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

Vivara Participações S.A. and Subsidiaries

Report on Review of Interim Financial Information for the Three-month Period Ended March 31, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

Deloitte Touche Tohmatsu
Dr. Chucri Zaidan Avenue, 1.240 -
4th to 12th floors - Golden Tower
04711-130 - São Paulo - SP
Brazil

Tel.: + 55 (11) 5186-1000
Fax: + 55 (11) 5181-2911
www.deloitte.com.br

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Board of Directors of
Vivara Participações S.A.

Introduction

We have reviewed the individual and consolidated interim financial information of Vivara Participações S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2023, which comprises the balance sheet as at March 31, 2023 and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

The Executive Board is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with such technical pronouncement and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

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

São Paulo, May 5, 2023

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Marcos Helvius Olliver Domingues Marcondes
Engagement Partner

2023SP023019

São Paulo, May 5, 2023

VIVARA Participações S.A. (B3: VIVA3), Latin America's largest jewelry chain, announces its results for the 1st quarter of 2023.

Vivara posted REVENUES of R$ 487.5 million, up 18.7%, driven by strong growth in the share of the Life category, which accounted for 34.5% of total sales, up +520 bps from 1Q22.

The impact of the higher share of the Life segment was evident in the Company's GROSS MARGIN, which came to 69.6% in 1Q23.

Also in the quarter, the Company's Selling, General and Administrative Expenses were pressured by the accelerated expansion of stores and the increase of administrative structure during 2022.

1Q23 HIGHLIGHTS

R$487.5 million **Gross Revenue** (net of returns) | +18.7% vs. 1Q22

R$70.5 million **Digital Sales** | +36.6% vs. 1Q22 and 14.5% share of total sales in 1Q23

R$168.2 million **Revenue from Life category** | +39.9% vs. 1Q22 and 34.5% share of total sales in 1Q23

+11.4% Same-store sales **(SSS)**

R$272.6 million **Gross Profit** | +19.5% vs. 1Q22 and 69.6% Gross Margin, 200 bps vs. 1Q22

+7 **New stores** | Totaling 77 Life stores and 245 Vivara stores

R$58.0 million **Adjusted EBITDA** | +13.3% vs. 1Q22

KEY INDICATORS

Main Key Ratios (R$, 000)	1Q23	1Q22	Δ % 23vs22
Gross Revenue (net of return)	487,500	410,860	18.7%
Net Revenue	391,628	337,424	16.1%
Gross Profit	272,586	228,151	19.5%
Gross Margin (%)	*69.6%*	*67.6%*	*199 bps*
EBITDA	80,119	70,910	13.0%
Ebitda Margin (%)	*20.5%*	*21.0%*	*-56 bps*
Adjusted EBITDA (1)	58,045	51,246	13.3%
Adjusted Ebitda Margin (%)	*14.8%*	*15.2%*	*-37 bps*
Net Income	38,571	45,922	-16.0%
Net Margin (%)	*9.8%*	*13.6%*	*-376 bps*
Adjusted Net Income(4)	48,658	45,922	6.0%
Adjusted Net Margin (%)	*12.4%*	*13.6%*	*-119 bps*
SSS (physical stores)	*7.4%*	*61.5%*	*na*
SSS(2) (physical stores + digital)	*11.4%*	*41.7%*	*na*
Operational Cash Generation(3)	8,040	(43,989)	118.3%

(1)EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-accounting measurement disclosed by the Company in compliance with CVM Instruction 527/12. The fixed portion of rent expenses refers to "Lease of Right of Use," which, due to the adoption of IFRS16/CPC06 starting from January 2019, ceased to be booked as rent under operating expenses. The presentation of Adjusted EBITDA through rent is important to reflect the impact of accelerated expansion in the Company's operating metrics. Apart from the adjustment pursuant to IFRS16/CPC06, non-recurring extemporaneous effects are excluded from Adjusted EBITDA: non-recurring extemporaneous effects were booked in 2022, which refer to: (i) R$5.5 million in Success Fee for the elimination of tax risks in tax-deficiency notices related to the clearance of goods imported between 2012 and 2014; and (ii) R$2.6 million for additional DIFAL tax payments in 2021; In 2021, non-recurring effects of R$7.5 million were excluded, related to the write-off of PIS/COFINS credits, which are also reflected in the Adjusted EBITDA in 4Q21.
(2) Same-Store Sales (SSS) considers gross revenue, net of returns, from stores in operation for 12 months, as well as revenues from e-commerce, and excludes stores under renovation, with restrictions on functioning, even partially, and closed operations.
(3) Managerial, non-accounting measurement prepared by the Company that does not fall under the scope of independent audit.
(4) Net Income Adjusted by (i) normalization of the rate used in the calculation of deferred tax in the elimination of unrealized profit from intercompany transactions and (ii) by the non-recurring effects of the period.

GROSS REVENUE BY CHANNEL (Net of Returns)

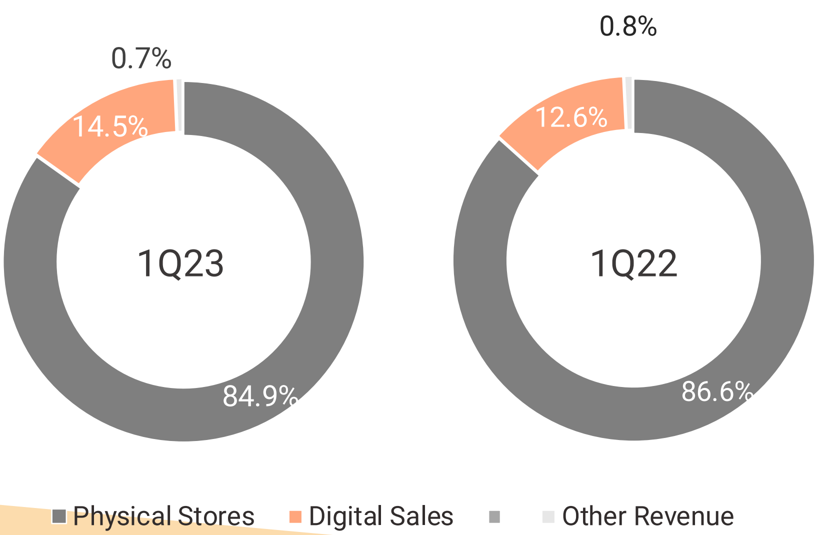
Gross Revenue, net of returns, in 1Q23 reached R$487.5 million, up 18.7% from 1Q22. The performance is explained by (i) the growth in same-store sales (SSS of physical stores + e-commerce), which reached 11.4%; and (ii) the 18.9% increase in sales area in the last 12 months.

Net revenue in the period was R$391.6 million, up 16.1% 1Q22. The 30.6% increase in deductions was chiefly due to the lower volume of presumed credit in the quarter, which corresponded to 8.5% of Gross Revenue (net of returns) in 1Q23, compared to 10.8% in the same period last year. The lower volume of ICMS credit is due to higher imports during the period, in line with the Company's strategy for the year due to the migration of the plant.

Same-Store Sales (SSS) reached 11.4%, reflecting the healthy performance by all channels. Note that, in addition to new stores, SSS also excludes stores under renovation during the quarter. Specifically, in 1Q23, the Company partially closed 14 mature Vivara stores. The impact of renovations on total sales is detailed at the "Sales at Physical Stores" section on page 9.

Revenue per chanel (R$, 000)	1Q23	1Q22	Δ % 23vs22
Gross Revenue (net of return)	487,500	410,860	18.7%
Physical Stores	413,735	356,030	16.2%
Vivara Stores	342,251	322,550	6.1%
Life Stores	64,650	25,873	149.9%
Kioks	6,834	7,608	-10.2%
Digital Sales	70,476	51,605	36.6%
Others	3,289	3,224	2.0%
Deductions	(95,872)	(73,437)	30.6%
Net Revenue	391,628	337,423	16.1%
SSS (physical stores)	7.4%	61.5%	na
SSS (physical stores + digital)	11.4%	41.7%	na

Digital sales grew 36.6% in the quarter, accounting for 14.5% of total sales, 190 bps higher than in the same quarter last year.



GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

Physical Stores

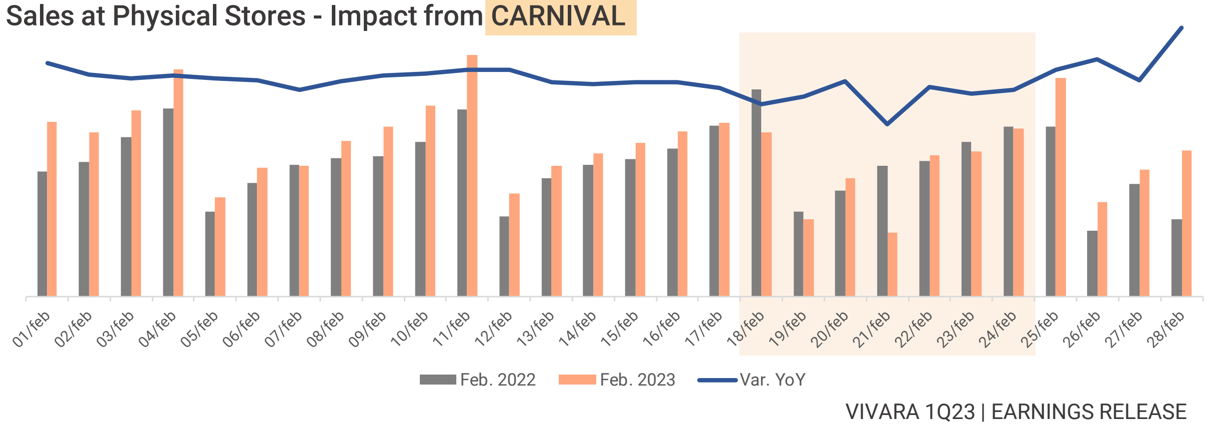
In 1Q23, the Company registered sales of R$413.7 million at physical stores, an increase of 16.2% year over year. In the Same Store Sales view, considering only physical stores, the growth was 7.4%, with emphasis on the performance of the exclusive Life brand stores.

This quarter, sales growth was once again driven by the volume of products sold, which increased 22.0% in relation to 1Q22. The 2.8% reduction in the Company's average price reflects the higher share of Life products in total sales.

	Breakdown by Business (R$, 000)	1Q23	1Q22	Δ 23vs22
Vivara	Number of stores	245	231	14
	Store rollouts	2	2	0
	Sales area (m²)	22,385	21,098	6.1%
	Gross revenue (net of return)	342,251	322,550	6.1%
	Sales per m²	15,289	15,288	0.0%
Life	Number of stores	77	35	42
	Store rollouts	5	2	3
	Sales area (m²)	5,823	2,479	134.9%
	Gross revenue (net of return)	64,650	25,873	149.9%
	Sales per m²	11,103	10,437	6.4%
Kiosk	Number of kiosks	21	24	(3)
	Store rollouts	0	-2	2
	Sales area (m²)	137	155	-11.6%
	Gross revenue (net of return)	6,834	7,608	-10.2%
	Sales per m²	49,880	49,081	1.6%
Total	Points of sales	343	290	53
	Store rollouts	7	2	5
	Sales area (m²)	28,344	23,732	19.4%
	Gross revenue (net of return)	413,735	356,030	16.2%
	Sales per m²	14,597	15,002	-2.7%

The consolidated drop in revenue per square meter reflects (i) 55 new Vivara stores, opened after 2020, which have lower productivity than legacy stores; (ii) 14 mature Vivara stores undergoing renovations throughout the quarter; (iii) a significant volume of Life stores opened in the last 12 months (55% of the total number of stores in this format); and (iv) a reduction in the number of kiosks, due to their conversion into stores.

Despite the healthy performance by all channels, operations at physical stores during the quarter were affected by lower customer traffic during the Carnival holiday. The return of Carnival celebrations in 2023 after a gap of two years significantly reduced customer traffic at malls not only during the six days, but also during the following weekend:



GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

VIVARA STORES

Vivara stores, which totaled 245 at the end of the period, registered Gross Revenue (net of returns) of R$342.3 million in 1Q23, up 6.1% from 1Q22.

Sales per m² of Vivara stores reflect:

i. The performance of mature stores, impacted by stores under renovation. During the quarter, 14 mature Vivara stores were partially closed, affecting customer traffic for 36 days, on average. These stores jointly accounted for the 8.9% year-on-year decline in sales in 1Q23.

ii. Vivara stores opened after 2020 have a similar average area, comparing to the mature stores, but with lower total sales. On average, Vivara expansion stores generate 45% lower revenues than mature legacy stores. This is a natural phenomenon, given the advanced stage of penetration of this format, which is already present in the best and biggest malls across Brazil. At the end of 1Q23, 55 Vivara stores had been inaugurated after 2020.

GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

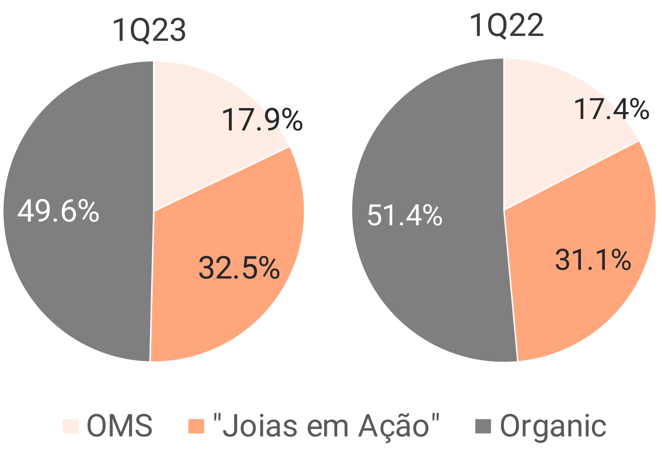
LIFE Stores

Driven by the accelerated expansion of stand-alone Life stores in the last two years, the share of Life banner accounted for 15.6% of revenues from the physical channel, 840 bps more than in 1Q22. This strong revenue growth is explained by: (i) the expansion of stand-alone Life stores in the last 12 months; (ii) the growth in SSS of Life stores above the total store average; (iii) the broader assortment of Life products as part of greater portfolio diversification; and (iv) the right communication and marketing strategy. Sales per m² of Life stores were 6.4% higher in 1Q23 versus 1Q22 and reflects the accelerated growth in area and the significant volume of stores opened in the last 12 months, equivalent to 55% of Life stores.

