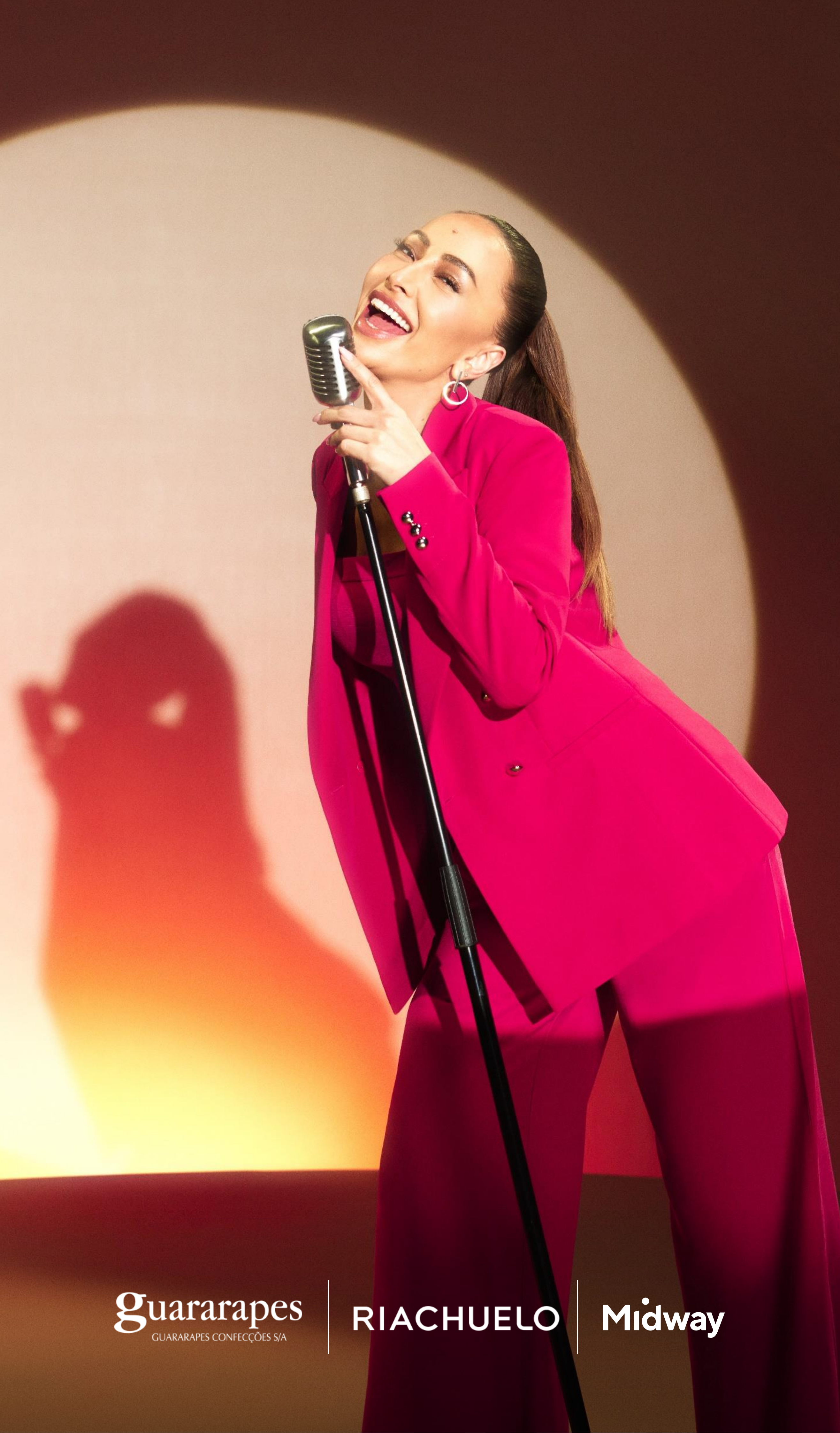
Financial Statements 1Q22



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Guararapes Confecções S.A.

Quarterly Information (ITR) at March 31, 2022 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Shareholders
Guararapes Confecções S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Guararapes Confecções S.A. ("Guararapes"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2022, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter period then ended, and explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21 - Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily 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 Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

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Guararapes Confecções S.A.

Other matters

Statements of value added

The quarterly information referred to above includes the parent company and consolidated statements of value added for thequarter ended March 31, 2022. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard 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 have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, May 12, 2022

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

José Vital Pessoa Monteiro Filho
Accountant CRC 1PE016700/O-0

Balance sheet
March 31, 2022 and December 31, 2021
(In thousands of Brazilian Reais)

Assets	Note No.	Parent Company 03/31/2022	Parent Company 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Current					
Cash and cash equivalents	9	732	1,239	1,407,277	1,725,775
Bonds and securities	10	306,351	633,980	373,616	364,778
Accounts receivable from clients	11	856,316	518,601	4,792,006	5,243,375
Related parties	28	43,187	77,800	-	-
Inventories	12	302,216	246,052	1,536,753	1,272,577
Recoverable taxes	13	28,964	37,275	340,776	160,489
Other assets		23,764	13,092	91,371	65,715
		1,561,530	**1,528,039**	**8,541,799**	**8,832,709**
Non-current					
Deferred taxes	26	111,054	96,795	1,087,598	993,919
Recoverable taxes	13	16,290	16,259	901,163	1,107,014
Court deposits	25	3,517	3,587	165,853	160,399
Other assets		129	129	136	136
Related parties - LTI (Long-Term Incentives)	28	46,371	42,609	-	-
Investments	7	5,328,931	5,429,346	-	-
Investment properties	14	-	-	164,590	165,941
Property, plant and equipment, net	15	477,343	475,991	1,573,704	1,573,521
Right of Use	21	-	-	916,894	916,406
Intangible	16	9,321	8,991	757,792	728,376
		5,992,956	**6,073,707**	**5,567,730**	**5,645,712**
Total assets		**7,554,486**	**7,601,746**	**14,109,529**	**14,478,421**

The management's explanatory notes are an integral part of the individual and consolidated interim financial information.

Guararapes Confecções S.A.

Balance sheet
March 31, 2022 and December 31, 2021
(In thousands of Brazilian Reais)

Liabilities and equity	Note No.	Parent Company 03/31/2022	Parent Company 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Current					
Suppliers	17	206,980	201,401	787,881	761,580
Suppliers - "Confirming"	18	33,857	46,791	185,720	284,649
Salaries, provisions and social contributions	22	34,920	30,266	224,330	255,298
Income tax and social contribution	26	4,163	1,414	32,123	39,128
Other taxes and contributions	23	16,998	15,500	87,532	189,573
Loans and financing	19	300	258	946,633	986,522
Debentures	20	579,666	392,802	579,666	392,802
Lease liabilities	21	-	-	285,676	282,054
Proposed and payable dividends	27.2	103	103	103	103
Interest on equity, payable	27.2	230,736	204,958	230,736	204,958
Obligations to card issuers	24	-	-	2,230,223	2,390,992
Other liabilities		15,067	5,887	296,405	297,712
		1,122,790	**899,380**	**5,887,028**	**6,085,371**
Non-current					
Provision for labor, tax and civil risks	25	5,752	5,697	209,433	205,855
Loans and financing	19	-	-	552,727	467,808
Debentures	20	1,264,104	1,429,884	1,573,534	1,729,735
Lease liabilities	21	-	-	720,349	718,268
Other liabilities		-	-	4,618	4,599
		1,269,856	**1,435,581**	**3,060,661**	**3,126,265**
Equity	27				
Capital		3,100,000	3,100,000	3,100,000	3,100,000
(-) Treasury shares		(20)	(20)	(20)	(20)
Granted Options		49,055	44,319	49,055	44,319
Adjustments to equity valuation					
Deemed cost reserve		85,569	86,564	85,569	86,564
Other comprehensive income		(333)	(792)	(333)	(792)
Retained earnings		1,927,569	2,036,714	1,927,569	2,036,714
Total equity	27	**5,161,840**	**5,266,785**	**5,161,840**	**5,266,785**
Total liabilities and equity		**7,554,486**	**7,601,746**	**14,109,529**	**14,478,421**

The management's explanatory notes are an integral part of the individual and consolidated interim financial information.

Statement of income
Three month period ended March 31, 2022 e 2021
(In thousands of Brazilian Reais)

	Note No.	Parent Company 03/31/2022	Parent Company 03/31/2021	Consolidated 03/31/2022	Consolidated 03/31/2021
Revenue	30	326,419	249,837	1,735,911	1,243,372
Cost of products sold and services rendered	31.1	(266,611)	(205,376)	(730,925)	(596,492)
Gross profit		**59,808**	**44,461**	**1,004,986**	**646,880**
Operating (expenses) revenue					
Sales expenses	31.2	(2,891)	(1,801)	(794,151)	(472,147)
General and administrative expenses	31.3	(12,416)	(11,441)	(299,240)	(283,922)
Income using the equity method	7	(100,874)	(130,206)	-	-
Other (expenses) operations revenue, net	32	7,122	12,016	3,267	6,717
		(109,059)	**(131,432)**	**(1,090,124)**	**(749,352)**
Operating profit (loss)		**(49,251)**	**(86,971)**	**(85,138)**	**(102,472)**
Financial revenue	33	13,785	5,982	77,736	18,506
Financial expenses	33	(58,931)	(21,976)	(138,529)	(77,997)
Net financial income	33	**(45,146)**	**(15,994)**	**(60,793)**	**(59,491)**
Profit (Loss) before income tax and social contribution		**(94,397)**	**(102,965)**	**(145,931)**	**(161,963)**
Income tax and social contribution - current	26	-	(773)	(28,317)	(3,169)
Deferred income tax and social contribution	26	14,259	(1,179)	94,110	60,215
Income tax and social contribution		**14,259**	**(1,952)**	**65,793**	**57,046**
Net profit (loss) for the period		**(80,138)**	**(104,917)**	**(80,138)**	**(104,917)**
Attributable to Company shareholders	34	(80,138)	(104,917)	(80,138)	(104,917)
Basic/diluted profit (loss) per share	34				
Per registered common share		-0.16053	-0.21017	-0.16053	-0.21017

The management's explanatory notes are an integral part of the individual and consolidated interim financial information.

Guararapes Confecções S.A.

Statement of comprehensive income
Three month period ended March 31, 2022 and 2021
(In thousands of Brazilian Reais)

		Parent Company and Consolidated	
	Note No.	03/31/2022	03/31/2021
Net profit (loss) for the period		(80,138)	(104,917)
Other components of comprehensive income			
Items to be further reclassified to income	4.3 e 10	**459**	**(159)**
Financial assets available for sale		459	(159)
Net profit (loss) of adjustment to fair value of financial assets		835	(289)
Income tax and social contribution related to components of financial assets		(376)	130
Total comprehensive income for the fiscal year		**(79,679)**	**(105,076)**

The management's explanatory notes are an integral part of the individual and consolidated interim financial information.

Guararapes Confecções S.A.

Statement of changes in equity
Periods ended March 31, 2022 and 2021
(In thousands of Brazilians Reais)

		Attributable to the shareholders of the Parent Company									
				Retained earnings				Equity Valuation Adjustment			
	Note No.	Capital	Treasury shares	Reserve for stock option plan	Legal reserve	Investment reserve	Tax incentives	Fixed asset attributed cost	Comprehensive Income	Profits (losses) Accumulated	Total Equity
As of December 31, 2020		**3,100,000**	**(20)**	**23,900**	**225,313**	**1,230,582**	**332,139**	**116,739**	**(1,310)**	**-**	**5,027,343**
Net loss for the period		-	-	-	-	-	-	-	-	(104,917)	(104,917)
Financial assets available for sale	7, 10 e 27.5	-	-	-	-	-	-	-	(159)	-	(159)
Total comprehensive income for the period		-	-	-	-	-	-	-	(159)	(104,917)	(105,076)
Stock option plan	27.6	-	-	5,105	-	-	-	-	-	-	5,105
Realization of net equity valuation adjustment	27.4	-	-	-	-	-	-	(1,086)	-	1,086	-
Total contributions of shareholders and distributions to shareholders		-	-	5,105	-	-	-	(1,086)	-	1,086	5,105
As of March 31, 2021		**3,100,000**	**(20)**	**29,005**	**225,313**	**1,230,582**	**332,139**	**115,653**	**(1,469)**	**(103,831)**	**4,927,372**

		Attributable to the shareholders of the Parent Company									
				Retained earnings				Equity Valuation Adjustment			
	Note No.	Capital	Treasury shares	Reserve for stock option plan	Legal reserve	Investment reserve	Tax incentives	Fixed asset attributed cost	Comprehensive Income	Profits (losses) Accumulated	Total Equity
As of December 31, 2021		**3,100,000**	**(20)**	**44,319**	**239,525**	**1,296,170**	**501,019**	**86,564**	**(792)**	**-**	**5,266,785**
Net loss for the fiscal year		-	-	-	-	-	-	-	-	(80,138)	(80,138)
Financial assets available for sale	7, 10 e 27.5	-	-	-	-	-	-	-	459	-	459
Total comprehensive income for the period		-	-	-	-	-	-	-	459	(80,138)	(79,679)
Stock option plan	27.6	-	-	4,736	-	-	-	-	-	-	4,736
Realization of net equity valuation adjustment	27.4	-	-	-	-	-	-	(995)	-	995	-
Interest on equity	27.2	-	-	-	-	-	-	-	-	(30,002)	(30,002)
Total contributions of shareholders and distributions to shareholders		-	-	4,736	-	-	-	(995)	-	(29,007)	(25,266)
As of March 31, 2022		**3,100,000**	**(20)**	**49,055**	**239,525**	**1,296,170**	**501,019**	**85,569**	**(333)**	**(109,145)**	**5,161,840**

The management's explanatory notes are an integral part of the individual and consolidated interim financial information.

Statement of cash flow
Periods ended March 31, 2022 and 2021
(In thousands of Brazilian Reais)

	Note No.	Parent Company 03/31/2022	Parent Company 03/31/2021	Consolidated 03/31/2022	Consolidated 03/31/2021
Cash flows generated by operating activities					
Net loss for the fiscal year		(80,138)	(104,917)	(80,138)	(104,917)
Adjustments of:					
Estimate for expected credit losses	11	-	-	149,641	(109,318)
Income using the equity method	7	100,874	130,206	-	-
Equity instruments granted		974	214	4,736	5,105
Tax recovery	32	(319)	(1,054)	(432)	(1,394)
Depreciation and amortization	14, 15, 16	7,879	7,843	92,656	80,527
Depreciation on right of use	21	-	-	54,292	53,658
Income on disposal of property, plant and equipment	14, 15, 16 e 32	9	(159)	(422)	1,103
Deferred taxes	26	(14,259)	1,179	(94,110)	(57,302)
Estimate for losses (gain) in inventories	12	(11)	135	4,295	(6,336)
Provision (reversal) for labor, tax and civil risks	25	253	(1,343)	5,816	1,869
Interest, inflation adjustments and exchange variations	19, 20 e 25	58,296	22,667	108,606	46,151
Interest accrued on lease liabilities	21	-	-	21,011	20,750
Bonds and securities' interest	10	(12,244)	(5,085)	(9,083)	(2,233)
		61,314	**49,686**	**256,868**	**(84,701)**
Changes in working capital					
Accounts receivable from clients		(337,715)	(29,701)	301,728	417,708
Related parties		2,576	982	-	-
Inventories		(56,153)	(55,108)	(268,471)	(344,769)
Recoverable taxes		8,599	11,140	25,996	(20,911)
Other assets		(10,672)	5,694	(25,656)	(14,544)
Court deposits and others	25	70	232	(3,096)	(1,621)
Suppliers	17	5,579	56,331	26,301	9,155
Suppliers - "Confirming"	18	(12,934)	8,763	(98,929)	(25,160)
Salaries, provisions and social contributions		4,654	802	(30,968)	6,310
Income tax and social contribution		1,855	4,596	30,602	3,973
Other taxes and contributions		1,498	(2,542)	(102,041)	(130,571)
Related parties		1,671	(510)	-	-
Obligations to card issuers		-	-	(160,769)	8,338
Other liabilities		7,769	(2,764)	(1,288)	(15,418)
Cash provided by (used in) the operating activities		**(321,889)**	**47,601**	**(49,723)**	**(192,211)**
Interest paid	19 e 20	(37,212)	(415)	(47,371)	(507)
Receipt of dividends and profits from subsidiaries	28	31,777	-	-	-
Provision balances for labor, tax and civil risks paid	25	(198)	-	(2,238)	-
Income tax and social contribution paid	26	(3,234)	(5,130)	(41,304)	(7,169)
Net cash (used in) from operating activities		**(330,756)**	**42,056**	**(140,636)**	**(199,887)**
Cash flows from investment activities					
Redemption of bonds and securities	10	339,873	935	704	53,957
Addition to investment property	14	-	-	-	(4,671)
Addition to property, plant and equipment	15	(8,995)	(4,307)	(58,444)	(37,209)
Addition to intangible	16	(595)	(795)	(62,660)	(63,693)
Receipt for sale of property, plant and equipment	15	20	343	622	594
Net cash from (used in) investment activities		**330,303**	**(3,824)**	**(119,778)**	**(51,022)**
Cash flows from financing activities					
Interest on equity, paid	26	(61)	-	(61)	-
Withholding income tax of interest on equity paid	26	(35)	-	(35)	-
Loans and financing fundraising	19	42	37	95,233	51,187
Amortization of loans and financing	19	-	-	(83,133)	(280,167)
CRI amortization		-	(21,124)	-	(21,124)
Amortization of lease liabilities	21	-	-	(70,088)	(55,039)
Amortization of Debentures	20	-	(16,131)	-	(16,131)
Net cash from (used in) financing activities		**(54)**	**(37,218)**	**(58,084)**	**(321,274)**
Increase (decrease) in cash and cash equivalents, net		**(507)**	**1,014**	**(318,498)**	**(572,183)**
Cash and cash equivalents at the beginning of fiscal year	**9**	**1,239**	**512**	**1,725,775**	**2,921,946**
Cash and cash equivalents at the end of fiscal year	**9**	**732**	**1,526**	**1,407,277**	**2,349,763**

The management's explanatory notes are an integral part of the individual and consolidated interim financial information.

Statement of value added
Periods ended March 31, 2022 and 2021
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenue				
Gross sales of products and services	408,563	319,120	2,122,706	1,525,706
Other revenues (expenses)	7,122	12,016	6,471	14,884
Estimate for expected credit losses	-	-	(149,641)	109,318
	415,685	**331,136**	**1,979,536**	**1,649,908**
Inputs acquired from third parties				
Cost of products sold, goods and services provided	(171,720)	(140,276)	(1,280,223)	(1,107,790)
Other expenses	(64,632)	(42,778)	(73,040)	(59,646)
	(236,352)	**(183,054)**	**(1,353,263)**	**(1,167,436)**
Gross value added	**179,333**	**148,082**	**626,273**	**482,472**
Depreciation and amortization	(7,879)	(7,843)	(146,948)	(134,185)
Net value added produced by the entity	**171,454**	**140,239**	**479,325**	**348,287**
Added value received in transfer				
Income using the equity method	(100,874)	(130,206)	-	-
Financial revenue	13,785	5,982	77,736	18,506
Total value added to be distributed	**84,365**	**16,015**	**557,061**	**366,793**
Distribution of value added				
Salaries and charges	85,720	69,727	401,893	362,404
Taxes, fees, and contributions				
Federal	8,960	18,635	18,708	(30,175)
State	11,860	10,260	83,376	64,199
Municipal	509	673	16,032	12,716
Interest and exchange rate variations	57,448	21,622	74,207	43,646
Rent	6	15	42,983	18,920
Interest on equity	30,002	-	30,002	-
Tax incentive reserve	18,424	14,012	18,424	14,012
Retained losses	(128,564)	(118,929)	(128,564)	(118,929)
Distributed value added	**84,365**	**16,015**	**557,061**	**366,793**

The management's explanatory notes are an integral part of the individual and consolidated interim financial information.

1 OPERATING CONTEXT

Guararapes Confecções S.A. ("Company") incorporated on October 6, 1956, is a publicly-held corporation headquartered in the Industrial District of Natal – State of Rio Grande do Norte, registered with B3 S.A. – Brasil, Bolsa e Balcão. The Company's corporate purpose is:

- Textile industry in general;
- Clothing and textile industry in general, its wholesale and retail sale, and export;
- Import and wholesale of clothing and fabrics, perfumery and sports products, footwear, bed, table and bath linen, toys, watches and chronometers.

Guararapes Confecções S.A. produces a variety of clothing products and its production is focused on meeting the demand of its subsidiary Lojas Riachuelo. The Group, composed of the Parent Company and its Subsidiaries, operates with a chain of retail points (stores and e-commerce) for the commercialization of clothing in general, articles for personal use and any other related items. Product sales are recognized when a Group entity transfers a product to the customer. Part of its retail sales are financed by its indirect subsidiary Midway Financeira, through its operations with Private Label and Flagged cards, in addition to granting personal loans to these same customers.

On January 16, 2020, Riachuelo Shanghai Consulting CO LTD. was created, aiming at the intermediation of imports from the Asian continent to serve Lojas Riachuelo. See explanatory note 7.

From 2020, the Company started to explore the Carter's stores brand in its own spaces, products already marketed in the Lojas Riachuelo chains. See explanatory note 6.

