipment	1.080	-	-	(25)	1.055
Furniture & Fixtures and Leasehold Improvements	28.599	-	(1)	(1.495)	27.103
Computer Equipment	70.306	198	(780)	(8.231)	61.493
Right to Use in Lease	33.564	5	(34)	(625)	32.910
Fixed Asset in Progress	135.630	18.919	(8.643)	(8.684)	137.222
	-	3	-	-	3
<b>Total Cost</b>	<b>269.179</b>	<b>19.125</b>	<b>(9.458)</b>	<b>(19.060)</b>	<b>259.786</b>
<b>Accumulated Depreciation:</b>					
Machinery and Equipment	(1.079)	-	-	25	(1.054)
Furniture & Fixtures and Leasehold Improvements	(24.727)	(719)	1	1.513	(23.932)
Computer Equipment	(63.837)	(1.543)	780	8.229	(56.371)
Right to Use in Lease	(31.824)	(774)	30	626	(31.942)
	(34.098)	(12.617)	2.640	4.425	(39.650)
<b>Total Accumulated Depreciation</b>	<b>(155.565)</b>	<b>(15.653)</b>	<b>3.451</b>	<b>14.818</b>	<b>(152.949)</b>
<b>Total Net Amount</b>	<b>113.614</b>	<b>3.472</b>	<b>(6.007)</b>	<b>(4.242)</b>	<b>106.837</b>

Recovery tests are performed when there are loss indicators. Management reviewed the accounting estimates used to determine the recoverable value of assets related to the chain's stores, temporarily closed in compliance with government guidelines due to COVID-19. In the semester ended 09/30/21 an impairment reversal of Varejo's assets was estimated in the amount of R\$428, net of remuneration of lease liability in the amount of R\$4,670 (estimated loss in the amount of R\$6,042 in the year ended 12/31/20, net of remeasurement of lease liability in the amount of R\$127,327).

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**12. INTANGIBLE ASSETS**

		<b>Parent Company</b>					
		<b>09/30/21</b>			<b>12/31/20</b>		
	<b>Annual Rate of Amortization- %</b>	<b>Accumulated</b>		<b>Net</b>	<b>Accumulated</b>		<b>Net</b>
		<b>Cost</b>	<b>Amortization</b>	<b>Value</b>	<b>Cost</b>	<b>Amortization</b>	<b>Value</b>
Software	20	710	(710)	-	710	(710)	-
Total Intangible		<b>710</b>	<b>(710)</b>	<b>-</b>	<b>710</b>	<b>(710)</b>	<b>-</b>

  

		<b>Consolidated</b>					
		<b>09/30/21</b>			<b>12/31/20</b>		
	<b>Annual Rate of Amortization- %</b>	<b>Accumulated</b>		<b>Net</b>	<b>Accumulated</b>		<b>Net</b>
		<b>Cost</b>	<b>Amortization</b>	<b>Value</b>	<b>Cost</b>	<b>Amortization</b>	<b>Value</b>
Commercial Assignment	20	6,683	(6,683)	-	10,085	(10,085)	-
Software	20	88,667	(88,667)	-	88,738	(88,738)	-
Total Intangible		<b>95,350</b>	<b>(95,350)</b>	<b>-</b>	<b>98,823</b>	<b>(98,823)</b>	<b>-</b>

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Changes Intangible assets were as follows:

	<b>Parent Company</b>		
	<b>12/31/20</b>	<b>09/30/21</b>	
<b>Cost:</b>			
Software	710	710	
<b>Total Cost</b>	<b>710</b>	<b>710</b>	
<b>Accumulated Amortization:</b>			
Software	(710)	(710)	
<b>Net Value</b>	<b>-</b>	<b>-</b>	
	<b>Consolidated</b>		
	<b>Provision</b>		
	<b>for</b>		
	<b>12/31/20</b>	<b>Impairment 09/30/21</b>	
<b>Cost:</b>			
Commercial Assignment	10,085	(3,402)	6,683
Software	88,738	(71)	88,667
<b>Total Cost</b>	<b>98,823</b>	<b>(3,473)</b>	<b>95,350</b>
<b>Accumulated Amortization:</b>			
Commercial Assignment	(10,085)	3,402	(6,683)
Software	(88,738)	71	(88,667)
Total Accumulated Amortization:	<b>(98,823)</b>	<b>3,473</b>	<b>(95,350)</b>
<b>Net Value</b>	<b>-</b>	<b>-</b>	<b>-</b>

The recovery tests are carried out annually regardless of the existence of impairment indicators for goodwill and for intangible assets with an indefinite useful life, and if there are impairment indicators for other intangible assets. For the period of nine-months ended 09/30/21, Management did not identify events that indicate the existence of loss indicators for Varejo's intangible assets (R\$67,182 in the year ended 12/31/20, net of reversal of provision for impairment in intangible assets of the Parent Company amounting to R\$4,909).

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#### 13. BORROWINGS AND FINANCING

	<u>Consolidado</u>	
	<u>30/09/21</u>	<u>31/12/20</u>
Loans and Financing		
Denominated in Brazilian Currency		
Working Capital	167.044	156.020
Financial Lease	<u>7.065</u>	<u>6.998</u>
	<u>174.109</u>	<u>163.018</u>
Financing Lease		
Denominated in Brazilian Currency		
Leasing CPC 06 (R2)/IFRS 16	<u>109.145</u>	<u>113.659</u>
Total Denominated in Brazilian Currency	<u>283.254</u>	<u>276.677</u>
Current Liabilities	45.700	52.816
Non Current Liabilities	<u>237.554</u>	<u>223.861</u>
	<u>283.254</u>	<u>276.677</u>

#### Summary of the characteristics of borrowings and financing

Institution	Purpose	Type	Contract	Maturity	Collaterals	Contracted amount	Finance charges
Banco do Brasil S/A	Working capital	CCB	Mar/2017	Mar/2023	Parent's collateral signature, property and financial investment	R\$ 120,000	TR + 0.8% p.m.
Banco do Brasil S/A	Working capital	CCB	Aug/2017	Mar/2023	Parent's collateral signature	R\$ 15,000	TR + 0.8% p.m.
Banco do Brasil S/A	Working capital	CCB	Aug/2019	Mar/2023	Parent's collateral signature	R\$ 1,358	TR + 0.8% p.m.
Banco Itaú S/A	Working capital	CCB	Mar/2019	May/2022	Parent's collateral signature and receivables	R\$ 16,640	100% CDI a.a. + 3% a.a.
HP Financial Services S/A	Software and maintenance	Leasing	Nov/2015	Sept/2023	Leased asset	R\$ 10,709	100% CDI a.a. + 0.37% p.m.
HP Financial Services S/A	Software and maintenance	Leasing	Mar/2017	Mar/2023	Leased asset	R\$ 6,451	100% CDI a.a. + 0.34% p.m.
SG Equipment Finance S/A	Software and maintenance	Leasing	Dec/2014	Feb/2024	Leased asset	R\$ 12,223	-

Change for the period of nine-month period ended 09/30/21:

Description	12/31/20	Additions (Disposals)	Charges	Principal and Interest	Remuneration of Measurement Lease Liability	09/30/21
Loans- Working Capital	156,020	-	11,751	(727)	-	167,044
Financial Lease	6,998	-	335	(268)	-	7,065
Leasing-CPC 06 (R2)/IFRS16	113,659	12,915	6,292	(19,051)	(4,670)	109,145
<b>Total Amount</b>	<b><u>276,677</u></b>	<b><u>12,915</u></b>	<b><u>18,378</u></b>	<b><u>(20,046)</u></b>	<b><u>(4,670)</u></b>	<b><u>283,254</u></b>

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Beginning 01/01/19, Varejo's Management has recognized and measured lease agreements in accordance with CPC 06 (R2). The lease liability is recognized at the present value of the contractual obligations on the date of the rental agreements with a contra entry to right of use, recorded in a property and equipment account.