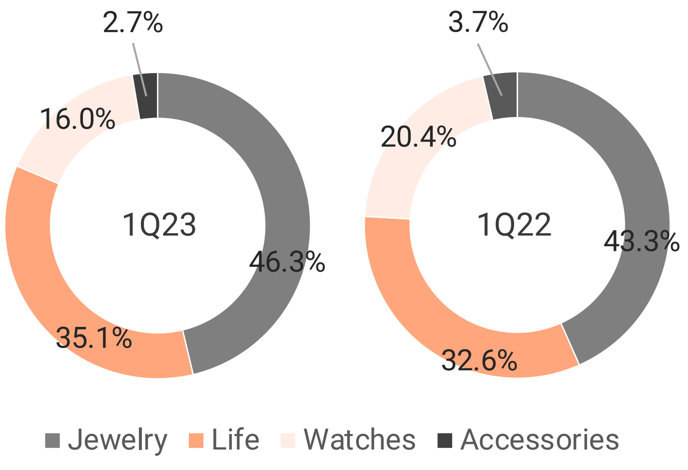
At the end of the quarter, revenue from the 13 mature Life stores was 32.7% higher than in 1Q22. In 1Q23, Life stores accounted for 38.4% of sales in the category, up 1,690 bps year on year.

GROSS REVENUE BY CHANNEL (Net of Returns) (Cont.)

DIGITAL
Sales



Digital sales came to R$70.5 million, up 36.6% from 1Q22, corresponding to 14.5% of total sales. This result primarily reflects: (i) the better operating indicators of the new platform, implemented in 2H22; (ii) the increase in the share of sales from omnichannel initiatives, which grew 39.9% in relation to 1Q22; and (iii) the higher share of the Joias em Ação assisted sales program, which played a more decisive role, especially at times of lower customer traffic at stores.



In 1Q23, the jewelry category was a major driver of digital sales, expanding 300 bps, reflecting the higher share of Joias em Ação. The Life brand's share increased 250 bps in the channel, chiefly due to the broader assortment of Life products as part of the growing diversification of the portfolio available on the platform and the right communication and marketing strategy, which entails a stronger digital presence.

OMNICHANNEL INDICATORS

Active clients **1.7 million** (+26.4% LTM)

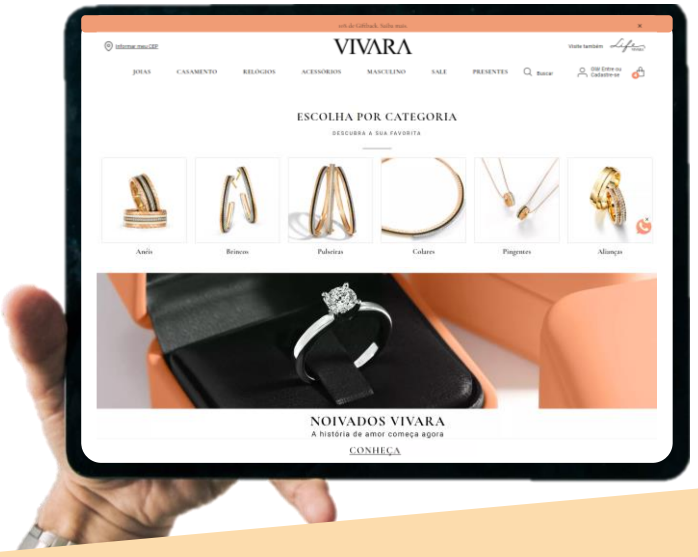
+24% orders (1Q23 vs. 1Q22)

+19% growth in conversion rate (1Q23 vs. 1Q22)

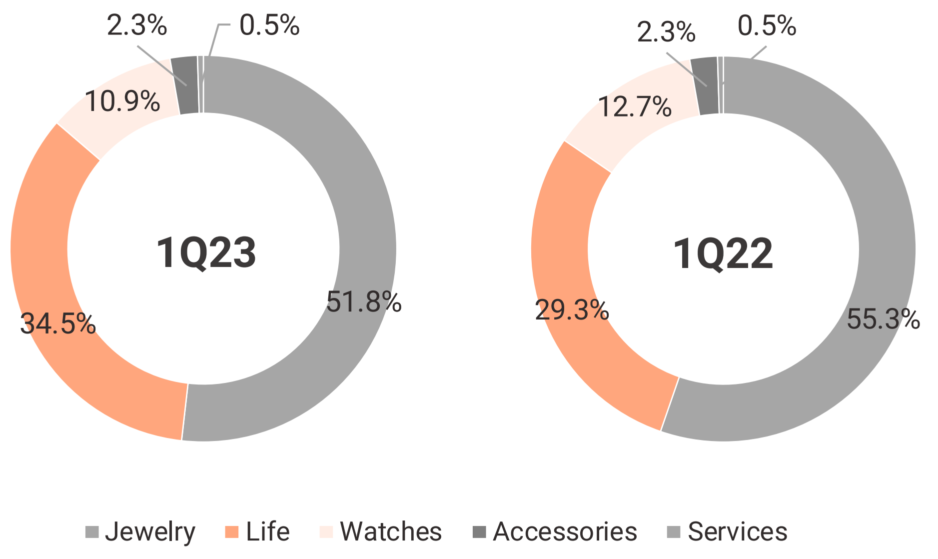
-14% decrease in rejection rate (1Q23 vs. 1Q22)

294 stores connected to OMS

28% of digital sales, in the pick-up in store modality in 1Q23



GROSS REVENUE BY CATEGORY (Net of Returns)



Revenue per product (R$, 000)	1Q23	1Q22	Δ % 23vs22
Gross Revenue (net of return)	487,500	410,860	18.7%
Jewelry	252,542	227,165	11.2%
Life	168,176	120,180	39.9%
Watches	53,256	52,004	2.4%
Accessories	11,139	9,516	17.1%
Services	2,385	1,995	19.6%
Revenue Deductions	(95,872)	(73,437)	30.6%
Net Revenue	391,628	337,423	16.1%

As for sales mix, the highlight of the quarter was the Life category, which generated revenue of R$ 168.2 million. Growth of 39.9% from 1Q23, with share of total sales increasing 520 bps. This performance is mainly due to the addition of 42 new stand-alone Life stores in the last 12 months, as well as the strong growth of mature stores and the accelerated maturation curve of stores inaugurated in the last 24 months.

Revenue from the Jewelry category increased 11.2% during the period, driven by the higher share of Joias em Ação project in digital sales and the category's increase in Vivara stores.

GROSS PROFIT AND GROSS MARGIN

Gross Profit (R$, 000) and Gross Margin (%)	1Q23	1Q22	Δ % 23vs22
Net Revenue	**391,628**	**337,424**	**16.1%**
Total costs	**(119,042)**	**(109,272)**	**8.9%**
Acquisition of input, raw materials and products	(101,802)	(95,593)	6.5%
% Net Revenue	*-26.0%*	*-28.3%*	*234 bps*
Factory Expenses	(17,240)	(13,679)	26.0%
% Net Revenue	*-4.4%*	*-4.1%*	*-35 bps*
Personal	(13,800)	(10,956)	26.0%
% Net Revenue	*-3.5%*	*-3.2%*	*-28 bps*
Factory expenses	(1,814)	(1,651)	9.9%
% Net Revenue	*-0.5%*	*-0.5%*	*3 bps*
Depreciation	(1,626)	(1,072)	51.7%
% Net Revenue	-0.4%	-0.3%	*-10 bps*
Gross profit	**272,586**	**228,151**	**19.5%**
Gross margin %	*69.6%*	*67.6%*	*200 bps*

Gross Profit in 1Q23 totaled R$272.6 million, up 19.5% from 1Q22, with Gross Margin of 69.6%.

The 200 bps increase in Gross Margin in relation to 1Q22 was mainly due to: (i) higher share of Life category in total sales; and (ii) the lower volume of losses due to the higher purification of metals, which was insourced at the Manaus plant in August 2022. These two effects resulted in a 234 bps dilution in the Costs of Acquisition of Inputs and Raw Materials, which offset the increase in Personnel Expenses at the plant resulting from its expansion.

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

OPERATING EXPENSES

Operating Expenses (R$, 000)	1Q23	1Q22	Δ % 23vs22
Operating Expenses	(193,404)	(156,169)	23.8%
Operating Expenses/Net Revenue (%)	*-49.4%*	*-46.3%*	*-310 bps*
Selling Expenses	(135,062)	(113,752)	18.7%
Selling Expenses/Net Revenue (%)	-34.5%	-33.7%	*-78 bps*
General and Administrative Expenses	(58,342)	(42,417)	37.5%
Revenue (%)	-14.9%	-12.6%	*-233 bps*
Other Operating Expenses	(689)	(2,144)	-67.9%
Total Operating Expenses	**(194,093)**	**(158,313)**	**22.6%**

Operating Expenses (SG&A) in the quarter reached R$193.4 million, corresponding to 49.4% of Net Revenue, up 310 bps year on year.

Selling Expenses increased 18.7%, up 78 bps from the same period last year, mainly due to: (i) higher rent expenses with the acceleration of the expansion plan, especially the opening of stand-alone Life stores whose occupancy costs are higher than the average of other stores, in addition to the significant 31.2% of the stores still in the maturation phase; (ii) the price adjustments by credit card operators and higher average installments; and (iii) higher expenses with store maintenance, booked under third-party services. Moreover, the higher share of digital sales between the periods led to an increase in freight and tax expenses.

General and Administrative Expenses increased 37.5%, corresponding to 14.9% of Net Revenue in the quarter. The operating leverage of 233 bps reflects mainly: (i) the 34.1% increase in personnel expenses due to the increased headcount in the last 12 months, accrued inflation during the period and the accrual of the second year of the long-term incentive plan, which began in late 2021; (ii) the 38.5% increase in expenses with third-party services, impacted by non-recurring effects totaling R$2.6 million, mainly lawyers' fees related to favorable outcome in lawsuits to eliminate tax risks from 2012 to 2014; and (iii) the increase in Other Administrative Expenses due to additional building maintenance and security services.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

EBITDA Reconciliation (R$, 000)	1Q23	1Q22	Δ % 23vs22
Net Income	38,571	45,922	-16.0%
(+) Income and Social Contribution Taxes	(3,952)	(11,207)	-64.7%
(+) Financial Result	13,615	9,786	39.1%
(+) Depreciation and Amortization	31,885	26,409	20.7%
Total EBITDA	80,119	70,910	13.0%
(-) Rental expense (IFRS16)	(24,682)	(19,664)	25.5%
(+) Non-recurring effect	2,609	-	na
Adjusted EBITDA	58,045	51,246	13.3%
Adjusted EBITDA Margin (%)	*14.8%*	*15.2%*	*40 bps*

In 1Q23, the Company recorded Adjusted EBITDA of R$58.0 million, with Adjusted EBITDA Margin of 14.8%. The 13.3% increase reflects the brisk pace of sales and optimum inventory mix across all categories.

Adjusted EBITDA Margin benefited from the 200 bps increase in Gross Margin, although not being sufficient to neutralize the impact of higher Selling, General and Administrative Expenses. The 40 bps pressure on Adjusted EBITDA Margin reflects the accelerated store expansion in the last two months, and the impact of fixed expenses during seasons of lower sales.

NET INCOME AND NET MARGIN

EBITDA Reconciliation and Net Income (R$'000)	1Q23	1Q22	Δ % 23vs22
Adjusted EBITDA	58,045	51,246	13.3%
Adjusted EBITDA Margin (%)	*14.8%*	*15.2%*	*-37 bps*
(-) Rental expense (IFRS16)	24,682	19,664	25.5%
(-) Non-recurring effects	(2,609)	-	na
(+) Depreciation and Amortization	(31,885)	(26,409)	20.7%
(+) Financial Result	(13,615)	(9,786)	39.1%
(+) Income and Social Contribution Taxes	3,952	11,207	-64.7%
Net Income	**38,571**	**45,922**	**-16.0%**
Net Income Margin (%)	9.8%	13.6%	*-376 bps*
Tax Nomalization effect (Defered)	8,365	-	na
Non-recurring effect	1,722		
Recurring Net Income	**48,658**	**45,922**	**6.0%**
Recurring Net Margin (%)	12.4%	13.6%	*-119 bps*

The Company registered Net Income of R$38.6 million and Net Margin of 9.8%, in 1Q23.

The result was impacted by the lower deferred tax credit compared to the previous periods. This effect is related to the change in the tax rate used in the calculation of taxes in the elimination of unrealized profit from intercompany transactions. On the table above, the Adjusted Net Income considers the same tax rate for the deferred tax credit between periods and excludes the non-recurring effects. Thus, Company's Adjusted Net Income was R$48.7 million, 6.0% of expansion, comparing to the 1Q22.

Despite the impact, the modification reduces the non-cash profit effect on Company's result. In addition, the result was also impacted by (i) R$5.5 million on higher depreciation for the strong investments, mainly, in new stores, technology, and plant, in the past 2 years, and (ii) R$2.5 million of IFRS16 leasing charges, by the stores expansion acceleration.

DEBT

In 1Q23, the Company's Gross Debt remained practically stable in relation to in December 2022. Net cash in the period decreased 27.1%, due to higher working capital allocation and higher investments during the period.