The issuance of this interim financial information was authorized by the Board of Directors on May 12, 2022.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 PREPARATION OF THE FINANCIAL STATEMENTS

The Parent Company and Consolidated interim financial information was prepared in accordance with accounting practices adopted in Brazil including the pronouncements issued by NBC TG 21 (R4) - Brazilian Accounting Standards - and international financial reporting standards IAS 34 - International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). The Company and its subsidiaries also took into account the guidelines of OFÍCIO-CIRCULAR/CVM/SNC/SEP/No. 01/2022 dated February 1, 2022, adding information in explanatory notes when necessary.

The individual and consolidated interim financial information was prepared considering the historical cost as the basis of value, except for certain financial assets and liabilities measured at fair value.

The Company's Management affirms that all relevant information pertaining to the interim financial information is being disclosed, and that they correspond to those used thereby in its management. The preparation of interim financial information requires the use of certain critical accounting estimates and also the exercise of judgment by the Group's Management in the process of applying accounting policies. Those areas that require a higher and more complex level of judgment, as well as the areas in which assumptions and estimates are significant for the interim financial information, are disclosed in their respective explanatory notes.

In the Company's individual interim financial information, Subsidiaries are accounted for using the equity accounting method. The same adjustments are made both in the individual interim financial information and in the consolidated interim financial information to arrive at the same result and shareholders' equity attributable to the Parent Company's shareholders.

2.2 ACCOUNTING POLICIES

This interim financial information was prepared following principles, practices and criteria consistent with those adopted in the preparation of the annual Financial Statements as of December 31, 2021, described in the respective explanatory notes to said statements, and, therefore, must be analyzed together.

2.2.1 FUNCTIONAL CURRENCY

(a) Functional currency and presentation currency

Items included in the interim financial information of each of the Group's companies are measured using the currency of the main economic environment in which the company operates ("functional currency"), which is the Brazilian Real (BRL), including the company Riachuelo Shanghai, a since this indirect subsidiary operates solely and exclusively to serve the operations of Lojas Riachuelo, without any associated independence, as established in its Bylaws.

(b) Foreign currency transactions and balances

Transactions with foreign currencies are translated into the functional currency, using the exchange rates prevailing on the dates of the transactions or on the valuation dates, when the items are measured.

Related foreign exchange gains and losses are presented in the income statement as financial income or expense.

2.2.2 ADJUSTMENTS TO PRESENT VALUE OF ASSETS AND LIABILITIES

Long-term assets and liabilities, and when relevant, short-term ones, must be adjusted to present value. After evaluating the value of the adjustment to present value, the Company's Management concluded that the impacts on the result for the fiscal year of the calculation of the adjustment to present value of elements of assets and liabilities are not relevant in relation to the interim financial information analyzed together and decided not to record such adjustment in the books.

2.2.3 ROUNDING OF VALUES

All amounts disclosed in the interim financial information have been rounded to the nearest thousand Brazilian Reais, unless otherwise stated.

2.2.4 STATEMENT OF ADDED VALUE

The presentation of the Statement of Added Value (DVA), individual and consolidated, is required by Brazilian corporate law and accounting practices adopted in Brazil applicable to publicly-held companies. The DVA was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Demonstration of Added Value". The IFRS standards do not require this statement to be presented. As a result, under IFRS, this statement is presented as supplementary information, without prejudice to the set of interim financial information.

2.2.5 CONSOLIDATION

The Company consolidates all entities over which it has control, that is, when it is exposed or is entitled to variable returns from its involvement with the investee and has the ability to direct the relevant activities of the investee.

The subsidiaries, included in the consolidation, are described in Note 6.

2.2.6 NEW STANDARD, AMENDMENT AND INTERPRETATION OF STANDARDS

The Company and its Subsidiaries began the 2022 fiscal year with changes to the rules and new rules that became effective as of January 1, specified below:

2.2.6.1 CHANGES TO IFRS'S AND NEW INTERPRETATIONS OF MANDATORY APPLICATION FROM CURRENT FISCAL YEAR

- Amendment to IAS 16 "Fixed Assets"

In May 2020, the IASB issued an amendment prohibiting an entity from deducting from the cost of fixed assets amounts received from the sale of items produced while the asset is being prepared for its intended use. Such revenues and related costs must be recognized in profit or loss for the fiscal year. The effective date of application of this change is January 1, 2022.

- Amendment to IAS 37 "Provision, Contingent Liabilities and Contingent Assets"

In May 2020, IASB issued this amendment to clarify that, for purposes of assessing whether a contract is burdensome, the cost of performing the contract includes the incremental costs of fulfilling that contract and an allocation of other costs that directly relate to the performance thereof. The effective date of application of this change is January 1, 2022.

- Amendment to IFRS 3 "Business Combination"

Issued in May 2020, with the objective of replacing the references from the old version of the conceptual framework to the newer one. The amendment to IFRS 3 is effective as of January 1, 2022.

- Annual improvements - 2018-2020 cycle

In May 2020, the IASB issued the following changes as part of the annual improvement process, effective January 1, 2022:

(i) IFRS 9 - "Financial Instruments" - clarifies which rates must be included in the 10% test for the write-off of financial liabilities.

(ii) IFRS 16 - "Leases" - amendment of example 13 in order to exclude the example of lessor payments related to improvements to the leased property.

(iii) IFRS 1 "First-time Adoption of International Financial Reporting Standards" - simplifies the application of said standard by a subsidiary that adopts IFRS for the first time after its parent company, in relation to the measurement of the accumulated amount of exchange rate variations.

Management understands that the adoption of the above standards did not have a material impact on the interim financial information of the Company and its subsidiaries.

2.2.6.2 NEW STANDARD, AMENDMENT AND INTERPRETATION OF STANDARD THAT IS NOT YET IN FORCE

- Amendment to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies

In February 2021 the IASB issued a new amendment to IAS 1 on disclosure of "material" accounting policies rather than "significant" accounting policies. The changes define what "material accounting policy information" is and explain how to identify them. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if so, it should not obscure the relevant accounting information. To support this change, IASB also amended "IFRS Practice Statement 2 Making Materiality Judgments" to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is effective as of January 1, 2023. The Company and its subsidiaries are evaluating the impacts of this standard.

- Amendment to IAS 8 - Accounting Policies, Change in Estimate and Error Rectification

The amendment issued in February 2021 clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates, as changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current period. This amendment is effective as of January 1, 2023. The Company and its subsidiaries are evaluating the impacts of this standard.

- Amendment to IAS 12 - Taxes on Profit

The amendment issued in May 2021 requires entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This typically applies to lease transactions (right of use assets and lease liabilities) and decommissioning and restoration obligations, as an example, and will require the recognition of additional deferred tax assets and liabilities. This amendment is effective as of January 1, 2023. The Company and its subsidiaries are evaluating the impacts of this standard.

There are no other IFRS standards or IFRIC interpretations that have not yet become effective that could have a material impact on the Company's interim financial information.

2.2.7 IMPACTS RELATED TO COVID-19

In 2022, the Company has been following the decisions of the federal, state and municipal governments regarding the release of the use of masks and the end of the state of emergency due to the Covid-19 pandemic, however, due to the effects that occurred in 2021 and in line with the guidance from the Securities and Exchange Commission - CVM, through CIRCULAR LETTER/CVM/SNC/SEP No. 02/2020 dated March 10, 2020 and CIRCULAR LETTER/CVM/SNC/SEP/No. 03/2020 dated April 16, 2020, we highlight the main estimates and operations impacted by the topic:

(i) Financial Risk Management – NE 4.1 (a);
(ii) Estimate for expected credit losses – NE 11;
(iii) Calculation of impairment of non-financial assets – NE 15;
(iv) Lease assets and liabilities – NE 21;
(v) Income Tax and Social Contribution – NE 26;
(vi) Costs of products sold – NE 31.1
(vii) Sales expenses – NE 31.2.

2.2.8 IMPACTS RELATED TO THE CONFLICT BETWEEN RUSSIA AND UKRAINE

The Company has been following the effects of the Ukrainian War on the world economy and consequently on its results. Unlike the COVID-19 pandemic, which affected our operations with the interruption of production and the closing of the stores of the subsidiary Lojas Riachuelo, we have not recorded any significant impact related to this event so far.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires the use of certain critical accounting estimates and also the exercise of judgment by the Company's Management in the process of applying accounting policies. Accounting estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events considered reasonable under the circumstances. Such estimates and assumptions may differ from actual results. The effects arising from the review of accounting estimates are recognized in the review period, whose practices and criteria are consistent with those adopted in the preparation of the annual Financial Statements as of December 31, 2021, described in the respective explanatory notes of said statements, and, therefore, must be analyzed together.

4 FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

The Group's activities expose it to various financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the central treasury, which identifies, assesses and protects the Company and its subsidiaries against possible financial risks in cooperation with the Group's operating units. The Board of Directors establishes principles for global risk management, as well as for specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess cash. The sensitivity analyzes presented here are in accordance with CPC 40 Financial Instruments – Disclosure, approved by CVM Resolution No. 604 dated 11/19/2009.

(a) MARKET RISK

(i) FOREIGN CURRENCY EXCHANGE RISK

The Group's foreign exchange risk basically arises from the import of products for resale. For operations in foreign currency related to their operating cycle, no protection mechanism against possible exchange rate variations is adopted, considering, despite the volumes transacted, the rapid turnover related to the short payment term, which reduces the risk of increases in exchange rate variation.

(In thousands of Brazilian Reais, except as otherwise indicated)

The sensitivity analysis presented here was determined based on the exposure of the accounting balances as of March 31, 2022 and the US Dollar quotation variations for projected conversions for the next periods of 2022. The future dollar quotation is contained in the inflation reports released by the Central Bank of Brazil – Focus – Market report on April 29, 2022. In relation to the scenarios, the same assumptions of the above mentioned interest rate risk management were used.

	Scenarios			Scenarios	
Rate	Remote III (-50%)	Possible II (-25%)	Scenario I Probable	Possible II (+25%)	Remote III (+50%)
USD	2.60	3.90	5.20	6.50	7.80

						Consolidated
		Positive scenarios			Negative scenarios	
Transaction	Accounting balance 03/31/2022	Remote III (-50%)	Possible II (-25%)	Scenario I Probable	Possible II (+25%)	Remote III (+50%)
Liabilities						
Suppliers - Foreign	146,475	(69,848)	(31,535)	6,779	45,092	83,405
Income						
Positive exchange rate variation		(69,848)	(31,535)	-	-	-
Exchange rate variation expenses		-	-	6,779	45,092	83,405
Impact on Income		**(69,848)**	**(31,535)**	**6,779**	**45,092**	**83,405**

(ii) CASH FLOW RISK OR FAIR VALUE ASSOCIATED WITH INTEREST RATE

The Company and its direct and indirect subsidiaries may incur losses due to fluctuations in interest rates, which increase financial expenses related to financial liabilities obtained from the market.

In relation to financial investments held by the Company and its direct and indirect subsidiaries, they have current contracting conditions similar to those in which they originated and, therefore, the amounts recorded are close to market values. These financial investments were considered as cash equivalents and also as bonds and securities, in this case classified as held to maturity and available for sale.

The sensitivity analysis that deals with the interest rate risk considers the exposure to the variation of the CDI, the main index of the loans contracted by the Company and for the financial investments. In preparing this analysis, the Company adopted the following assumptions:

- Identification of market risks.
- Definition of the likely scenario of risk behavior (Scenario I).
- Definition of negative and positive scenarios with deterioration of at least 25% and 50% in risk variation (Scenario II and Scenario III, respectively).
- Presentation of the impact of the defined scenarios.

The Company maintains a substantial part of its assets and liabilities indexed to the CDI variation. Based on the book balances as of March 31, 2022 and market expectations, as obtained from the Central Bank of Brazil inflation report, issued on April 29, 2022, indicates an effective SELIC rate of 13.00%, we demonstrate the probable scenario for the next periods of 2022.

(In thousands of Brazilian Reais, except as otherwise indicated)

								Consolidated
				Scenarios			Scenarios	
Transaction	Risk	Rate Projected	Accounting balance 03/31/2022	Remote III (-50%)	Possible II (-25%)	Scenario I Probable	Possible II (+25%)	Remote III (+50%)
Assets								
Bonds and securities	CDI (Interbank Deposit Rate)	11.65%	1,343,432	78,255	117,382	156,510	195,637	234,765
Bonds and securities	SELIC interest rate	12.25%	373,616	22,884	34,326	45,768	57,210	68,652
			1,717,048	**101,139**	**151,708**	**202,278**	**252,847**	**303,417**
Liabilities								
Loans - CDI	CDI (Interbank Deposit Rate)	11.65%	1,499,060	87,320	130,980	174,640	218,301	261,961
Other loans and financing	-	2.90%	300	4	7	9	11	13
Debentures - 100.00% of CDI + 2.65%	CDI (Interbank Deposit Rate)	14.30%	202,206	14,458	21,687	28,915	36,144	43,373
Debentures - 100.00% of CDI + 2.95%	CDI (Interbank Deposit Rate)	14.60%	505,638	36,912	55,367	73,823	92,279	110,735
Debentures - 100.00% of CDI + 2.65%	CDI (Interbank Deposit Rate)	14.30%	609,643	43,589	65,384	87,179	108,974	130,768
Debentures - 100.00% of CDI + 3.30%	CDI (Interbank Deposit Rate)	14.95%	537,300	40,163	60,245	80,326	100,408	120,489
Debentures - 100.00% of CDI + 2.30%	CDI (Interbank Deposit Rate)	13.95%	312,601	21,804	32,706	43,608	54,510	65,412
			3,666,748	**244,250**	**366,376**	**488,500**	**610,627**	**732,751**
Income								
Revenue from financial investments				101,139	151,708	202,278	252,847	303,417
Interest expense on loans and financing				(244,250)	(366,376)	(488,500)	(610,627)	(732,751)
Impact on Income				**(143,111)**	**(214,668)**	**(286,222)**	**(357,780)**	**(429,334)**
Impact on Income Net of Income Tax/Social Contribution				**(94,453)**	**(141,681)**	**(188,907)**	**(236,135)**	**(283,360)**

Part of the debt balance shown in the table above refers to the fundraising carried out by the Company and its subsidiaries in 2020 to strengthen their cash position, in order to minimize the effects caused by the COVID-19 pandemic.

(b) CREDIT RISK

The Group's activities include the sale of clothing in general, articles for personal use and any other related items. The main market risk factor that affects the business is the granting of credit to customers. In order to minimize possible losses from customer default, the Company and its indirect subsidiary Midway Financeira adopt a strict credit management policy, consisting of careful analysis of customer profiles, as well as timely monitoring of balances receivable.

The Company, after evaluating the "Other assets" portfolio, recorded the estimate for expected credit losses in the amount of BRL 1,472 (BRL 1,471 as of December 31, 2021), to cover its amounts receivable.

The indirect subsidiary Midway Financeira, which holds the balances receivable from customers, has an estimate for expected credit losses in the amount of BRL 790,552 (BRL 722,619 as of December 31, 2021). The increase in the estimate is associated with the growth of the personal loan portfolio.

The subsidiary Midway Shopping Center Ltda. ("Midway Shopping") constituted an estimate for expected credit losses on rent collections from stores in the amount of BRL 1,334 (BRL 1,213 as of December 31, 2021).

Management does not expect any material loss arising from the default of these counterparties in excess of the amount already estimated.

(c) LIQUIDITY RISK

Management monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs. These forecasts take into account the Group's debt financing plans, compliance with clauses and, if applicable, external regulatory or legal requirements – such as currency restrictions.

Due to the dynamics of its business, the Company and its indirect subsidiary Midway Financeira maintain flexibility in fundraising, through the maintenance of bank credit lines with some institutions.

Excess cash held by operating entities, in addition to the balance required for working capital management, is transferred to the Group's Treasury, located in São Paulo, which invests in income-earning bank accounts, term deposits, short-term deposits and bonds and securities, choosing instruments with appropriate maturities or liquidity to provide sufficient margin as determined by the aforementioned forecasts. As of March 31, 2022, the Group held cash and cash equivalents and bonds and securities of BRL 1,780,893 (BRL 2,090,553 as of December 31, 2021) as described in Notes 9 and 10.

(In thousands of Brazilian Reais, except as otherwise indicated)

	Note No.	Parent Company 03/31/2022	Parent Company 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Cash and cash equivalents	9	732	1,239	1,407,277	1,725,775
Bonds and securities (*)	10	306,351	633,980	373,616	364,778
Assets		**307,083**	**635,219**	**1,780,893**	**2,090,553**

(*) The amount of BRL 275,576 (BRL 603,006 as of December 31, 2021) recorded in the Parent Company was eliminated from the Consolidated balance, as they were invested in the indirect subsidiary Midway Financeira.

The following table shows in detail the maturity of the contracted financial liabilities:

		Parent Company - 03/31/2022				
Transaction	**Note No.**	**Amount Accounting**	**Until 1 year**	**2 years**	**From 3 to 5 years**	**Total**
Suppliers	17	206,980	206,980	-	-	206,980
Suppliers - "Confirming"	18	33,857	33,857	-	-	33,857
Loans and Financing	19	300	300	-	-	300
Debentures	20	1,843,770	770,872	926,921	595,924	2,293,717
		2,084,907	**1,012,009**	**926,921**	**595,924**	**2,534,854**

		Consolidated - 03/31/2022				
Transaction	**Note No.**	**Amount Accounting**	**Until 1 year**	**2 years**	**From 3 to 5 years**	**Total**
Suppliers	17	787,881	787,881	-	-	787,881
Suppliers - "Confirming"	18	185,720	185,720	-	-	185,720
Loans and Financing	19	1,499,360	971,368	185,242	642,924	1,799,534
Debentures	20	2,153,200	809,068	1,259,117	595,924	2,664,109
		4,626,161	**2,754,037**	**1,444,359**	**1,238,848**	**5,437,244**

Banking lines of operations

The Group monitors on a daily basis the limits of global banking operations granted, currently presenting the use within the credit limits and not breaking any established contractual clause, which are evaluated based on the financial statements closed in each fiscal year.

(d) RISKS ASSOCIATED WITH THE ENVIRONMENT AND SOCIETY

The Company has a Sustainability area in its structure, which works with the commitment to reduce the socio-environmental impact throughout its production chain to offer products that are increasingly sustainable, from the point of view of raw materials and using processes that reduce emission of CO_2, clean energy and generate less waste. Within this context, possible impacts that may bring some exposure or risk to your business are analyzed, and which, when applicable, will be evaluated by Senior Management and disclosed in an explanatory note.

4.2 CAPITAL MANAGEMENT

The Group's objectives, when managing its capital, are to safeguard its ability to continue to offer returns to shareholders and benefits to other stakeholders, in addition to maintaining an ideal capital structure to reduce this cost.

In order to maintain or adjust the Group's capital structure, Management may, or proposes, in cases where shareholders have to approve, review the dividend payment policy, return capital to shareholders or even issue new shares or sell assets to reduce, for example, the level of indebtedness.

In line with other companies in the sector, the Group monitors capital based on the leverage ratio. This index corresponds to net debt expressed as a percentage of total capital. Net debt, in turn, corresponds to total loans (including short-term and long-term loans, as shown in the consolidated balance sheet), minus the amount of cash and cash equivalents. Total capital is calculated as the sum of shareholders' equity, as shown in the consolidated balance sheet, with net debt.

(In thousands of Brazilian Reais, except as otherwise indicated)

In the period ended March 31, 2022, the leverage ratio increased 5 percentage points compared to the fiscal year ended December 31, 2021. This fact occurred due to the approximately decrease of 22% in cash and cash equivalent balances, as shown below:

			Consolidated
	Note No.	**03/31/2022**	**12/31/2021**
Total loans and financing	19	1,499,360	1,454,330
Debentures	20	2,153,200	2,122,537
Minus: Cash and cash equivalents	9	(1,407,277)	(1,725,775)
Minus: Bonds and securities	10	(373,616)	(364,778)
Net debt		**1,871,667**	**1,486,314**
Total equity		**5,161,840**	**5,266,785**
Total capital		**7,033,507**	**6,753,099**
Financial leverage ratio - %		**27**	**22**

Capital management is not conducted at the Parent Company level, only at the Consolidated level.

4.3 FAIR VALUE ESTIMATE

The Company understands that the book value of the balances of accounts receivable from clients and accounts payable to suppliers, less impairment in the case of accounts receivable, are close to their fair values.

Financial assets were accounted for at fair value by means of other comprehensive income in accordance with the valuation method. The different levels have been defined as follows:

- Quoted (unadjusted) prices in active markets for identical assets and liabilities (Level 1).
- Information, other than quoted prices included in Level 1, that are observable by the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Information for assets or liabilities that is not based on observable market data (i.e., unobservable assumptions) (Level 3).

Bonds and securities were considered level 1 and the fair value related to them was calculated based on the average rates published by the Brazilian Association of Financial and Capital Market Entities (ANBIMA) for similar instruments.

									Consolidated - 03/31/2022
	Up to 1 year	**From 1 to 3 years**	**From 3 to 5 years**	**From 5 to 15 years**	**Total**	**Amount Updated**	**Adjustment market**	**IRPJ and CSLL (*)**	**Adjustment to market net (**)**
Treasury Financial Bills (LFT)	115,048	-	227,047	-	342,095	342,701	(606)	(273)	(333)

									Consolidated - 12/31/2021
	Up to 1 year	**From 1 to 3 years**	**From 3 to 5 years**	**From 5 to 15 years**	**Total**	**Amount Updated**	**Adjustment market**	**IRPJ and CSLL (*)**	**Adjustment to market net (**)**
Treasury Financial Bills (LFT)	-	112,262	220,812	-	333,074	334,514	(1,440)	(648)	(792)
Change in the period 2022									**459**

(*) Corporate income tax and social contribution.

(**) The adjustment to market value is recorded under "equity evaluation adjustments" in net equity, net of the respective taxes.