Depreciation of property and equipment is carried out under the straight-line basis over the estimated average period of permanence in establishments leased by Varejo, according to each contract. The depreciation incurred in the period of nine-month ended 09/30/21 was R\$12,617 (Note No. 11).

Interest incurred on lease liabilities was calculated at the incremental rate of loans that would be obtained in a similar operation, considering the economic condition of Varejo, equivalent to 8.53% pa. For the period of nine-month ended 09/30/21, financial expenses were incurred on lease liabilities in the amount of R\$6,291 (R\$4,106 as at 09/30/20).

Information about commercial leases:

Lease contract maturity schedule:

	<b><u>Consolidated</u></b>
	<b><u>09/30/21</u></b>
Up to 1 Year	23,911
From 1 Year to 5 Years	79,195
More than 5 Years	34,447
<b>Total Amount</b>	<b><u>137,553</u></b>

#### Potential PIS and Cofins right

The Company has a potential right to recover PIS and Cofins embedded in the consideration of leases for industrial and other plants. The measurement of the cash flows from leases did not segregate tax credits, with the potential effects of PIS and Cofins presented in the table below:

	<b><u>Nominal</u></b>	<b><u>Adjustment to</u></b>
	<b><u>Value</u></b>	<b><u>Present Value</u></b>
Lease Payment	137,553	(109,145)
Potential of PIS/COFINS (9,25%)	(11,646)	9,241
<b>Total Net</b>	<b><u>125,907</u></b>	<b><u>(99,904)</u></b>

#### Inflationary effects

The Company adopted as an accounting policy the requisites of NBC TG 06 (R3) to measure and remeasure its right of use, based on the discounted cash flow without considering inflation.



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Management assesses the impacts of using nominal flows and concluded that they do not present material misstatements in the information presented. To ensure accurate representation of the information in line with NBC TG 06 (R3) requirements and to comply with CVM guidelines, balances are provided of the right-of-use asset, depreciation, lease liabilities and finance cost before inflation known as actual flow, and the estimate of the balances including inflation in the comparison periods denominated inflation-indexed flows. The other assumptions, such as the liability maturity schedule and interest rate used in the calculation are disclosed in other items of this note, and the inflation rates are observable in the market, meaning the inflation-indexed flows are prepared by users of the financial statements.

<u>Use Rights Assets</u>		<u>Lease Liabilities</u>	
<u>Real Flow</u>	<u>Consolidated 09/30/21</u>	<u>Real Flow</u>	<u>Consolidated 09/30/21</u>
Use Rights	137,221	Lease Liabilities	(77,393)
Accumulated Depreciation	(39,649)	Financial Expenses to be Incurred	(31,752)
<b>Total Net</b>	<b>97,572</b>	<b>Total Net</b>	<b>(109,145)</b>
<u>Inflated Flow</u>	<u>Consolidated 09/30/21</u>	<u>Inflated Flow</u>	<u>Consolidated 09/30/21</u>
Use Rights	144,425	Lease Liabilities	(81,456)
Accumulated Depreciation	(41,731)	Financial Expenses to be Incurred	(33,419)
<b>Total Net</b>	<b>102,695</b>	<b>Total Net</b>	<b>(114,875)</b>
Source: Projection CMN (Limit)	5.25% <sup>†</sup>		

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Other information about commercial leases

Information about variable commercial lease expenses not included in the measurement of the Company and Varejo's lease liability can be seen in Note No. 25.

	<b>Consolidated Real Flow</b>
<u>Use Rights Assets</u>	<u>09/30/21</u>
<b>Beginning Balance as at 12/31/20</b>	<b>101,532</b>
Addition Less Disposals, Net	12,916
Amortization	(12,616)
Assets Re-Measurement of Leasing	<u>(4,260)</u>
<b>Ending Balance as at 09/30/21</b>	<b><u>97,572</u></b>
 <b>Lease Liabilities</b>	
<b>Beginning Balance as at 12/31/20</b>	<b>113,659</b>
Interest Incurred	6,291
Realized Payments	(19,051)
Addition Less Disposals, Net	12,916
Liabilities Re-Measurement of Leasing	<u>(4,670)</u>
<b>Ending Balance as at 09/30/21</b>	<b><u>109,145</u></b>

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**14. DEFERRED REVENUE - CUSTOMER LOYALTY PROGRAM**

Varejo's Saraiva Plus loyalty program promotes product purchases made by customers in stores and via e-commerce, which are transformed into points, which are accumulated according to the program's rules and can be used as credit for payment on future purchases. For every 500 points (Bonus) earned through purchases, the customer receives a voucher in the amount of R\$10.00 to be used in up to three months as a discount on future purchases at any store and in the Varejo's e-commerce, with free use for the purchase of any product. Vouchers issued and not used have the right-of-use expired within three months. The points acquired that do not accumulate 500 points expire after 12 months. Sales revenue, leveraged by the loyalty program, is recorded in deferred revenue, under current liabilities, at the amount of the accumulated points, according to the accumulation rules. Deferred revenue is recognized in the profit (loss) based on the effective use of vouchers acquired by customers and on the effective expiration of the right-of-use of vouchers and points that have not accumulated Bonuses.

As of June 30, 2021, the deferred revenue from the loyalty program, recorded under a specific account in the consolidated, is R\$ R\$1,219 (R\$997 as at 12/31/20).

**15. TRADE PAYABLES**

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/21</u>	<u>12/31/20</u>	<u>09/30/21</u>	<u>12/31/20</u>
National Suppliers	563	1,254	86,791	104,148
Foreign Supplier	-	-	229	246
<b>Total</b>	<b>563</b>	<b>1,254</b>	<b>87,020</b>	<b>104,394</b>

Breakdown of balances by maturity:

	<u>Consolidated</u>	
	<u>09/30/21</u>	<u>12/31/20</u>
Undue	25,030	22,361
Over Due:		
Up to 60 Days	3,635	5,079
From 61 to 90 Days	1,473	1,636
From 91 to 180 Days	6,417	15,720
Overt than 180 Days	50,465	59,598
<b>Total</b>	<b>87,020</b>	<b>104,394</b>

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**16. TAXES AND CONTRIBUTIONS PAYABLE**

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/21</u>	<u>12/31/20</u>	<u>09/30/21</u>	<u>12/31/20</u>
Added Value Tax on Circulation of Goods- ICMS	-	-	49	92
Withholding Income Tax-IRRF	155	131	332	386
Social Contribution Withholding on Rendered Services by Suppliers	26	33	47	101
City Tax-ISS	-	-	82	17
Social Security Debts Instalment	-	-	472	-
Debts Instalment-State (a)	-	-	958	1,368
Other	-	1	98	91
<b>Total</b>	<b>181</b>	<b>165</b>	<b>2,038</b>	<b>2,055</b>
Current Liabilities	181	165	1,154	1,190
Non Current Liabilities	-	-	884	865
<b>Total</b>	<b>181</b>	<b>165</b>	<b>2,038</b>	<b>2,055</b>

- (a) Ordinary installment payments instructed in the States of São Paulo, Santa Catarina, Ceará and Rio Grande do Sul related to ICMS tax assessment notices. The amount paid in the semester ended June 30, 2021 was R\$347 (R\$497 as at 12/31/20).