Net Debt (R$, 000)	**1Q23**	**2022**	**Δ %**
Gross Debt	221,949	225,157	-1.4%
Short Term	101,949	116,970	-12.8%
Long Term	120,000	108,186	10.9%
Cash and cash equivalents and Securities	336,847	382,867	-12.0%
Net Cash	114,898	157,710	-27.1%
Adjusted EBITDA LTM *(last twelve months)*	407,881	401,082	1.7%
Net Debt/Adjusted Ebitda	0.3x	0.4x	na

CAPEX

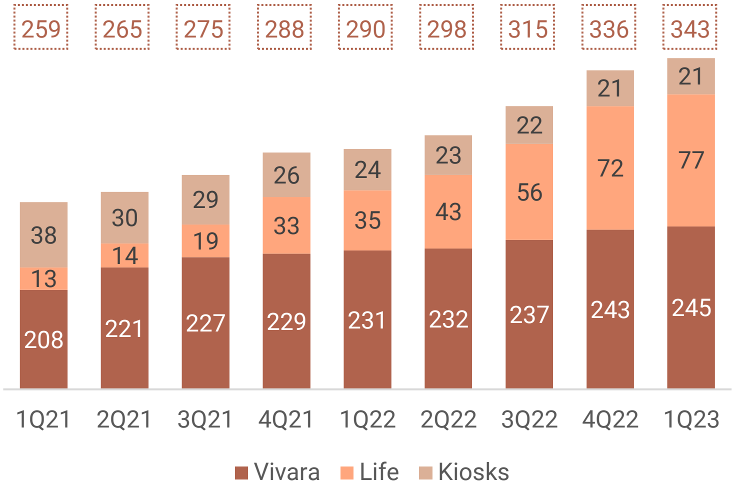
Investments (R$, 000)	1Q23	1Q22	Δ % 23vs22
Total Capex	44,037	23,869	84.5%
New Stores	15,428	10,396	48.4%
Reforms and Maintenance	11,885	4,250	179.6%
Factory	9,104	4,411	106.4%
Systems/IT	4,284	4,185	2.4%
Others	3,336	627	431.9%
CAPEX/Net Revenue (%)	*11.2%*	*7.1%*	*417 bps*

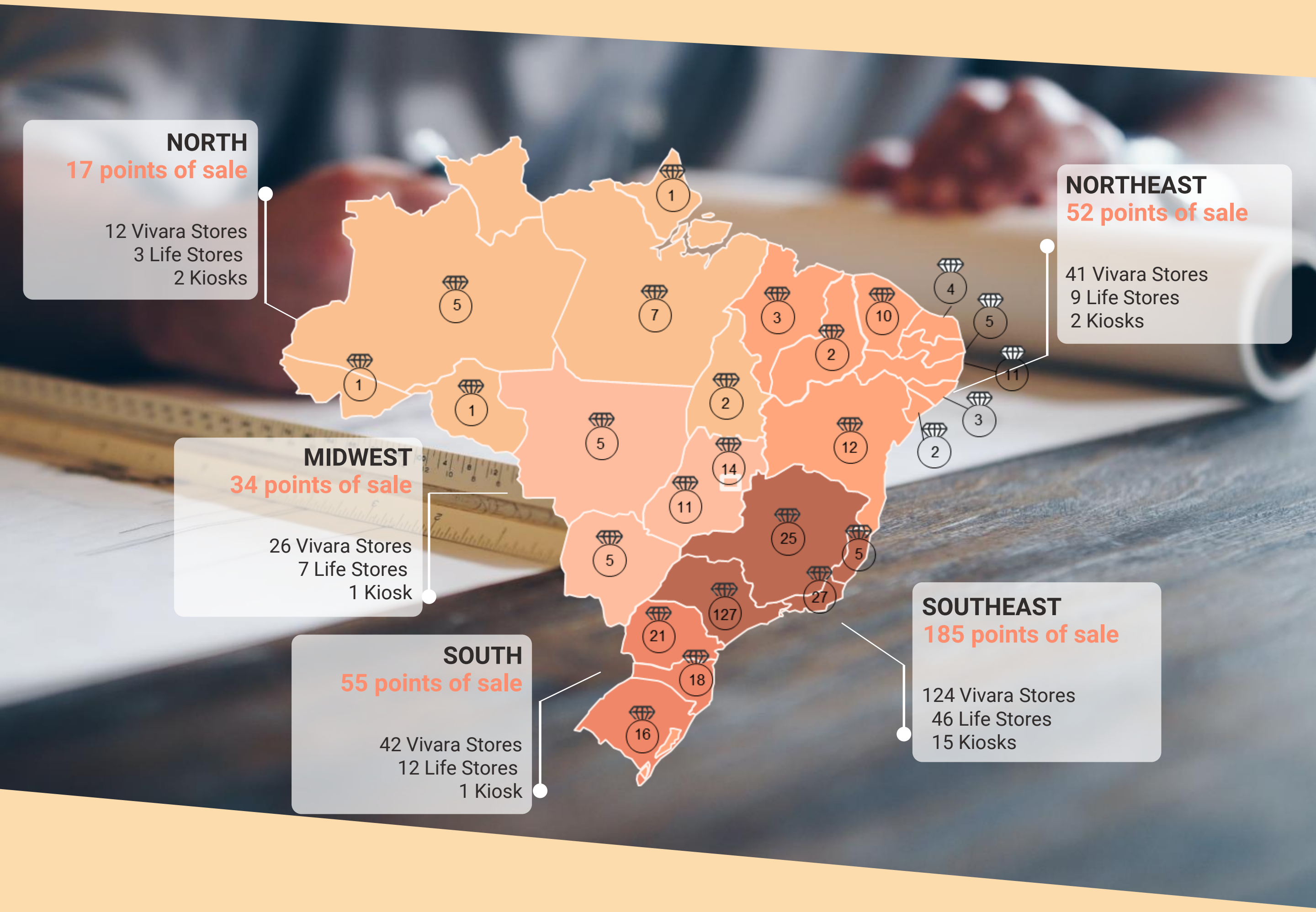
In 1Q23, investments totaled R$44.0 million, up 84.5% from 1Q22. Investments in the period mainly went to: (i) the opening of new Vivara and Life stores; (ii) renovations to improve and modernize the store network, adapting operations to the new store layouts; (iii) the construction of the new plant; and (iv) the Company's new administrative structure.

EXPANSION

At the end of March 2023, the Company had 343 points of sale in operation, with the addition of 7 new stores in 1Q23.

Overall, the Company has 245 Vivara stores, 77 Life stores and 21 kiosks spread across all regions in Brazil. In the last two years, Vivara intensified the organic expansion of channels by adding 107 new operations, which account for 31.2% of stores in the maturation phase.





CASH GENERATION

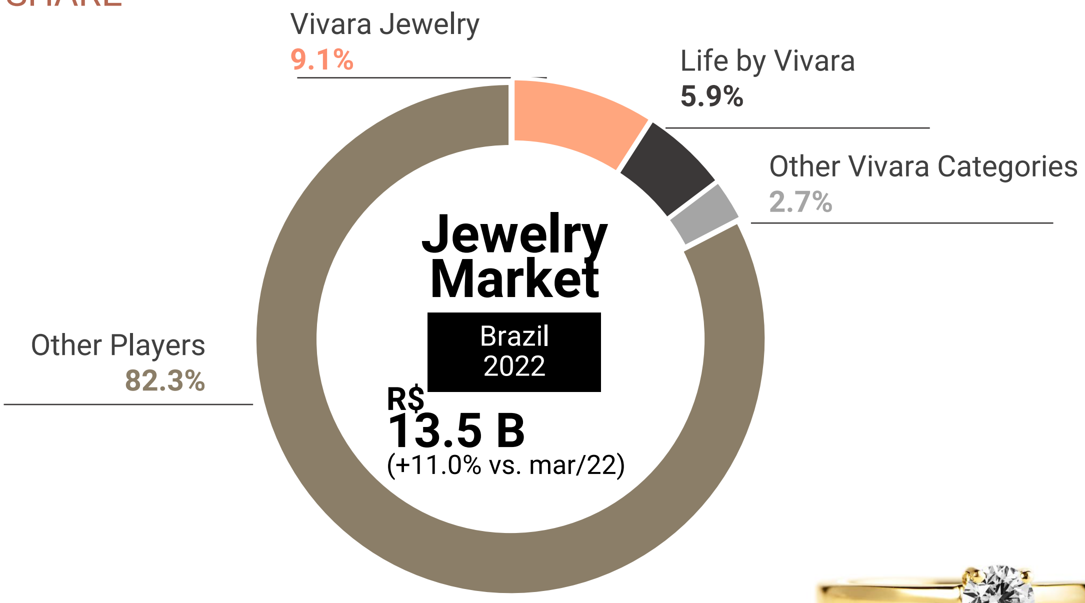
Cash Flow (R$, 000)	1Q23	1Q22	Δ % 23vs22
Net Income	38,572	45,922	-16.0%
(+/-) Income and Social Contribution Taxes/Others	5,447	1,819	199.5%
Adjusted Net Income	44,019	47,741	-7.8%
Working Capital	(35,979)	(91,730)	-60.8%
Trade receivables	148,262	108,434	36.7%
Inventories	(93,235)	(92,630)	0.7%
Trade payables	34,512	14,435	139.1%
Recoverable taxes	(3,467)	(9,212)	-62.4%
Taxes payable	(65,451)	(70,636)	-7.3%
Other assets and liabilities	(56,600)	(42,121)	34.4%
Cash from Management Operating Activities	8,040	(43,989)	118.3%
Capex	(44,036)	(23,869)	84.5%
Freee Cash Generation	(35,996)	(67,858)	-47.0%

The Company consumed free cash of R$36.0 million in 1Q23, R$31.9 million less than in 1Q22, reflecting the lower working capital allocation in the period.

OUTLOOK

- 2023 - The Company remains positive about the year 2023. The 1Q23 results are in line with initial expectations and prepare us for the entry of 2Q23, which is an important seasonality period for the business. We continue to be well positioned, with a strengthened brand, prepared teams, and well-composed inventories in all categories to deliver another successful Mother's Day and Valentine's Day. The organic expansion of Vivara and Life brands continues at an accelerated pace until the end of the year.
- Tax disputes – Vivara is closely monitoring the main tax disputes in progress. Note that, regarding the tax incentives that the Company is benefiting from: (i) the incentives inherent to the Manaus Free Trade Zone are described and treated differently, which ensures greater legal certainty, with low risk of changes in taxation for companies located there, considering their importance for the development of the region; (ii) the state ICMS benefit is also concentrated in the state of Amazonas, as presumed credit, characterized as a subsidy for investments from the start of the concession.
- Market Share – The Company ended 1Q23 with 17.7% share of Brazil's jewelry market, with Vivara's jewelry accounting for 9.1%, Life 5.9% and other categories 2.7%. This result reflects the strong expansion of physical stores and the successful launches of collections and products backed by the efficient management of mix and price. Regarding 2023, the Company remains confident of retaining and further consolidating its market leadership by increasingly rolling out structuring and growth projects.

MARKET SHARE



*Source: Euromonitor Market, ICVA and the Company. Considers Vivara's total revenue, not excluding watches and accessories. March, 2023.

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Company Information / Capital - Breakdown

Number of Shares (Units)	Current Quarter 03/31/2023
Paid-in Capital	
Common	236,197,769
Preferred	0
Total	236,197,769
Held in Treasury	0
Common	874,500
Preferred	0
Total	874,500

Parent FS / Balance Sheet Assets

(Reais)

Account Code	Account Description	Current Quarter 03/31/2023	Last Year 12/31/2022
1	Total Assets	1,780,777,003	1,746,140,473
1.01	Current Assets	3,170,084	3,077,656
1.01.01	Cash and Cash Equivalents	314,461	107,592
1.01.01.01	Cash and cash equivalents	314,461	107,592
1.01.03	Trade Receivables	0	58,947
1.01.03.02	Trade Receivables	0	58,947
1.01.03.02.01	Interest on own capital receivable	0	58,947
1.01.06	Recoverable Taxes	2,623,591	2,714,768
1.01.06.01	Current Recoverable Taxes	2,623,591	2,714,768
1.01.06.01.01	Recoverable taxes	2,623,591	2,714,768
1.01.07	Prepaid Expenses	232,032	196,349
1.01.07.01	Prepaid Expenses and other receivables	232,032	196,349
1.02	Noncurrent Assets	1,777,606,919	1,743,062,817
1.02.02	Investments	1,777,606,919	1,743,062,817
1.02.02.01	Equity Interests	1,777,606,919	1,743,062,817
1.02.02.01.02	Equity Interests in Controlled	1,777,606,919	1,743,062,817

Parent FS / Balance Sheet - Liabilities

(Reais)

Account Code	Account Description	Current Quarter 03/31/2023	Last Year 12/31/2022
2	Total Liabilities	1,780,777,003	1,746,140,473
2.01	Current Liabilities	87,111,001	86,678,707
2.01.01	Payroll and Related Taxes	237,883	238,060
2.01.01.01	Social Security Obligations	36,303	36,118
2.01.01.01.01	INSS and FGTS	36,303	36,118
2.01.01.02	Payroll Obligations	201,580	201,942
2.01.01.02.02	Payroll obligations	201,580	201,942
2.01.03	Taxes Payable	38,598	9,278
2.01.03.01	Federal Taxes Payable	38,466	9,278
2.01.03.01.02	PIS and COFINS payable	0	1,577
2.01.03.01.04	Other federal taxes payable	38,466	7,701
2.01.03.03	Municipal Taxes Payable	132	0
2.01.03.03.02	Other Municipal taxes payable	132	0
2.01.05	Other Payables	86,834,520	86,431,369
2.01.05.02	Other	86,834,520	86,431,369
2.01.05.02.01	Current Liabilities – due to Related Parties	85,705,851	85,705,851
2.01.05.02.08	Other Payables	642,674	725,518
2.01.05.02.09	Services rendered payable	485,995	0
2.02	Noncurrent Liabilities	1,577,449	1,508,499
2.02.02	Other Payables	1,577,449	1,508,499
2.02.02.02	Other	1,577,449	1,508,499
2.02.02.02.08	Other Payables	1,577,449	1,508,499
2.03	Equity	1,692,088,553	1,657,953,267
2.03.01	Paid-in Capital	1,105,381,209	1,105,381,209
2.03.01.01	Share capital	1,105,381,209	1,105,381,209
2.03.02	Capital Reserve	-66,933,106	-62,497,225
2.03.02.04	Options Granted	6,720,801	5,237,843
2.03.02.05	Share in Treasury	-20,612,780	-14,693,941
2.03.02.07	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	615,069,283	615,069,283
2.03.04.01	Legal Reserve	42,945,208	42,945,208
2.03.04.02	Statutory Reserve	572,124,075	572,124,075
2.03.05	Retained earnings/accumulated deficit	38,571,167	0

Parent FS / Statement of Profit and Loss

(Reais)

Account Code	Account Description	Current Quarter 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 to 03/31/2022
3.04	Operating Expenses/Income	38,504,827	47,210,696
3.04.02	General and Administrative Expenses	-4,122,915	-2,362,036
3.04.05	Other Operating Expenses	-6,360	0
3.04.06	Share of Profit (Loss) of Investees	42,634,102	49,572,732
3.05	Profit Before Finance Income (Costs) and Taxes	38,504,827	47,210,696
3.06	Finance Income (costs)	66,340	-1,289,036
3.06.01	Finance Income	76,692	208,572
3.06.02	Finance Costs	-10,352	-1,497,608
3.07	Profit Before Income Taxes	38,571,167	45,921,660
3.09	Profit from Discontinued Operation	38,571,167	45,921,660
3.11	Profit/Loss for the Period	38,571,167	45,921,660
3.99	Earnings per Share - R$	0	0
3.99.01	Basic earnings per share	0	0
3.99.01.01	Common shares	0,16376	0,19442
3.99.02	Diluted earnings per share	0	0
3.99.02.01	Common shares	0,16372	0,19437

Parent FS / Statement of Comprehensive Income

(Reais)