(a) FINANCIAL INSTRUMENTS - TIER 1

The fair value of financial assets held for trading is based on market prices quoted at the balance sheet date. The instruments included in Level 1 mainly comprise equity investments on the IBOVESPA 50 classified as available for sale whose fair value has been allocated to other comprehensive income.

(b) INSTRUMENTOS FINANCEIROS - NÍVEL 2

The fair value of financial assets that are not traded in active markets (e.g. over-the-counter derivatives) is determined using valuation techniques. If all the relevant assumptions used to determine the fair value of that asset can be observed in the market, it will be included in Level 2.

(c) INSTRUMENTOS FINANCEIROS - NÍVEL 3

If one or more relevant information is not based on data adopted by the market, the asset will be included in Level 3.

5 PRESENTATION OF INFORMATION BY SEGMENTS

Information by operating segments is presented in a manner consistent with the internal report provided to the main operating decision maker who is responsible for allocating resources and evaluating the performance of operating segments. It is the Executive Board represented by the Chief Executive Officer, in line with the Group's strategic decisions defined by the Company's Board of Directors. The most significant operating segments that the Group uses for decision-making are: Retail, Financial, Manufacturing and Others, as described below.

INFORMATION BY BUSINESS SEGMENT

The Group is supported in the segments called "Retail", "Finance", "Manufacturing" and "Others", through reports and internal managerial controls, with segregated information on income, expenses and investments. The reports are periodically reviewed by the Board of Directors to assess performance and define the allocation of resources and/or investments.

The Group's Management assesses the performance of operating segments based on adjusted EBITDA, which takes into account the effects of tax incentives. This measurement basis excludes the effects of non-recurring expenses from operating segments (when applicable), such as restructuring costs and legal expenses.

The measurement also excludes the effects of unrealized gains or losses on financial assets and liabilities. Interest income and expenses are not allocated to the segments, as these activities are managed by the central treasury, which manages the Group's cash position.

The "Retail" segment corresponds to the business of reselling goods carried out by the network of stores in the main cities of the country and by its e-commerce.

The "Finance" segment corresponds to financial and consumer credit operations carried out through the "Riachuelo" and "Midway" cards.

The "Manufacture" segment corresponds to the production of clothing by the Company sold by the subsidiary Lojas Riachuelo.

The "Others" segment corresponds to transport, leasing and trading operations in China (intermediating the import of products from the Asian continent).

(In thousands of Brazilian Reais, except as otherwise indicated)

(a) ASSETS AND LIABILITIES

03/31/2022	Retail	Financial	Manufacture	Other	Exclusions	Consolidated
Assets						
Current assets	3,153,289	6,045,450	1,561,530	129,354	(2,347,824)	8,541,799
Non-current assets	5,468,683	533,327	5,992,956	1,385,803	(7,813,039)	5,567,730
Total assets	**8,621,972**	**6,578,777**	**7,554,486**	**1,515,157**	**(10,160,863)**	**14,109,529**
Liabilities						
Current liabilities	2,308,602	4,774,270	1,122,790	33,992	(2,352,626)	5,887,028
Non-current liabilities	1,201,195	584,955	1,269,856	5,393	(738)	3,060,661
Total liabilities	**3,509,797**	**5,359,225**	**2,392,646**	**39,385**	**(2,353,364)**	**8,947,689**
Equity	5,112,175	1,219,552	5,161,840	1,475,772	(7,807,499)	5,161,840
Total liabilities and equity	**8,621,972**	**6,578,777**	**7,554,486**	**1,515,157**	**(10,160,863)**	**14,109,529**

12/31/2021	Retail	Financial	Manufacture	Other	Exclusions	Consolidated
Assets						
Current assets	8,520,601	6,493,411	1,528,039	143,420	(7,852,762)	8,832,709
Non-current assets	4,872,199	505,488	6,073,707	1,380,967	(7,186,649)	5,645,712
Total assets	**13,392,800**	**6,998,899**	**7,601,746**	**1,524,387**	**(15,039,411)**	**14,478,421**
Liabilities						
Current liabilities	6,485,711	5,286,842	899,380	64,664	(6,651,226)	6,085,371
Non-current liabilities	1,686,049	499,088	1,435,581	5,293	(499,746)	3,126,265
Total liabilities	**8,171,760**	**5,785,930**	**2,334,961**	**69,957**	**(7,150,972)**	**9,211,636**
Equity	5,221,040	1,212,969	5,266,785	1,454,430	(7,888,439)	5,266,785
Total liabilities and equity	**13,392,800**	**6,998,899**	**7,601,746**	**1,524,387**	**(15,039,411)**	**14,478,421**

(b) RESULTS

03/31/2022	Retail	Financial	Manufacture	Other	Exclusions	Consolidated
Net revenue	1,221,217	499,543	326,419	27,492	(338,760)	1,735,911
Cost of goods and services sold	(678,494)	(105,473)	(266,611)	(3,108)	322,761	(730,925)
Gross profit	**542,723**	**394,070**	**59,808**	**24,384**	**(15,999)**	**1,004,986**
Sales expenses	(583,473)	(153,124)	(2,891)	-	(54,663)	(794,151)
General and administrative expenses	(139,304)	(213,519)	(12,416)	(8,948)	74,947	(299,240)
Other (expenses) operations revenue, net	1,569	8,236	7,122	633	(14,293)	3,267
Income using the equity method	5,650	-	(100,874)	6,124	89,100	-
Operating expenses	**(715,558)**	**(358,407)**	**(109,059)**	**(2,191)**	**95,091**	**(1,090,124)**
Operating profit (loss)	**(172,835)**	**35,663**	**(49,251)**	**22,193**	**79,092**	**(85,138)**
Financial revenue	41,033	44,951	13,785	3,772	(25,805)	77,736
Financial expenses	(35,487)	(70,481)	(58,931)	(155)	26,525	(138,529)
Financial income	**5,546**	**(25,530)**	**(45,146)**	**3,617**	**720**	**(60,793)**
Profit (Loss) before income tax and social contribution	**(167,289)**	**10,133**	**(94,397)**	**25,810**	**79,812**	**(145,931)**

(In thousands of Brazilian Reais, except as otherwise indicated)

						03/31/2021
	Retail	Financial	Manufacture	Other	Exclusions	Consolidated
Net Revenue	844,192	388,096	249,837	18,728	(257,481)	1,243,372
Costs of good and services sold	(456,165)	(174,266)	(205,376)	(2,630)	241,945	(596,492)
Gross Profit	**388,027**	**213,830**	**44,461**	**16,098**	**(15,536)**	**646,880**
Sales Expenses	(515,730)	106,410	(1,801)	-	(61,026)	(472,147)
General and administrative expenses	(129,905)	(216,099)	(11,441)	(7,883)	81,406	(283,922)
Other (expenses) operations revenue, net	5,835	6,903	12,016	388	(18,425)	6,717
Income using the equity method	56,802	-	(130,206)	59,051	14,353	-
Operating Expenses	**(582,998)**	**(102,786)**	**(131,432)**	**51,556**	**16,308**	**(749,352)**
Operating profit (loss)	**(194,971)**	**111,044**	**(86,971)**	**67,654**	**772**	**(102,472)**
Financial Revenue	7,175	14,865	5,982	596	(10,112)	18,506
Financial Expenses	(38,956)	(27,416)	(21,976)	(27)	10,378	(77,997)
Financial Income	**(31,781)**	**(12,551)**	**(15,994)**	**569**	**266**	**(59,491)**
Profit (Loss) before income tax and social contribution	**(226,752)**	**98,493**	**(102,965)**	**68,223**	**1,038**	**(161,963)**

The amounts presented for reconciliation of the accounting balances reflect the eliminations of transactions between related parties for consolidation purposes.

The accounting practices of the reportable segments are the same as those adopted by the Company, described in Note 2.2.

6 SUBSIDIARIES

The subsidiaries included in the consolidation are:

- Lojas Riachuelo S.A. ("Lojas Riachuelo")

Lojas Riachuelo S.A., which operates in the retail sector, is a subsidiary of Guararapes Confecções S.A., with the objective of promoting integration between retail and production. Currently, it absorbs all of the Company's production, through its 329 (329 as of December 31, 2021) stores throughout the national territory and its e-commerce platform. It also has 9 (9 as of December 31, 2021) stores called Casa Riachuelo, focused on the home segment.

Additionally, in 2020, the "License Agreement" was signed, whereby the subsidiary Lojas Riachuelo started to exclusively operate the Carter's brand in Brazil for an initial period of ten years. This front will include the development of a chain of stores with the trade name "Carter's" and the command of the brand's e-commerce in the country. On March 31, 2022, the Company had 28 (26 as of December 31, 2021) stores open under this brand.

In May 2021, Lojas Riachuelo started its Marketplace operation, intermediating the sale of other brands (sellers) within its digital platforms

- Midway Shopping Center Ltda.

Midway Shopping Center Ltda., located in the city of Natal in the State of Rio Grande do Norte, has the objective of managing a Shopping Center. The development, with its own facilities, occupies a land area of 67,987.71 m² and a built area of 231,000 m² divided into 3 floors.

- Riachuelo Participações Ltda.

Riachuelo Participações Ltda.'s main objective is to hold interest in Midway S.A. – Crédito, Financiamento e Investimento, intermediating transactions at Lojas Riachuelo S.A.

- Midway S.A. - Credit, Financing and Investment ("Midway Financeira")

Midway S.A. - Crédito, Financiamento e Investimento has the strategic objective of carrying out the financing operations for consumers of the products and services of Lojas Riachuelo S.A., seeking the most appropriate financial resources to support these operations.

In May 2021, Midway Financeira launched its digital account, further strengthening the relationship with its customers within its platform.

- Transportadora Casa Verde Ltda.

Transportadora Casa Verde Ltda., a company in the road transport industry, has the activity of transporting the products and materials of the Company and the subsidiary Lojas Riachuelo S.A. from north to south of the country.

- Riachuelo Shanghai Consulting CO LTD.

The purpose of Riachuelo Shanghai Consulting CO LTD. is to mediate the import operations of products to the companies of the group.

7 INVESTMENTS

(a) PARENT COMPANY

	03/31/2022	12/31/2021
Subdisidiaries	5,363,534	5,456,077
Unrealized profit on inventories	(34,603)	(26,731)
Total investments	**5,328,931**	**5,429,346**
Opening balance	**5,429,346**	**4,607,119**
Equity Accounting Method	(100,874)	104,273
Provision for additional profits and dividends to be distributed	-	(69,164)
Comprehensive income	459	518
Capital increase in subsidiary	-	786,600
Closing balance	**5,328,931**	**5,429,346**

INTEREST IN SUBSIDIARIES

Subsidiaries and Affiliates	Country	Activity	Status	Shares or units of ownership held (in thousands) common - 03/31/2022	Interest and voting capital on 03/31/2022
Lojas Riachuelo S.A.	Brazil	Retail	Active	1,488,225	100.00
Midway Shopping Center Ltda.	Brazil	Shopping	Active	200,000	100.00
Transportadora Casa Verde Ltda. (*)	Brazil	Transport	Active	0.20	99.50
Midway S.A. – Crédito, Financiamento e Investimento (**)	Brazil	Financial	Active	5	0.01
Riachuelo Participações Ltda. (***)	Brazil	Holdings	Active	-	-
Riachuelo Shanghai Consulting CO LTD. (****)	China	Trading	Active	-	-

(*) The subsidiary Lojas Riachuelo S.A. has a 0.50% interest.

(**) The subsidiary Riachuelo Participações Ltda. has control with 99.99%.

(In thousands of Brazilian Reais, except as otherwise indicated)

(***) The Parent Company has one quota and the subsidiary Lojas Riachuelo S.A. has 50,004,999 units of ownership.

(****) Indirect subsidiary through Lojas Riachuelo S.A., which holds 100% interest.

(b) MAP OF CHANGES IN INVESTMENTS

The movement of investments is presented below:

	Lojas Riachuelo S.A	Unrealized profits from inventories	Midway Shoppng Center Ltda.	Transportadora Casa Verde Ltda.	Midway Crédito Financ. e Investimento	Total
Balance as of December 31, 2020	**4,391,952**	**(16,776)**	**222,333**	**9,507**	**103**	**4,607,119**
Capital increase (*)	786,600	-	-	-	-	786,600
Equity accounting method	55,462	(9,955)	58,201	547	18	104,273
Adjustment of equity valuation of	518	-	-	-	-	518
Dividends	(13,613)	-	(55,291)	(260)	-	(69,164)
Balance as of December 31, 2021	**5,220,919**	**(26,731)**	**225,243**	**9,794**	**121**	**5,429,346**
Equity accounting method	(109,203)	(7,872)	16,053	148	-	(100,874)
Adjustment of equity valuation of	459	-	-	-	-	459
Balance as of March 31, 2022	**5,112,175**	**(34,603)**	**241,296**	**9,942**	**121**	**5,328,931**

(*) On December 22, 2021, accounts receivable and dividends of the Company in the amount of BRL 786,600 were used to increase the capital stock of subsidiary Lojas Riachuelo, which was fully paid up without issuing new shares.

(c) INFORMATION ON INVESTEES

The summarized financial information about the subsidiaries is described below:

I – SYNTHETICAL BALANCE SHEET

March 31, 2022	Riachuelo Shanghai Ltd.	Lojas Riachuelo S.A	Midway Shoppng Center Ltda.	Transportadora Casa Verde Ltda.	Midway Crédito Financ. e Investimento
Current					
Assets	5,564	3,153,289	112,970	10,806	6,045,450
Liabilities	(1,327)	(2,308,602)	(31,148)	(1,518)	(4,774,270)
Net current assets	**4,237**	**844,687**	**81,822**	**9,288**	**1,271,180**
Non-current					
Assets	802	5,468,683	164,830	740	533,327
Liabilities	-	(1,201,195)	(5,356)	(37)	(584,955)
Net non-current assets	**802**	**4,267,488**	**159,474**	**703**	**(51,628)**
Equity	**5,039**	**5,112,175**	**241,296**	**9,991**	**1,219,552**

(In thousands of Brazilian Reais, except as otherwise indicated)

December 31, 2021	Riachuelo Shanghai Ltd.	Lojas Riachuelo S.A	Midway Shoppng Center Ltda.	Transportadora Casa Verde Ltda.	Midway Crédito Financ. e Investimento
Current					
Assets	6,396	8,520,601	125,892	11,116	6,493,411
Liabilities	(1,035)	(6,485,711)	(61,627)	(2,001)	(5,286,842)
Net current assets	**5,361**	**2,034,890**	**64,265**	**9,115**	**1,206,569**
Non-current					
Assets	1,121	4,872,199	166,234	764	505,488
Liabilities	-	(1,686,049)	(5,256)	(37)	(499,088)
Net non-current assets	**1,121**	**3,186,150**	**160,978**	**727**	**6,400**
Equity	**6,482**	**5,221,040**	**225,243**	**9,842**	**1,212,969**

II – SYNTHETICAL INCOME STATEMENT

01/01/2022 a 03/31/2022	Riachuelo Shanghai Ltd.	Lojas Riachuelo S.A	Midway Shoppng Center Ltda.	Transportadora Casa Verde Ltda.	Midway Crédito Financ. e Investimento
Revenue	3,103	1,221,217	19,777	4,611	499,543
Operating expenses	(3,578)	(1,388,506)	110	(4,337)	(489,410)
Profit (loss) before income tax and social contribution	**(475)**	**(167,289)**	**19,887**	**274**	**10,133**
Income tax and social contribution expenses	-	58,086	(3,834)	(125)	(4,009)
Net profit (loss)	**(475)**	**(109,203)**	**16,053**	**149**	**6,124**

01/01/2021 a 03/31/2021	Riachuelo Shanghai Ltd.	Lojas Riachuelo S.A	Midway Shoppng Center Ltda.	Transportadora Casa Verde Ltda.	Midway Crédito Financ. e Investimento
Revenue	-	844,192	14,791	3,936	388,096
Operating expenses	(2,228)	(1,070,944)	(3,450)	(3,856)	(289,603)
Profit (loss) before income tax and social contribution	**(2,228)**	**(226,752)**	**11,341**	**80**	**98,493**
Income tax and social contribution expenses	-	98,904	(2,380)	(22)	(39,436)
Net profit (loss)	**(2,228)**	**(127,848)**	**8,961**	**58**	**59,057**

8 FINANCIAL INSTRUMENTS BY CATEGORY

The selection of assets and liabilities presented in this note was due to their relevance. The Company and its direct and indirect subsidiaries do not practice financial instruments for speculative purposes and do not have contracts with derivative instruments.

The Management of the Company and its subsidiaries considers that the financial instruments recorded at their book value substantially correspond to the amounts that would be obtained if they were traded on the market.

(In thousands of Brazilian Reais, except as otherwise indicated)

		Parent Company		Consolidated	
	Note No	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
Financial assets					
Fair value by means of other comprehensive income					
Marketable securities	10	306,351	633,980	373,616	364,778
At amortized cost					
Cash and cash equivalents	9	732	1,239	1,407,277	1,725,775
Accounts receivable from clients	11	856,316	518,601	4,792,006	5,243,375
		1,163,399	**1,153,820**	**6,572,899**	**7,333,928**

		Parent Company		Consolidated	
	Note No	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
Financial liabilities					
Liabilities at amortized cost					
Suppliers	17	206,980	201,401	787,881	761,580
Suppliers - "Confirming"	18	33,857	46,791	185,720	284,649
Loans and Financing	19	300	258	1,499,360	1,454,330
Debentures	20	1,843,770	1,822,686	2,153,200	2,122,537
Lease liabilities	21	-	-	1,006,025	1,000,322
		2,084,907	**2,071,136**	**5,632,186**	**5,623,418**

The balance of the item "Loans and Financing" is monetarily restated based on market indices and contractual rates (Note 19); therefore, the outstanding balance recorded at the end of each fiscal year in the report is close to its fair value.

The compensation of the Debentures issued by the Company and subsidiary Riachuelo is:

Issued on	Company	Series	Nominal interest rate	Maturity
Third	Guararapes	1st Series	100.00% p.a. of the CDI + 2.65%	08/31/2023
Third	Guararapes	2nd Series	100.00% p.a. of the CDI + 2.95%	08/31/2024
Fourth	Guararapes	1st Series	100.00% p.a. of the CDI + 2.65%	11/27/2023
Fourth	Guararapes	2nd Series	100.00% p.a. of the CDI + 3.30%	11/24/2025
Third	Riachuelo	Single	100.00% p.a. of the CDI + 2.30%	11/23/2023

Lease liabilities refer to lease agreements for stores owned by subsidiary Lojas Riachuelo with third parties.

Bonds and securities recorded by the Company were classified as financial assets at fair value by means of other comprehensive income, with unrealized gains and losses recognized in equity.

The balances recorded in the consolidated, represented by LTN's and LFT's of the indirect subsidiary Midway Financeira and with Banco Bradesco, as of March 31, 2022, are classified as "Cash and cash equivalents" and "Bonds and securities", respectively as investments short-term, in the amount of BRL 1,717,048 (BRL 1,995,431 as of December 31, 2021), according to Notes 9 and 10, classified as held for trading and measured at fair value with gains and losses recognized in other comprehensive income.

		Consolidated	
	Note No.	**03/31/2022**	**12/31/2021**
Short-term bank deposits	9	1,343,432	1,630,653
Treasury Financial Bills - LFT	10	373,616	364,778
		1,717,048	**1,995,431**

The fair value of these financial assets was determined based on generally accepted pricing models, based on analyses of discounted cash flows.

(In thousands of Brazilian Reais, except as otherwise indicated)

Accounts receivable and cash and cash equivalents are classified as "financial assets and receivables"; accounts payable are classified as "Other financial liabilities".

The measurement at fair value through profit or loss of assets held for trading is carried out using quoted prices in active markets for assets, and for identical assets and liabilities (Level I) .

9 CASH AND CASH EQUIVALENTS

The Group's cash is invested in Securities at Midway Financeira, which are bills of exchange with a yield of 110% to 160% of the CDI CETIP and in Bank Deposit Certificates with a yield of 101% of the CDI CETIP. Midway Financeira's cash is invested in SELIC-indexed Federal Government Securities (LTNs) through repo operations with AAA institutions.

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Proceeds in bank and cash	211	752	63,845	95,122
Short-term bank deposits (a)	521	487	1,343,432	1,630,653
	732	**1,239**	**1,407,277**	**1,725,775**

(a) The balance of short-term bank deposits in the consolidated refers to investments made by the indirect subsidiary Midway Financeira, in securities backed by National Treasury Bills - LTNs (public book-entry securities), indexed to the variation of the Special System of Settlement and Custody – SELIC, acquired through repo operations, that is, with the original term equal to or less than 90 days.

10 BONDS AND SECURITIES

The securities portfolio of the indirect subsidiary Midway Financeira was composed of public securities registered and registered in the Special System for Settlement and Custody (SELIC). The fair value of financial assets was determined based on the average rates published by ANBIMA – Brazilian Association of Financial and Capital Market Entities. Government bonds are recognized at fair value by means of other comprehensive income and are disclosed in Note 4.3.