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**17. PAYROLL AND RELATED TAXES**

	<b>Parent Company</b>			
	<b>12/31/20</b>	<b>Expense</b>	<b>Payment</b>	<b>09/30/21</b>
Accrual for Vacation	249	(193)	(7)	49
13° salário	-	-	-	-
Salary Payable	49	555	(527)	77
FGTS-Severance Pay Indemnity to Collect	20	(15)	(1)	4
INSS- National Social Security Institute to Collect	82	115	(150)	47
<b>Total</b>	<b>400</b>	<b>462</b>	<b>(685)</b>	<b>177</b>

  

	<b>Consolidated</b>			
	<b>12/31/20</b>	<b>Expense</b>	<b>Payment</b>	<b>09/30/21</b>
Accrual for Vacation	2,364	708	(1,597)	1,475
Thirteen Salary	-	873	(165)	708
Salary Payable	1,903	9,786	(11,045)	644
FGTS-Severance Pay Indemnity to Collect	339	1,213	(1,022)	530
INSS- National Social Security Institute to Collect	1,164	2,807	(2,945)	1,026
<b>Total</b>	<b>5,770</b>	<b>15,387</b>	<b>(16,774)</b>	<b>4,383</b>

**18. PROVISION FOR TAX, CIVIL AND LABOR RISKS**

The Parent and Varejo are parties to tax, civil and labor lawsuits at the judicial and administrative levels, with present obligation and probability of outflow of funds that incorporate economic benefits in order to settle this obligation. Accrued amounts are considered sufficient to cover possible outflows to settle the respective obligations.

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The provision for risks and judicial deposits made to guarantee some of the lawsuits are as follows:

**Provisions**

	<b>Parent Company</b>		
	<b>Additions</b>		
	<b>12/31/20</b>	<b>(Reversals)</b>	<b>09/30/21</b>
Taxes Contingencies (a)	1.004	8	1.012
Administrative proceedings - tax offset	6.066	-	6.066
Other lawsuits and administrative procees	3.723	134	3.857
Labor lawsuits	624	(1)	623
<b>Total</b>	<b>11.417</b>	<b>141</b>	<b>11.558</b>

  

	<b>Consolidated</b>		
	<b>Additions</b>		
	<b>12/31/20</b>	<b>(Reversals)</b>	<b>09/30/21</b>
Taxes Contingencies (a)	1.004	8	1.012
Administrative proceedings - tax offset	6.066	-	6.066
Other lawsuits and administrative procees	16.021	640	16.661
Labor lawsuits	3.315	(22)	3.293
<b>Total</b>	<b>26.406</b>	<b>626</b>	<b>27.032</b>

(a) Includes the making of provisions for cases rated as probable defeats by the Company and Varejo's legal advisers:

- i. Varejo's administrative proceedings, in the estimated and provisioned amount of R\$ 22,050, related to the manifestation of non-conformity for the decision that rejected the claims for Reimbursement/Offsetting of PIS and COFINS credits for the base periods from 2013 to 2015, whose loss in the administrative sphere is considered likely by Varejo's legal advisors. The provisioned amount corresponds to the portion used to pay taxes managed by the Brazilian Federal Revenue Service. The portion corresponding to Reimbursement/Offsetting Requests not used, in the amount of R\$62,254 of refundable credits, recorded in non-current assets, was estimated as impairment;
- ii. Recording of a provision in the amount of R\$66,865, related to the appropriation of PIS/COFINS credits on operating expenses considered essential to the Retail activity;

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- iii. Lawsuits filed by the Parent and Varejo, which discuss the monetary restatement of the escrow deposits required by the Brazilian Federal Revenue Service with Banco do Brasil, in the estimated amount of R\$70,473, to guarantee lawsuits that claimed the increase in the COFINS tax rate, whose final and unappealable decision was favorable to the Brazilian Federal Revenue Service;
- iv. Tax assessment notices and fines imposed on the Parent, in the amount of R\$8,775, involving social security contributions; and
- v. Tax assessment notices and fine imposed for Varejo, related to ICMS collection in the amount of R\$8,993.

**Judicial Deposits**

	<b>Parent Company</b>		
	<b>Additions</b>		
	<b>12/31/20</b>	<b>(Reversals)</b>	<b>09/30/21</b>
Taxes Contingencies (a)	57,119	1,792	58,911
Labor Tax Contingencies	4,346	(2,062)	2,284
Civil Contingencies	695	884	1,579
<b>Total</b>	<b>62,160</b>	<b>614</b>	<b>62,774</b>
	<b>Consolidated</b>		
	<b>Additions</b>		
	<b>12/31/20</b>	<b>(Reversals)</b>	<b>09/30/21</b>
Taxes Contingencies (a)	222,652	(21,753)	200,899
Labor Tax Contingencies	8,666	(94)	8,572
Civil Contingencies	13,484	4,222	17,706
PIS/COFINS- Exclusion of ICMS Tax from the Calculation Basis	2,346	54	2,400
<b>Total</b>	<b>247,148</b>	<b>(17,571)</b>	<b>229,577</b>

- (a) Legal cases filed by the Parent Company and Varejo to contest the expansion of the PIS and COFINS calculation base introduced by Law 9,718/98. The lawsuits were issued a final and unappealable decision favorable to the companies and the release of the deposits awaits processing;
- (b) Includes the amount of R\$8,804 relating to IPI, II (Import Duty), PIS and Cofins taxes originating from a preliminary injunction partially granted in a writ to recognize tax immunity and zero tax rate for PIS/Cofins contributions on imports of LEV digital readers.

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**Contingent Liabilities**

The Parent's and Varejo's Management challenge at administrative level and in courts tax, civil and labor lawsuits whose likelihood of loss is assessed as possible by their legal counsel, in the estimated amount of R\$416,801, of which R\$297,856 Parent Company and R\$118,945 Varejo (R\$482,206 as at 12/31/20, of which R\$248,120 Parent Company and R\$234,086 Varejo).

Breakdown of the main liabilities assessed as possible loss:

<b>Nature of Proceedings</b>	<b>Nature</b>	<b>09/30/21</b>	<b>12/31/20</b>
TAX	Tax assessment notices, administrative proceedings to challenge lawsuits	375,290	435,666
CIVIL	Revisional acts and other proceedings with sundry objectives	35,525	35,920
LABOR	Lawsuits related to employment liability in service agreements	5,986	10,620
<b>TOTAL</b>		<b>416,801</b>	<b>482,206</b>

**19. EQUITY**

**a) Capital**

The Board of Directors' meeting held 19/02/20, re-ratified by the Board of Directors' meeting held 02/27/20, resolved the following (i) partial ratification of the capital increase resolved at the Board of Directors' meeting held 11/03/19, through the issuance of 12,244,309 new shares (8,998,528 common shares and 3,245,781 preferred shares), denoting the amount of R\$17,754, with the Company's share capital rising from R\$282,999 to R\$300,753, and (ii) a new issuance of Company subscription bonuses, within the authorized capital limit, pursuant to article 8 of the Company's Bylaws and on top of the subscription bonuses issuance resolved by the board of directors on 11/03/19.

At the Board of Directors' Meetings held on 06/26/20, 07/31/20, 08/28/20, 10/05/20 and 12/11/20, capital increases were resolved through the exercise of subscription warrants, with the issue of 24,161,925 new shares (4,832,385 common shares and 19,329,540 preferred shares), corresponding to the amount of R\$1,223, increasing the Company's capital from R\$300,753 to R\$301,976.



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As of 06/30/21, the Parent's share capital, in the amount of R\$301,976 (R\$301,976 as of 12/31/20), is represented by 63,410,194 shares, of which 23,513,669 are common and 39,896,525 are preferred shares (63,410,194 shares as of 12/31/20, of which 23,513,669 common shares and 39,896,525 preferred shares, respectively) with no par value and voting rights in the resolutions of the General Meeting. The Parent's Bylaws comply with B3's Level 2 Differentiated Corporate Governance Practices.