Account Code	Account Description	Current Quarter 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 to 03/31/2022
4.01	Profit for the Period	38,571,167	45,921,660
4.03	Total Comprehensive Income for the Period	38,571,167	45,921,660

Parent FS / Statement of Cash Flows - Indirect Method

(Reais)

Account Code	Account Description	Accumulated Current Year 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 to 03/31/2022
6.01	Net Cash from Operating Activities	-1,765,726	-8,390,210
6.01.01	Cash Generated by Operations	-2,456,847	-3,349,155
6.01.01.01	Profit (loss) for the year	38,571,167	45,921,660
6.01.01.08	Share of profit (loss) of investees	-42,634,102	-49,572,732
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-72,437	-202,268
6.01.01.15	Options Granted	1,681,525	504,185
6.01.02	Changes in Assets and Liabilities	691,121	504,185
6.01.02.02	Related Parties	58,947	0
6.01.02.04	Recoverable taxes	0	-158
6.01.02.06	Other credits	-35,683	-50,982
6.01.02.08	Payroll and Social Security Obligations	-177	-82
6.01.02.09	Taxes payable	195,934	-5,329,933
6.01.02.13	Other payables	472,100	340,100
6.02	Net Cash from Investing Activities	-6,117,405	12,507,371
6.02.08	Interest on own capital received	0	14,415,000
6.02.09	Treasury Shares	-6,117,405	-1,907,629
6.03	Net Cash from Financing Activities	8,090,000	0
6.05	Increase (Decrease) in Cash and Cash Equivalents	206,869	4,117,161
6.05.01	Opening Balance of Cash and Cash Equivalents	107,592	5,249
6.05.02	Closing Balance of Cash and Cash Equivalents	314,461	4,122,410

Parent FS / Statement of Changes in Equity / 01/01/2023 - 03/31/2023

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity
5.01	Opening balances	1,105,381,209	-62,497,225	615,069,283	0	0	1,657,953,267
5.03	Adjusted opening balances	1,105,381,209	-62,497,225	615,069,283	0	0	1,657,953,267
5.04	Capital Transactions with partners	0	-4,435,881	0	0	0	-4,435,881
5.04.03	Options Granted Recognized	0	1,482,958	0	0	0	1,482,958
5.04.04	Shares in Treasury Acquired	0	-6,117,405	0	0	0	-6,117,405
5.04.08	Shares assigned incentive plans	0	195,566	0	0	0	195,566
5.05	Total Comprehensive Income	0	0	0	0	38,571,167	38,571,167
5.05.01	Profit for the Period	0	0	0	0	38,571,167	38,571,167
5.07	Closing Balances	1,105,381,209	-66,933,106	615,069,283	0	38,571,167	1,692,088,553

Parent FS / Statement of Changes in Equity / 01/01/2022 - 03/31/2022

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity
5.01	Opening balances	1,105,381,209	-52,567,635	339,917,790	0	0	1,392,731,364
5.03	Adjusted opening balances	1,105,381,209	-52,567,635	339,917,790	0	0	1,392,731,364
5.04	Capital Transactions with Partners	0	-1,403,444	0	0	0	-1,403,444
5.04.03	Options Granted Recognized	0	504,185	0	0	0	504,185
5.04.04	Shares in Treasury Acquired	0	-1,907,629	0	0	0	-1,907,629
5.05	Total Comprehensive Income	0	0	0	45,921,660	0	45,921,660
5.05.01	Profit for the Period	0	0	0	45,921,660	0	45,921,660
5.07	Closing Balances	1,105,381,209	-53,971,079	339,917,790	45,921,660	0	1,437,249,580

Parent FS / Statement of Value Added

(Reais)

Account Code	Account Description	Accumulated Current Year 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 to 03/31/2022
7.02	Inputs Purchased from Third Parties	-1,377,909	-943,734
7.02.02	Materials, Electric Power, Outside Services and Others	-1,377,909	-943,734
7.03	Gross Value Added	-1,377,909	-943,734
7.05	Wealth Created by the Company	-1,377,909	-943,734
7.06	Wealth Received in Transfer	42,710,794	49,781,304
7.06.02	Finance Income	76,692	208,572
7.06.03	Others	42,634,102	49,572,732
7.06.03.01	Share of profit of subsidiaries and associates	42,634,102	49,572,732
7.07	Wealth for Distribution	41,332,885	48,837,570
7.08	Wealth Distributed	41,332,885	48,837,570
7.08.01	Personnel	2,603,158	1,281,647
7.08.01.01	Salaries and Wags	2,603,158	1,280,246
7.08.01.02	Benefits	0	1,401
7.08.02	Taxes, Fees and Contributions	151,986	1,633,085
7.08.02.01	Federal	148,795	1,633,085
7.08.02.02	State	1,042	0
7.08.02.03	Municipal	2,149	0
7.08.03	Lenders and Lessors	6,574	1,178
7.08.03.01	Interest	6,574	1,178
7.08.04	Shareholders	38,571,167	45,921,660
7.08.04.03	Retained Earnings / Loss for the Period	38,571,167	45,921,660

Consolidated FS / Balance Sheet - Assets

(Reais)

Account Code	Account Description	Current Quarter 03/31/2023	Last Year 12/31/2022
1	Total Assets	2,882,159,409	2,932,172,811
1.01	Current Assets	1,681,851,248	1,761,018,595
1.01.01	Cash and Cash Equivalents	121,463,721	160,035,979
1.01.01.01	Cash and Cash Equivalents	121,463,721	160,035,979
1.01.02	Financial Application	170,131,551	155,139,218
1.01.02.03	Financial application valued at amortized cost	170,131,551	155,139,218
1.01.03	Trade Receivables	515,481,328	663,797,209
1.01.03.01	Trade receivables	515,481,328	663,797,209
1.01.03.01.01	Trade receivables	515,481,328	663,797,209
1.01.04	Inventories	802,728,061	709,711,831
1.01.04.01	Inventories	802,728,061	709,711,831
1.01.06	Recoverable Taxes	57,102,615	55,869,860
1.01.06.01	Current Recoverable Taxes	57,102,615	55,869,860
1.01.06.01.01	Recoverable taxes	57,102,615	55,869,860
1.01.07	Prepaid Expenses	14,943,972	16,464,498
1.01.07.01	Prepaid expenses and other receivables	14,943,972	16,464,498
1.02	Noncurrent Assets	1,200,308,161	1,171,154,216
1.02.01	Long-Term Assets	480,961,515	476,750,797
1.02.01.03	Financial application valued at amortized cost	45,251,922	67,691,739
1.02.01.07	Deferred Taxes	220,450,001	199,153,119
1.02.01.07.01	Deferred Income Tax and Social Contribution	220,450,001	199,153,119
1.02.01.10	Other Noncurrent Assets	215,259,592	209,905,939
1.02.01.10.03	Escrow deposits	31,072,095	28,212,541
1.02.01.10.05	Recoverable taxes	184,187,497	181,693,398
1.02.03	Property, plant and equipment	675,451,335	652,164,662
1.02.03.01	Property, Plant and Equipment in Use	675,451,335	652,164,662
1.02.03.01.01	Property, plant and equipment	675,451,335	652,164,662
1.02.04	Intangible Assets	43,895,311	42,238,757
1.02.04.01	Intangible assets	43,895,311	42,238,757
1.02.04.01.02	Intangible assets	43,895,311	42,238,757

Consolidated FS / Balance Sheet Liabilities
(Reais)

Code Account	Account Description	Current Quarter 03/31/2023	Last Year 12/31/2022
2	Total Liabilities	2,882,159,409	2,932,172,811
2.01	Current Liabilities	648,281,698	726,251,925
2.01.01	Payroll and Related Taxes	79,320,263	92,337,869
2.01.01.01	Social Security Obligations	8,304,947	14,002,771
2.01.01.01.01	INSS / FGTS	8,304,947	14,002,771
2.01.01.02	Payroll Obligations	71,015,316	78,335,098
2.01.01.02.01	Vacation Provision and 13th Salary	35,435,533	30,615,628
2.01.01.02.02	Payroll Obligations	35,579,783	47,719,470
2.01.02	Trade payables	179,720,501	145,207,917
2.01.02.01	Domestic Suppliers	126,156,450	97,264,870
2.01.02.01.01	Domestic	68,598,051	57,018,096
2.01.02.01.02	Agreements	57,558,399	40,246,774
2.01.02.02	Foreign Suppliers	53,564,051	47,943,047
2.01.02.02.01	Foreign	53,564,051	47,943,047
2.01.03	Taxes Payable	57,734,436	111,870,448
2.01.03.01	Federal Taxes Payable	41,001,614	72,313,351
2.01.03.01.01	Income Tax and Social Contribution Payable	7,235,960	23,702,439
2.01.03.01.02	PIS and COFINS payable	5,607,075	21,420,314
2.01.03.01.03	IPI payable	25,842,421	25,264,766
2.01.03.01.04	Other federal taxes payable	2,102,820	1,800,889
2.01.03.01.05	Installment of taxes	213,338	224,943
2.01.03.02	State Taxes Payable	15,795,690	38,863,186
2.01.03.02.01	State VAT (ICMS)	12,259,485	36,578,725
2.01.03.02.02	Installment of taxes	23,083	35,391
2.01.03.02.03	Other state taxes payable	3,513,122	2,249,070
2.01.03.03	Municipal Taxes Payable	937,132	693,911
2.01.03.03.01	Service tax (ISS)	55,458	693,911
2.01.03.03.02	Other Municipal Taxes Payable	881,674	0
2.01.04	Borrowings and Financing	101,949,427	116,970,427
2.01.04.01	Borrowings and Financing	101,949,427	116,970,427
2.01.04.01.01	In Local Currency	54,473,632	116,822,747
2.01.04.01.02	In Foreign Currency	47,475,795	147,680
2.01.05	Other Payables	229,557,071	259,865,264
2.01.05.02	Others	229,557,071	259,865,264
2.01.05.02.01	Dividends and Interest on own capital receivable	85,705,851	85,705,851
2.01.05.02.04	Leases payable	18,955,520	119,766,077
2.01.05.02.05	Right-of-use payable	67,470,300	59545,758
2.01.05.02.06	Passive derivative instruments	3,317,536	672,298
2.01.05.02.08	Other payables	9,694,993	15,172,280
2.01.05.02.09	Services rendered payable	31,277,085	64,836,213
2.01.05.02.10	Advances from customers	12,125,786	13,156,787
2.01.05.02.11	Deferred Revenue	1,010,000	1,010,000
2.02	Noncurrent Liabilities	541,789,157	547,967,619
2.02.01	Borrowings and Financing	120,000,000	108,186,217
2.02.01.01	Borrowings and Financing	120,000,000	108,186,217

Code Account	Account Description	Current Quarter 03/31/2023	Last Year 12/31/2022
2.02.01.01.01	In Local Currency	120,000,000	60,000,000
2.02.01.01.02	In Foreign Currency	0	48,186,217
2.02.02	Other payables	404,254,558	421,527,242
2.02.02.02	Others	404,254,558	421,527,242
2.02.02.02.04	Right-of-use payable	399,860,323	415,096,799
2.02.02.02.05	Passive derivative instruments	0	1,813,783
2.02.02.02.06	Deferred Revenue	2,440,833	2,693,333
2.02.02.02.07	Taxes in installments	377,952	414,829
2.02.02.02.08	Other payables	1,577,450	1,508,498
2.02.04	Provisions	17,532,599	18,254,160
2.02.04.01	Provision for Tax, Social Security, Labor and Civil	17,532,599	18,254,160
2.02.04.01.01	Tax Provisions	7,956,550	8,725,789
2.02.04.01.02	Provision for Social Security and Labor Obligations	6,816,465	6,797,316
2.02.04.01.04	Civil Provisions	2,759,584	2,731,055
2.03	Consolidated Equity	1,692,088,554	1,657,953,267
2.03.01	Paid-in Capital	1,105,381,209	1,105,381,209
2.03.01.01	Share capital	1,105,381,209	1,105,381,209
2.03.02	Capital Reserve	-66,933,105	-62,497,225
2.03.02.04	Options Granted	6,720,802	5,237,843
2.03.02.05	Treasury Shares	-20,612,780	-14,693,941
2.03.02.07	(-) Share issue cost	-53,041,127	-53,041,127
2.03.04	Earnings Reserves	615,069,283	615,069,283
2.03.04.01	Legal Reserve	42,945,208	42,945,208
2.03.04.02	Statutory Reserve	572,124,075	572,124,075
2.03.05	Retained earnings/accumulated deficit	38,571,167	0

Consolidated FS / Statement of Profit and Loss

(Reais)

Account Code	Account Description	Current Quarter 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 to 03/31/2022
3.01	Revenue from Sale of Goods and/or Services	391,627,596	337,423,746
3.01.01	Net Revenue from Sales and Services	391,627,596	337,423,746
3.02	Cost of Sales and Services	-119,042,079	-109,272,493
3.02.01	Cost of sales and services	-119,042,079	-109,272,493
3.03	Gross Profit	272,585,517	228,151,253
3.04	Operating Expenses/Income	-224,351,480	-183,649,860
3.04.01	Selling Expenses	-154,061,791	-128,051,586
3.04.01.01	Selling expenses	-154,061,791	-128,051,586
3.04.02	General and Administrative Expenses	-69,600,860	-53,453,900
3.04.02.01	General and Administrative Expenses	-69,600,860	-53,453,900
3.04.04	Other Operating Income	514,921	-2,116,964
3.04.04.01	Other operating income	514,921	-2,116,964
3.04.05	Other operating expenses	-1,203,750	-27,410
3.04.05.01	Other operating expenses	-1,203,750	-27,410
3.05	Profit Before Finance Income (Costs) and Taxes	48,234,037	44,501,393
3.06	Finance Income (Costs)	-13,615,303	-9,786,251
3.06.01	Finance Income	12,279,620	12,863,217
3.06.01.01	Finance income	12,279,620	12,863,217
3.06.02	Finance Costs	-25,894,923	-22,649,468
3.06.02.01	Finance Costs	-25,894,923	-22,649,468
3.07	Profit Before Income Taxes	34,618,734	34,715,142
3.08	Income Tax and Social Contribution	3,952,435	11,206,518
3.08.01	Current	-17,344,446	-13,611,406
3.08.02	Deferred	21,296,881	24,817,924
3.09	Profit from Discontinued Operation	38,571,169	45,921,660
3.11	Consolidated Profit/Loss for the Period	38,571,169	45,921,660
3.11.01	Attributable to Owners of the Parent	0	45,921,660
3.99	Earnings per Share - R$	0	0
3.99.01	Basic earnings per share	0	0
3.99.01.01	Common shares	0,16376	0,19442
3.99.02	Diluted earnings per share	0	0
3.99.02.01	Common shares	0,16372	0,19437