(a) BALANCE COMPOSITION

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Bills of Exchange - MTM	275,576	603,006	-	-
Financial Bills - LF	30,775	30,974	373,616	364,778
	306,351	**633,980**	**373,616**	**364,778**

(b) BALANCE MOVEMENT MAP

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Opening balance	**633,980**	**755,052**	**364,778**	456,361
Investment	-	377,124	-	1,000
Redemption	(339,873)	(523,744)	(704)	(110,236)
Comprehensive income	-	-	459	518
Interest/MTM	12,244	25,548	9,083	17,135
	306,351	**633,980**	**373,616**	**364,778**

The Company's short-term financial investments in the amount of BRL 275,576, as of March 31, 2022 (BRL 603,006 as of December 31, 2021), of the subsidiary Midway Shopping in the amount of BRL 96,877 (BRL 107,693 as of December 31, 2021) and the subsidiary Transportadora Casa Verde Ltda. in the amount of BRL 6,117 (BRL 5,887 as of December 31, 2021), were eliminated in the consolidation of the financial information, since the investments are made in the indirect subsidiary Midway Financeira.

(In thousands of Brazilian Reais, except as otherwise indicated)

The Group's cash is substantially composed of securities of its indirect subsidiary Midway Financeira, which in turn is invested in Federal Government Securities and repurchase agreements with AAA institutions, which is why Management understands that they do not present credit risk considering the economic scenario.

11 ACCOUNTS RECEIVABLE FROM CLIENTS

(a) BALANCE COMPOSITION

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Subsidiary	856,316	518,601	-	-
Riachuelo credit card (*)	-	-	4,346,775	4,511,969
Personal credit (*)	-	-	641,179	533,566
Third-party credit cards (**)	-	-	496,064	768,231
Other amounts receivable	-	-	99,874	153,441
	856,316	**518,601**	**5,583,892**	**5,967,207**
Estimate for expected credit losses	-	-	(791,886)	(723,832)
	856,316	**518,601**	**4,792,006**	**5,243,375**

(*) Operations carried out with the credit card issued by the indirect subsidiary Midway Financeira.

(**) Credit card transactions from other financial institutions.

(b) ESTIMATE MOVEMENT FOR EXPECTED CREDIT LOSSES

	Consolidated
Balances as of December 31, 2020	**(923,232)**
(Constitutions)/reversals	28,318
Write-offs	171,082
Balances as of December 31, 2021	**(723,832)**
(Constitutions)/reversals	(149,641)
Write-offs	81,587
Balances as of March 31, 2022	**(791,886)**

(c) BREAKDOWN OF THE ESTIMATE FOR CREDIT LOSSES EXPECTED BY COMPANIES

Companie	**03/31/2022**	**12/31/2021**
Midway Financeira	(790,552)	(722,619)
Midway Shopping	(1,334)	(1,213)
	(791,886)	**(723,832)**

(d) BREAKDOWN OF OPERATIONS IN THE CORRESPONDING LEVELS OF RISK/QUALITY OF MIDWAY FINANCEIRA's CREDIT

				March 31, 2022
Risk Level (*)/ Credit quality	Credits Becoming due	Credits Overdue	Total Operations	Estimate Constituted
A - Becoming due	3,626,054		3,626,054	34,448
B - Overdue up to 30 days	122,067	47,088	169,154	4,229
C - Overdue from 31 to 60 days	113,580	90,280	203,860	18,347
D - Overdue from 61 to 90 days	69,574	82,814	152,387	38,097
E - Overdue from 91 up to 120 days	45,413	71,413	116,826	52,572
F - Overdue from 121 up to 150 days	34,163	75,558	109,720	62,568
G - Overdue from 151 up to 180 days	25,872	73,511	99,384	69,569
H - Overdue over 180 days	136,786	373,937	510,723	510,723
	4,173,508	**814,601**	**4,988,109**	**790,552**
Estimated Percentage of the Credit Portfolio				**15.85%**

(In thousands of Brazilian Reais, except as otherwise indicated)

				December 31, 2021
Risk Level (*)/ Credit quality	Credits Becoming Due	Credits Overdue	Total Operations	Estimate Constituted
A - Becoming due	3,903,800		3,903,800	19,519
B - Overdue up to 30 days	89,038	32,703	121,741	1,217
C - Overdue up to 31 to 60 days	84,346	61,642	145,988	6,522
D - Overdue from 61 to 90 days	56,356	62,438	118,794	29,699
E - Overdue from 91 up to 120 days	39,453	63,276	102,730	46,228
F - Overdue from 121 up to 150 days	28,763	61,524	90,288	58,687
G - Overdue from 151 up to 180 days	20,552	51,813	72,365	70,917
H - Overdue over 180 days	125,618	364,211	489,829	489,829
	4,347,928	**697,607**	**5,045,535**	**722,619**
Estimated Percentage of the Credit Portfolio				**14.32%**

(*) refer to the risk category provided for by BACEN standards.

The increase in the estimate for expected loss is associated with the increase of the personal loans portfolio approximately 20%, where Midway Financeira are increasing gradatively their volumes reduced because of the COVID-19 pandemic.

(e) MIDWAY FINANCEIRA RENEGOTIATIONS

The operations renegotiated in the period ended March 31, 2022, totaled the amount of BRL 126,268 (BRL 65,119 as of March 31, 2021).

Receipts from recovered operations totaled BRL 22,345 as of March 31, 2022 (BRL 42,137 as of March 31, 2021).

I - Subsidiaries

As of March 31, 2022 and December 31, 2021, the balances of accounts receivable by maturity date were as follows:

	03/31/2022	**12/31/2021**
Becoming due from 61 to 90 days	140,352	170,115
Becoming due from 31 to 60 days	160,710	180,000
Becoming due up to 30 days	108,720	168,486
Becoming due	**409,782**	**518,601**
Overdue up to 30 days	166,047	-
Overdue from 31 to 60 days	179,243	-
Overdue from 61 to 90 days	101,244	-
Overdue	**446,534**	**-**
	856,316	**518,601**

On December 22, 2021, duplicates in the amount of BRL 432,326 were used to increase the capital stock of subsidiary Lojas Riachuelo, which was fully paid in, without issuing new shares.

II – Credit cards and others

		Consolidated
	03/31/2022	**12/31/2021**
Becoming due in 180 days	519,964	519,286
Becoming due from 91 to 180 days	893,117	910,587
Becoming due from 61 to 90 days	517,311	589,661
Becoming due from 31 to 60 days	788,939	851,235
Becoming due up to 30 days	2,048,048	2,397,018
Becoming due	**4,767,379**	**5,267,787**
Overdue up to 30 days	62,043	43,239
Overdue from 31 to 60 days	111,499	76,234
Overdue from 61 to 90 days	91,433	70,386
Overdue from 91 to 180 days	174,047	181,731
Overdue above 180 days	377,491	327,830
Overdue	**816,513**	**699,420**
	5,583,892	**5,967,207**

(In thousands of Brazilian Reais, except as otherwise indicated)

As disclosed in NE 4.1 (b), Management has been monitoring the receipts rates of its portfolio on a daily basis, since guaranteeing receipts is essential for the business, mainly because the preservation of cash has become the Company's main focus due to the economic scenario resulting from the COVID-19 pandemic, taking measures to strengthen communication with its customers about their maturities and the new channels available for payments, which continue to this date.

Based on the construction of stress scenarios, taking into account the main financial indicators and accounting standards, Management monitors and updates the economic information daily to provide the most appropriate decisions to maintain the continuity of the Financial Group in a structured manner.

In view of CVM-SNC/SEP Circular Letter No. 03/2020, referring to the effects caused by COVID-19, in compliance with CPC 48 Financial Instruments, Management understands that the estimate for expected credit loss constituted at Midway Financeira is sufficient to support future losses, which also complies with BACEN Resolution 2,682, to support possible risks, economic, political and social crises that may somehow affect our customers, considering the history of losses and the effects of the pandemic observed so far.

As of March 31, 2022, the subsidiary Midway Shopping had an estimate for probable store rental losses in the amount of BRL 1,334 (BRL 1,213 as of December 31, 2021). This estimate was calculated based on the current year's actual loss considering the next 12 months' billing. All defaulters over 90 days, whose amicable negotiations were not successful, are being charged through lawsuits with risk of eviction.

12 INVENTORIES

(a) BALANCE COMPOSITION

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Finished products and goods for resale	33,371	12,216	1,279,335	1,026,705
Estimate for inventory losses	(3,247)	(3,258)	(51,330)	(47,035)
Goods for resale, net	**30,124**	**8,958**	**1,228,005**	**979,670**
Products in progress	50,735	45,061	50,735	45,061
Raw materials	149,555	121,837	149,555	121,837
Secondary and other materials	64,820	62,503	89,542	84,098
Import in progress	6,407	7,589	18,341	41,807
Materials in transit	575	104	575	104
	302,216	**246,052**	**1,536,753**	**1,272,577**

The cost of inventories recognized in income during the period ended March 31, 2022 totaled BRL 266,611 (BRL 205,376 as of March 31, 2021) in the Parent Company and BRL 730,925 (BRL 596,492 as of March 31, 2021) in the Consolidated, as described in note 31.1.

On March 31, 2022, based on the best accounting practices, the Company maintained the estimate for inventory losses, motivated by the obsolescence of its raw material aged over 365 days, in the amount of BRL 3,247 (BRL 2,932 in March 31, 2021). On a consolidated basis, estimates for inventory losses are related to inventory losses, obsolete items and sales with negative margins at Lojas Riachuelo.

Considering the current levels of inventories, including the related estimates, Management understands that there is no significant impact that would require any change in the practices adopted.

(b) MOVEMENT OF ESTIMATE FOR INVENTORY LOSSES

	Parent Company	Consolidated
Balances as of December 31, 2020	**(2,797)**	**(47,714)**
Constitutions	(662)	(18,509)
Write-off of estimate per use	201	19,188
Balances as of December 31, 2021	**(3,258)**	**(47,035)**
Constitutions	(53)	(5,143)
Write-off of estimate per use	64	848
Balances as of March 31, 2022	**(3,247)**	**(51,330)**

(In thousands of Brazilian Reais, except as otherwise indicated)

13 RECOVERABLE TAXES

		Parent Company		Consolidated	
	Note No	03/31/2022	12/31/2021	03/31/2022	12/31/2021
ICMS – Fixed Assets		1,497	1,465	24,467	25,128
ICMS (Tax on Goods and Services)	(a)	284	284	86,448	65,495
Income Tax	(b)	8,518	16,727	45,177	56,425
Social Contribution	(c)	6,301	6,435	14,195	8,343
PIS and COFINS	(d)	509	1,325	1,021,695	1,064,924
INSS (Brazilian Institute of Social Security)	(e)	21,928	21,928	41,400	41,400
IPI and Others		6,217	5,370	8,557	5,788
		45,254	**53,534**	**1,241,939**	**1,267,503**
Current		**28,964**	**37,275**	**340,776**	**160,489**
Non-Current		**16,290**	**16,259**	**901,163**	**1,107,014**
		45,254	**53,534**	**1,241,939**	**1,267,503**

(a) The ICMS balance recoverable in the consolidated is very close to the amounts collected monthly and will be offset in the next quarter.

(b) Income tax on financial investments, bonds and securities, as well as income tax paid by estimates and the highest, to be offset in the following fiscal years.

(c) Balance of social contribution collected by estimate and the highest, to be offset during the following fiscal years.

(d) Of the balances presented in the line of PIS and COFINS credits on March 31, 2022, the subsidiary Lojas Riachuelo has a balance resulting from the final and unappealable decision in a lawsuit that discussed the ICMS thesis on the basis of PIS and COFINS (RE 574,706), in the amount of BRL 833,487 (BRL 684,658 of recoverable taxes and BRL 148,829 for adjustment for inflation), already deducted from the compensations made and monetary restatements for the period. As of December 31, 2021, of the balances presented in the PIS and COFINS credit line on the same topic mentioned above, the balance to be offset by the Company and the subsidiary Lojas Riachuelo was BRL 1,135 (BRL 1,135 of recoverable taxes) and BRL 885,862 (BRL 684,658 for recoverable taxes and BRL 202,339 for adjustment for inflation) respectively, already deducted from the offsets made and monetary restatements for the period, totaling BRL 886,997 in the consolidated. The Company was not impacted by the modulation of the Supreme Federal Court ("STF") since all the relevant processes had already been filed and had their favorable decision before the modulation of the STF and, consequently, there are no additional amounts to be recognized.

The expectation of offsetting these credits takes into account the projection of future revenues and is listed below:

Maturity	**Consolidated**
9 months of 2022	149,625
2023	245,892
2024	275,398
2025	162,572
	833,487

(e) Recovery of credits in the social security area to be offset in the following fiscal years.

(In thousands of Brazilian Reais, except as otherwise indicated)

14 INVESTMENT PROPERTY

(a) BALANCE COMPOSITION

The investment property corresponds to the Midway Shopping Center project and was initially measured at cost and the Company's Management decided to maintain this valuation method, as it reflects its business more appropriately.

				Consolidated	
				03/31/2022	12/31/2021
	Estimated useful life (in years)	Cost	Accumulated depreciation	Net amount	Net amount
Property for investment, constructed	47	264,281	(99,691)	164,590	165,941

Weighted average rate of items being more significant the investment property whose useful life of 47 years is supported by expert appraisal report.

(b) BALANCE MOVEMENT MAP

	Consolidated	
	03/31/2022	12/31/2021
Opening balance	165,941	166,063
Additions	-	5,152
Depreciations	(1,351)	(5,271)
Write-offs	-	(3)
	164,590	**165,941**

In the period ended March 31, 2022, the amount of depreciation expense in the amount of BRL 1,351 (BRL 1,471 as of March 31, 2021) is recorded as general and administrative expenses.

The main amounts recognized in profit or loss for the fiscal year in relation to investment properties are as follows:

	03/31/2022	03/31/2021
Revenue	19,777	14,791
Operating expenses (*)	110	(3,450)
Profit before income tax and social contribution	**19,887**	**11,341**
Income tax and social contribution expenses	(3,834)	(2,380)
Net profit	**16,053**	**8,961**

(*) In March, 2022, operating expenses were positive, as the financial income recorded in the period exceeded the amount of operating expenses.

Investment property is free from any restrictions on the possibility of disposal. Financial charges incurred on financing are not considered material to be included in the acquisition cost of investment property items.

(c) METHODOLOGY FOR DETERMINATION OF FAIR VALUE

The investment property valuation was prepared in accordance with data released by Morning Star Inc., headquartered in the United States, as well as certain projections and rates published by the Central Bank of Brazil.

The methodology adopted to determine the market value (fair value), classified as level 3, of the investment property in operation involved the preparation of assumptions related to profit and loss projections for 10 years of the investment property, added to the residual value, which corresponds to a perpetuity calculated based on net earnings for the last projected year with some adjustments in cash flow and a growth rate. These projections are discounted to the valuation base date at a discount rate corresponding to the minimum expected return for a similar risk asset.

(In thousands of Brazilian Reais, except as otherwise indicated)

Projections are not predictions of the future, but only reflect the valuer's best estimate of the current market view of future revenues and costs for each property. The projected rate of return follows reasonable market performance linked to the recent results of the operation. The projections were made nominally, that is, the inflationary effects were considered, using the IGP-DI as a price adjustment indicator, based on the official projections obtained on the website of the Central Bank of Brazil.

Such projections reflect Management's best estimate of the current market view of future revenues and costs of the property.

After conducting the economic-financial study, a fair value of BRL 804,554 was determined for March 31, 2022 (BRL 806,870 on December 31, 2021).

15 PROPERTY, PLANT AND EQUIPMENT

(a) BALANCE COMPOSITION

					Parent Company
				03/31/2022	12/31/2021
	Useful life (in years)	Cost	Accumulated depreciation	Net amount	Net amount
Commercial real estate	25	335,255	(100,885)	234,370	235,226
Property, plant and equipment for use	5 a 25	599,858	(356,885)	242,973	240,765
		935,113	**(457,770)**	**477,343**	**475,991**

					Consolidated
				03/31/2022	12/31/2021
	Useful life (in years)	Cost	Accumulated depreciation	Net amount	Net amount
Commercial real estate	25	335,255	(100,885)	234,370	235,226
Property, plant and equipment for use	3 a 25	4,036,187	(2,696,853)	1,339,334	1,338,295
		4,371,442	**(2,797,738)**	**1,573,704**	**1,573,521**

15.1 COMMERCIAL REAL ESTATE

(a) BALANCE COMPOSITION

					Parent Company and Consolidated
				03/31/2022	12/31/2021
	Useful life (in years)	Cost	Accumulated depreciation	Net amount	Net amount
Land	-	158,144	-	158,144	158,144
Buildings	25 a 50	177,111	(100,885)	76,226	77,082
		335,255	**(100,885)**	**234,370**	**235,226**

(In thousands of Brazilian Reais, except as otherwise indicated)

(b) BALANCE MOVEMENT MAP

	Parent Company and Consolidated			
	Commercial real estate			
	Lands	**Buildings**	**Building Work in progress**	**Total**
Cost				
Balances as of December 31, 2020	**194,011**	**192,934**	**454**	**387,399**
Write-offs	(35,867)	(16,123)	-	(51,990)
Transfers (*)	-	300	(454)	(154)
Balances as of December 31, 2021	**158,144**	**177,111**	**-**	**335,255**
Balances as of March 31, 2022	**158,144**	**177,111**	**-**	**335,255**
Depreciação acumulada				
Balances as of December 31, 2020	**-**	**(106,679)**	**-**	**(106,679)**
Depreciation expenses	-	(3,773)	-	(3,773)
Write-offs	-	10,423	-	10,423
Balances as of December 31, 2021	**-**	**(100,029)**	**-**	**(100,029)**
Depreciation expenses	-	(856)	-	(856)
Balances as of March 31, 2022	**-**	**(100,885)**	**-**	**(100,885)**
Net balances				
December 31, 2021	158,144	77,082	-	235,226
March 31, 2022	**158,144**	**76,226**	**-**	**234,370**

(*) refer to the amounts transferred from commercial real estate to fixed assets for use, which is why they do not zero.

15.2 PROPERTY, PLAT AND EQUIPMENT FOR USES

(a) BALANCE COMPOSITION

					Parent Company
				03/31/2022	12/31/2021
	Useful life (in years)	**Cost**	**Accumulated depreciation**	**Net amount**	**Net amount**
Real Estate	25 a 47	119,039	(70,548)	48,491	48,875
Machinery and Equipment	16.6	341,850	(208,774)	133,076	132,889
Facilities	20	61,991	(32,027)	29,964	29,482
Furniture and fixtures (*)	5 a 10	57,792	(42,518)	15,274	13,983
Vehicles and transport	5	4,649	(3,018)	1,631	1,780
Property, plant and equipment for use in progress	-	14,537	-	14,537	13,756
		599,858	**(356,885)**	**242,973**	**240,765**

(*) of the parent company's cost of furniture and fixtures in the amount of BRL 57,792 (BRL 55,731 as of December 31, 2021), BRL 18,761 (BRL 18,522 as of December 31, 2021) has an estimated useful life of 5 years and BRL 39,031 (BRL 37,209 as of December 31, 2021), for 10 years.

					Consolidated
				03/31/2022	12/31/2021
	Useful life (in years)	**Cost**	**Accumulated depreciation**	**Net amount**	**Net amount**
Real Estate	25 a 50	143,633	(75,068)	68,565	69,067
Improvements to third-party real estate	2 a 50	1,907,472	(1,222,397)	685,075	686,354
Machinery and Equipment	5 a 17	341,850	(208,774)	133,076	132,889
Facilities	10 a 20	475,549	(438,933)	36,616	37,644
Forniture and fixtures (**)	4 a 10	947,845	(671,511)	276,334	271,735
Vehicles and transport	3 a 25	136,534	(80,170)	56,364	55,929
Property, plant and equipment for use in progress	-	83,304	-	83,304	84,677
		4,036,187	**(2,696,853)**	**1,339,334**	**1,338,295**

(In thousands of Brazilian Reais, except as otherwise indicated)

(**) of the consolidated cost of Furniture and fixtures of BRL 947,845 (BRL 924,320 as of December 31, 2021), BRL 406,326 (BRL 411,368 as of December 31, 2021) has an estimated useful life of 5 years and BRL 436,477 (BRL 512,957 as of December 31, 2021), for 10 years.

(b) BALANCE MOVEMENT MAP

Parent Company

	Property, plant and equipment						
	Real Estate	**Machinery and Equipments**	**Facilities**	**Forniture and Fixtures**	**Vehicles and Transport**	**Property, plant and equipment in progress**	**Total**
Cost							
Balances as of December 31, 2020	**120,284**	**334,447**	**55,854**	**50,092**	**3,972**	**15,573**	**580,222**
Additions	-	8,588	1,121	5,690	781	5,255	21,435
Write-offs	(2,686)	(7,877)	-	(126)	(104)	(115)	(10,908)
Transfers (*)	914	2,293	3,829	75	-	(6,957)	154
Balances as of December 31, 2021	**118,512**	**337,451**	**60,804**	**55,731**	**4,649**	**13,756**	**590,903**
Additions	-	4,411	382	1,890	-	2,312	8,995
Write-offs	-	(12)	-	(10)	-	(18)	(40)
Transfers	527	-	805	181	-	(1,513)	-
Balances as of March 31, 2022	**119,039**	**341,850**	**61,991**	**57,792**	**4,649**	**14,537**	**599,858**
Accumulated depreciation							
Balances as of December 31, 2020	**(67,856)**	**(195,132)**	**(28,703)**	**(39,212)**	**(2,506)**	-	**(333,409)**
Depreciation expense	(3,646)	(17,083)	(2,619)	(2,656)	(466)	-	(26,470)
Write-offs	1,865	7,653	-	120	103	-	9,741
Balances as of December 31, 2021	**(69,637)**	**(204,562)**	**(31,322)**	**(41,748)**	**(2,869)**	**-**	**(350,138)**
Depreciation expense	(911)	(4,223)	(705)	(770)	(149)	-	(6,758)
Write-offs	-	11	-	-	-	-	11
Balances as of March 31, 2022	**(70,548)**	**(208,774)**	**(32,027)**	**(42,518)**	**(3,018)**	-	**(356,885)**
Net balances							
December 31, 2021	48,875	132,889	29,482	13,983	1,780	13,756	240,765
March 31, 2022	**48,491**	**133,076**	**29,964**	**15,274**	**1,631**	**14,537**	**242,973**

(*) refer to the amounts transferred from commercial real estate to fixed assets for use, which is why they do not zero.