The Parent is authorized to increase capital by issuing new shares for subscription, upon the Board of Directors' resolution, and regardless of any amendments to the bylaws, by up to 20,000,000 shares. Out of this total, up to 500,000 shares may be granted as stock options, pursuant to the bylaws. On 10/31/19 the Extraordinary General Meeting approved the Company's capital increase, up to the limit of 66,000,000 (sixty-six million) shares; and included a rule in the bylaws vesting the Company's Board of Directors with powers to issue subscription bonuses up to the authorized capital.

The Parent's preferred shares, which may not exceed two thirds of the total shares issued, entitle their holders to the following rights or advantages:

- Restricted voting rights, pursuant to the bylaws;
- Right to sell the preferred shares in the case of sale of the Parent's control, pursuant to the bylaws;
- Dividends equal to those paid on common shares;
- Share in the distribution of bonus shares out of capitalization of reserves, retained earnings and any other funds, under the same terms and conditions granted to common shareholders.

Common shares cannot be converted into preferred shares, and vice versa.

#### **b) Subscription Bonus**

Pursuant to article 11.6 of the Judicial Reorganization Plan, ratified on 09/04/19, creditors in the subclass "Incentivizing supplier creditors" which opted for this under the incentivizing creditor agreement - article 11.2.1 of said plan, are entitled to receive Subscription Bonuses which will afford the holders the right to acquire a given number of Company shares, where any funds received by the Company as a result of issuing or exercising the subscription bonuses, including in the case of shareholders exercising pre-emptive rights, shall be fully allocated to the extraordinary amortization of debt to the Incentivizing supplier creditors.

In the year ended 12/31/20, 5,816,587 warrants were issued and used for debt amortization, corresponding to 29,082,935 shares (5,816,587 common shares and 23,266,348 preferred shares), equivalent to the amount of R\$54,835.

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**c) Treasury shares - CVM Instructions 10/80 and 298/97**

The Parent has 15,700 common shares held in treasury, represented by R\$233, with a strike price of R\$16 (R\$0.65 per share as at September 30, 2021).

**d) Dividends and interest on capital**

Shareholders are entitled to a minimum dividend of 25% of adjusted net income for the year.

The Parent may not, unless authorized by a majority vote in a special preferred shareholders' meeting, hold, for more than four successive quarters, cash and cash equivalents in an amount greater than 25% of the Parent's total assets. Cash and cash equivalents will correspond to the amounts recorded in line item 'Cash and cash equivalents' exceeding the sum of the amounts recorded in line item 'Borrowings and financing' in current and noncurrent liabilities. Pursuant to the bylaws, the amount of interest on capital for purposes of calculation of mandatory dividends is net of income tax.

**e) Valuation Adjustment to Equity**

The balance of R\$11,279, net of deferred taxes in the amount of R\$5,810, represents the value attributed to property and equipment ("Land") of the Parent as a result of the adoption of the deemed cost practice, applicable to the first-time adoption of the new accounting practices adopted in Brazil.

**f) Noncontrolling Interest**

	<u>09/30/21</u>	<u>12/31/20</u>
<b>Beginning Balance of the Period/ Year</b>	<b>(45)</b>	<b>(12)</b>
Loss Sharing for the Period/Year	<u>(1)</u>	<u>(33)</u>
Ending Balance of the Period/Year	<u><b>(46)</b></u>	<u><b>(45)</b></u>

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#### 20. NET OPERATING REVENUE

	<b>Consolidated</b>			
	<b>07/01/21</b>	<b>01/01/21</b>	<b>07/01/20</b>	<b>01/01/20</b>
	<b>to 09/30/21</b>	<b>to 09/30/21</b>	<b>to 09/30/20</b>	<b>to 09/30/20</b>
<b>Operating Revenue, Net</b>				
Sale of Goods and Services	22,872	67,980	42,718	215,168
(-) Taxes Levied	(448)	(1,511)	(1,247)	(6,801)
(-) Returns	(256)	(865)	(919)	(4,144)
(-) Deferred Revenue- Saraiva Plus	62	(222)	1,115	1,828
<b>Total Operating Revenue, Net</b>	<b>22,230</b>	<b>65,382</b>	<b>41,667</b>	<b>206,051</b>

#### 21. EXPENSES BY NATURE

	<b>Parent Company</b>				<b>Consolidated</b>			
	<b>07/01/21</b>	<b>01/01/21</b>	<b>07/01/20</b>	<b>01/01/20</b>	<b>07/01/21</b>	<b>01/01/21</b>	<b>07/01/20</b>	<b>01/01/20</b>
	<b>to 09/30/21</b>	<b>to 09/30/21</b>	<b>to 09/30/20</b>	<b>to 09/30/20</b>	<b>to 09/30/21</b>	<b>to 09/30/21</b>	<b>to 09/30/20</b>	<b>to 09/30/20</b>
Goods	-	-	-	-	(10,212)	(41,701)	(36,755)	(148,212)
Personnel Expenses and Charges	(59)	(185)	(59)	(338)	(6,883)	(21,381)	(17,777)	(64,495)
Board and Board Directories Fees	(275)	(824)	(54)	(532)	(458)	(1,397)	(163)	(1,029)
Advertising	-	-	-	-	7	67	(454)	(3,505)
Leasing -								
Variable Portion	-	-	-	-	704	857	(287)	(317)
Legal Publications	-	(224)	-	-	(20)	(265)	(2)	(119)
Condominium and Promotions Fund	-	-	-	-	(1,856)	(5,915)	(2,424)	(11,100)
Shipping and Packaging	-	-	-	-	(642)	(3,343)	(3,833)	(14,608)
Installations and Machinery Equipment								
Maintenance	-	-	-	-	(884)	(2,420)	-	-
Computer Services	-	-	-	-	(2,807)	(7,711)	(1,902)	(7,357)
Machinery and Equipment Leasing	-	-	-	-	(96)	(1,502)	(228)	(925)
Lawyers' Fees	(53)	(72)	-	-	(1,077)	(3,163)	(981)	(3,765)
Consultancy and Advice	(413)	(1,483)	-	-	(1,174)	(3,265)	(988)	(2,712)
Other Professional Services	-	(3)	-	-	(861)	(3,431)	(159)	(565)
Travel and Stays	-	-	-	-	-	(10)	(5)	(115)
Expenses with Credit Card,								
Bank Slip and Collection	-	-	-	-	(331)	(855)	(907)	(3,460)
Loss on Doubtful								
Credit Accounts	-	-	-	-	(39)	(197)	(7)	(243)
Others	(1,377)	(1,590)	(2,066)	(3,144)	(3,841)	(9,531)	(10,542)	(32,832)
<b>Total</b>	<b>(2,176)</b>	<b>(4,381)</b>	<b>(2,179)</b>	<b>(4,014)</b>	<b>(30,470)</b>	<b>(105,163)</b>	<b>(77,414)</b>	<b>(295,359)</b>

#### Classified As:

Cost of Goods and Rendered Services								
Sold	-	-	-	-	(10,212)	(41,701)	(36,755)	(148,212)
Selling Expenses	-	-	-	-	(11,767)	(38,463)	(25,226)	(93,769)
Administrative and General Expenses	(2,176)	(4,381)	(2,179)	(4,014)	(8,491)	(24,999)	(15,433)	(53,378)
<b>Total</b>	<b>(2,176)</b>	<b>(4,381)</b>	<b>(2,179)</b>	<b>(4,014)</b>	<b>(30,470)</b>	<b>(105,163)</b>	<b>(77,414)</b>	<b>(295,359)</b>

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#### 22. OTHER OPERATING EXPENSES