Consolidated FS / Statement of Comprehensive Income

(Reais)

Account Code	Account Description	Accumulated Current Year 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 03/31/2022
4.01	Profit for the Period	38,571,167	45,921,660
4.03	Total Comprehensive Income for the Period	38,571,167	45,921,660
4.03.01	Attributable to Owners of the Parent	38,571,167	45,921,660

Consolidated FS / Statement of Cash Flows - Indirect Method

(Reais)

Account Code	Account Description	Accumulated Current Year 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 to 03/31/2022
6.01	Net Cash from Operating Activities	26,682,064	-29,292,871
6.01.01	Cash Generated by Operations	87,774,841	80,291,124
6.01.01.01	Profit (loss) for the year	38,571,167	45,921,660
6.01.01.02	Depreciation and Amortization	31,885,100	26,408,854
6.01.01.03	Interest and exchange differences on borrowings and financing	8,001,951	8,305,648
6.01.01.04	Interest on lease and right-of-use rental	12,640,970	10,175,703
6.01.01.05	Current and deferred income tax and social contribution	-3,952,435	-11,206,519
6.01.01.06	Allowance for inventory losses	218,940	-339,300
6.01.01.07	Provision for civil, labor and tax risks	1,254,432	1,420,794
6.01.01.10	Write-off of property, plant and equipment and intangible assets	38,402	953,220
6.01.01.12	Inflation adjustment on judicial deposits and recoverable taxes	-1,056,361	-482,473
6.01.01.13	Expected credit losses	53,715	-41,105
6.01.01.14	Lease discount	-1,527,197	-699,543
6.01.01.15	Options Granted	1,681,525	504,185
6.01.02	Changes in Assets and Liabilities:	-35,976,277	-91,728,094
6.01.02.01	Trade receivables	148,262,166	108,434,253
6.01.02.03	Inventories	-93,235,169	-92,629,534
6.01.02.04	Recoverable taxes	-3,466,584	-9,211,912
6.01.02.05	Escrow deposits	-2,063,464	1,210,221
6.01.02.06	Other credits	1,520,526	-6,301,515
6.01.02.07	Trade payables	34,512,584	14,434,717
6.01.02.08	Payroll and related taxes	-13,017,606	-8,999,379
6.01.02.09	Taxes payable	-65,451,214	-70,580,583
6.01.02.10	Leases payable	-810,556	-2,264,327
6.01.02.11	Taxes in installments	0	-55,275
6.01.02.12	Contingencies paid	-1,975,992	-2,010,241
6.01.02.13	Other payables	-40,250,968	-23,754,519
6.01.03	Others	-25,116,500	-18,485,901
6.01.03.01	Income tax and social contribution paid	-6,066,121	-6,073,503
6.01.03.02	Interest paid on borrowings and financing	-6,471,697	-2,785,946
6.01.03.03	Interest paid on right-of-use lease	-12,578,682	-9,626,452
6.02	Net Cash from Investing Activities	-42,706,816	-30,898,175
6.02.01	Financial Application	7,447,484	-5,121,170
6.02.02	Purchases of property and equipment	-40,002,446	-19,631,804
6.02.03	Purchases of intangible assets	-4,034,449	-4,237,572
6.02.09	Treasury Shares	-6,117,405	-1,907,629
6.03	Net Cash from Financing Activities	-22,547,506	-19,024,586
6.03.04	Borrowings and financing	60,000,000	0
6.03.05	Repayment of borrowings and financing	-62,500,000	-2,500,000
6.03.06	Settlement of derivatives - SWAP agreements	-1,406,016	-876,714
6.03.07	Repayment of lease and right-of-use rental	-18,641,490	-15,647,872
6.05	Increase (Decrease) in Cash and Cash Equivalents	-38,572,258	-79,215,632

Consolidated FS / Statement of Cash Flows - Indirect Method

(Reais)

Account Code	Account Description	Accumulated Current Year 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 to 03/33/2022
6.05.01	Opening Balance of Cash and Cash Equivalents	160,035,979	325,587,601
6.05.02	Closing Balance of Cash and Cash Equivalents	121,463,721	246,371,969

Consolidated FS / Statement of Changes in Equity / 01/01/2023 - 03/31/2023

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity	Noncontrolling interest	Consolidated equity
5.01	Opening balances	1,105,381,209	-62,497,225	615,069,283	0	0	1,657,953,267	0	1,657,953,267
5.03	Adjusted opening balances	1,105,381,209	-62,497,225	615,069,283	0	0	1,657,953,267	0	1,657,953,267
5.04	Capital Transactions with partners	0	-4,435,881	0	0	0	-4,435,881	0	-4,435,881
5.04.03	Options Granted Recognized	0	1,482,958	0	0	0	1,482,958	0	1,482,958
5.04.04	Shares in Treasury Acquired	0	-6,117,405	0	0	0	-6,117,405	0	-6,117,405
5.04.08	Shares assigned incentive plans	0	198,566	0	0	0	198,566	0	198,566
5.05	Total Comprehensive Income	0	0	0	0	38,571,167	38,571,167	0	38,571,167
5.05.01	Profit for the Period	0	0	0	0	38,571,167	38,571,167	0	38,571,167
5.07	Closing Balances	1,105,381,209	-66,933,106	615,069,283	0	38,571,167	1,692,088,553	0	1,692,088,553

Consolidated FS / Statement of Changes in Equity / 01/01/2022 - 03/31/2022

(Reais)

Account Code	Account Description	Paid-in capital	Capital Reserves, Granted Options and Treasury Shares	Earnings Reserves	Retained earnings (accumulated losses)	Other Comprehensive Income	Equity	Noncontrolling interest	Consolidated equity
5.01	Opening balances	1,105,381,209	-52,567,635	339,917,790	0	0	1,392,731,364	0	1,392,731,364
5.03	Adjusted opening balances	1,105,381,209	-52,567,635	339,917,790	0	0	1,392,731,364	0	1,392,731,364
5.04	Capital Transactions with Partners	0	-1,403,444	0	0	0	1,403,444	0	1,403,444
5.04.03	Options Granted Recognized	0	504,185	0	0	0	504,185	0	504,185
5.04.04	Shares in Treasury Acquired	0	-1,907,629	0	0	0	-1,907,629	0	-1,907,629
5.05	Total Comprehensive Income	0	0	0	45,921,660	0	45,921,660	0	45,921,660
5.05.01	Profit for the Period	0	0	0	45,921,660	0	45,921,660	0	45,921,660
5.07	Closing Balances	1,105,381,209	-53,971,079	339,917,790	45,921,660	0	1,437,249,580	0	1,437,249,580

Consolidated FS / Statement of Value Added

(Reais)

Account Code	Account Description	Accumulated Current Year 01/01/2023 to 03/31/2023	Accumulated Last Year 01/01/2022 to 03/31/2022
7.01	Revenues	513,115,145	411,111,512
7.01.01	Sales of Goods and Services	487,499,741	410,860,384
7.01.02	Other Income	623,220	251,128
7.01.02.01	Other Income	569,505	292,233
7.01.02.02	Expected credit losses	53,715	-41,105
7.01.03	Income related to the Construction of Own Assets	24,992,184	0
7.02	Inputs Purchased from Third Parties	-222,285,306	-170,784,740
7.02.01	Cost of Goods and Services	-101,490,306	-95,661,227
7.02.02	Materials, Electric Power, Outside Services and Others	-96,338,672	-75,123,513
7.02.04	Others	-24,406,328	0
7.03	Wealth Distributed	290,829,839	240,326,772
7.04	Retentions	-31,885,100	-26,408,549
7.04.01	Depreciation, Amortization and Depletion	-31,885,100	-26,408,549
7.05	Wealth Created by the Company	258,944,739	213,918,223
7.06	Wealth Received in Transfer	12,279,620	12,675,739
7.06.02	Finance Income	12,279,620	12,675,739
7.07	Value Added for Distribution	271,224,359	226,593,962
7.08	Wealth Distributed	271,224,359	226,593,962
7.08.01	Personnel	90,467,922	74,363,710
7.08.01.01	Salaries and Wags	72,128,268	59,497,281
7.08.01.02	Benefits	12,993,542	9,952,150
7.08.01.03	F.G.T.S.	5,346,112	4,914,279
7.08.02	Taxes, fees and contributions	113,157,403	83,676,022
7.08.02.01	Federal	46,307,668	35,336,450
7.08.02.02	State	65,563,317	47,028,378
7.08.02.03	Municipal	1,286,418	1,311,194
7.08.03	Lenders and Lessors	29,027,867	22,632,570
7.08.03.01	Interest	25,374,537	20,417,633
7.08.03.02	Rentals	2,350,844	1,396,483
7.08.03.03	Others	1,302,486	818,454
7.08.03.03.01	Royalties	1,302,486	818,454
7.08.04	Shareholders	38,571,167	45,921,660
7.08.04.03	Retained Earnings / Loss for the Period	38,571,167	45,921,660

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

VIVARA PARTICIPAÇÕES S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2023
(Amounts in thousands of Brazilian reais - R$, unless when stated otherwise)

1. GENERAL INFORMATION

Vivara Participações S.A. ("Vivara Participações" or "Company"), headquartered in São Paulo, is the holding company controlling Vivara Group, established in 1962, which is engaged in the manufacturing and sale of jewelry and other articles. The individual and consolidated interim financial information comprises the interim financial information of the Company and subsidiaries Tellerina Comércio de Presentes e Artigos para Decoração S.A. ("Tellerina") and Conipa Indústria e Comércio de Presentes, Metais e Artigos de Decoração Ltda. ("Conipa"). The Company's controlling shareholders are Nelson Kaufman, Márcio Monteiro Kaufman, Marina Kaufman Bueno Netto and Paulo Kruglensky, who hold together 54.2% of the shares.

Tellerina established its registered head office in the city of Manaus, State of Amazonas, with administrative center in the city of São Paulo, State of São Paulo. Through a chain of stores under the brand "VIVARA", Tellerina is primarily engaged in the import, export and retail and wholesale trade of jewelry, costume jewelry, articles made from non-precious metals and their alloys, plated jewelry, precious stones, watches, chronometric instruments, leather goods and similar goods, besides providing jewelry design and repair services in general. As at March 31, 2023, Tellerina had 322 stores and 21 kiosks (315 stores and 21 kiosks as at December 31, 2022) operating in Brazil.

Conipa has its registered head office in the city of Manaus, State of Amazonas and is primarily engaged in the manufacture of jewelry, gold smithery and watch items, selling these products in the retail and wholesale markets, besides providing jewelry and watch repair services.

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

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

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

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

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

The interim financial information for the quarter ended March 31, 2023 was approved for disclosure by the Board of Directors on May 5, 2023.

3. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash	-	-	4,139	7,365
Banks – checking account	314	108	3,564	2,938
Short-term investments (a)	-	-	113,761	149,733
Total	314	108	121,464	160,036

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

	Consolidated			
	03/31/2023	Weighted average CDI rate	12/31/2022	Weighted average CDI rate
Bank Certificate of Deposit (CDB)	96,522	103.7%	137,294	103.1%
Automatic investments	17,239	10%	12,439	10%
Total	113,761		149,733	

4. SECURITIES

	Consolidated			
	Return	03/31/2023	Return	12/31/2022
Financial bills	59.3% of CDI	215,383	62.0% of CDI	222,831
Total		215,383		222,831
Current assets		170,131		155,139
Noncurrent assets		45,252		67,692
Total		215,383		222,831

Financial bills refer to fixed-income securities subject to fixed or floating interest rates, issued by financial institutions highly rated by credit rating agencies, with a minimum term of 2 years, acquired in the primary and secondary markets. They comprise long-term investments with similar CDB characteristics.

The Company pledged as collateral for borrowings from financial institutions, with maturities up to 2024, the amount of R$500 in credit card receivables and R$30,000 in investments in long-term financial bills.

5. TRADE RECEIVABLES

	Consolidated	
	03/31/2023	12/31/2022
Credit card companies	510,510	657,646
Checks to be cleared	1,377	1,527
Bank slips	4,654	5,738
Subtotal	516,541	664,911
Allowance for expected credit losses	(1,060)	(1,114)
Total	515,481	663,797

The aging list of trade receivables is as follows:

	Consolidated	
	03/31/2023	12/31/2022
Past-due:	1,446	2,488
Current:	515,095	662,423
Total	516,541	664,911

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

The variations in the allowance for expected credit losses are broken down as follows:

	Consolidated	
	03/31/2023	12/31/2022
Balance at the beginning of the period	(1,114)	(709)
Additions	(34)	(813)
Reversals	88	408
Balance at the end of the period	(1,060)	(1,114)

6. INVENTORIES

	Consolidated	
	03/31/2023	12/31/2022
Finished products	532,226	479,467
Raw materials	214,373	182,787
Consumables and packaging materials	21,224	22,947
Inventories in transit and advances to suppliers	40,134	29,521
Allowance for inventory losses	(5,229)	(5,010)
Total	802,728	709,712

The Company's subsidiaries recognize an allowance for slow-moving inventories and losses on melting gold and silver jewelry from discontinued collections or acquired from customers. These allowances are recognized at the weighted average cost of inventories at the balance sheet date.

Products not sold within one year are classified as slow-moving inventories.

The jewelry melting losses are immaterial, in percentage terms, due to the technology deployed to recover the relevant raw materials (gold, silver and stones).

Variations in the allowance for inventory losses are as follows:

	Consolidated	
	03/31/2023	12/31/2022
Balance at the beginning of the period	(5,010)	(4,379)
Additions	(219)	(2,614)
Reversals	-	1,983
Balance at the end of the period	(5,229)	(5,010)

7. RECOVERABLE TAXES

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Income tax (IRPJ) (a)	2,624	2,715	59,113	68,549
Social contribution (CSLL) (a)	-	-	23,152	23,184
State VAT (ICMS) (b)	-	-	155,293	139,894
Federal VAT (IPI)	-	-	2,594	5,893
Other recoverable taxes -	-	-	1,138	43
Total	2,624	2,715	241,290	237,563
Current assets	2,624	2,715	57,103	55,870
Noncurrent assets	-	-	184,187	181,693
Total	2,624	2,715	241,290	237,563

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

Credit balance

The Company presented credit balance in the calculation of IRPJ and CSLL for 2021 and 2022.