Consolidated

	Property, plant and equipment							
	Real Estate	**Improvements to third-party real estate**	**Machinery and equipment**	**Facilities**	**Forniture and fixture**	**Vehicles and transport**	**Property, plant and equipment in progress**	**Total**
Cost								
Balances as of December 31, 2020	**144,877**	**1,818,125**	**334,447**	**492,212**	**850,161**	**135,373**	**53,554**	**3,828,749**
Additions	-	59,190	8,588	1,487	18,229	1,121	145,767	234,382
Write-offs	(2,686)	(35,700)	(7,877)	(23,100)	(11,702)	(2,675)	(828)	(84,568)
Transfers (*)	915	37,783	2,293	3,829	67,632	1,518	(113,816)	154
Balances as of December 31, 2021	**143,106**	**1,879,398**	**337,451**	**474,428**	**924,320**	**135,337**	**84,677**	**3,978,717**
Additions	-	22,530	4,411	315	3,351	185	27,652	58,444
Write-offs	-	(588)	(12)	-	(198)	-	(51)	(849)
Transfers (**)	527	6,132	-	806	20,372	1,012	(28,974)	(125)
Balances as of March 31, 2022	**143,633**	**1,907,472**	**341,850**	**475,549**	**947,845**	**136,534**	**83,304**	**4,036,187**
Accumulated depreciation								
Balances as of December 31, 2020	**(71,781)**	**(1,081,623)**	**(195,132)**	**(451,709)**	**(591,230)**	**(78,770)**	-	**(2,470,245)**
Depreciation expense	(4,122)	(129,241)	(17,083)	(8,175)	(72,245)	(2,923)	-	(233,789)
Write-offs	1,864	17,820	7,653	23,100	10,890	2,285	-	63,612
Balances as of December 31, 2021	**(74,039)**	**(1,193,044)**	**(204,562)**	**(436,784)**	**(652,585)**	**(79,408)**	**-**	**(2,640,422)**
Depreciation expense	(1,029)	(29,915)	(4,223)	(2,149)	(19,002)	(762)	-	(57,080)
Write-offs	-	562	11	-	76	-	-	649
Balances as of March 31, 2022	**(75,068)**	**(1,222,397)**	**(208,774)**	**(438,933)**	**(671,511)**	**(80,170)**	**-**	**(2,696,853)**
Net Balances								
December 31, 2021	69,067	686,354	132,889	37,644	271,735	55,929	84,677	1,338,295
March 31, 2022	**68,565**	**685,075**	**133,076**	**36,616**	**276,334**	**56,364**	**83,304**	**1,339,334**

(*) refer to the amounts transferred from commercial real estate, which is why they do not zero.

(**) the remaining balance in the total refers to the amounts transferred to the Intangible group, which is why they are not zeroed.

In the period ended March 31, 2022, the amount of addition to Fixed assets refers to the subsidiary Lojas Riachuelo, substantially to investments in technology, construction in progress of stores to be opened, new stores and store renovations. In the fiscal year ended December 31, 2021, the amount of addition to Fixed assets refers to the subsidiary Lojas Riachuelo, substantially to investments in IT, e-commerce, 32 new stores and construction in progress of stores to be opened in the coming periods, in addition to the renovation of certain stores.

15.3 DEPRECIATION

Management reviews, at least annually, the estimated useful life of its fixed assets, with the help of the Company's engineers.

Depreciation was allocated to cost of production and goods sold and expenses for the period.

15.4 PROPERTY, PLANT AND EQUIPMENT FOR USE IN PROGRESS

CONSOLIDATED:

- Improvements to Third-Party Real Estate

Improvements to third-party real estate comprise, substantially, expenses with the renovation or adaptation of stores, amortizable in line with the lease agreements, on average 10 years (third-party real estate).

- Constructions in progress

Refers to investments in the opening and renovation of stores.

15.5 IMPAIRMENT

In accordance with CPC 01 and IAS 36, "Reduction to the Recoverable Value of Fixed assets", items of property, plant and equipment, intangible assets and other assets that show indications that their recorded costs are higher than their recoverable values must be reviewed in detail to determine the need to set up a provision to reduce the Accounting Balance to its realizable value.

In the period ended March 31, 2022, Management submitted its cash-generating units (stores) to an analysis to assess the existence of indications of impairment and did not identify any relevant amount that required its recognition in the income statement. The Company makes its future projections based on its expectations of income and expenses, considering the inflationary effects of each period, brought to fair value based on its internal rate of return on a nominal basis.

Management notes that the work of monitoring and controlling expenses that it has been carrying out over the last few years continues to help these cash-generating units maintain their ability to return on their investments. In addition, with the implementation of omnichannel by the subsidiary Lojas Riachuelo, which makes available to the customer the stock of any point of sale on its digital platforms, it allows the stores to operate as small distribution centers, bringing more profitability to these units, already anticipating the needs of the consumer of the future, who are increasingly looking for practicality and agility to satisfy their needs.

(In thousands of Brazilian Reais, except as otherwise indicated)

16 INTANGIBLE

(a) BALANCE COMPOSITION

					Parent Company
				03/31/2022	**12/31/2021**
	Useful life (in years)	**Cost**	**Accumulated amortization**	**Net amount**	**Net amount**
Trademarks and patents	-	249	-	249	242
Software deployment expenses	5	13,383	(4,311)	9,072	8,749
		13,632	**(4,311)**	**9,321**	**8,991**

					Consolidated
				03/31/2022	**12/31/2021**
	Useful life (in years)	**Cost**	**Accumulated amortization**	**Net amount**	**Net amount**
Trademarks and patents	-	1,505	-	1,505	1,498
Sales points	(*)	99,839	(50,888)	48,951	50,869
Software	5 a 10	362,888	(186,266)	176,622	183,529
Software deployment expenses	5 a 10	568,228	(174,397)	393,831	373,854
Intangible in progress	-	136,883	-	136,883	118,626
		1,169,343	**(411,551)**	**757,792**	**728,376**

(*) represented by goodwill and right of use acquired by the Company and based on the existence of a commercial point where Riachuelo stores are located.

Of the amount of cost recorded as sales points, the amount of BRL 5,756 refers to an intangible asset, tradable of goodwill, which does not suffer loss of value due to the passage of time, however the Company monitors the return of amounts invested through sensitivity analysis updated annually, whose applied methodology is through the discounted cash flow based on the future projection of expected return for the next 10 years, discounted at an internal rate of return on a nominal basis, which is currently at 13.77%, which is updated on a quarterly basis by the Group's Management and understands its recovery as probable based on this result. The right of use paid for the use of the property's infrastructure, BRL 94,263 (BRL 94,083 as of December 31, 2021), is amortizable over six to ten years, according to the terms of the lease agreements.

(b) BALANCE MOVEMENT MAP

The movements recorded under the heading “Intangible” were as follows:

			Parent Company
	Trademarks and patents	**Deployment expenses**	**Total**
Cost			
Balances as of December 31, 2020	**173**	**9,097**	**9,270**
Additions	69	3,698	3,767
Balances as of December 31, 2021	**242**	**12,795**	**13,037**
Additions	7	588	595
Balances as of March 31, 2022	**249**	**13,383**	**13,632**
Accumulated amortization			
Balances as of December 31, 2020	**-**	**(3,012)**	**(3,012)**
Amortization expense	-	(1,034)	(1,034)
Balances as of December 31, 2021	**-**	**(4,046)**	**(4,046)**
Amortization expense	-	(265)	(265)
Balances as of March 31, 2022	**-**	**(4,311)**	**(4,311)**
Net balances			
December 31, 2021	242	8,749	8,991
March 31, 2022	**249**	**9,072**	**9,321**

(In thousands of Brazilian Reais, except as otherwise indicated)

						Consolidated
	Trademarks and patents	Sales points	Software	Deployment expenses	Intangible in progress	Total
Cost						
Balances as of December 31, 2020	**1,429**	**84,768**	**228,653**	**363,703**	94,592	**773,145**
Additions	69	15,381	49,638	167,655	101,418	334,161
Write-offs	-	(310)	(39)	(94)	(305)	(748)
Transfers	-	-	77,440	(361)	(77,079)	-
Balances as of December 31, 2021	**1,498**	**99,839**	**355,692**	**530,903**	**118,626**	**1,106,558**
Additions	7	-	4,790	39,606	18,257	62,660
Transfers (*)	-	-	2,406	(2,281)	-	125
Balances as of March 31, 2022	**1,505**	**99,839**	**362,888**	**568,228**	**136,883**	**1,169,343**
Accumulated amortization						
Balances as of December 31, 2020	-	**(41,585)**	**(135,161)**	**(112,693)**	-	**(289,439)**
Amortization expense	-	(7,473)	(37,007)	(44,445)	-	(88,925)
Write-offs	-	88	5	89	-	182
Balances as of December 31, 2021	**-**	**(48,970)**	**(172,163)**	**(157,049)**	**-**	**(378,182)**
Amortization expense	-	(1,918)	(14,103)	(17,348)	-	(33,369)
Balances as of March 31, 2022	-	**(50,888)**	**(186,266)**	**(174,397)**	-	**(411,551)**
Net balances						
December 31, 2021	1,498	50,869	183,529	373,854	118,626	728,376
March 31, 2022	**1,505**	**48,951**	**176,622**	**393,831**	**136,883**	**757,792**

(*) the remaining balance in the total refers to the amounts transferred from fixed assets to the Intangible group, which is why they are not zeroed.

As of March 31, 2022, the acquisitions of BRL 62,660 (BRL 334,161 as of December 31, 2021) refer to investments in technology at Lojas Riachuelo, mainly due to digital channels and the acquisition of new software, and, at Midway Financeira, as a result of its expansion plan.

(c) COMPOSITION OF ACQUISITIONS

		Consolidated
	03/31/2022	**03/31/2021**
Lojas Riachuelo	43,809	41,706
Midway Financeira	18,256	21,192
Guararapes	595	795
	62,660	**63,693**

The Company and its Subsidiaries did not identify any need to recognize impairment, as provided for in CPC 01 - Impairment of Intangible.

17 SUPPLIERS

(a) BALANCE COMPOSITIONS

	Parent Company		Consolidated	
	03/31/2022	**12/31/2021**	**03/31/2022**	**12/31/2021**
Domestic	181,023	175,248	641,185	601,092
Foreign	25,736	26,153	146,475	160,488
	206,759	**201,401**	**787,660**	**761,580**

The balance of foreign suppliers refers, mostly, to amounts in US dollars and updated to Brazilian Reais until the end date of each period.

(In thousands of Brazilian Reais, except as otherwise indicated)

18 SUPPLIERS – "CONFIRMING"

The Company and its subsidiary Lojas Riachuelo have an agreement with Banco Santander in the "confirming" operation to manage their commitments with suppliers, which remain under this heading until the obligation is extinguished, since there is no change in the maturity of the original duplicates.

In this operation, suppliers transfer the right to receive the securities from sales of products to Banco Santander, and in return they receive these funds in advance from the bank, without the need to have any credit line contracted with the entity.

The supplier can anticipate its invoices in full, as long as the goods have already been delivered.

Type	Average rate (%)	P. M. P.	Maturity	Parent Company 03/31/2022	12/31/2021
In local currency					
Suppliers - "Confirming"	1.18 p.m.	4.1 months	2022	33,857	46,791
				33,857	**46,791**

Type	Average rate (%)	P. M. P.	Maturity	Consolidated 03/31/2022	12/31/2021
In local currency					
Suppliers - "Confirming"	1.14 p.m.	4.6 months	2022	185,720	284,649
				185,720	**284,649**

19 LOANS AND FINANCING

Local Currency Financings	Nominal interest rate	Note	Company	Maturity	Parent Company 03/31/2022	Parent Company 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Bill of exchange	110.00% to 160.00% CDI	(a)	Midway financeira	Up to 2022	-	-	254,188	266,756
Interbank deposit rate	109.75% CDI		Midway financeira	Up to 2022	-	-	115,377	112,383
Term deposit with special guarantee	101.95% CDI	(c)	Midway financeira	Up to 2022	-	-	111,833	108,668
Term deposit with special guarantee	101.95% CDI	(c)	Midway financeira	Up to 2022	-	-	55,848	54,268
Term deposit with special guarantee	1.65% p.a. plus CDI	(c)	Midway financeira	Up to 2022	-	-	55,458	107,858
Financial Bills	106.75% CDI		Midway financeira	Up to 2022	-	-	307,087	309,470
Bank deposit certificates	115.00% to 138.08% CDI	(d)	Midway financeira	2022 to 2027	-	-	585,335	484,015
Bank deposit certificates	115.00% to 125.04% CDI	(d)	Midway financeira	2023 to 2027	-	-	13,935	10,654
Other	2.9% to 9.7% prefixed	(b)	Guararapes	Up to 2022	300	258	300	258
					300	**258**	**1,499,360**	**1,454,330**
	Current				**300**	**258**	**946,633**	**986,522**
	Non-current				**-**	**-**	**552,727**	**467,808**
					300	**258**	**1,499,360**	**1,454,330**

(a) They correspond to loans taken out by Midway Financeira, from companies and individuals, with interest ranging from 110% to 160% of the CDI in order to increase their working capital levels, with immediate convertibility, of which BRL 246,879 with related parties (BRL 240,217 as of December 31, 2021).

(b) It is represented by the financing entered into between the Company and the financial institution Bradesco S.A., referring to the ICMS incentive in the state of Ceará – PROVIN.

(c) Term Deposit with Special Guarantee – DPGE made by Midway Financeira for Working Capital, acquired from Banco Bradesco and Safra.

(d) Customer investments in CDB through XP Investimentos, Banco BTG, Itaú and Midway.

(In thousands of Brazilian Reais, except as otherwise indicated)

The changes in loans and financing are presented as follows:

	Parent Company		Consolidated	
	Current	Non-current	Current	Non-current
Balances as of December 31, 2020	**91**	**-**	**1,247,287**	**700,194**
Fundraising	167	-	588,338	-
Interest and exchange rate variation	-	-	90,658	-
Transfers	-	-	232,386	(232,386)
Interest amortization	-	-	(15,048)	-
Payment of principal	-	-	(1,157,099)	-
Balances as of December 31, 2021	**258**	**-**	**986,522**	**467,808**
Fundraising	42	-	95,233	-
Interest and exchange rate variation	-	-	43,089	-
Transfers	-	-	(84,919)	84,919
Interest amortization	-	-	(10,159)	-
Payment of principal	-	-	(83,133)	-
Balances as of March 31, 2022	**300**	**-**	**946,633**	**552,727**

The maturities of the portion recorded in non-current liabilities are shown as follows:

Maturity	Consolidated
2023	143,684
2024	182,721
2025	42,548
2026	183,775
	552,727

20 DEBENTURES

The Company carried out the 3rd issue of 700,000 unsecured simple debentures, non-convertible into shares, in 2 series, with personal guarantee, with a unit par value of BRL 1, totaling BRL 700,000, of which BRL 200,000 of the First Series Debenture and BRL 500,000 of the Second Series Debenture, as approved at the Board of Directors' Meeting held on August 26, 2020 ("RCA"). Issued on August 31, 2020, maturing in a single installment, on August 31, 2023 for the First Series Debentures and August 31, 2024 for the Second Series Debentures, and semi-annual interest payments.

The Company held the 4th issue of 1,100 unsecured simple debentures, non-convertible into shares, in 2 series, with personal guarantee, with a unit par value of BRL 1, totaling BRL 1,100,000, of which BRL 585,281 are First Series Debenture and BRL 514,719 are Second Series Debenture, as approved at a Board of Directors' Meeting held on November 3, 2020 ("RCA"). Issued on November 27, 2020, maturing in a single installment, on November 27, 2023 for the First Series Debentures and November 27, 2025 for the Second Series Debentures, and semi-annual interest payments.

The Subsidiary Lojas Riachuelo held the 3rd issue of 300 thousand simple debentures, not convertible into shares, in a single series, unsecured with personal guarantee, with a par value of BRL 1, totaling BRL 300,000, as approved at the Board of Directors' Meeting held on November 23, 2020 ("RCA"), issued on November 23, 2020 and maturing in a single installment on November 23, 2023.

(In thousands of Brazilian Reais, except as otherwise indicated)

Characteristics of the debentures offer:

Debentures	3rd Issuance	3rd Issuance	4th Issuance	4th Issuance	3rd Issuance
Issuer	Guararapes	Guararapes	Guararapes	Guararapes	Riachuelo
Serie	1st Series	2nd Series	1st Series	2nd Series	Single
Securities issued	200,000	500,000	585,281	514,719	300,000
Unit Value	1	1	1	1	1
Total amount	R$200,000	R$500,000	R$585,281	R$514,719	R$300,000
Compensation	100.00% p.a. of the CDI + 2.65%	100.00% p.a. of the CDI + 2.95%	100.00% p.a. of the CDI + 2.65%	100.00% p.a. of the CDI + 3.30%	100.00% p.a. of the CDI + 2.30%
Payment of interest	Semi-annual	Semi-annual	Semi-annual	Semi-annual	Semi-annual
Issued on	August 31, 2020	August 31, 2020	November 27, 2020	November 27, 2020	November 23, 2020
Maturity	August 31, 2023	August 31, 2024	November 27, 2023	November 27, 2025	November 23, 2023

Local currency

			Parent Company		Consolidated	
Nominal interest rate	**Issuer**	**Maturity**	**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
100.00% p.a. of the CDI + 2.65%	Guararapes	08/31/2023	202,206	206,367	202,206	206,367
100.00% p.a. of the CDI + 2.95%	Guararapes	08/31/2024	505,638	516,420	505,638	516,420
100.00% p.a. of the CDI + 2.65%	Guararapes	11/27/2023	609,643	591,394	609,643	591,394
100.00% p.a. of the CDI + 3.30%	Guararapes	11/27/2025	537,300	520,408	537,300	520,408
Costs to be appropriated	Guararapes		(11,017)	(11,903)	(11,017)	(11,903)
100.00% p.a. of the CDI + 2.30%	Riachuelo	11/23/2023	-	-	312,601	303,498
Costs to be appropriated	Riachuelo		-	-	(3,171)	(3,647)
			1,843,770	**1,822,686**	**2,153,200**	**2,122,537**
Current			**579,666**	**392,802**	**579,666**	**392,802**
Non-Current			**1,264,104**	**1,429,884**	**1,573,534**	**1,729,735**
			1,843,770	**1,822,686**	**2,153,200**	**2,122,537**

The changes in debentures are as follows:

	Parent Company		Consolidated	
	Current	**Non-Current**	**Current**	**Non-Current**
Balances as of December 31, 2020	**11,160**	**1,788,096**	**11,160**	**2,083,170**
Interest	134,672	-	156,472	-
Transfers	358,212	(358,212)	353,435	(353,435)
Payment of interest	(111,242)	-	(128,265)	-
Balances as of December 31, 2021	**392,802**	**1,429,884**	**392,802**	**1,729,735**
Interest	58,296	-	67,875	-
Transfers	165,780	(165,780)	156,201	(156,201)
Payment of interest	(37,212)	-	(37,212)	-
Balances as of March 31, 2022	**579,666**	**1,264,104**	**579,666**	**1,573,534**

COVENANTS

Maintain the financial index equal to or less than (i) 3.5 (three integers and five tenths) in fiscal year 2022; and (ii) 3.0 (three integers) in the fiscal year from 2023.

I. "Financial Index" means the index corresponding to the ratio between the Issuer's Net Debt and the Issuer's Adjusted EBITDA to be verified annually by the Trustee, from the Issuer's Consolidated Financial Statements (as defined below) for the 4th (fourth) quarter of the fiscal year 2021, including, thereafter, within 5 (five) Business Days after receipt of the information sent pursuant to item 7.1, letter (a) below;

(In thousands of Brazilian Reais, except as otherwise indicated)

II. "Net Debt" means, based on the Issuer's Consolidated Financial Statements, the sum, without duplication, of (a) all bank indebtedness, net of hedge operations (swap); (b) all obligations arising from operations of local and international capital markets; (c) all guarantees of third party debt; subtracted from such sum the value of its availabilities (cash and financial investments); and

III. "Adjusted EBITDA" means, based on the Issuer's consolidated financial statements for the 12 (twelve) months immediately prior to the end of the annual fiscal year, in line with CVM Instruction 527, the net income, plus the taxes on income, net financial expenses, financial revenue and depreciation, amortization and depletion, "Income Tax Incentive", considering that the Issuer chooses to use adjusted EBITDA as it understands that the adjustment referring to "Income Tax Incentive" contributes to the Issuer's gross cash generation, as it does not represent a cash outflow.

The financial ratio calculated as of December 31, 2021 on the Group's consolidated financial statements was 1.56, lower than the limits agreed in the contract for the fiscal year. Although the calculation of this index is annual, the Company monitors monthly compliance with this indicator through its results and projections.

The main non-financial clauses are related to non-compliance with non-monetary obligations and administrative judgments; any act by a person that mischaracterizes or cancels the deed of the debentures; material adverse change; judicial and governmental blockades; non-compliance with socio-environmental legislation; infringement of legislation dealing with the fight against racial or gender discrimination, child labor, slave labor and crime against the environment; any non-renewal or cancellation of licenses which adversely affect the operation; non-compliance with the laws applied on corruption and harmful acts against the government.