	Parent Company				Consolidated			
	07/01/21 to 09/30/21	01/01/21 to 09/30/21	07/01/20 to 09/30/20	01/01/20 to 09/30/20	07/01/21 to 09/30/21	01/01/21 to 09/30/21	07/01/20 to 09/30/20	01/01/20 to 09/30/20
Impairment Loss of Assets								
Fixed Assets, Intangible and Taxes Recoverable	-	-	-	4,909	(83,943)	(83,549)	(661)	(77,737)
Write-off Credits Against Payable Suppliers	-	-	-	-	-	(3,267)	-	(438)
PIS/COFINS on Other Operating Revenue and Financial Income	(27)	(60)	(14)	(40)	(418)	(1,368)	(679)	(4,668)
"Private Label" Card	-	-	-	-	(13)	(32)	(17)	(251)
Provision for Contingencies	-	-	-	-	-	-	(1,684)	(8,551)
Adjustment to the Judicial Reorganization Plan	-	(84)	-	-	142	58	-	-
Taxes Installment	-	-	-	-	-	(385)	-	(148)
e-CredAc-Deferral Request for Settlement of Accumulated Tax Credit	-	-	-	-	(4,117)	(4,117)	-	-
e-CredAc - Cost and Court Fees	-	-	-	-	(895)	(895)	-	-
Other Operating Expenses	252	(135)	3	29	244	(145)	(1,357)	(1,379)
<b>Total</b>	<b>225</b>	<b>(279)</b>	<b>(11)</b>	<b>4,898</b>	<b>(89,000)</b>	<b>(93,700)</b>	<b>(4,398)</b>	<b>(93,172)</b>

#### 23. OTHER OPERATING INCOME

	Parent Company				Consolidated			
	07/01/21 to 09/30/21	01/01/21 to 09/30/21	07/01/20 to 09/30/20	01/01/20 to 09/30/20	07/01/21 to 09/30/21	01/01/21 to 09/30/21	07/01/20 to 09/30/20	01/01/20 to 09/30/20
Income (loss) on Sales of Fixed Assets	4,073	4,073	-	4,105	4,069	4,093	(2,505)	918
Unredeemed Gift Card and Other								
Unclaimed Customer Credits	-	-	-	-	2,455	10,110	3,708	12,000
Taxes Credit Recorded of Court Action Final and Unappealable	-	-	-	-	70,694	70,694	-	-
Reversal of Provision for Contingencies	-	-	-	-	6,282	18,239	-	-
Sales of Obsolete Goods	-	-	-	-	-	-	-	845
Recovered Expenses	-	-	-	-	1,340	8,425	2,504	3,249
Taxes Credit of PIS and COFINS								
Calculated According Ancillary Obligation	-	-	-	-	3,965	3,965	-	-
Gain on Debt Write-off Through								
Subscription Bonus	-	-	-	-	-	-	-	14,822
Other Operating Income	7	23	-	-	357	777	499	1,189
<b>Total</b>	<b>4,080</b>	<b>4,096</b>	<b>-</b>	<b>4,105</b>	<b>89,162</b>	<b>116,303</b>	<b>4,206</b>	<b>33,023</b>

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#### 24. FINANCE INCOME (COSTS)

	Parent Company				Consolidated			
	07/01/21 to 09/30/21	01/01/21 to 09/30/21	07/01/20 to 09/30/20	01/01/20 to 30/09/20	07/01/21 to 09/30/21	01/01/21 to 09/30/21	07/01/20 to 09/30/20	01/01/20 to 09/30/20
<b>Financial Income:</b>								
Income from Financial Application	-	-	-	-	16	68	7	28
Interest Income on Loans to Parent Company	738	1,488	252	652	-	-	-	-
Interest Received from the Customers	-	-	-	-	1	1	-	3
Interest on Taxes Recoverable	104	214	48	211	47,378	47,718	164	889
Financial Discount Obtained	-	-	-	16	929	3,846	858	1,398
Present Value Adjustment-Creditors Reorganization	-	7	-	-	-	7	-	-
Others Interest and Currency Variations Income	-	-	-	-	(1)	153	60	60
<b>Total Financial Income</b>	<b>842</b>	<b>1,709</b>	<b>300</b>	<b>879</b>	<b>48,323</b>	<b>51,793</b>	<b>1,089</b>	<b>2,378</b>
<b>Financial Expenses:</b>								
Interest and Currency Variations on Loans and Financing	-	-	-	-	(5,743)	(18,378)	(3,020)	(14,847)
Interest on Loans Obtained by the Wholly Owned Subsidiary	-	-	-	(32)	-	-	-	-
Present Value Adjustment-Creditors Reorganization	(41)	(123)	4	(55)	(2,493)	(6,977)	(1,740)	(6,608)
Financial Discount Given	-	-	-	-	-	-	-	(8)
Others Interest and Currency Variations Expense	(193)	(250)	(45)	(46)	(774)	(1,273)	(716)	(1,975)
Tax on Credit on Credit Operations-IOF	-	-	-	(13)	(243)	(657)	(227)	(519)
Other Financial Commission	(54)	(161)	(53)	(158)	(54)	(161)	(54)	(160)
Other Financial Expenses	(242)	(716)	(232)	(415)	(265)	(798)	(301)	(647)
<b>Total Financial Expenses</b>	<b>(530)</b>	<b>(1,250)</b>	<b>(326)</b>	<b>(719)</b>	<b>(9,572)</b>	<b>(28,244)</b>	<b>(6,058)</b>	<b>(24,764)</b>
<b>Net Financial Income (Expenses)</b>	<b>312</b>	<b>459</b>	<b>(26)</b>	<b>160</b>	<b>38,751</b>	<b>23,549</b>	<b>(4,969)</b>	<b>(22,386)</b>

#### 25. OPERATING LEASE - VARIABLE PORTION OF RENTAL AGREEMENTS

At 09/30/21, Varejo had 38 lease contracts for its stores signed with the administrators of shopping malls or street store owners, qualified as operating leases. Most of the street store lease agreements provide for a variable rental expense, based on sales, or a minimum amount adjusted for inflation on an annual basis by inflation indexes and the real estate segment performance, are effective for five years, subject to renewal, and are usually guaranteed by the Parent through pledge. Rental agreements for the Retail's administrative areas are based on contractual amounts with annual readjustments according to changes in the main inflation indices.

The lease amount for properties is always the higher of: (a) the equivalent to 2% to 10% of a store's gross monthly sales; or (b) a minimum monthly amount annually adjusted using certain inflation indices, as applicable. Said lease agreements are effective for indeterminate or determinate periods; in the latter case, these periods range from five to ten years, subject to amicable or court-ordered (renewal lawsuit) renewal. On 01/01/19 the amount recorded under "Rental" in operating expenses is related to the variable portion of the lease contracts and other contracts not defined as a lease under CPC 06(R2).

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Rental expenses, net of recoverable taxes, are as follows:

	<b>Consolidated</b>			
	<b>07/01/21</b>	<b>01/01/21</b>	<b>07/01/20</b>	<b>01/01/20</b>
	<b>to 09/30/21</b>	<b>to 09/30/21</b>	<b>to 09/30/20</b>	<b>to 09/30/20</b>
<b>Operating Lease- Note 21</b>	<b>704</b>	<b>857</b>	<b>(287)</b>	<b>(317)</b>

The balance of the item “Commercial leases - store rental” in the consolidated current liabilities as of 09/30/21 is R\$13,831 (R\$5,609 as of 12/31/20).