Conipa, due to the tax benefit arising from the operating profit, presented IRPJ credit balance between the estimates paid and the outstanding balance in the tax calculation for 2022 and 2021.
As at March 31, 2023, it has offset tax credits against federal taxes, remaining the amount of R$11,050 (R$20,333 as at December 31, 2022) of balances for offset.

Tellerina presented credit balance in the calculation of IRPJ and CSLL in 2019, 2020 and 2021 in the amount of R$7,087 (R$7,182 as at December 31, 2022).

Grant credits

In 2014 and 2015 Tellerina recognized IRPJ and CSLL credits, in the amount of R$36,848 (R$36,848 as at December 31, 2022), arising from the deduction from its tax basis of the grant incentives for investment, pursuant to article 30 of Law 12.973/2014. These credits were offset against other federal taxes and the offsets were rejected by the Brazilian Federal Revenue Service, and in 2019 and 2020 the Company filed administrative proceedings for statement of objection. Up to the date of disclosure of this interim financial information, the lawsuits are in progress and the likelihood of loss is remote based on the opinion of the Company's legal counsel.

Right to the unconstitutionality credit of the taxation on the Selic adjustment

IRPJ and CSLL credits in the amount of R$19,939 (R$19,939 as at December 31, 2022) recognized in accordance with ICPC22/IFRIC 23 and based on the ruling handed down by the Supreme Corte on the judgment held on September 27, 2021 of extraordinary appeal 1.063.187, relating to the unconstitutionality of the IRPJ and CSLL levied on the Selic rate inflation adjustment to the tax credits received by taxpayers upon undue tax collection.

Tellerina has filed Writ of Security -21.2020.4.01.3200 with the 1st Federal Court of Manaus and is waiting for the final and unappealable decision on its lawsuit so as to be able to utilize and offset tax credits before the Brazilian Federal Revenue Service.

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

	Parent		Consolidated	
Year	03/31/2023	12/31/2022	03/31/2023	12/31/2022
2023	997	1,084	19,135	28,603
2024	1,627	1,631	1,627	1,627
2025	-	-	61,503	61,503
Total	2,624	2,715	82,265	91,733

(b) State VAT (ICMS)

Credit balance in Tellerina

The recoverable amounts of ICMS credits, recorded in noncurrent assets, arise from accumulated credit balances from the operations of Vivara stores mostly located in the States of Pernambuco and Alagoas. The new stores and stores in maturation also present credit balances at the beginning of the operation due to the initial supply of inventories and are classified in current assets.

In Pernambuco, which concentrates most of such credit balance R$42,133 (R$44,895 as at December 31, 2022), the Company received the incentive set forth in Law 11.675 of October 11, 1999, which provides for the PRODEPE (Pernambuco State Development Program). The companies eligible to this benefit are not required to pay tax in advance on the acquisition of goods from another State, in addition to the deemed ICMS credit at the rate of 3%, in conformity with tax computation rules and not subject to the collection of minimum ICMS. The Company implemented a distribution center in said State – in line with the purpose of serving its customers in a more efficient way and will pay management fee of 2% on the total benefit utilized. The eligibility period ends on December 31, 2032.

Credit balance in Conipa

The purchase of raw material by the branch in São Paulo from Conipa has accumulated ICMS credit balance in the amount of R$76,418 (R$70,537 as at December 31, 2022). In June 2021, the Company started the process to with the State Government through e-CredAc, established by CAT Ordinance 26/2010. The credit eligibility process is comprised of a few stages for validation and inspection.

On April 19, 2023, the Finance Department of the State of São Paulo approved the utilization of the credit from June 2019 to May 2022 in the amount of R$61,819. In order to the credits to be actually transferred and offset by Tellerina, it must wait for the approval of the request for recognition of interdependence.

The ICMS credits are expected to be realized as follows:

	Consolidated	Consolidated
Year	03/31/2023	12/31/2022
2023	33,764	19,704
2024	49,798	28,171
2025	226,906	27,720
2027	11,656	34,809
2027 and thereafter	33,169	29,490
Total	155,293	139,894

8. INVESTMENT

	Investment		Share of profit (loss) of subsidiaries	
	03/31/2023	12/31/2022	03/31/2023	03/31/2022
Tellerina	572,644	584,655	(12,010)	(3,249)
Conipa	1,204,963	1,158,408,	54,644	52,822
Total - direct subsidiaries	1,777,607	1,743,063	42,634	49,573

(a) Investments in subsidiaries

Variations in investments are broken down below:

	03/31/2023	12/31/2022
Balance at the beginning of the period	1,743,063	1,404,047
Share of profit (loss) of subsidiaries	42,634	374,833
Dividends received	(8,090)	(35,818)
Balance at the end of the period	1,777,607	1,743,063

(b) Tax incentive reserve

Subsidiaries recognized tax incentive reserves:

- Operating profit, with 75% reduction in the income tax base; the benefit was granted to Tellerina in 2010 and used until August 2016, i.e., the date of the spin-off establishing Conipa, which became entitled to such benefit until December 2024.
- Investment grant, related to the State VAT (ICMS) tax incentive prevailing in Manaus Free Trade Zone (effectiveness renewed up to December 31, 2032), as well as in the States of Rio de Janeiro, Minas Gerais, Bahia, Pará and Pernambuco.

The variations in these reserves are broken down as follows:

	Consolidated		
	12/31/2022	Additions	03/31/2023
ICMS tax incentive	437,199	41,782	478,981
Tax incentive - operating profit	157,964	12,506	170,470
Total	595,163	54,288	649,451

Pursuant to the prevailing tax laws, the amounts allocated to these reserves and derived from tax benefits involving reinvestment grants, provided to the subsidiaries, cannot be distributed as profit and dividends to the Parent.

9. PROPERTY, PLANT AND EQUIPMENT

	Annual average depreciation rate - %	Consolidated			
		03/31/2023			12/31/2022
		Cost	Accumulated depreciation	Residual value	Residual value
Leasehold improvements	20	148,072	(86,421)	61,651	65,692
Furniture and fixtures	10	64,493	(25,006)	39,487	38,409
Machinery, equipment and facilities	10	51,744	(13,934)	37,810	32,843
Company cars	20	132	(89)	43	46
IT equipment	20	19,995	(10,711)	9,284	9,694
Land	-	350	-	350	350
Right-of-use assets - lease of properties	10 to 25	638,468	(193,594)	444,874	449,131
Right-of-use assets - cloud		12,379	(8,156)	4,223	5,254
Advances to suppliers and construction in progress (a)	-	77,491	-	77,491	50,745
Total		1,013,124	(337,912)	675,212	652,164

(a) Refers to the cost of construction works at new points of sale, new facilities of the plant in Manaus and significant renovations in existing points of sale, which are subsequently transferred to line item “Leasehold improvements” upon the launching or reopening of these points of sale.

The Company defined its subsidiaries Tellerina and Conipa as the cash-generating units.
Based on the assessment carried out for the year ended December 31, 2022 of the results of operations and positive cash flows of its subsidiaries and considering that there is no indication or new fact arising from the operations that would require a new assessment, there is no indication of the need to record the impairment of its tangible assets.

Variations in property, plant and equipment are as follows:

	Consolidated				
	12/31/2021	Additions	Write-offs (b)	Transfers	12/31/2022
Cost:					
Leasehold improvements	113,957	7,804	(37)	25,123	146,847
Furniture and fixtures	43,908	10,614	(56)	7,447	61,913
Machinery, equipment and facilities	32,585	10,550	(32)	2,558	45,661
Company cars	341	25	(234)	-	132
IT equipment	15,739	3,679	(3)	242	19,657
Land	350	-	-	-	350
Right-of-use assets	462,183	186,855	(36,498)	10,420	622,960
Right-of-use assets - cloud	-	253	-	12,126	12,379
Advances to suppliers and construction in progress	24,101	72,524	(90)	(45,790)	50,745
	693,164	292,304	(36,950)	12,126	960,644
Depreciation:					
Leasehold improvements	(62,213)	(18,950)	8	-	(81,155)
Furniture and fixtures	(18,412)	(5,135)	43		(23,504)
Machinery, equipment and facilities	(9,084)	(3,742)	8	-	(12,818)
Company cars	(253)	(30)	197		(86)
IT equipment	(6,912)	(3,051)	-		(9,963)
Right-of-use assets	(115,302)	(72,627)	14,100		(173,829)
Right-of-use assets - cloud	-	(7,125)	-		(7,125)
	(212,176)	(110,660)	14,356	-	(308,480)
Total	480,988	181,644	(22,594)	12,126	652,164

	Consolidated				
	12/31/2022	Additions	Write-offs (b)	Transfers	03/31/2023
Cost:					
Leasehold improvements	146,847	19	-	1,206	148,072
Furniture and fixtures	61,913	107	-	2,473	64,493
Machinery, equipment and facilities	45,661	4,820	(2)	1,265	51,744
Company cars	132	-	-	-	132
IT equipment	19,657	448	(110)	-	19,995
Land	350	-	-	-	350
Right-of-use assets (a)	622,960	15,508	-	-	638,468
Right-of-use assets - cloud	12,379	-	-	-	12,379
Advances to suppliers and construction in progress	50,745	31,690	-	(4,944)	77,491
	960,644	52,592	(112)	-	1,013,124
Depreciation:					
Leasehold improvements	(81,155)	(5,266)	-	-	(86,421)
Furniture and fixtures	(23,504)	(1,502)	-	-	(25,006)
Machinery, equipment and facilities	(12,818)	(1,116)	-	-	(13,934)
Company cars	(86)	(3)	-	-	(89)
IT equipment	(9,963)	(822)	74	-	(10,711)
Right-of-use assets	(173,829)	(19,765)	-	-	(193,594)
Right-of-use assets - cloud	(7,125)	(1,031)	-	-	(8,156)
	(308,480)	(29,506)	74	-	(337,912)
Total	652,164	23,086	(38)	-	675,212

(a) In the period, the additions amounting to R$15,508 and referring to "Right-of-use assets" correspond to the inclusion of new contracts and remeasurement of contracts over the contractual adjustment period, without affecting cash when included in property, plant and equipment.

10. INTANGIBLE ASSETS

	Consolidated				
	12/31/2021	Additions	Write-offs	Transfers (a)	12/31/2022
Cost:					
Points of sale	31,135	1,090	-	-	32,225
IT systems under implementation	10,319	19,322	(953)	(26,649)	2,039
IT system	35,880	8,313	-	14,218	58,411
Other intangible assets	-	-		305	305
	77,334	28,725	(953)	(12,126)	92,980
Amortization:					
Points of sale	(30,567)	(330)	-	-	(30,897)
IT system	(16,893)	(2,894)	-	-	(19,787)
Other intangible assets	-	(56)	-	-	(56)
	(47,460)	(3,280)	-	-	(50,740)
Total	29,874	25,445	(953)	(12,126)	42,240

	Consolidated				
	12/31/2022	Additions	Write-offs	Transfers (a)	03/31/2023
Cost:					
Points of sale	32,225	-	-	-	32,225
IT systems under implementation	2,039	4,034	-	-	6,072
IT system	58,411	-	-	-	58,411
Other intangible assets	305	-	-	-	305
	92,980	4,034	-	-	97,013
Amortization:					
Points of sale	(30,897)	(86)	-	-	(30,983)
IT system	(19,787)	(2,277)	-	-	(22,064)
Other intangible assets	(56)	(15)	-	-	(71)
	(50,740)	(2,378)	-	-	(53,118)
Total	42,240	(1,656)	-	-	43,895

11. TRADE PAYABLES

(a) Trade payables

The balance consists of purchases of raw materials, inputs, packaging materials, goods for resale and third-party services, with an average payment term of 90 days.

	Consolidated	Consolidated
Trade payables	03/31/2023	12/31/2022
Domestic	68,598	57,018
Foreign	53,564	47,943
Total	122,162	104,961

(b) Trade payables - agreement

The Company's subsidiaries entered into agreements with financial institutions, whereby suppliers of products and capital goods and providers of services can structure receivables prepayment transactions relating to purchase and sale transactions between the parties.

Management assessed that the economic substance of the transaction has operating nature, considering that the prepayment is at the supplier's sole discretion and, for the Company, there are no changes in the original term negotiated with the supplier not changes in the contracted amounts.

The finance costs incurred on prepayment of the receivable, which is payable by our suppliers, have a weighted average rate of 1.17% per month. The average prepayment term is 90 days.

Also, there is no significant exposure to any financial institution individually related to these transactions and these resulting liabilities are not considered as net debt and are subject to related usual restrictive market clauses (either financial or not), which the Company had complied with as at December 31, 2022.

These balances are classified as "Trade payables - agreement" and payments are made to the financial institutions under the same conditions as originally agreed with the supplier. As a result, the total cash flow from these transactions is presented as cash flow from operating activities in the statement of cash flow.

As at March 31, 2023, the balance payable related to these transactions amounts to R$57,558 (R$40,247 as at December 31, 2022).

12. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Accrued vacation pay	-	-	29,370	30,616
Accrued 13th salary	-	-	6,066	-
Payroll	122	122	10,994	21,349
Bonus	-	-	19,744	17,375
Severance pay fund (FGTS)	-	-	1,571	3,216
Social security contribution (INSS)	36	36	6,734	10,787
Withholding income tax (IRRF)	80	80	3,630	8,366
Other	-	-	1,212	629
Total	238	238	79,321	92,338

13. TAXES PAYABLE

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
State VAT (ICMS)	-	-	11,992	36,579
Federal VAT (IPI) (a)	-	-	25,842	25,165
Taxes on revenue (PIS and COFINS)	-	1	5,278	21,420
Income tax (IRPJ) and social contribution (CSLL)	-	-	7,236	23,702
Taxes in installments			614	675
Other	39	-	7,150	4,744
Total	39	1	58,112	112,285

(a) Federal VAT (IPI)

The subsidiary Tellerina has no longer been paying the Federal VAT (IPI) calculated on a monthly basis since July 2014, pursuant to a preliminary injunction handed down for such purpose, concerning the tax levy on the customs clearance of manufactured goods and on the shipment of goods from an importer’s location for sale in the domestic market, thereby equating the importer with the industrial establishment, when the former would not provide any benefits in the industrial field. The relevant amount is adjusted for inflation based on the SELIC rate.

In September 2020, the Federal Supreme Court (“STF”) validated the constitutionality of the Federal VAT (IPI) levy on the customs clearance of manufactured goods and on the shipment of goods from an importer’s location for sale in the domestic market.