21 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The subsidiary Lojas Riachuelo adopted CPC 06 (R2) - IFRS 16 for its store lease agreements entered into with third parties and with its Parent Company Guararapes, the movement of which is presented below:

I – CONTRACTS CLASSIFIED IN IFRS 16/CPC 06 (R2)

In the period ended March 31, 2022, Lojas Riachuelo had a total of 238 contracts (referring to 234 stores, administrative headquarters and logistics centers). As of December 31, 2021, it had a total of 239 contracts (referring to 229 stores, administrative headquarters and logistics centers).

To arrive at the discount rates applicable by contract, the Subsidiary based itself on interest rates readily observable in the Brazilian market, considering the terms of each contract, adjusted to the credit risk obtained from market funding carried out by the companies of the Group, whose average rate per contract in the period closed at 8.95%.

The changes in real estate leases in the period ended March 31, 2022 are as follows:

a) MOVEMENT OF RIGHT OF USES ASSETS:

	Consolidated
Balances as of December 31, 2020	**937,925**
Accumulated depreciation	(218,216)
Additions	101,321
Remeasurement (*)	98,489
Write-offs	(3,113)
Balances as of December 31, 2021	**916,406**
Accumulated depreciation	(54,292)
Additions	41,000
Remeasurement (*)	13,780
Balances as of March 31, 2022	**916,894**

(*) Remeasurements regarding the updating of contractual rates.

(In thousands of Brazilian Reais, except as otherwise indicated)

b) MOVIMENT OF LEASE LIABILITIES:

	Consolidated
Balances as of December 31, 2020	**1,004,640**
Interest incurred	80,883
Payments	(251,396)
Discounts obtained in 2021	(30,502)
Additions	101,321
Remeasurement (*)	98,489
Write-offs	(3,113)
Balances as of December 31, 2021	**1,000,322**
Interest incurred	21,011
Payments	(70,088)
Additions	41,000
Remeasurement (*)	13,780
Balance as of March 31, 2022	**1,006,025**

(*) The remeasurements of the lease liabilities were the same as indicated in the movement of the right of use asset.

	Consolidated	
	03/31/2022	**12/31/2021**
Current	285,676	282,054
Non-Current	720,349	718,268
	1,006,025	**1,000,322**

c) SCHEDULE OF MATURITY OF THE LEASE LIABILITIES:

Maturity	**Consolidated**
9 months of 2022	166,323
2023	248,770
2024	197,144
2025	169,156
2026	113,075
Other years	111,557
	1,006,025

According to CVM Resolution No 859, of 7/7/2020 and with the revisions to technical pronouncement No. 16/2020, amending CPC 6 (R2), the Company and its subsidiary Lojas Riachuelo applied the practical expedient to all contracts that met the conditions of item 46B, choosing not to evaluate the benefits received in the payments of rental agreements directly related to COVID-19 as a contract modification.

In the period ended March 31, 2021, the amount of BRL 30,502 was obtained as a discount on the payment of rents, due to the effects of COVID-19, a balance that constitutes a reduction in rental expenses, according to note 31.2.

d) PIS AND COFINS CREDIT:

The Subsidiary Lojas Riachuelo is entitled to PIS and COFINS credit in the rental agreements that adhered to CPC 06 (R2) in the occurrence of its payments. We present below the potential amounts of these taxes, considering the balance of the contracts upon adoption and their adjustment to present value in the consolidated:

(In thousands of Brazilian Reais, except as otherwise indicated)

	Par Value	**Adjusted to present value**
Lease consideration	1,307,759	1,006,025
Potential PIS and COFINS (9.25%)	120,968	93,057

e) MISLEADING CAUSED BY THE FULL APPLICATION OF CPC 06 (R2):

In order to comply with the standard, the subsidiary Lojas Riachuelo chose to adopt the discounted cash flow methodology without considering the future inflation projected in the flows to be discounted, considering a nominal rate in the application of this technique. We understand that this methodology generates relevant distortions in the information provided, considering the current reality of long-term interest rates in the Brazilian economic environment.

Furthermore, due to the characteristics of its lease agreements, the Subsidiary considers the use of a real discount rate in the application of the discounted cash flow to be the ideal methodology, without considering the future inflation projected in the discounted flows.

Thus, in order to protect the reliable representation of the information and in compliance with the technical areas of the CVM, according to CVM Circular Letter SNC/SEP No. 02/2019, we present below the comparative balances of the lease liabilities:

	Average rate p.a.	**03/31/2022**	**12/31/2021**
Right of Use			
Real FCD x Nominal Rate (CPC 06 and Applied Methodology)	8.95%	916,894	916,406
Nominal FCD x Nominal Rate (CVM Benchmarking)	8.95%	874,415	879,226
Lease Liabilities			
Real FCD x Nominal Rate (CPC 06 and Applied Methodology)		1,006,025	1,000,322
Nominal FCD x Nominal Rate (CVM Benchmarking)		1,047,431	1,049,363
Financial Expense			
Real FCD x Nominal Rate (CPC 06 and Applied Methodology)		21,011	80,883
Nominal FCD x Nominal Rate (CVM Benchmarking)		23,978	96,220
Depreciation expense			
Real FCD x Nominal Rate (CPC 06 and Applied Methodology)		54,292	218,216
Nominal FCD x Nominal Rate (CVM Benchmarking)		56,563	244,576

II – CONTRACTS NOT CLASSIFIED IN IFRS 16/CPC 06 (R2)

In the period ended March 31, 2022, subsidiary Lojas Riachuelo had a total of 92 (56 contracts as of March 31, 2021) store lease agreements with variable value composition characteristics paid to third parties, the amount of which remained in operating rent expenses totaling BRL 30,158 (BRL 8,133 as of March 31, 2021).

As of March 31, 2022, the commitments related to these variable rental agreements, based on the subsidiary's future sale projection, are shown below:

Maturity	**Consolidated**
9 months of 2022	60,786
2023	78,552
2024	72,200
2025	64,775
2026	56,101
Other years	206,148
	538,562

Additionally, the subsidiary Lojas Riachuelo has 47 lease agreements paid to the Parent Company, detailed in NE 36, which for consolidation purposes are eliminated from income.

(In thousands of Brazilian Reais, except as otherwise indicated)

22 SALARIES, PROVISIONS AND SOCIAL CONTRIBUTIONS

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Provision for vacations and charges	20,658	18,381	135,352	135,621
Provision for 13th salaries and charges	5,353	-	27,734	-
Salaries payable	-	-	38	198
FGTS payable	1,541	2,432	8,049	11,163
INSS payable	6,373	7,095	36,172	35,685
Profit-sharing	-	1,077	-	60,745
Other	995	1,281	16,985	11,886
	34,920	**30,266**	**224,330**	**255,298**

23 OTHER TAXES AND CONTRIBUTIONS

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
ICMS (Tax on Goods and Services)	14,504	10,526	60,528	119,669
COFINS (Social Security Financing Contribution)	1,565	3,474	6,496	39,702
PIS (Social Integration Program)	331	739	1,053	8,276
Other	598	761	19,455	21,926
	16,998	**15,500**	**87,532**	**189,573**

24 OBLIGATIONS WITH CREDIT CARD ADMINISTRATORS

The subsidiary Lojas Riachuelo, through Midway Financeira, offers the flagged card to its customers with the Visa and Mastercard flags. The balance of BRL 2,230,223 as of March 31, 2022 (BRL 2,390,992 as of December 31, 2021) represents accounts payable with credit card companies, arising from the use, by their customers, of the "co-branded" card, in general retail product purchase transactions, whose average settlement period is 27 days from the transaction date.

25 PROVISIONS FOR LABOR, TAX AND CIVIL RISKS

The Company and its direct and indirect subsidiaries are parties to several legal and administrative proceedings. Provisions are set up for all lawsuits that represent probable losses estimated with a certain degree of certainty. The assessment of the probability of loss includes the assessment of available evidence, the hierarchy of laws, available case law, the most recent decisions in the courts and their relevance in the legal system, as well as the assessment of external lawyers.

Management believes that these provisions for tax, civil and labor risks are correctly presented in the financial statements and are sufficient to cover possible losses.

The Management, based on the opinion of its legal advisors, constituted a provision in an amount considered sufficient to cover estimated losses with the lawsuits in progress, as follows:

(a) BALANCE COMPOSITION

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Provision according to type				
Labor	5,752	5,697	40,419	40,240
Tax	845	835	146,392	143,853
Civil	-	-	23,467	22,597
	6,597	**6,532**	**210,278**	**206,690**
Court deposit				
Tax	(845)	(835)	(845)	(835)
	5,752	**5,697**	**209,433**	**205,855**

(In thousands of Brazilian Reais, except as otherwise indicated)

(b) BALANCE MOVEMENT MAP

The movement in the provision for labor, tax and civil risks is as follows:

				Parent Company
	Tax	Labor	Filing	Total
Balances as of December 31, 2020	**819**	**8,039**	**(819)**	**8,039**
Constitution	-	1,000	-	1,000
Settlement	-	(1,475)	-	(1,475)
Reversal	-	(1,867)	-	(1,867)
Charges	16	-	(16)	-
Balances as of December 31, 2021	**835**	**5,697**	**(835)**	**5,697**
Constitution	-	409	-	409
Settlement	-	(198)	-	(198)
Reversal	-	(156)	-	(156)
Charges	10	-	(10)	-
Balances as of March 31, 2022	**845**	**5,752**	**(845)**	**5,752**

						Consolidated
	Tax	Labor	Civel	Total	Filing	Total
Balances as of December 31, 2020	**140,829**	**38,787**	**18,785**	**198,401**	**(819)**	**197,582**
Constitution	2,417	12,756	27,777	42,950	-	42,950
Settlement	-	(5,819)	(6,118)	(11,937)	-	(11,937)
Reversal	(3,337)	(5,484)	(17,847)	(26,668)	-	(26,668)
Charges	3,944	-	-	3,944	(16)	3,928
Balances as of December 31, 2021	**143,853**	**40,240**	**22,597**	**206,690**	**(835)**	**205,855**
Constitution	646	3,191	7,413	11,250	-	11,250
Settlement	-	(1,114)	(1,124)	(2,238)	-	(2,238)
Reversal	(687)	(1,898)	(5,419)	(8,004)	-	(8,004)
Charges	2,580	-	-	2,580	(10)	2,570
Balances as of March 31, 2022	**146,392**	**40,419**	**23,467**	**210,278**	**(845)**	**209,433**

(c) LAWSUITS

(c.1) PARENT COMPANY

(c.1.1) Provisions of a tax nature

The Company has lawsuits questioning the inclusion of indemnity amounts in the calculation basis of the social security contribution. As of March 31, 2022, the provision and related court deposit totaled BRL 845 (BRL 835 as of December 31, 2021).

(c.1.2) Provisioned labor procedures

The Company also maintains a provision for procedural (labor) losses in the amount of BRL 5,752 as of March 31, 2022 (BRL 5,697 as of December 31, 2021).

			Parent Company
Provisioned	**Provision**	**Court Deposit**	**Net**
INSS (Brazilian Institute of Social Security)	845	(845)	-
Labor	5,752	-	5,752
Balances as of March 31, 2022	**6,597**	**(845)**	**5,752**

(In thousands of Brazilian Reais, except as otherwise indicated)

		Parent Company	
Provisioned	**Provision**	**Court Deposit**	**Net**
INSS (Brazilian Institute of Social Security)	835	(835)	-
Labor	5,697	-	5,697
Balances as of December 31, 2021	**6,532**	**(835)**	**5,697**

(c.1.3) Non-provisioned tax procedures

- Cases 16707.003570/2005-57, 10469.725077/2011-11 and 10469.724403/2014-16 - Operating Profit

The Company was subject to tax assessment notices issued by the Federal Revenue Service of Brazil, with the purpose of not excluding rental income from the calculation base of exploration profit, in the periods from 2001 to 2004, from 2006 to 2009 and from 2010 to 2011, whose historical values amount to BRL 111,775, BRL 29,992 and BRL 79,778, respectively. The updated amounts involved in the discussions, until March 31, 2022, amount to respectively BRL 247,083 (BRL 244,923 as of December 31, 2021), BRL 978 (BRL 965 as of December 31, 2021) and BRL 58,938 (BRL 57,848 as of December 31, 2021), according to the statement obtained from the RFB website.

- Cases 16707.003570/2005-57 and 10469.724403/2014-16 have already had the administrative phase closed and the respective discussions continue in court, with the offer of surety bond policies as collateral.

The Group's Management understands, according to the opinion of its legal advisors, that the possibility of loss is remote and, therefore, no provision has been made.

- ICMS on the calculation basis of PIS and COFINS

The Parent Company, supported by a final and unappealable court decision, has been calculating and collecting these taxes monthly with the exclusion of ICMS in its calculation bases and without the constitution of a provision, as explained in note 13.

(c.1.4) Public Civil Action of the Labor Public Prosecution not provisioned

- Case 0000694-45.2017.5.21.0007

The Labor Prosecutor's Office filed a Public Civil Action against the Company, in which compensation was requested for collective moral damages in the amount of BRL 37,723 and the formation of a direct employment relationship between Guararapes and the employees of the sewing workshops (companies contracted to produce parts through a faction agreement). The Labor Court, in a lower court decision, rejected the compensation sought, as well as the aforementioned formation of an employment relationship, declaring only Guararapes' subsidiary liability for any default on labor funds owed by the sewing workshops to its employees. There was an appeal by the parties pending judgment to the Regional Labor Court of the 21st Region. The Company's legal department and its legal advisors classify the risk as remote, and no provision has been made.

(c.2) CONSOLIDATED

(c.2.1) Provisions of a tax nature

- PIS and COFINS – Credits on sale of electronics – Asset Law No 11.196/05

The Subsidiary Lojas Riachuelo S.A. obtained the granting of an injunction in 2016, reestablishing the benefit provided in the Asset Law No. 11.196/05, suspending the enforceability of PIS and COFINS on the sale of electronic products, which had been revoked through Provisional Measure No. 690/2015 converted into Law No. 13.241/15. In May 2017, there was a judgment by the TRF that dismissed the action, revoking the injunction, whose amounts began to be determined and deposited monthly in court until December 2018, when the benefit term ended. As of March 31, 2022, the total provision amounts to BRL 122,517 (BRL 120,158 as of December 31, 2021).

(In thousands of Brazilian Reais, except as otherwise indicated)

(c.2.2) Provisioned labor procedures and civil procedures

The main topics addressed in labor lawsuits deal with overtime, premiums for dangerous work and unhealthy work, salary equalization and severance pay, among others. Civil lawsuits correspond mainly to lawsuits involving claims for damages, including pain and suffering, from its clients.

The provision for these lawsuits is constituted in an amount considered sufficient to cover expected losses from the lawsuits in progress. The group's internal legal counsel performs an individual analysis of the lawsuits, taking into account the risk of loss and also based on previous experiences related to the amounts claimed and effectively settled.

(i) Provisions of labor and civil nature by company

		Consolidated
Labor and civil provision	**03/31/2022**	**12/31/2021**
Midway Financeira	32,227	31,280
Lojas Riachuelo	25,870	25,822
Transportadora Casa Verde	37	38
Guararapes Confecções	5,752	5,697
	63,886	**62,837**

(c.2.3) Non-provisioned tax procedures

The Subsidiary Lojas Riachuelo S.A. has on March 31, 2022, tax lawsuits amounting to BRL 539,698 (BRL 537,410 on December 31, 2021), for which its legal advisors classify the possibility of loss as possible, therefore not provisioned, as determined by the accounting practices adopted in Brazil and the IFRS standards. The main topics addressed in the processes are described below:

- ICMS on the calculation basis of PIS and COFINS

The subsidiary Lojas Riachuelo S.A., supported by a new collegiate court decision, which recognized the unconstitutionality of the inclusion of ICMS in the PIS and COFINS calculation basis, has been calculating and collecting these contributions on a monthly basis in accordance with the aforementioned decision and without the constitution of a provision, as explained in note 13.

- PIS “Semiannuallity”

The subsidiary Lojas Riachuelo S.A. has notices related to offsets made based on favorable court decisions that have already become final and unappealable, dealing with the constitutionality of Decrees -Law 2445/88 and 2449/88. With the conclusion of the discussion on the merits of one of the proceedings, the amount of BRL 8,521 (BRL 8,239 as of December 31, 2021) remains at the administrative level, including interest and late payment fines.

- PIS/COFINS - Non-Cumulatively

The subsidiary Lojas Riachuelo S.A. took out PIS and COFINS credits under the non-cumulative calculation regime, which were disallowed by the Federal Revenue Service - SRF through the issuance of tax assessment notices, the amount of which required with the application of interest and late payment fine amounts to BRL 181,975 (BRL 178,556 on December 31, 2021), according to the statement made available on the RFB website. During 2020, the subsidiary Lojas Riachuelo S.A was summoned to issue a tax assessment notice related to the same topic in the amount of BRL 126,136 (BRL 122,904 on December 31, 2021), according to the statement available on the RFB website .

- PIS/COFINS/II

The subsidiary Lojas Riachuelo S.A. was subject to assessments due to an alleged divergence in the calculation basis of PIS, COFINS and Import Tax (II) in the operations of imports of goods, whose amounts demanded with the application of interest and late payment fines amount to the amount of BRL 8,529 (BRL 8,372 as of December 31, 2021), according to the extract obtained from the RFB website. Currently, the discussion is suspended, awaiting judgment of the ex officio appeal presented by the Treasury and, regarding the other case, the Voluntary Appeal is awaiting judgment.

- Social Security Contributions

The Subsidiary Lojas Riachuelo S.A. has a notice of violation due to alleged divergence in the payment of social security contributions levied on the Profit Sharing program - PLR. The amount involved with the application of interest and late payment fine amounts to BRL 14,626 (BRL 14,351 on December 31, 2021), according to the statement obtained from the RFB website. With the conclusion of the dispute at the administrative level, the subsidiary Lojas Riachuelo SA filed a lawsuit, which is pending judgment.

- ICMS – Calculation Basis

The Subsidiary Lojas Riachuelo S.A. has been fined by the Bahia State Department of Finance as a result of an alleged divergence in the ICMS calculation basis in the transfer operations between the Distribution Center and Branches. The lawsuits are under discussion in the judicial and administrative spheres and the amounts involved with the application of interest and late payment fines amount to, respectively, BRL 20,395 and BRL 11,143 (BRL 16,790 and BRL 12,974 on December 31, 2021). There are also lawsuits related to this same operation involving alleged differences in stock that totaled BRL 10,776 (BRL 8,764 as of December 31, 2021) according to statements obtained from the SEFAZ/BA website.

- ICMS – Miscellaneous

The subsidiary Lojas Riachuelo S.A. is subject to assessments by the State Tax Authorities involving its various establishments related to tax anticipation, alleged differences in inventories, undue credit and non-compliance with ancillary obligations, and there are proceedings in the administrative and judicial stages. The amount involved with the application of interest and late payment fine amounts to BRL 93,722 (BRL 103,545 on December 31, 2021).

- ICMS – Import

The Subsidiary Lojas Riachuelo S.A. has a judicial discussion regarding the crediting of ICMS in an import operation, duly guaranteed by Insurance guarantee, currently awaiting judgment. The amount involved with the application of interest and late payment fine amounts to BRL 39,899 (BRL 39,483 on December 31, 2021), according to the statement obtained from the PGE/SP website.

- Federal Taxes - Midway S/A – Credit, Financing and Investment

The indirect subsidiary Midway S/A – Credit, Financing and Investment has tax proceedings in progress at the administrative level referring to requests for offsetting federal taxes pending approval. The amount involved with the application of interest and late payment fine amounts to BRL 29,397 (BRL 31,806 on December 31, 2021). The value was adjusted based on the statements obtained on the RFB website.

- PIS/COFINS – Credits

In compliance with Circular Letter/CVM/SNC/SEP/ No. 01/2021, with regard to PIS and COFINS tax credits recognized in its financial statements, the Company and its subsidiary Lojas Riachuelo, based on the opinions of their legal advisors, which were prepared taking into account the criteria of essentiality or relevance of the expense for the development of the taxpayer's economic activity defined by the STJ (RESP 1.221.170/PR), informs that it only recognizes tax credits determined in the manner defined above, which, therefore, allows it to validly manifest its right, as well as proceed to the reliable measurement of the respective value. Considering, also, that the likelihood of outflow of funds due to the appropriation of such credits is possible or remote, there was no constitution of any provision, under the terms of CPC 25/IAS 37.

(In thousands of Brazilian Reais, except as otherwise indicated)

(d) COURT DEPOSITS

The taxes and labor obligations discussed at the administrative and judicial levels guaranteed by court deposits are shown as follows:

	Parent Company		Consolidated	
	03/31/2022	**12/31/2021**	**03/31/2022**	**12/31/2021**
ICMS - Tax enforcement (*)	-	-	5,596	5,596
Tax/INSS	72	72	626	626
PIS/COFINS - MP do Bem	-	-	122,517	120,158
Civil/Labor	3,445	3,515	9,470	9,750
Other Deposits	-	-	27,644	24,269
	3,517	**3,587**	**165,853**	**160,399**

(*) ICMS - Tax execution: having the State Treasury of Rio de Janeiro as a creditor. In September 2009, a tax execution was filed against the Subsidiary Lojas Riachuelo S.A., which is pending before the 11th Public Finance Court of that State under No. 2009.001.228723-0, aiming at the collection of the amount of BRL 5,596 as ICMS due to stock divergences.