**26. LOSS PER SHARE**

Under the Parent’s bylaws, holders of preferred shares are entitled the same dividends as those holding common shares. The table below shows the calculation of loss per share pursuant to CPC 41 (IAS 33):

	<b>Income (loss) Per Share-Total</b>			<b>Income (loss) Per Share- Continued Operations</b>			<b>Income (loss) Per Share- Discontinued Operations</b>		
	<b>09/30/21</b>			<b>09/30/21</b>			<b>09/30/21</b>		
	<b>Common</b>	<b>Preferred</b>	<b>Total</b>	<b>Common</b>	<b>Preferred</b>	<b>Total</b>	<b>Common</b>	<b>Preferred</b>	<b>Total</b>
Loss Attributed to the Shareholders of Parent Company	(3,286)	(5,579)	(8,865)	(2,976)	(5,054)	(8,030)	(310)	(525)	(835)
Weighted Average of Outstanding Shares (in thousands) Used in the Computation of Basic Loss per Share	23,491	39,870	63,361	23,491	39,870	63,361	23,491	39,870	63,361
(in thousands) used in the computation of Diluted Loss per Share	23,491	39,870	63,361	23,491	39,870	63,361	23,491	39,870	63,361
<b>Basic Loss per Share- R\$</b>	<b>(0.13988)</b>	<b>(0.13993)</b>		<b>(0.12671)</b>	<b>(0.12675)</b>		<b>(0.01317)</b>	<b>(0.01318)</b>	
<b>Diluted Loss per Share- R\$</b>	<b>(0.13988)</b>	<b>(0.13993)</b>		<b>(0.12671)</b>	<b>(0.12675)</b>		<b>(0.01317)</b>	<b>(0.01318)</b>	

	<b>Income (loss) Per Share-Total</b>			<b>Income (loss) Per Share- Continued Operations</b>			<b>Income (loss) Per Share- Discontinued Operations</b>		
	<b>09/30/20</b>			<b>09/30/20</b>			<b>09/30/20</b>		
	<b>Common</b>	<b>Preferred</b>	<b>Total</b>	<b>Common</b>	<b>Preferred</b>	<b>Total</b>	<b>Common</b>	<b>Preferred</b>	<b>Total</b>
Loss Attributed to the Shareholders of Parent Company	(84,939)	(135,227)	(220,166)	(82,948)	(132,058)	(215,006)	(1,991)	(3,170)	(5,161)
Weighted Average of Outstanding Shares (in thousands) Used in the Computation of Basic Loss per Share	17,929	23,385	41,314	17,929	23,385	41,314	17,929	23,385	41,314
(in thousands) used in the computation of Diluted Loss per Share	17,929	23,385	41,314	17,929	23,385	41,314	17,929	23,385	41,314
<b>Basic Loss per Share- R\$</b>	<b>(4.73752)</b>	<b>(5.78257)</b>		<b>(4.62648)</b>	<b>(5.64703)</b>		<b>(0.11104)</b>	<b>(0.13554)</b>	
<b>Diluted Loss per Share- R\$</b>	<b>(4.73752)</b>	<b>(5.78257)</b>		<b>(4.62648)</b>	<b>(5.64703)</b>		<b>(0.11104)</b>	<b>(0.13554)</b>	

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#### 27. FINANCIAL INSTRUMENTS

##### a) Capital risk management

The main objectives of the Parent's and Varejo's Management in managing capital include: to ensure the continuity of operations to generate return to shareholders and maintain a capital structure that is appropriate to minimize the related costs.

Due to the impacts caused by the Coronavirus (COVID-19), with a drastic reduction in sales, owing to the temporary closure of all brick-and-mortar stores since March 2020, Management presented an amendment to the Court-Ordered Reorganization Plan adhering to the new economic reality of the country, as a way to prevent the impacts of the pandemic and to preserve its operational activity (Note No. 31).

The Parent Company's and Varejo's capital structures consist of financial liabilities with financial institutions (Note No. 13), cash and cash equivalents (Note No. 4) and equity (Note No. 19).

The debt ratios are summarized as follows:

	Parent Company		Consolidated	
	09/30/21	12/31/20	09/30/21	12/31/20
Loans and financing	3,777	3,732	488,738	474,620
Creditors for Judicial Recovery	(58,527)	(61,996)	(1,936)	(28,603)
<b>Net Debt</b>	<b>(54,750)</b>	<b>(58,264)</b>	<b>486,802</b>	<b>446,017</b>
<b>Equity (Deficiency in Assets)</b>	<b>(553,939)</b>	<b>(545,074)</b>	<b>(553,985)</b>	<b>(545,119)</b>
<b>Total</b>	<b>(608,689)</b>	<b>(603,338)</b>	<b>(67,183)</b>	<b>(99,102)</b>
<b>Net Debt Index</b>	<b>8.99%</b>	<b>9.66%</b>	<b>-724.59%</b>	<b>-450.06%</b>

Periodically, Parent's and Varejo's Management revises the capital structure and its ability to settle its liabilities, and monitors on a timely basis the average term of trade receivables, trade payables, and inventories, and takes the necessary actions to maintain them at levels considered adequate for financial management purposes.

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b) Categories of financial instruments

	<b>Parent Company</b>	
	<b>09/30/21</b>	<b>12/31/20</b>
	<b>Book</b>	<b>Book</b>
	<b>Value</b>	<b>Value</b>
<b>Financial Assets</b>		
<b>Fair Value Through Income</b>		
Cash and Cash Equivalents	1,600	121
Loans and Receivables		
Related Parties-Mutual Contract	<u>56,927</u>	<u>61,875</u>
	<u><b>58,527</b></u>	<u><b>61,996</b></u>
<b>Financial Liabilities</b>		
<b>Liabilities at Amortised Cost</b>		
Trade Accounts Payable to Suppliers	563	1,254
Creditors- Judicial Reorganization	<u>3,777</u>	<u>3,732</u>
	<u><b>4,340</b></u>	<u><b>4,986</b></u>
	<b>Consolidated</b>	
	<b>09/30/21</b>	<b>12/31/20</b>
	<b>Book</b>	<b>Book</b>
	<b>Value</b>	<b>Value</b>
<b>Financial Assets</b>		
<b>Fair Value Through Income</b>		
Cash and Cash Equivalents	1,936	28,603
Related Parties-Mutual Contract	<u>3,102</u>	<u>7,333</u>
	<u><b>5,038</b></u>	<u><b>35,936</b></u>
<b>Financial Liabilities</b>		
<b>Liabilities at Amortised Cost</b>		
Loans and Financing	283,254	276,677
Trade Accounts Payable to Suppliers	87,020	104,394
Creditors- Judicial Reorganization	205,484	197,943
Lease -		
Renting Stores	13,831	5,609
Other Liabilities	<u>1,200</u>	<u>1,146</u>
	<u><b>590,789</b></u>	<u><b>585,769</b></u>



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The Parent's and Varejo's Management believes that the financial instruments, which are recognized in the individual and consolidated financial statements at their carrying amounts, do not record significant changes and approximate their respective fair values at the end of each reporting period.

The balance of the item "Borrowings and financing" is restated monetarily at contractual rates (Note No. 13) and interest that varies according to market conditions; and the debit balance recorded at the end of each period is therefore close to market value.

#### c) Financial Risks

The Parent's and Varejo's activities are exposed to market, credit, liquidity, operating risks as well as to the risk limited to the amount paid by the derivative used as an instrument to hedge against changes in the currency price.

Risk management is carried out by the Parent's and Varejo's Management in accordance with the policies approved by the respective Executive Boards. The Parent's and Varejo's Finance area identify, assess and hedge against possible financial risks in cooperation with the operating functions.