On March 27, 2023, the revocation of the interlocutory appeal denying the writ of security that granted the IPI payment suspension was published in the Official Gazette. In light of the foregoing, the Company made the escrow deposit of the amounts due on April 25, 2023 and continued to monthly pay such tax.

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14. BORROWINGS AND FINANCING

a) Breakdown of balances

Institution and type	Rate	Maturity	Consolidated 03/31/2023	Consolidated 12/31/2022
In local currency				
Banco Safra - working capital	CDI + 2.20% p.a.	01/2023	-	2,512
Banco Safra - working capital	CDI + 1.55% p.a.	12/2024	20,824	20,091
Banco Itaú BBA S.A - working capital	CDI + 2.55% p.a.	02/2025	61,344	62,294
Banco Itaú BBA S.A - working capital	CDI + 1.55% p.a.	09/2024	40,229	41,672
Banco Bradesco - working capital	CDI + 1.33% p.a.	12/2023	52,077	50,253
Total borrowings in local currency			174,474	176,822
In foreign currency				
Banco Santander – Resolution 4131	Fixed rate of 2.3475% p.a.	02/2024	47,476	48,334
Total borrowings and financing in foreign currency			47,476	48,334
Total borrowings and financing			221,950	225,156
Derivatives – swap contracts				
Banco Santander (Brasil) – derivative liability	Exchange rate changes + 2.35% p.a.	02/2024	3,317	2,486
Total derivatives (assets) – swap contracts				
			225,267	227,642
Total borrowings and financing, net of derivative instruments				
Current liabilities			105.267	117,642
Noncurrent liabilities			120.000	110,000
Total			225.267	227,642

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

b) Variations in borrowings and financing

	Consolidated 03/31/2023	Consolidated 03/31/2022
Balance at the beginning of the period	227,642	290,054
Borrowings	60,000	-
Principal repayments	(62,500)	(2,500))
Swap contract settlement	(1,406)	(877)
Interest payment	(6,472)	(2,786)
Cash flows from financing activities	(10,378)	(89,132)
Interest incurred	6,615	3,283
Exchange rate changes	(849)	9,865
Finance charges on swap contracts	2,237	(9,965)
Noncash variations	8,003	33,183
Balance at the end of the period	225,267	292,197

The amount classified in noncurrent liabilities matures as follows:

Year	Consolidated 03/31/2023	Consolidated 12/31/2022
From 1 to 2 years	120,000	90,000
From 2 to 3 years	-	20,000
Total	120,000	110,000

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

As at March 31, 2023, the Company was a party to civil, labor and tax lawsuits assessed as probable losses by its legal counsel, as follows:

	Consolidated			
	Civil (a)	Labor (b)	Tax (c)	Total
Provision				
Balance as at December 31, 2022	2,809	6,797	8,648	18,254
Additions	693	8,413	1,568	10,674
Payments	(141)	(865)	(970)	(1,976)
Reversals	(602)	(7,529)	(1,289)	(9,420)
Balance at March 31, 2023	2,759	6,816	7,957	17,532
Escrow deposits				
Balance as at December 31, 2022	-	827	27,386	28,213
Additions	182	62	2,062	2,306
Inflation adjustments	-	29	767	796
Redemptions	(180)	(63)	-	(243)
Balance as at March 31, 2023	2	855	30,215	31,072

(a) Civil lawsuits

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

(b) Labor lawsuits

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

(c) Tax lawsuits

As at December 31, 2020, based on its legal counsel's opinion, the Company recognized a provision for risks related to potential challenges concerning the utilization of PIS and COFINS credits by its subsidiaries. During 2021, subsidiary Tellerina, which is part of the differentiated economic and tax monitoring program, was summoned to provide clarifications on the matter. For the line items with unfavorable court rulings, considering the recommendation from our legal counsel and the benefit of self-regularization, with no loss of the right to pay, the Company opted for paying the taxes.

Additionally, the Company opted for withdrawing the lawsuits related to the ICMS in the State of Santa Catarina to join the PREFIS (Santa Catarina Tax Recovery Program) – and thus obtained a significant reduction in fines and interest.

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

Tellerina and Conipa filed a preliminary injunction, which suspended the payment of social security contribution on the constitutional one-third vacation bonus. In light of the STF's decision referred to above, Management assessed the matter, based on its legal counsel's opinion, and concluded that the risk is probable and recognized the provision.

Lawsuits assessed as possible losses

As at March 31, 2023, Management did not identify the need to recognize a provision for potential losses on ongoing lawsuits, which are assessed as possible losses by its legal counsel, as follows:

	Consolidated	
	03/31/2023	12/31/2022
Civil	9,589	9,133
Tax risks (*)	126,168	123,319
Total	135,757	132,452

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

16. EQUITY

a) Capital

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

As at March 31, 2023, capital is held as follows:

Vivara Participações	Common shares	Equity interest - %
Company's owners	127,962,062	54.2%
Outstanding shares	107,361,207	45.4%
Treasury shares	874,500	0.4%
Total	236,197,769	100%

b) Treasury shares

On March 16, 2023, the meeting of the Board of Directors approved the Company's share buyback plan, which purpose is to increase the generation of value for its shareholders through the investment of available funds in the acquisition of shares at stock exchange, at market prices, to be held in treasury, cancelled or subsequently disposed of in the market, or their allocation to participants under the scope of the Company's share-based plans, without capital decrease, in conformity with § 1, article 30 of the Brazilian Corporate Law, ICVM 567/15 and other applicable standards. The Company can acquire up to 5% of outstanding shares. The Share Buyback Plan will be effective for 12 months as from March 20, 2023.

Variations in treasury shares are as follows:

	Consolidated		
	Number of shares	Purchase amounts (in R$)	Average price per share (in R$)
Balances as at December 31, 2021	-	-	-
Share buyback for holding in treasury	607,612	14,693,941	24.18
Balances as at December 31, 2022	607,612	14,693,941	24.18
Balances as at December 31, 2022	607,612	14,693,941	24.18
Shares assigned – ILP Plans	(8,212)	(198,566)	24.18
Share buyback for holding in treasury	275,100	6,117,405	22.24
Balances as at March 31, 2023	874,500	20,612,780	23.57

c) Dividend distribution policy

Dividends will be distributed in accordance with the relevant Bylaws and the Brazilian Corporate Law, which determine the following allocations:

- 5% to the legal reserve.
- Distribution of mandatory minimum dividends at a percentage rate to be set at the General Shareholders' Meeting, pursuant to the prevailing legislation (at least 25% of profit for the year, after the recognition of a legal reserve and reserve for contingencies).
- Pursuant to article 33, paragraph 4 of the Company's Bylaws, the remaining percentage of profit will be allocated to the "Bylaws earnings reserve", which is intended to strengthen the Company's working capital and the performance of its activities.

17. RELATED PARTIES

The subsidiaries Conipa and Tellerina carry out intercompany transactions involving the purchase and sale of goods and raw materials, the collection of administrative expenses through a Shared Service Center and royalties on jewelry design copyrights. All transactions between Conipa and Tellerina have been eliminated for consolidation and reporting purposes.

The balances of transactions between Vivara Group's companies are broken down as follows:

	03/31/2023		03/31/2022	
Balances	TELLERINA	CONIPA	TELLERINA	CONIPA
Transaction				
Sales (purchases) of goods	(338,319)	338,319	(347,493)	347,493
Sales (purchases) of raw materials	17,207	(17,207)	3,982	(3,982)
Copyrights	51,754	(51,754)	53,742	(53,742)
Total	(269,358)	269,358	(289,769)	289,769

On April 27, 2023, the Annual General Meeting approved the Company's overall management compensation for 2023 of up to R$27,040 (R$17,727 for 2022).

	Consolidated					
	03/31/2023			03/31/2022		
	Fixed	Variable	Total	Fixed	Variable	Total
Board of Directors	495	219	714	495	-	495
Statutory officers	1,681	2,310	3,991	2,190	116	2,306
Total	2,176	2,530	4,705	2,685	116	2,801

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

	Consolidated					
	03/31/2023			03/31/2022		
	Fixed	Variable	Total	Fixed	Variable	Total
Executive officers	1,925	422	2,347	1,352	91	1,443
Total	1,925	422	2,347	1,352	91	1,443

18. INCOME TAX AND SOCIAL CONTRIBUTION

a) Reconciliation of income tax and social contribution expenses

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Profit before income tax and social contribution	38,572	45,922	34,619	34,715
Combined statutory rate	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(13,114)	(15,613)	(11,770)	(11,803)
Income tax and social contribution on tax loss carryforwards for which no corresponding deferred taxes were recognized	(1,381)	(1,241)	(1,381)	(1,241)
Permanent differences:				
Share of profit (loss) of subsidiaries	14,495	16,855		-

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Other permanent differences	-	-	(9,608)	(6,791)
Tax incentive – deemed ICMS credits	-		14,206	15,097
Tax incentive - operating profit	-	-	12,506	15,939
Total	-	-	3,953	11,207
Current	-	-	(17,344)	(13,611)
Deferred	-	-	21,297	24,818
Total	-	-	3,953	11,207

b) Deferred income tax and social contribution

	Consolidated			
	03/31/2023		12/31/2022	
	IRPJ tax base	CSLL tax base	IRPJ tax base	CSLL tax base
Deferred tax assets on temporary differences:				
Allowance for doubtful debts	1,060	1,060	1,604	1,604
Allowance for inventory losses	5,229	5,229	5,010	5,010
Accrued expenses	61,532	61,532	93,473	93,473
Unrealized profit from subsidiaries' operations	613,578	613,578	539,386	539,386
Provision for civil, labor and tax risks	17,533	17,533	18,254	18,254
Right-of-use leases	48,745	48,745	45,500	45,500
Tax loss carryforwards	101,509	100,818	58,985	58,241
Deferred tax base (a)	849,186	848,495	762,212	761,468
Deferred income tax assets		162,141		146,485
Deferred social contribution assets		58,309		52,668
Deferred income and social contribution assets (b)		220,450		199,153

(a) The difference between the tax bases of income tax and social contribution arises from bonuses paid to statutory officers, whereas the related expenses are considered nondeductible when calculating income tax.

(b) Pursuant to paragraph 11 of CPC 32, the Company calculates and recognizes deferred IRPJ and CSLL from consolidated operations based on the rates applied arising from the individual calculation of its subsidiaries and other items at the statutory rate of 34%.

c) Expected realization of deferred income tax and social contribution assets

Deferred income tax and social contribution assets were recognized based on analyses prepared by Management as to the generation of future taxable income to allow these amounts to be fully realized over the coming years, including the expected realization of deductible temporary differences, as outlined below:

	Consolidated	
	03/31/2023	12/31/2022
Up to 1 year	27,822	34,739
From 1 to 2 years	42,670	35,078
From 2 to 3 years	41,443	34,395
From 3 to 5 years	35,996	31,160
Over 5 years	72,519	63,781
Total	220,450	199,153

19. NET REVENUE FROM SALES AND SERVICES

	Consolidated 03/31/2023	Consolidated 03/31/2022
Gross sales revenue	609,266	508,570
Gross service revenue	2,385	1,995
Deductions from gross revenue:		
State VAT (ICMS)	(51,371)	(32,540)
Tax on revenue (COFINS)	(33,681)	(29,192)
Tax on revenue (PIS)	(7,312)	(6,325)
FTI (*)	(3,389)	(5,280)
Service tax (ISS)	(120)	(100)
Sales returns/exchanges	(124,150)	(99,705)
Total	391,628	337,423

The ICMS amounts are stated net of the tax incentive of same nature mentioned in note 8.b in the amount of R$41,781 (R$44,402 as at March 31, 2022).

(*) The "Fundo de Fomento ao Turismo, Infraestrutura, Serviço e Interiorização do Desenvolvimento do Estado do Amazonas (F.T.I.)" is a state tax levied on Conipa's sales of products manufactured in Manaus Free Trade Zone to other Brazilian States.

20. EXPENSES BY NATURE

Vivara Group's income statement is presented based on a classification of expenses according to their function. The information on the nature of these expenses recognized in the income statement is as follows:

a) Costs of sales and services

	Consolidated 03/31/2023	Consolidated 03/31/2022
Acquisition cost of inputs and raw materials and goods for resale	(101,802)	(95,593)
Personnel	(13,800)	(10,956)
Depreciation and amortization	(1,626)	(1,072)
Electric power, water and telephone	(343)	(483)
Freight	(1,471)	(1,168)
	(119,042)	(109,272)

b) Selling expenses

	Consolidated 03/31/2023	Consolidated 03/31/2022
Personnel	(61,793)	(55,294)
Freight	(7,228)	(5,777)
Marketing/selling expenses	(20,585)	(18,746)
Professional services	(4,536)	(3,418)
Variable rentals and common area maintenance fees	(16,557)	(11,753)
Lease discounts	1,527	700
Depreciation and amortization	(19,000)	(14,223)

	Consolidated 03/31/2023	Consolidated 03/31/2022
Commission on credit cards	(9,546)	(7,720)
Electric power, water and telephone	(2,027)	(1,732)
Taxes and fees	(8,394)	(5,514)
Other expenses by nature	(5,923)	(4,575)
	(154,062)	(128,052)

c) General and administrative expenses

	Parent 03/31/2023	Parent 03/31/2022	Consolidated 03/31/2023	Consolidated 03/31/2022
Personnel	(2,702)	(1,379)	(28,401)	(21,183)
Professional services	(1,149)	(738)	(17,892)	(12,922)
Rentals and common area maintenance fees	-	-	(197)	(299)
Electric power, water and telephone	-	-	(557)	(278)
Depreciation and amortization	-	-	(11,259)	(11,114)
Taxes and fees	(204)	(185)	(7,754)	(5,467)
Other expenses by nature	(67)	(60)	(3,541)	(2,191)
	(4,122)	(2,362)	(69,601)	(53,454)

21. SEGMENT REPORTING

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

Such view is based on the following factors:

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

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

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

Gross revenue, less returns	Consolidated 03/31/2023	Consolidated 03/31/2022
Jewelry	252,544	227,165
Life	168,176	120,180
Watches	53,256	52,004
Accessories	11,139	9,516
Services	2,385	1,995
Total	487,500	410,860
Stores	413,735	356,030
Online sales	70,476	51,605
Other	904	1,230
Services	2,385	1,995
Total	487,500	410,860

22. OTHER OPERATING INCOME (EXPENSES), NET

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Provision for civil, labor and tax risks (a)	(6)	-	(1,261)	(1,421)
Expected credit losses	-	-	54	(41)
Share of profit (loss) of subsidiaries	50,725	49,573	-	-
Write-off of property, plant and equipment items	-	-	(38)	(953)
Lease agreements written off	-	-	35	-
Other income	-	-	521	271
Total	50,719	49,573	(689)	(2,144)

23. FINANCE INCOME

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Income from short-term investments	1	7	7,990	11,418
Inflation adjustments (*)	76	202	1,056	482
Exchange gains	-	-	3,166	871
Other finance income	-	-	68	92
Total	77	209	12,280	12,863

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

24. FINANCE COSTS

	Parent		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Interest on borrowings and financing		-	(6,614)	(7,229)
Exchange differences on translating borrowings and financing		-	849	7,693
Finance charges on derivative instruments		-	(2,237)	(8,770)
Charges on right-of-use leases		-	(12,641)	(10,176)
Tax on financial transactions (IOF)		-	(102)	(19)
Bank fees	(2)	(1)	(291)	(272)
Interest and fines on taxes and accessory obligations	(1)	(1,486)	(1,616)	(2,236)
Exchange losses	(1)	-	(2,658)	(1,080)
Other finance costs	(6)	(11)	(585)	(560)
Total	(10)	(1,498)	(25,895)	(22,649)

25. EARNINGS PER SHARE

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

	Consolidated	
	03/31/2023	03/31/2022
Numerator		
Profit for the year (a)	38,572	45,922
Denominator (in thousands of shares)		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(665)	(2)
Weighted average number of outstanding shares (b)	235,533	236,196
Basic earnings per share (in R$) (a/b)	0.16376	0.19442
Denominator (in thousands of shares)		
Weighted average number of shares	236,198	236,198
Weighted average number of treasury shares	(665)	(2)
Weighted average number of shares granted – 1st plan	62	62
Weighted average number of diluted shares (c)	235,595	236,258
Diluted earnings per share (in R$) (a/c)	0.16372	0.19437

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

26. RIGHT-OF-USE LEASES

As at March 31, 2023, the Group entered into 348 agreements (341 agreements as at December 31, 2022) for the lease of their stores, kiosks, factory and administrative center with third parties. Of this total, 48 agreements (51 agreements as at December 31, 2022) were eligible to the exemption criteria for the recognition of the right of use and were classified as operating leases.