Balance Movement Map

	Parent Company	Consolidated
Balances as of December 31, 2020	**4,136**	**139,758**
Deposits	326	30,025
Deposit write-off	(875)	(13,726)
Adjustment for inflation	-	4,342
Balances as of December 31, 2021	**3,587**	**160,399**
Deposits	14	5,983
Deposit write-off	(84)	(2,887)
Adjustment for inflation	-	2,358
Balances as of March 31, 2022	**3,517**	**165,853**

(In thousands of Brazilian Reais, except as otherwise indicated)

26 INCOME TAX AND SOCIAL CONTRIBUTION

DEFERRED TAXES

Deferred income tax and social contribution are calculated on the income tax losses, the negative basis of social contribution and the corresponding temporary differences between the tax bases on assets and liabilities and the accounting amounts of the financial statements. The rates of these taxes, currently defined for the determination of deferred taxes, are 25% for income tax and 9% for social contribution. For the direct subsidiary Midway Financeira, the rates were 15% from January 2019 to June 2021, 20% from July to December 2021 and 15% from January 2022.

The effect of deferred tax assets and liabilities is presented as follows:

	Parent Company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Tax Losses	495,359	454,466	2,360,890	2,124,800
Provision for expected credit losses	1,472	1,471	559,077	485,856
Provision for tax risks	6,298	5,934	161,920	158,301
Provision for contingencies - Labor and civil	6,597	6,532	70,882	75,558
Provision for estimated losses in inventory	3,247	3,258	51,330	47,035
Provision for employee profit sharing	-	1,077	-	54,456
Provision for stock option plan	2,684	1,710	37,932	41,477
Law 12,973/14 - Implementation of the opening balance	(48,807)	(48,211)	(181,536)	(174,814)
Law 11,196/05 - Lei do bem	-	-	(16,972)	(17,708)
Profit on inventories	-	-	40,830	31,541
IFRS 16 Adjustment	-	-	89,744	84,530
Useful life review - CPC 27	-	-	(22,250)	(24,490)
Added value review - CPC 27	(129,651)	(131,159)	(129,651)	(131,159)
Other temporary differences	1,392	1,412	2,137	2,157
Tax Base	**338,591**	**296,490**	**3,024,333**	**2,757,540**
Deferred IRPJ Calculation				
Calculation Basis of Temporary Provisions and Suspended Liabilities	**21,691**	**21,395**	**62,521**	**52,936**
Effective IRPJ rate (*)	6.25%	6.25%	6.25%	6.25%
Deferred IRPJ - Differentiated rate	1,356	1,337	3,908	3,308
Other Calculation Bases	**316,900**	**275,095**	**2,961,812**	**2,704,604**
Effective IRPJ rate	25%	25%	25%	25%
Deferred IRPJ - Standard rate	79,225	68,774	740,453	676,151
Deferred CSLL Calculation				
CSLL tax base	**338,591**	**296,490**	**3,024,333**	**2,757,540**
Law 11,196/05 - Lei do bem (**)	-	-	16,972	17,708
CSLL adjusted calculation basis	**338,591**	**296,490**	**3,041,305**	**2,775,248**
Effective CSLL rate	9%	9%	9%	9%
Deferred CSLL	30,473	26,684	273,717	249,772
Deferred CSLL Complement (***)	-	-	69,520	64,687
Total deferred IRPJ and CSLL	**111,054**	**96,795**	**1,087,598**	**993,919**
Non-current assets	111,054	96,795	1,087,598	993,919
Net	**111,054**	**96,795**	**1,087,598**	**993,919**

(*) Effective IR rate on temporal provisions and suspended liabilities.

(**) Excluded from the calculation basis of the CSLL of the indirect subsidiary Midway Financeira, according to article 17 of Law 11.196/05.

(***) The CSLL increment is due to the difference in the rate in the consolidation of the balances of the indirect subsidiary Midway Financeira, which had a rate of 20% until December 2021 and which became 15% as of January 2022, in line with law 13.169/15.

(In thousands of Brazilian Reais, except as otherwise indicated)

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION – ASSETS

		Parent Company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Income tax and social contribution on tax losses	(a)	168,422	154,519	806,604	731,496
Provision for expected credit losses		501	500	251,423	218,473
Provision for labor, tax and civil risks		2,243	2,221	48,194	47,324
Time differences - CPC		2,717	2,852	49,787	67,866
Profit on inventories		-	-	6,227	4,810
	(b)	**173,883**	**160,092**	**1,162,235**	**1,069,969**

(a) The amount of deferred income tax and social contribution on tax losses of BRL 806,604 recorded as of March 31, 2022 (BRL 731,495 as of December 31, 2021) comprises: BRL 622,223 (BRL 550,401 on December 31, 2021) of the Subsidiary Lojas Riachuelo S.A.; BRL 15,959 (BRL 26,576 on December 31, 2021) of the Subsidiary Midway Financeira S.A. and BRL 168,422 (BRL 154,518 on December 31, 2021) of the Company.

(b) The amount of deferred income tax and social contribution on tax losses of BRL 1,162,235 recorded as of March 31, 2022 (BRL 1,069,969 as of December 31, 2021) comprises: BRL 697,708 (BRL 640,384 on December 31, 2021) is from Lojas Riachuelo; BRL 284,398 (BRL 264,628 as of December 31, 2021) is from Midway Financeira; BRL 19 (BRL 55 on December 31, 2021) is from Transportadora Casa Verde, BRL 173,883 (BRL 160,092 on December 31, 2021) is from the Company and BRL 6,227 (BRL 4,810 on December 31, 2021) is related to Income Tax on Profit on inventories.

As a result of a unanimous decision on the merits and with general repercussion, the Federal Supreme Court, on September 24, 2021, ruled that the incidence of Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) on amounts referring to the SELIC rate received due to the repetition of tax overpayments. Considering that the Company and its subsidiary Lojas Riachuelo, in 2019 and 2018, respectively, filed a lawsuit to discuss the same matter analyzed by the Federal Supreme Court in terms of general repercussion. In 2021, Lojas Riachuelo recognized IRPJ and CSLL credits in the total amount of BRL 113,040 in the tax line in the income for the period against long-term Recoverable Taxes.

Also on the same topic, the Company and its subsidiary Lojas Riachuelo reconstituted the total balance of deferred IRPJ and CSLL assets in the amounts of BRL 22,036 and BRL 64,073, respectively. These IR and CSLL credits were recorded in 2021 in the income for the fiscal year against the line of Deferred Income Tax and Social Contribution Assets.

The Company and the subsidiary, in accordance with article 170-A of the National Tax Code, are awaiting the final judgment with a final and unappealable decision on their individual actions so that they can proceed with the authorization of the credit and respective compensation.

The subsidiaries, based on the expectation of generating taxable income based on future profitability projections and the limit of 30% of taxable income for annual compensation, in accordance with current legislation, recorded in their financial statements as of March 31, 2022, the deferred tax asset arising from tax loss.

The Company and its subsidiaries Lojas Riachuelo and Midway Financeira have deferred taxes arising from tax losses whose realization expectation is updated annually, as provided for in CPC 32 - Income Taxes. However, as a result of the drop in revenue caused by the effects of the COVID-19 pandemic, Management analyzes the results on a quarterly basis, whose realization on March 31, 2022 is 7 years in the Parent Company and 8 years in the Consolidated.

For deferred income taxes and social contributions, referring to the provision for expected credit losses and other expenses with temporary effects, the realization schedule was not performed, considering that their fluctuations occur on a monthly basis. In cases of provision for tax, labor and civil contingencies, its realization is certain, but depends on the outcome of the judgment by the administrative and judicial spheres.

Deferred income tax credits on net income, presented in non-current assets, are calculated on temporary differences and on income tax losses and negative social contribution bases and are recorded when there is a probable expectation of realization of these assets. through the generation of future taxable income, being recorded at the rates that are in effect at the time of their realization.

(In thousands of Brazilian Reais, except as otherwise indicated)

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION – LIABILITIES

Deferred income tax and social contribution on the adoption of IFRS and CPCs	Parent Company 03/31/2022	Parent Company 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Deemed Cost	44,081	44,594	44,081	44,594
Difference in depreciation rates	18,748	18,703	30,556	31,456
	62,829	**63,297**	**74,637**	**76,050**

Equity valuation adjustment on the adoption of IFRS and CPCs	Parent Company 03/31/2022	Parent Company 12/31/2021	Consolidated 03/31/2022	Consolidated 12/31/2021
Deemed Cost	129,650	131,159	129,650	131,159
Difference in depreciation rates	55,141	55,009	89,871	92,518
Tax Base	**184,791**	**186,168**	**219,521**	**223,677**
Deferred income tax at the rate of 25%	46,198	46,542	54,880	55,919
Deferred CSLL at the rate of 9%	16,631	16,755	19,757	20,131
	62,829	**63,297**	**74,637**	**76,050**

EXPENSES WITH INCOME TAX AND SOCIAL CONTRIBUTION

Income tax and social contribution expenses for the periods ended March 31, 2022 and 2021 are reconciled at nominal rates, as follows:

	Parent Company 03/31/2022	Parent Company 03/31/2021
Profit (Loss) before income tax and social contribution (a)	(94,397)	(102,965)
Nominal rate %	34%	34%
Nominal income tax and social contribution	**32,095**	**35,008**
Adjustments for calculating the effective rate:		
Equity accounting method	(34,297)	(44,270)
Tax incentives - Income Tax	-	1,789
Tax incentives - ICMS	6,264	4,764
Interest on equity	10,201	-
Non-Deductible Expenses	(206)	3,203
	(18,038)	**(34,514)**
Temporary differences:		
Suspended enforceability taxes	(127)	(353)
Miscellaneous provisions	(26)	(913)
Income tax recovery from previous years	310	336
Deferred tax credits on provisions for the adoption of CPCs	45	(1,516)
	202	**(2,446)**
(Current and deferred) income tax and social contribution on income	**14,259**	**(1,952)**
Effective income tax and social contribution:		
Current	-	(773)
Deferred	14,259	(1,179)
	14,259	**(1,952)**
Effective tax rate (*)	**-15.11%**	**1.90%**
Current income tax and social contribution expenses	-	773
Provision for Salary IRRF, Miscellaneous and IRPJ and CSLL Estimates	1,855	3,823
IRRF on JCP	4,163	-
IRRF payments on JCP previous fiscal year	(35)	-
Prepayments	(3,234)	(5,130)
Previous income tax and social contribution payable	1,414	534
Income tax and social contribution payable	**4,163**	**-**

(In thousands of Brazilian Reais, except as otherwise indicated)

	Consolidated	
	03/31/2022	**03/31/2021**
Profit (Loss) before income tax and social contribution (a)	(145,931)	(161,963)
Nominal rate (%)	34%	34%
Nominal income tax and social contribution	**49,617**	**55,067**
Adjustments for calculating the effective rate:		
Nominal rate difference applied to subsidiaries	(3,979)	(964)
Tax incentives - Income Tax	-	1,789
Tax incentives - ICMS	6,264	4,764
Interest on equity	10,201	-
Non-Deductible Expenses	12,706	6,587
Decrease in inventories	(1,742)	2,436
	23,450	**14,612**
Temporary differences:		
Suspended enforceability taxes	(28,007)	53,721
IR and CSLL on taxes with suspended liabilities	(131)	(354)
Miscellaneous provisions	16,522	(4,956)
Deferred tax credits on the effects of adopting CPCs - Attributed Cost	893	1,026
Deferred tax credits on provisions for the adoption of CPCs	3,449	(62,070)
	(7,274)	**(12,633)**
(Current and deferred) income tax and social contribution on income	**65,793**	**57,046**
Effective income tax and social contribution:		
Current	(28,317)	(3,169)
Deferred	94,110	60,215
	65,793	**57,046**
Effective tax rate (*)	**-45.09%**	**-35.22%**
Current income tax and social contribution expenses	28,316	3,169
Provision for Salary IRRF, Miscellaneous and IRPJ and CSLL Estimates	1,855	3,823
IRRF on JCP	4,163	-
IRRF payments on JCP previous fiscal year	(35)	-
Prepayments	(41,304)	(7,169)
Previous income tax and social contribution payable	39,128	2,452
Income tax and social contribution payable	**32,123**	**2,275**

(*) The Company believes that it is premature to estimate, at this moment, the annual effective average rate, mainly due to the fact that, due to the segment in which it operates, there are several events that may change the estimated annual percentage, such as: i) decision on the distribution or not of interest on equity; ii) changes in revenues, due to seasonality in sales, among others.

(In thousands of Brazilian Reais, except as otherwise indicated)

27 EQUITY

27.1 CAPITAL

The subscribed and paid-in capital of BRL 3,100,000 as of March 31, 2022 and December 31, 2021 is represented by 499,200,000 book-entry nominative shares being fully paid up in common shares, according to the Annual and Extraordinary Shareholders' Meeting of the Company held on April 27, 2022.

Breakdown of the main shareholders as of March 31, 2022

Shareholder	Ordinary Bookkeeping	%
LISIANE GURGEL ROCHA	139,264,056	27.90
ELVIO GURGEL ROCHA	137,310,416	27.50
FLAVIO GURGEL ROCHA	136,510,408	27.35
OTHER	86,115,120	17.25
	499,200,000	**100.00**

The Company's capital is divided into:

- Common Shares

Each common share will entitle to 1 (one) vote in the deliberations of the Company's Shareholders' Meeting.

- Treasury shares

On February 5, 2019, the Company disbursed BRL 20 in the acquisition of 320 preferred shares in the unit value of BRL 63.64.

27.2 DIVIDENDS AND INTEREST ON EQUITY

The Company's Management approved at the Board of Directors' meetings on March 24, 2022 the crediting to its shareholders of interest on equity (JCP), in the gross amount of BRL 30,002, with withholding income tax BRL 4,163. The JCP was calculated based on the variation of the Long-Term Interest Rate (TJLP), whose payment will be resolved at the Annual Shareholders' Meeting of 2023.

The Company's Management approved at the meetings of the Board of Directors in 2021 the crediting to its shareholders of interest on equity (JCP) as detailed in the table below, and calculated based on the variation of the Long-Term Interest Rate (TJLP), the payment of which was made on 05/03/2022, as approved at the Annual General Meeting of 04/27/2022.

Date of the Meeting of the Board of Directors	Quarter	Gross Amount	IRRF (Withholding Income Tax)	Net Amount
June 24, 2021	2º	15,026	2,082	12,944
September 24, 2021	3º	15,076	2,086	12,990
December 27, 2021	4º	204,521	28,331	176,190
Total Interest on Equity Credited		**234,623**	**32,499**	**202,124**

Calculation of Interest on Equity:

	03/31/2022	12/31/2021
Equity for the fiscal year	5,266,785	5,027,343
(-) Equity valuation adjustment	(85,569)	(86,564)
Equity adjusted for the calculation of JCP	**5,181,216**	**4,940,779**
Long-Term Interest Rate - TJLP	0.58%	4.75%
Interest on gross equity	**30,002**	**234,623**
Withholding Income Tax - IRRF	(4,163)	(32,499)
Net interest on equity payable	**25,839**	**202,124**
Gross interest on equity per share		
Common shares - ON	0.0601	0.4700

(In thousands of Brazilian Reais, except as otherwise indicated)

In the Company's financial statements for the fiscal year ended December 31, 2021, we present the calculation of interest on equity credited in the respective year.

Statement of the calculation of dividends on the results calculated in 2021:

	12/31/2021
Net profit (loss) for the fiscal year	453,128
Income tax incentive	-
ICMS tax incentive	(168,880)
Creation of legal reserve	(14,212)
Dividend calculation basis	**270,036**
Percentage of the calculation base - %	25.0%
Proposed total dividend	**67,508**

We show the changes in interest on equity as follows:

	03/31/2022	12/31/2021
Opening balance	204,958	176,755
Interest on equity - provision	30,002	234,623
IRRF payment	(35)	(32,464)
IRRF - provision	(4,128)	(35)
Payment of interest on equity	(61)	(173,624)
Expiry of interest on equity	-	(297)
	230,736	**204,958**

We show the changes in the following dividends:

	03/31/2022	12/31/2021
Opening balance	103	358
Expired dividends	-	(255)
	103	**103**

And in accordance with Article 4-A of Law No. 6.404/76, the shares in circulation in the market are held in custody at Banco Itaú S.A.

27.3 RETAINED EARNINGS

Legal Reserve

The legal reserve is constituted with the allocation of 5% of the net income for the fiscal year after the creation of the tax incentive reserve arising from SUDENE, PROADI/PROEDI and PROVIN, until reaching 20% of the share capital, and its use is restricted to offsetting losses, after the balances of retained earnings and other profit reserves have been absorbed, and the capital stock increase at any time at the Company's discretion, the current balance accumulated on March 31, 2022 is BRL 239,525 (BRL 239,525 as of December 31, 2021).

Investment Reserve

Profits for the fiscal year are transferred to the investment reserve account after appropriations of the tax incentive reserve (SUDENE, PROADI/PROEDI and PROVIN), legal reserve and the attribution of interest on equity and mandatory dividends distributed to shareholders, in accordance with the Company's capital budget, approved by the Shareholders' Meeting held on 04/27/2022.

The current accumulated balance of the investment reserve as of March 31, 2022 is BRL 1,296,170 (BRL 1,296,170 as of December 31, 2021).

Tax Incentive Reserve

INCOME TAX

The Company enjoys tax incentives for income tax on the result earned on the sale of products manufactured by the Company at the plants located in Natal and Fortaleza. These incentives, granted by SUDENE, consist of the exemption or reduction of 75% of income tax on results calculated in each manufacturing unit. The benefit was extended until the base year of 2026 according to the Constitutive reports No. 1127/2017 and No. 1128/2017 issued by SUDENE.

The income tax incentive must be accounted for directly in the income tax account in the result, which, in the period ended March 31, 2022 and in the fiscal year ended December 31, 2021 were not determined due to the Company presenting tax loss.

The Management of the Company allocates this incentive when determined, as a Retained earnings – tax incentives, which must be approved at the Annual General Meeting. The funds promoted by the incentive are not distributed as dividends and will be fully incorporated into the capital, a requirement contained in the SUDENE rules, as conditions for rendering of accounts.

STATE GOODS AND SERVICES TAX – ICMS

ICMS tax benefits

The Company has ICMS tax incentives granted by the state governments of Rio Grande do Norte and Ceará. The Federal Supreme Court (STF) issued decisions in Direct Actions, declaring the unconstitutionality of several state laws that granted ICMS tax benefits without prior agreement between the States.

Although it does not have ICMS tax incentives judged by the STF, the Company has been monitoring, with its legal advisors, the evolution of this issue in the courts to determine possible impacts on its operations and consequent reflections on the financial statements.

The Company has a tax incentive under the Industrial Development Fund of Ceará – FDI granted until August 2023, corresponding to financing equivalent to 75% of the ICMS due, adjusted by the TJLP, and amortization with a 99% discount after a grace period of 1 month. In order to operationalize the financing, the Company maintains a contract signed with Bradesco S.A., in the State of Ceará.

The Company benefited from the incentive under the Industrial Development Support Program of Rio Grande do Norte – PROADI until July 31, 2019, being replaced as of August 1, 2019 by the Industrial Development Stimulus Program of Rio Grande do Norte – PROEDI created by Decree No. 29.030/2019 and ensured by state law No. 10.640 dated December 26, 2019, in the form of an assumed credit equivalent to 75% to 80% of the ICMS amount to be collected. The approval of the grant of the benefit is authorized in Opinion No. 337/2019 issued by the Taxation Secretariat of the State of Rio Grande do Norte.

These incentives have been recorded in a reduction account of the ICMS expense account upon payment which, in the period ended March 31, 2022 was BRL 18,424 (BRL 14,012 on March 31, 2021).

27.4 EQUITY VALUATION ADJUSTMENT

ASSIGNED COST OF FIXED ASSETS

As provided for in CPC 27 - Fixed assets and in compliance with the guidelines contained in Technical Interpretation CPC 10, the Company recognized the fair value adjustment of the property, plant and equipment on the date of the initial adoption of the CPCs (January 1st, 2009).

The counterpart of said adjustment, net of deferred income tax and social contribution, was recognized in the "Equity valuation adjustment" account, in net equity. This item is realized against the retained earnings account to the extent that the depreciation of the fair value adjustment of Fixed assets is recognized in the Company's profit or loss.

27.5 OTHER COMPREHENSIVE INCOME

Refer to non-derivative financial assets measured at fair value held by the subsidiary Midway Financeira, according to Note 4.3.

(In thousands of Brazilian Reais, except as otherwise indicated)

27.6 SHARED-BASED PAYMENT PLAN

ACCOUNTING POLICY

Pursuant to the plan approved at the Meeting, the contracts were entered into between the Group Companies and their executives based on the delivery of Equity Instruments with the granting of Stock Options, the fair value of which instruments were calculated by the Black&Scholes pricing model, where the Company and its subsidiaries recognize the expense of the cost of the shares granted from their grant until the dates of their options, as provided for in the contract, where these executives may or may not exercise the right to purchase these shares.