#### d) Interest Rate Risk Management

The Parent's and Varejo's operations are exposed to usual market risks due to changes in interest rates, substantially on borrowings and short-term investments. The interest rate risk management policy defined by Management comprises the continuous monitoring of the economic scenario to identify possible fluctuations in interest rates and, when applicable, contract hedge transactions against fluctuations in interest rates and well as weighting between contracting fixed and floating transactions.

Balances that represented the maximum exposure to the interest rate risk as at the reporting date:

		<b>Parent Company</b>
		<b>09/30/21</b>
	<b>Risk</b>	<b>Book Value</b>
Borrowing and Financing	Increase in CDI	19,855

#### e) Supplementary sensitivity analysis of financial instruments pursuant to CVM Instruction 475/08

The sensitivity analysis was developed based on the exposure to CDI fluctuation, which is the main index applicable to borrowings and the investments of cash surpluses.

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The Parent presents below the additional disclosures on the Parent's and Varejo's financial instruments required by CVM Instruction 475, of December 17, 2008, specifically on the supplementary sensitivity analysis required by IFRSs and the accounting practices adopted in Brazil.

In preparing this sensitivity analysis, the Parent's and Varejo's Management adopted the following assumptions:

- Identifying market risks that could generate material losses;
- Outline a probable risk scenario (Scenario I);
- Outline two additional scenarios with stresses of at least 25% and 50% in the risk variable considered (Scenario II and Scenario III, respectively).

Possible effects on the balance sheet accounts based on the scenarios analyzed:

Assets and liabilities with interest recalculated according to previously outlined scenarios.

<b>Operation</b>	<b>Risk</b>	<b>Carrying Amounts</b>		
		<b>Scenario I</b>	<b>Scenario II</b>	<b>Scenario III</b>
Interest Earnings Bank Deposits Subject to CDI Rate				
Retail	Decrease of CDI	(28)	(71)	(137)
Loans for Working Capital Subject to CDI Rate				
Retail	Increase of CDI	(61)	(153)	(305)
Finance Leasing Subject to CDI Rate				
Retail	Increase of CDI	(117)	(192)	(320)
<b>Net Loss</b>		<b>(207)</b>	<b>(416)</b>	<b>(762)</b>

**f) Credit Risk Management**

The Parent Company and Varejo's sales and credit extension policies are governed by the credit policies determined by the Executive Board aimed at minimizing any losses resulting from default by its clients. This objective is attained through a careful selection of the customer portfolio, which considers the customer ability to pay (credit rating

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Maximum exposure to this risk on the closing date:

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>09/30/21</b>	<b>09/30/20</b>	<b>09/30/21</b>	<b>09/30/20</b>
	<b>Book Value</b>	<b>Book Value</b>	<b>Book Value</b>	<b>Book Value</b>
<b>Financial Assets:</b>				
Cash and Cash Equivalents	1,600	121	1,936	28,603
Accounts Receivable from Customers	-	-	3,102	7,333
<b>Total</b>	<b>1,600</b>	<b>121</b>	<b>5,038</b>	<b>35,936</b>

As at 09/30/21, the consolidated allowance for expected credit losses balance is R\$380 (R\$391 at 12/31/20) to cover credit risks.

g) Management of liquidity risk

Management monitors the continuous forecasts of the Parent's and Varejo's liquidity requirements to ensure they have sufficient cash to meet their operating needs.

Because of the dynamics of its business, the Parent and Varejo maintain a borrowing flexibility by maintaining lines of credit with some financial institutions.

The table below details the maturity of financial liabilities:

<b>Operations</b>	<b>Parent Company</b>				<b>Total</b>
	<b>Up to 1 Year</b>	<b>From 1 to 2 Years</b>	<b>From 3 to 5 Years</b>	<b>Over than 5 Years</b>	
Trade Accounts Payable to Suppliers	563	-	-	-	563
Creditors Judicial Reorganization	328	-	86	8,760	9,202
<b>Operations</b>	<b>Consolidated</b>				<b>Total</b>
	<b>Up to 1 Year</b>	<b>From 1 to 2 Years</b>	<b>From 3 to 5 Years</b>	<b>Over than 5 Years</b>	
Trade Accounts Payable to Suppliers	87,020	-	-	-	87,020
Creditors Judicial Reorganization	7,889	7,077	16,049	449,727	487,789
Loans and Financing	50,383	172,061	66,461	45,932	334,837
Leasing -					
Renting of Stores	13,831	-	-	-	13,831
Other Liabilities	1,200	-	-	-	1,200

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**h) Risk Concentration**

The financial instruments that potentially expose the Parent and Varejo to concentration of credit risk consist basically of banks, short-term investments, and trade receivables. The balance of Varejo's trade receivables is substantially distributed among credit card acquirers. The total balance of trade receivables is denominated in Brazilian reais (R\$).

**i) Lines of Credit**

	<u>Consolidated</u>	
	<u>09/30/21</u>	<u>12/31/20</u>
Loans:		
Used	<u>167,043</u>	<u>156,020</u>

**j) Guarantees Obtained**

	<u>Consolidated</u>
	<u>09/30/21</u>
Letters of Guarantee Guaranteeing the Federal Tax Foreclosure Process	<u>9,030</u>

For the nine-month period ended 09/30/21 the letters of guarantee secured generated finance costs of R\$161 (R\$160 as of 09/30/20).

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k) Carrying amount and fair value of financial assets and financial liabilities

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/21</u>		<u>09/30/21</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
<b>Fair Value Through the Income:</b>				
Cash and Cash Equivalents	1,600	1,600	1,936	1,936
Fair Value- "Swap" Transaction	-	-	-	-
Fair Value- Foreign exchange Contracts	-	-	-	-
<b>Loans and Receivables:</b>				
Accounts Receivable from Customers			3,102	3,102
Related Parties -Mutual Contract	56,927	56,927	-	-
Outros créditos	-	-	-	-
<b>Liabilities-Amortized Cost:</b>				
Loans and Financing		-	283,254	284,220
Trade Accounts Payable to Suppliers	563	563	87,020	87,020
Creditors - Judicial Reorganization	3,777	3,777	205,484	205,484
Lease-				
Store Leasing	-	-	13,831	13,831
Others	-	-	1,200	1,200

The following methods and assumptions were used to calculate the fair value.

- Cash and cash equivalents – Defined as assets for cash management and represented by cash and bank deposits, whose fair values approximates their carrying amounts;
- Trade receivables, trade payables and related parties – Balances directly provided by operations, whose fair values approximates their carrying amounts.

The Parent discloses its financial assets and financial liabilities at fair value based on CPC 38, CPC 39 and CPC 40 (R1), which provide for measurement, recognition and presentation of financial instruments.

Fair value hierarchy

The financial assets and financial liabilities recorded at fair value are classified and disclosed according to the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities, available of measurement date;

Level 2 – inputs, except for quoted prices, included in Level 1, that are observable for the asset or liability, directly (prices) or indirectly (derived from prices); and

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Level 3 – assumptions, considered for assets or liabilities, not based on observable market data (non-observable data). In this level, the fair value estimate becomes subjective.

The Parent’s and Varejo’s assets and liabilities measured at fair value as at June 30, 2021 are as follows:

	<u>Parent Company</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Cash and Cash Equivalents</b>	<b>1,600</b>	-	-	<b>1,600</b>
	<u>Consolidated</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Cash and Cash Equivalents</b>	<b>1,936</b>	-	-	<b>1,936</b>

**28. SEGMENT INFORMATION**

The management of the Saraiva Group’s businesses in the financial and operational areas is carried out through the segment called “Varejo”, corresponding to the bookstore and stationery retail business.

**29. DISCONTINUED OPERATIONS**

Discontinued operations are represented by the residual results of the publishing segment sold to Editora Ática S.A. in 2015.