The variable rentals, determined under short-term leases or leases of low-value assets that were not recognized as rights of use for the period, are recorded in line item “Rentals and common area maintenance fees”, in the total amount of R$2,425 (R$2,088 as at March 31, 2022), as stated in note 20.

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

As at March 31, 2023, the 295 lease agreements (290 lease agreements as at December 31, 2022), classified as right-of-use leases, mature between five and 10 years and the weighted average discount rate in the period is 11.55% per year (11.51% per year as at December 31, 2022).

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

For compliance with CVM Circular Letter 02/2019, the Company discloses the minimum inputs for purposes of projecting the statutory rate and discounted cash flow model recommended by CMV, using as basis the average inflation between the CDI x IPCA rates obtained from the B3 website, as at March 31, 2023.

The table below shows the discount and future inflation rates adopted, compared to the contractual terms:

Agreements per term and discount rate			
Agreement term	Number of agreements	Discount rate	Future average inflation rate
5 years	5	11.05%	6.38%
6 years	9	11.05%	6.55%
7 years	48	11.36%	6.62%
8 years	17	11.55%	6.68%
9 years	40	11.72%	6.65%
10 years	176	11.88%	6.71%
Total	295		

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

	Consolidated	
	03/31/2023	12/31/2022
Balance at the beginning of the period	474,643	370,068
Addition of new agreements	9,557	111,993
Remeasurement	3,273	66,776
Write-offs	(35)	(25,312)
Finance charges recognized	12,641	44,602
Lease discounts	(1,527)	(4,789)
Interest payment	(12,579)	(42,815)
Principal repayments	(18,643)	(45,880)
Balance at the end of the period	467,330	474,643

	Consolidated	
	03/31/2023	12/31/2022
Current liabilities	67,470	59,546
Noncurrent liabilities	399,860	415,097
Total	467,330	474,643

As prescribed by CPC 06 (R2)/IFRS 16, the Company shows in the table below the analysis of its agreement maturities, undiscounted installments, reconciled with the balance in the balance sheet as at March 31, 2023:

	Consolidated	
Agreement maturity	03/31/2023	12/31/2022
Installment maturity:		-
2023	75,758	106,766
2024	108,298	105,854
2025	103,475	100,960
2026	90,765	88,240
2027 and thereafter	288,888	280,198
Total undiscounted installments	667,184	682,018
Embedded interest	(199,854)	(207,375)
Balance of right-of-use lease liability	467,330	474,643

As at March 31, 2023, the potential PIS and COFINS credit on the gross contractual flow is R$61,715 and that adjusted to present value over the weighted average term is R$43,228.

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

	Consolidated	
	03/31/2023	12/31/2022
Balance at the beginning of the period	622,960	462,183
Addition of new agreements	9,557	111,993
Remeasurement	3,273	66,776
Write-offs	-	(36,499)
Direct costs – points of sale	2,678	18,507
Balance at the end of the period	488,561	622,960
Amortization expenses in the period	(20,636)	(15,404)

27. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Financial assets				
Amortized cost:				
Cash and cash equivalents	314	108	121,464	160,036
Trade receivables	-	-	515,481	663,797
Securities	-		215,383	222,831
Due from related parties	-	59	-	-
Total financial assets	314	167	852,328	1,046,664

	Parent		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Financial liabilities				
Amortized cost:				
Trade payables	-	-	122,162	104,951
Trade payables - agreement	-	-	57,558	40,247
Interest on capital payable	2	2	2	2
Dividends payable	85,704	85,704	85,704	85,704
Right-of-use leases payable	-	-	467,331	474,643
Borrowings and financing	-	-	221,949	225,156
Subtotal	85,706	85,706	954,706	930,703
Fair value through profit or loss:				
Derivatives	-	-	3,318	2,486
Total financial liabilities	85,706	85,706	958,024	933,189

b) Financial risks

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

c) Foreign exchange risk management

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

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

	Consolidated			
	03/31/2023			
Type of transaction	Financial institution	Debt amount	Derivative	Net exposure
Resolution 4131	Banco Santander	50,857	(50,857)	-
Total borrowings and financing		50,857	(50,857)	-
Foreign suppliers (*)	-	53,564	-	53,564
Total foreign exchange exposure		104,421	(50,857)	53,564
US dollar quotation – balance sheet		5.1254	5.1254	5.1254
Total exposure in US dollars		20,373	(9,275)	11,098

(*) The Company's subsidiaries import goods, raw materials and inputs for manufacturing and sale from foreign suppliers. These purchases are substantially denominated in U.S. dollars (US$) and are exposed to exchange rate changes.

Derivatives

The Company entered into swap transactions to minimize the foreign exchange risks arising on foreign currency-denominated borrowings and financing. These transactions consist of swapping the exchange rate changes for a percentage rate equivalent to the CDI fluctuation.

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

As at March 31, 2023, the outstanding swap transactions are broken down as follows:

	Consolidated			
Description	Rates	Notional amount	Fair value	Cumulative effect up to 03/31/2023 marked to market
Swap contracts				
Long position:				
Exchange rate changes - US$	US$ +2.3475% p.a.	47,540	47,540	-
Short position:				
CDI fluctuation	CDI + 1.2% p.a.	47,540	(50,858)	(3,318)
Net amount payable				(3,318)

The liability balance totaling R$3,318 refers to the net adjustment payable, calculated at fair value as at March 31, 2023, of derivatives outstanding on that date, which was recorded in line item "Derivatives".

d) Sensitivity analysis

Foreign exchange risk

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

Total foreign exchange exposure in local currency	53,564
Total foreign exchange exposure in foreign currency	10,451

Accordingly, as a result of the considerations above, only the amount of R$53,564 is being applied for the sensitivity analysis purposes. The US dollar foreign exchange rate was R$5.1254 at the balance sheet date.

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

Under scenario I, an exchange rate of R$5.3741 was defined based on the future U.S. dollar quotation on B3, limited to 12 months. Under scenario II, a 2% appreciation of the U.S. dollar was projected by Management on conservative basis. Under scenario III, a 2.5% depreciation of the U.S. dollar was projected according to the future quotation disclosed in the Focus Report of the Central Bank of Brazil dated April 14, 2023.

Group's risk	Scenario I	Scenario II	Scenario III
Notional amount of the net exposure (in foreign currency)	10,451	10,451	10,451
Notional amount of the net exposure (in local currency)	53,564	53,564	53,564
Projected value (in local currency)	56,163	57,286	54,762
Effects of exchange rate changes	2,599	3,722	1,198
U.S. dollar rate	5.3741	5.4816	5.2400

Interest rate risk

Considering that all foreign currency-denominated borrowings and financing are hedged by swap contracts as at March 31, 2023, exchanging the foreign-currency liability index for the CDI rate fluctuation, due to the Group's policy to hedge against foreign exchange risks, the Group is, therefore, exposed to the CDI rate fluctuation. The Company's short-term investments and investments in financial bills are also exposed to the CDI rate fluctuation and the Company presents net exposure to the risk of interest underlying the transactions pegged to the CDI rate fluctuation:

	Consolidated
Total borrowings and financing pegged to the CDI fluctuation	225,267
Short-term investments of cash and cash equivalents exposed to the CDI rate	(113,761)
Investments in financial bills exposed to the CDI rate	(215,383)
Total gains on the exposure to the CDI rate	(103,877)

Although the Company's Management considers the risk of significant fluctuations in the CDI rate throughout 2023 and in the sensitivity analysis on the risk of CDI rate increase that would affect finance costs, two projected scenarios were considered stressing 3.55% increase in scenario II and 5.9% decrease in scenario III in CDI rate, respectively, based on a Selic rate projected at the end of 2023 of 12.5%, as per the Focus Report issued by the Central Bank of Brazil (BACEN) on April 14, 2023.

Group's risk	Scenario I	Scenario II	Scenario III
Net exposure to the CDI rate	103,877	103,877	103,877
Projected value	103,877	104,360	103,057
Effects of CDI fluctuation	-	483	(820)
CDI rate	13.29%	13.76%	12.50%

e) Credit risk management

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

f) Liquidity risk management

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

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

Transaction	Up to 1 year	Up to 2 years	2 to 5 years	Over 5 years	Total
Trade payables	122,162	-	-	-	122,162
Trade payables - agreement	57,558	-	-	-	57,558
Borrowings and financing	119,439	128,958	-	-	248,397
Interest on capital payable	2	-	-	-	2
Dividends payable	85,704	-	-	-	85,704
Derivatives	5,101		-	-	5,101
Right-of-use leases payable	75,758	108,298	277,102	206,027	667,185

g) Fair value of financial instruments

When applicable, the Company adopts CPC 40/IFRS 7 – Financial Instruments: Disclosures for financial instruments measured in the balance sheet at fair value, which requires the disclosure of fair value measurements based on the following hierarchy level:

- Level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets or liabilities that the subsidiaries can access at the measurement date.
- Level 2 inputs: are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: are unobservable inputs for the asset or liability.

As at March 31, 2023, all derivative financial instruments were grouped into Level 2.

28. SHARE-BASED PAYMENT

The Shares Granted represent the share-based payment transactions relating to the compensation of employees, executives and Directors of the Company and its subsidiaries and are recognized according to CPC 10(R1)/IFRS 2.

The Company measures the cost of share-based compensation transactions based on the share price on the market closing at the grant date. The shares granted are recognized as expense in the Company's profit or loss during the grace period, as a contra entry to "Shares granted" in equity.

The shares granted to the Plans' participants have a grace period of up to 36 months. The conditions for the shares to be offered to the beneficiaries include the continuity as the Company's employee, attainment of goals relating to the performance indicators determined for the period, including ROIC (Return On Invested Capital) and TSR (Total Shareholder Return).

The dilutive effect of the outstanding shares granted is reflected as an additional dilution in the calculation of the diluted earnings per shares, as shown in note 26.

Compensation plans

The purpose of the Incentive Plans is to align the long-term interests of the participants with those of the Company's shareholders and develop social and sustainable goals to generate value for the Company and the Plans can deliver to participants shares representing no more than 5% of the Company's total capital, through treasury shares issued by the Company.

a) Stock Option Plan ("Option Plan");

Approved at the Extraordinary General Meeting, the Option Plan establishes the possibility of the Company delivering to participants selected by the Board of Directors, subject to certain terms and conditions, treasury shares issued by the Company. The directors, officers, managers or top-level employees of the Company and its subsidiaries will be eligible to participate in the Option Plan.

On October 4, 2021, 62,145 shares, in its upper overall limit, relating to the 1st Stock Option Program, exclusive for Directors, were granted. The shares will be offered to participants after 24 months (grace period), with additional lock-up of 12 months. The cost of the grants under this plan was based on the fair values of the equity instruments on the grant date and other assumptions applicable to the measurement model.

The 2nd Stock Option Program, in turn, provides for the grant of shares to participants selected by the Board of Directors, provided that, among other conditions, the participants invest own funds in the acquisition and maintenance of a certain number of shares issued by the Company during a grace period. The program provides for an individual investment limit of no more than six net wages.

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

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

b) Matching Shares Plan

The Matching Shares Plan provides for the grant of Matching Shares to participants selected by the Board of Directors, provided that, among other conditions, the participants invest own funds in the acquisition and maintenance of a certain number of shares issued by the Company during a 36-month grace period. The Company's officers, managers or employees are eligible to participate in the Matching Shares Plan.

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

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

	Consolidated			
Amounts in number of shares	1st Option Plan	2nd Option Plan	Matching Shares Plan	Grand Total
Balances as at December 31, 2021	229,034	-	-	229,034
Cancelation of grants to executives	(20,622)	-	-	(20,622)
Grant to executives	-	256,362	87,258	343,620
Balances as at December 31, 2022	208,412	256,362	87,258	552,032
Write-off due to the assignment of shares to Executives	(8,212)	-	-	(8,212)
Balances as at March 31, 2023	200,200	256,362	87,258	543,820

29. INSURANCE COVERAGE

The Company adopts an insurance policy that considers mainly the risk concentration and its materiality, according to the nature of its activities and advice from insurance brokers. As at March 31, 2023, the insurance coverage is broken down as follows:

- Property damages - R$314,458 (effective through February 2024).
- Loss of profits - R$435,000 (effective through February 2024).
- Sundry risks (inventories) - R$352,836 (effective through February 2024).
- Civil liability - R$20,000 (effective through May 2023).
- D&O liability – R$60,000 (effective through September 2023).
- International freight – US$70,000 (effective through April 2023).
- Cyber risks - R$25,000 (effective through June 2023).