After approval at the Special Shareholders' Meeting in December 2019, the Company adopted, as a form of compensation for its main executives and its direct and indirect subsidiaries, a Stock Option Plan, giving them the opportunity to become its shareholders, seeking greater retention and alignment of the interests of these managers and employees with the interests of shareholders, always with a view to developing the Company's social objectives.

a) RELEVANT CHARACTERISTICS OF THE PLAN

As the most relevant features of the Plan, the following can be highlighted: (i) the granting of options must respect the maximum limit of 5% (five percent) of the total shares of the Company's capital, considering, in this total, the effect of the dilution resulting from the exercise of all options granted and not exercised; (ii) the management of the Plan will be the responsibility of the Board of Directors; (iii) the number of shares that the Beneficiary will be entitled to acquire or subscribe for have been established in its contracts, as well as all the conditions established in the Plan, always respecting the limits provided in item (i); (iv) the options may be exercised in whole or in part during the term and periods established in the Programs and in the respective contracts; (v) if, by the deadline, the executive does not present the Instrument of Option Exercise, the options not exercised will be automatically extinguished and without the right to indemnification; (vi) the price of the shares will be equivalent to the weighted average by volume of the closing prices of the shares of the last 40 trading sessions on B3 S.A. – Brasil, Bolsa, Balcão, prior to the date of granting the option, and may be monetarily restated based on the variation of a price index to be determined by the Board of Directors and/or plus interest, according to the rate determined by the Board of Directors, or, still, the Board of Directors may choose to apply a discount of up to 10% on said average to title to encourage the acquisition of shares; (vii) in cases of termination of the employment contract, the shares whose options have not yet been exercised will expire without indemnification.

b) GRANTS

No quadro abaixo apresentamos a posição das outorgas em andamento:

The first grant exercised by the Company and its beneficiaries began on January 1, 2020, whose options were divided into 3 lots, each subject to a grace period.

The exercise price for each option is BRL 20.00, which corresponds to the weighted average by volume of the closing prices of a common share of the Company in the trading sessions at B3 S.A. – Brasil, Bolsa, Balcão, in the period from 10/23/2019 to 12/19/2019, plus a discount of 1.52% granted by the Board of Directors according to the limit provided for in the Plan.

The table below shows the status of grants in progress:

Grant	Option Start Date	Option End Date	Approved Options	Fair value (*)	Call Option Amount
01/01/2020	04/01/2021	12/31/2025	15,050	6.74	20.00

(*) Fair value considering the average for the periods granted.

c) MOVEMENT

	Number of shares (in thousands) 03/31/2022
Opening balance	16,275
Canceled grants	(1,225)
	15,050

Canceled grants refer to dismissed employees. As of March 31, 2022, stock option plan expenses totaled BRL 974 in the Parent Company and BRL 4,735 in the Consolidated. As of March 31, 2021, stock option plan expenses totaled BRL 214 in the Parent Company and BRL 5,105 in the Consolidated.

28 RELATED PARTIES

(i) Balances

CURRENT ASSETS

		Parent Company			
		Bonds and securities		Duplicate invoices	
Subsidiaries		**03/31/2022**	**12/31/2021**	**03/31/2022**	**12/31/2021**
Lojas Riachuelo - Duplicate invoices (note 11)	(a)	-	-	856,316	518,601
Midway Financeira (note 10)	(d)	275,576	603,006	-	-
		275,576	**603,006**	**856,316**	**518,601**

		Parent Company	
		Accounts receivable	
Subsidiaries		**03/31/2022**	**12/31/2021**
Lojas Riachuelo			
- Rent and others	(b)	3,183	5,759
- Distribution of dividends	(c)	13,613	13,613
Midway Shopping Center Ltda.	(c)	26,391	58,168
Transportadora Casa Verde Ltda.	(c)	-	260
		43,187	**77,800**

Distribution of Subsidiaries' Profits	**Lojas Riachuelo S.A.**	**Midway Shopping LTDA.**	**Transportadora Casa Verde Ltda.**	**Total**
December 31, 2020	**354,274**	**28,977**	**1,423**	**384,674**
Distributed Profits	13,613	55,291	260	69,164
Received previous year (*)	(354,274)	(26,100)	(1,423)	(381,797)
Total received	(354,274)	(26,100)	(1,423)	(381,797)
December 31, 2021	**13,613**	**58,168**	**260**	**72,041**
Received previous year (*)	-	(31,777)	(260)	(32,037)
Total received	-	(31,777)	(260)	(32,037)
March 31, 2022	**13,613**	**26,391**	**-**	**40,004**

(*) The settlement of dividends in 2021 and 2022, of the subsidiaries Lojas Riachuelo S.A. and Transportadora Casa Verde Ltda. was perfomed through the settlement of trade bills with the Parent Company. Dividends from subsidiary Midway Shopping in the amount of BRL 31,777 were effectively paid.

(In thousands of Brazilian Reais, except as otherwise indicated)

NON-CURRENT ASSETS

Stock option plan	Parent Company	
	Accounts receivable	
Subsidiaries	**03/31/2022**	**12/31/2021**
Lojas Riachuelo S.A.	34,684	32,220
Midway Financeira S.A.	10,949	9,732
Midway Shopping Center Ltda.	738	657
	46,371	**42,609**

CURRENT LIABILITIES

	Parent Company	
	Accounts payable	
Subsidiaries	**03/31/2022**	**12/31/2021**
Transportadora Casa Verde LTDA. - Freight *	3,087	1,676
	3,087	**1,676**

* Amount included under "other liabilities".

NON-CURRENT LIABILITIES

(d) **Transactions**

		Parent Company	
		Revenue	
		03/31/2022	**12/31/2021**
Subsidiaries			
Lojas Riachuelo - Sales	(a)	410,491	1,594,714
Lojas Riachuelo - Rent, dividends and others	(b)	7,760	56,116
Midway Financeira S.A.	(e)	11,741	24,138
Transportadora Casa Verde Ltda. - Rent	(b)	3	13
		429,995	**1,674,981**

Below is a breakdown of the nature of the balance and the transactions in the tables above:

(a) Refers to sales transactions of apparel products. Sales to Lojas Riachuelo are made with maturities between 90 days. Additionally, in the context of the Group's vertical structure, all the parent company's sales are destined exclusively to Lojas Riachuelo.

(b) It corresponds to income earned from leasing properties to subsidiary Lojas Riachuelo and Transportadora Casa Verde.

(c) It refers to the amount of profit to be distributed from the respective Subsidiary, to the Parent Company.

(d) They refer to the Company's bonds and securities held with the indirect subsidiary Midway Financeira.

(e) They refer to Interest on the Company's bonds and securities held with the indirect subsidiary Midway Financeira.

(iii) Disclosure of compensation to directors

The Company's officers only receive fixed monthly fees, disclosed in the income statement, and do not enjoy other advantages, except for those who are shareholders who receive dividends in proportion to their shares, on the basis authorized at the Shareholders' Meeting. Such fees are highlighted in the income statement in the Management's fee account.

(In thousands of Brazilian Reais, except as otherwise indicated)

The compensation of officers and members of the Management recognized in the result, in the period ended March 31, 2022, is presented below:

	Parent Company		Consolidated	
Compensation	**03/31/2022**	**03/31/2021**	**03/31/2022**	**03/31/2021**
Executive Board (*)	1,475	751	1,475	751
Board of Directors	-	-	2,216	2,163
Supervisory Board	135	94	135	94
	1,610	**845**	**3,826**	**3,008**

(*) As of May 2021, the Company has 5 members on the Board of Directors, two of them independent.

29 RETIREMENT BENEFIT OBLIGATIONS

The Group has had supplementary pension plans since December 2011, which are currently managed by Bradesco Vida e Previdência, at no cost to its employees. The main purpose of this benefit is to provide its participants and beneficiaries with a cash income from retirement and pension supplementation, in accordance with the provisions of the agreement. The plan is defined contribution and is open to the participation of all employees, upon payroll discount. As it is a defined contribution plan, possible actuarial risks (risks that the benefits are lower than expected) and investment risks (risk that the assets invested are insufficient to cover the expected benefits) are assumed by the employees and not by the Company, in addition to not having any post-retirement benefits.

The contributions made by the Company and its subsidiaries and by the participants are presented below:

	Parent Company		Consolidated	
	03/31/2022	**12/31/2021**	**03/31/2022**	**12/31/2021**
Company Contribution	102	85	2,004	1,615
Employee contributions	103	87	2,064	1,987
	205	**172**	**4,068**	**3,602**

(In thousands of Brazilian Reais, except as otherwise indicated)

30 NET REVENUE

The reconciliation between gross sales and net revenues is as follows:

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Gross revenue				
Wholesale sales	410,491	319,173	-	1
Retail sales	-	-	1,694,514	1,199,978
Credit transactions	-	-	528,396	411,793
Store leasing	-	-	19,815	14,838
Transport services	-	-	26	25
Other	-	-	3,185	-
	410,491	**319,173**	**2,245,936**	**1,626,635**
Gross revenue deductions				
ICMS (Tax on Goods and Services)	(55,896)	(46,952)	(259,292)	(188,270)
ICMS - Tax incentive	18,424	14,012	18,424	14,012
IPI (Tax on Manufactured Products)	(4,849)	(5,450)	-	-
COFINS (Social Security Financing)	(25,792)	(20,095)	(115,971)	(84,985)
PIS (Social Integration Program)	(5,599)	(4,363)	(24,069)	(17,579)
INSS (Brazilian Institute of Social Security)	(8,432)	(6,435)	-	-
ISS (Tax on Services)	-	-	(5,686)	(5,056)
Sales returns	(1,928)	(53)	(86,038)	(66,631)
Other	-	-	(37,393)	(34,754)
	(84,072)	**(69,336)**	**(510,025)**	**(383,263)**
Net Revenue	**326,419**	**249,837**	**1,735,911**	**1,243,372**

For the purposes of the Value Added Statement, in accordance with NBC T 3.7, gross revenue must be presented after deducting sales returns, unconditional rebates and cancellations.

31 COST OF PRODUCTS SOLD, SERVICES RENDERED, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

31.1 COSTS OF SOLD PRODUCTS AND SERVICES PROVIDED

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cost of products sold and services rendered				
Goods for resale	(30,610)	(30,174)	(616,936)	(407,888)
Raw materials	(136,927)	(95,242)	-	-
Personnel	(64,293)	(54,183)	-	-
Depreciation and amortization	(6,043)	(5,891)	-	-
Cost of financial operations	-	-	(105,473)	(174,266)
Idle capacity cost (*)	(5,317)	(11,416)	(5,317)	(11,416)
Other costs (**)	(23,421)	(8,470)	(3,199)	(2,922)
	(266,611)	**(205,376)**	**(730,925)**	**(596,492)**

(*) In 2021, the COVID-19 pandemic caused the stoppage of the Company's factories, generating a higher cost of idleness that makes up the value of the cost recognized in the fiscal year, but not allocated to the cost of the product (per unit), as expected in CPC 16 - Inventories.

(**) Other costs at the Parent Company refer to service operations provided by sewing and electric power workshops.

(In thousands of Brazilian Reais, except as otherwise indicated)

31.2 SALES EXPENSES

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Personnel expenses	(307)	(257)	(263,783)	(235,645)
Third-party services	(2,354)	(1,396)	(112,840)	(126,467)
Utilities	(9)	(10)	(39,607)	(32,965)
Rent expenses	-	-	(21,930)	(19,754)
Estimate for expected credit losses (*)	-	-	(152,203)	108,553
Depreciation and amortization	(28)	(28)	(44,801)	(46,834)
Depreciation of right of use	-	-	(54,053)	(53,658)
Materials	(86)	(42)	(13,986)	(10,329)
Taxes and other fees	(39)	(21)	(14,037)	(11,787)
Other expenses (**)	(68)	(47)	(76,911)	(43,261)
	(2,891)	**(1,801)**	**(794,151)**	**(472,147)**

(*) As of March 31, 2021, there was a reversal of the estimate for expected credit loss due to the improvement of the effects of the COVID-19 pandemic.

(**) On March 31, 2021, in the Consolidated, it contains the amount of BRL 12,364, referring to discounts obtained from time to time in the payment of rents classified as leasing, recorded in income, due to the pandemic scenario, according to CPC review 6 (R2), which, with the end of the restrictions resulting from the COVID-19 pandemic, did not happen in 2022.

31.3 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Personnel expenses	(6,125)	(5,192)	(113,374)	(106,220)
Administration Fees	(1,610)	(845)	(3,826)	(3,008)
Third-party services	(2,276)	(1,783)	(68,832)	(82,624)
Utilities	(108)	(179)	(1,664)	(1,002)
Depreciation and amortization	(750)	(778)	(40,689)	(26,323)
Depreciation of right of use	-	-	(239)	-
Taxes and other fees	(569)	(1,252)	(8,273)	(10,136)
Bank fees	-	-	(7,126)	(6,467)
Materials	(169)	(151)	(3,732)	(1,969)
Travel expenses	(9)	(1)	(3,162)	(1,344)
Estimate for expected credit losses	-	-	(9,035)	(19,665)
Other expenses	(800)	(1,260)	(39,288)	(25,164)
	(12,416)	**(11,441)**	**(299,240)**	**(283,922)**

32 OTHER (EXPENSES) OPERATIONS REVENUE, NET

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Rent	7,833	13,113	312	104
Tax recovery	319	1,054	432	1,394
Depreciation and amortization	(856)	(961)	(856)	(961)
Interest and fines on risk provision	-	-	-	31
Earning (loss) disposal of fixed assets	-	188	-	188
Other	(174)	(1,378)	3,379	5,961
	7,122	**12,016**	**3,267**	**6,717**

(In thousands of Brazilian Reais, except as otherwise indicated)

33 NET FINANCIAL INCOME

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Financial Revenue				
Income from bonds and securities and financial investments	12,363	4,879	45,573	15,020
Interest revenue	12	343	349	414
Discounts obtained	358	20	389	65
Positive exchange rate variation	772	229	19,569	237
Other financial revenue	280	511	11,856	2,770
	13,785	**5,982**	**77,736**	**18,506**
Financial Expenses				
Interest on loans, financing, and bonds	(57,410)	(21,591)	(69,410)	(28,453)
Interest costs	(1,013)	(33)	(27,039)	(8,588)
Bank fees	-	-	(1,462)	(1,159)
Interest on lease liabilities	-	-	(21,011)	(20,750)
Other financial expenses	(508)	(352)	(19,607)	(19,047)
	(58,931)	**(21,976)**	**(138,529)**	**(77,997)**
Net financial income	**(45,146)**	**(15,994)**	**(60,793)**	**(59,491)**

34 PROFIT (LOSS) PER SHARE

(a) Basic/diluted

Basic/diluted profit (loss) per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of common shares issued during the period, excluding common shares purchased by the Company and held as treasury shares.

We demonstrate the reconciliation of net loss for the period with the values used to calculate earnings per share:

	Parent Company and Consolidated	
	03/31/2022	03/31/2021
Basic/diluted numerator		
Distribution of net loss for the fiscal year to shareholders	(80,138)	(47,517)
Basic/diluted denominator		
Loss distributed to shareholders holding shares - Common Regist	(80,138)	(47,517)
Available shares - thousand	499,200	499,200
Basic/diluted net loss per registered common share - BRL	-0.16053	-0.09519

The diluted loss per share is equal to the basic, due to the lack of potential shares with dilution effect.

35 OPERATING LEASE – RENTAL OF STORES

As of March 31, 2022, the subsidiary Midway Shopping had 282 (282 as of December 31, 2021) lease agreements, of which 280 with third parties and 2 with the related party Lojas Riachuelo, which Management analyzed and concluded that they fit into the operating lease classification. Most of the stores' lease agreements provide for variable rental income, levied on sales, or a minimum amount annually updated by various indexes representing inflation, with validity periods of five years, subject to renewal. The lease contracts for Shopping Midway's gross leasable areas ("GLA") have values fixed in the contract, with annual adjustments, according to the variation of the main inflation indices.

(In thousands of Brazilian Reais, except as otherwise indicated)

The rental value of real estate is always the greater of: (i) the equivalent of 3% and 5% of gross monthly sales, made by the store; or (ii) a minimum monthly amount updated annually by various indices representing inflation. These lease agreements have a validity period of five to fifteen years, subject to renewal. In the period ended March 31, 2022, net rental income totaled BRL 19,777 (BRL 14,791 as of March 31, 2021) at Midway Shopping and BRL 18,845 (BRL 14,159 as of March 31, 2021) at consolidated.

The forecast of future revenues of the subsidiary Midway Shopping, arising from these contracts at March 31, 2022, total a minimum amount of BRL 741,058, of which:

Maturity	**Per Value**
9 months of 2022	72,063
2023	74,369
2024	76,749
2025	79,205
Other maturities until 2028	438,672
	741,058

The subsidiary Midway Shopping is the lessor of the lease agreements.

The lease agreements between the Parent Company and the subsidiary Lojas Riachuelo are described in NE 36, of commitments, obligations and contractual rights between related parties.

36 CONTRACTUAL COMMITMENTS, OBLIGATIONS AND RIGHTS

(a) Between related parties

As of March 31, 2022, the subsidiary Lojas Riachuelo S.A. is a lessee in 47 (48 as of December 31, 2021) real estate rental agreements (buildings and stores) of the Company, and the collection of the rent of the stores is variable and Call Center and Logistics Center are charged fixed rentals. The negotiated values are in accordance with market rates.

In the period ended March 31, 2022, such rental expenses, net of recoverable taxes totaled BRL 7,042 (BRL 11,803 as of March 31, 2021).

(b) With third parties

The Company and the subsidiary Lojas Riachuelo have commitments, obligations and contractual rights, given or received, not recorded in the financial statements as of March 31, 2022, as follows:

	Amount
Parent Company	
Commitment and/or obligation	
Insurance guarantee granted by banks for lawsuits and financing	350,285
Subsidiary - Lojas Riachuelo S.A.	
Commitment and/or obligation	
Insurance guarantee granted by banks as a guarantee in lawsuits and financing	157,730
Letter of guarantee granted by banks as a guarantee in lawsuits and financing	193,474
Subsidiary - Midway Financeira	
Commitment and/or obligation	
Insurance guarantee granted by Insurance Companies as a guarantee in lawsuits and financing	2,673
	704,162

(In thousands of Brazilian Reais, except as otherwise indicated)

37 INSURANCE COVERAGE

The Parent Company maintains the no fire insurance policy for a substantial portion of its assets. This policy takes into account the following aspects:

(a) Industrial park distributed in five physically segregated factories;

(b) Group commercial real estate and product inventories are physically segregated;

(c) Backup-protected data processing systems;

(d) All facilities have specific equipment to immediately fight possible fires;

(e) In approximately 70 years of the Parent Company's existence, there is no history of fires that have caused significant losses.

The subsidiary Lojas Riachuelo has fire insurance for the three Distribution Centers (São Paulo, Natal and Manaus), covering facilities, equipment and goods.

For stores leased on third-party real estate, fire insurance is maintained, taking into account the aspects of commercial real estate (the vast majority located in shopping malls) and corresponding inventories of physically segregated products. There is no history of fires that have caused significant losses.

For Midway Shopping, the Group has specific coverage according to the characteristics of the operation.

The contracted amounts are based on the opinion of the insurance consultants, in order to face the risks involved.

As of March 31, 2022, the Group had the following main insurance policies contracted with third parties, unaudited:

Insured assets	Covered risks	Company	Coverage amount
Net assets (CDs - Deposit Certificates)	Fire/lightning/explosion/electrical damage/ gale/loss of profits	Lojas Riachuelo	716,688
Aircraft	Fall/Hull/Civil Liability	Lojas Riachuelo	296,113
Branches	Basic Fire (lightning, explosion, implosion and aircraft crash)	Lojas Riachuelo	65,821
Goods	National Transportation	Lojas Riachuelo / TCV	100% Segurado
Fleet	Civil liability for pecuniary damage and corporate damages and pain and suffering against thi	Lojas Riachuelo / TCV	1,900
Liability General Civil	Products sold, transactions, employer and pain and suffering	Lojas Riachuelo	26,650
Assets	Fire/lightning/explosion/electrical damage/ gale/unrest/loss of profits	Midway Shopping	776,562
Liability General Civil	Commercial Condominiums (shopping center transactions)	Midway Shopping	22,000
D&O	Managers' civil liability	Grupo Guararapes	150,000

38 ADDITIONAL INFORMATION TO CASH FLOWS

The Company's Management defines as "cash and cash equivalents" amounts held for the purpose of meeting short-term commitments and not for investment or other purposes. Financial investments have characteristics of immediate convertibility into a known amount of cash and are not subject to the risk of significant changes in value. The balances that compose this account are shown in Note 9. In the period ended March 31, 2022, there were no changes in equity that affected the cash flows of the Company and its subsidiaries.

39 SUBSEQUENT EVENTS

Launch of Debenture Offering

Guararapes Confecções S.A., in compliance with the provisions of CVM Resolution No. 44, of August 23, 2021 (“CVM Resolution 44”), and CVM Instruction No. 476, of January 16, 2009, as amended (“Instruction CVM 476"), approved on April 13, 2022, at the Company's Board of Directors Meeting ("RCA"), the 5th (fifth) issue of up to 900,000 (nine hundred thousand) simple debentures, not convertible into shares, in a single series, unsecured with an additional fiduciary guarantee, by the Company, with a nominal unit value of R$1,000.00 (one thousand reais) on the issue date (“Debentures”), totaling up to R$900,000,000.00 (nine hundred million reais) on the issue date.

The Debentures will be subject to a public offering for distribution, with restricted distribution efforts, under the terms of CVM Instruction 476 and other applicable legal and regulatory provisions (“Restricted Offering”), under the regime of best placement efforts, observing that the public target of the Restricted Offer will be composed exclusively of professional investors, as defined in CVM Resolution No. 30, of May 11, 2021. of securities, and their financial settlement is subject to compliance with certain precedent conditions.

CSLL rate Midway Financeira

The subsidiary Midway Financeira will pay the CSLL rate of 16%, and no longer 15%, from August to December 2022.

The Executive Branch edited Provisional Measure 1115/22, increasing by one percentage point the rate of Social Contribution on Net Income (CSLL) of financial institutions (such as banks and exchange brokers), insurance and capitalization companies.