Net income from discontinued operations for the period of nine-month ended 09/30/20:

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/21</u>	<u>09/30/20</u>	<u>09/30/21</u>	<u>09/30/20</u>
Operating Expenses	(835)	(5,161)	(835)	(5,161)
<b>Net Loss from Operating Discontinuity</b>	<b>(835)</b>	<b>(5,161)</b>	<b>(835)</b>	<b>(5,161)</b>

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Profit (loss) from discontinued operations is R\$835 (R\$5,161 as at 09/30/20), consolidated, is fully assigned to controlling shareholders.

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09/30/21</u>	<u>09/30/20</u>	<u>09/30/21</u>	<u>09/30/20</u>
Net Cash Provided from (Used in)				
Operating Activities	831	(4,712)	831	(4,712)
<b>Net Cash Provided from (Used in)</b>				
<b>Discontinued Operations</b>	<b>831</b>	<b>(4,712)</b>	<b>831</b>	<b>(4,712)</b>

**30. INSURANCE**

The Parent's and Varejo's Management have the policy of obtaining insurance for assets exposed to risks considered sufficient to cover possible losses in light of the nature of its activities.

**Insurance Coverage Contracted:**

	<u>09/30/21</u>	<u>12/31/20</u>
Lost Profits	40,000	40,000
Fire- Maximum Value	27,812	27,812
Civil Responsibility- Board of Directors, Board and Management - Maximum Value	50,000	50,000
General Civil Liability - Maximum Value	2,000	2,000
Taxes Foreclosure	115,123	112,321
Robbery and Theft	1,105	1,105
General Risks	16,280	16,280

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## SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY

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#### 31. JUDICIAL REORGANIZATION PROCESS

On November 23, 2018, the Company's Management filed for judicial reorganization. The resulting plan was approved at the EGM held August 29, 2018 as a way of tackling the impacts of the economic crisis on the publishing sector. The reorganization application was accepted and the judicial administrator appointed on November 26, 2018. On August 1, 2019, the revision of the Original Judicial Reorganization Plan ("PRJ"), submitted on February 4, 2019, was filled, having been approved on September 4, 2019. In view of the ongoing difficulty in generating cash from operating activities, aggravated by the impacts of the Coronavirus pandemic on the Varejo's sales cycle, with a drastic reduction in revenues, the Company's Management and its subsidiary submitted the Addendum to the Original Court-Ordered Reorganization Plan (Amended Plan) on July 3, 2020 to the approval of the General Creditors' Meeting and to judicial approval. The amendment to the Court-Ordered Reorganization Plan (Amended Plan), filed on July 3, 2020, was approved at the General Creditors' Meeting held on February 26, 2021, and ratified on March 5, 2021. The Amended Plan is duly supported by an economic feasibility report and an appraisal report on assets, presented in the Court-Ordered Reorganization Plan records.

The approved Amended Plan aims to enable payment to creditors and the successful judicial reorganization process, guaranteeing the maintenance of the production source, employment, the fulfillment of the social function of the Company's activities and the encouragement of the country's economic activity.

As an alternative to enable the settlement of a substantial portion of liabilities, the Amended Plan provides for three measures: i) the restructuring of liabilities and redefinition of classes of creditors; b) the preservation of investments considered essential for the going concern; and iii) the disposal of Groups of Isolated Productive Units (called UPI's); that is, store operations – Store UPI; e-commerce operation – Website UPI; and Store and Website operations – Mixed UPI, pursuant to the terms established in the aforementioned Plan.

At 09/30/21, the amount of consolidated debt, still in accordance with the Original Plan, is comprised as follows:

Classes	Non		Total
	Current	Current	
Class I	4,420	1,166	5,586
Classe II	-	-	-
Class III	8,738	239,502	248,240
Class IV	-	5,451	5,451
Incentive Suppliers Subclass	897	20,528	21,425
Strategic Suppliers Subclass	3,863	-	3,863
Lessor Suppliers Subclass	4,831	68,666	73,497
<b>Total</b>	<b>22,749</b>	<b>335,313</b>	<b>358,062</b>

Loans with Banco do Brasil in the amount of R\$152,578 (R\$142,221 as of 12/31/20) are included in Class III and are presented in the consolidated information under Borrowings and financing.



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#### Changes in the Period of nine-month Period Ended 09/30/21:

	12/31/20	AVP	Payments	Incurred		09/30/21
				Interest	Others	
Gross Debt	622,392	-	(1,355)	11,084	1,199	633,320
Present Value Adjustment (AVP)	(282,228)	6,970	-	-	-	(275,258)
<b>Total Debt Net</b>	<b>340,164</b>	<b>6,970</b>	<b>(1,355)</b>	<b>11,084</b>	<b>1,199</b>	<b>358,062</b>

The entire Amended Plan and the other delivery terms and conditions, where you can see a more comprehensive version of the terms and conditions established for paying the Company and Varejo's judicial reorganization credits, can be viewed in full on the Company's Investor Relations page (<http://www.saraivari.com.br>) and the site of the Brazilian Securities Commission (<http://www.cvm.gov.br>).

### 32. EVENTS AFTER THE REPORTING PERIOD

At a meeting of the Board of Directors held on 10/15/2021, the Management proposal was unanimously approved, which will be submitted to the Extraordinary General Meeting on:

(i) The reverse split of the current number of common and preferred shares of the capital stock of R\$301,976, both in the proportion of 35 to 1, changing after the reverse split to 1,811,719 shares (671,819 common shares and 1,139,900 preferred shares), without changing the share capital; and

(ii) The increase in the Company's authorized capital to 10,000,000 (ten million) shares, as a measure to contribute to the implementation of the conditions provided for in the judicial reorganization plan.

On 10/25/21, through a notice published on 10/27/2021, the General Meeting of Creditors was called, which will be held in a virtual environment on first call for 11/17/2021 and on second call for the day 11/23/2021, to resolve on the approval, modification or rejection of the 2nd Amendment to the Judicial Reorganization Plan and other matters of interest to creditors and Debtors.

On 1/11/21, Varejo was notified by the Finance Department of the State of São Paulo about the advancement of one more stage of the administrative process for the realization of the accumulated credit, with the release of said credit in the e-CredAc checking account ( Explanatory note 7).

### 33. EXPLANATION ADDED TO THE TRANSLATION INTO ENGLISH

The accompanying interim financial information was translated into English from the original Portuguese version prepared for local purposes. Certain accounting practices applied by the Entity that conform to those accounting practices adopted in Brazil may not conform to the generally accepted accounting principles in the countries where this interim financial information may be used.

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

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**OPINIONS AND STATEMENTS / MANAGEMENT'S STATEMENT ON THE INDIVIDUAL AND  
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In accordance with article 25 (VI) of CVM Directive 480 issued December 07, 2009, the Board of Directors represents it has reviewed, discussed and accepted the Interim Individual and Consolidated Accounting Information for the quarter ended September 30, 2021.

São Paulo, November 12, 2021

(Free translation from the original issued in Portuguese. In the event of any discrepancies, the Portuguese language version shall prevail.)

**SARAIVA LIVREIROS S.A.-UNDER JUDICIAL REORGANIZATION AND SUBSIDIARY**

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**OPINIONS AND STATEMENTS / MANAGEMENT'S STATEMENT ON THE INDEPENDENT  
AUDITOR'S REPORT ON REVIEW OF THE INDIVIDUAL AND CONSOLIDATED INTERIM  
FINANCIAL INTERIM INFORMATION**

In accordance with article 25 (V) of CVM Directive 480 issued December 07, 2009, the Board of Directors represents it has reviewed, discussed and accepted the independent auditors' report on the Interim Individual and Consolidated Accounting Information for the quarter ended September 30, 2021.

São Paulo, November 12, 2021