Summary

Company Data / Capital Composition

QUANTITY OF SHARES (In Thousand)	CURRENT QUARTER 3/31/2020
PAID-UP CAPITAL	
COMMON – ON	795,558
PREFERRED - PN	0
TOTAL	**795,558**
TREASURY SHARES	
COMMON – ON	3,159
PREFERRED - PN	0
TOTAL	**3,159**

Company Data / Cash Distribution

EVENT	APPROVAL	TYPE	BEGINNING PAYMENT	SHARE'S TYPE	SHARE'S CLASS	AMOUNT PER SHARE
Board of Directors Meeting	3/18/2019	Interest on Equity	5/8/2020	ON		0.09295
General Shareholder´s Meeting	4/18/2019	Dividends	4/29/2019	ON		0.25419
Board of Directors Meeting	6/19/2019	Interest on Equity	5/8/2020	ON		0.07765
Board of Directors Meeting	9/19/2019	Interest on Equity	5/8/2020	ON		0.07859
Board of Directors Meeting	12/18/2019	Interest on Equity	5/8/2020	ON		0.07728
Board of Directors Meeting	4/29/2020	Dividends	5/8/2020	ON		0.01981
Board of Directors Meeting	3/16/2020	Interest on Equity		ON		0.07364

Individual Statements / Balance Sheet-Asset

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Current period 3/31/2020	Prior end of year 12/31/2019
1	Total Assets	9,288,006	9,462,255
1.01	Current assets	3,887,115	4,109,252
1.01.01	Cash and cash equivalents	1,305,050	1,011,854
1.01.03	Trade Accounts Receivable	1,063,290	1,912,774
1.01.03.01	Customers	1,063,290	1,912,774
1.01.04	Inventories	1,156,041	915,848
1.01.06	Recoverable Taxes	178,305	199,116
1.01.06.01	Recoverable Current Taxes	178,305	199,116
1.01.08	Other Current Assets	184,429	69,660
1.01.08.03	Others	184,429	69,660
1.01.08.03.02	Derivative financial instruments	87,224	4,244
1.01.08.03.03	Other Assets	70,794	53,195
1.01.08.03.04	Credits with related parties	26,411	12,221
1.02	Non-Current Assets	5,400,891	5,353,003
1.02.01	Long-Term Assets	130,856	149,043
1.02.01.07	Deferred Taxes	64,784	83,401
1.02.01.07.01	Deferred Income Tax and Social Contribution	64,784	83,401
1.02.01.09	Credits with related parties	1,613	1,098
1.02.01.09.02	Credits with subsidiaries	1,613	1,098
1.02.01.10	Other Non-Current Assets	64,459	64,544
1.02.01.10.04	Recoverable Taxes	50,638	51,326
1.02.01.10.05	Other Assets	13,821	13,218
1.02.02	Investments	1,519,595	1,385,092
1.02.02.01	Shareholdings	1,519,595	1,385,092
1.02.02.01.02	Investments in Subsidiaries	1,519,595	1,385,092
1.02.03	Fixed Assets	3,278,368	3,349,157
1.02.03.01	Fixed Assets in Operation	1,600,227	1,625,538
1.02.03.02	Right-of-Use in Progress	1,490,272	1,534,904
1.02.03.03	Fixed Assets in Progress	187,869	188,715
1.02.04	Intangible	472,072	469,711
1.02.04.01	Intangible	472,072	469,711
1.02.04.01.02	Others Intangibles	455,191	450,298
1.02.04.01.03	Intangible Leased	16,881	19,413

Individual Statements / Balace Sheet-Liabilities

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Current period 3/31/2020	Prior end of year 12/31/2019
2	Total Liabilities	9,288,006	9,462,255
2.01	Current Liabilities	2,970,975	3,098,029
2.01.01	Social and Labor Obligations	266,258	276,548
2.01.01.01	Social Obligations	61,240	72,510
2.01.01.01.01	Social charges	61,240	72,510
2.01.01.02	Labor obligations	205,018	204,038
2.01.01.02.01	Wages payable	205,018	204,038
2.01.02	Suppliers	740,793	953,077
2.01.02.01	National suppliers	740,793	953,077
2.01.03	Tax Obligations	37,475	466,977
2.01.03.01	Federal Tax Obligations	8,406	258,919
2.01.03.01.01	Income Tax and Social Contribution Payable	-	164,355
2.01.03.01.02	Other Federal Tax Obligations	8,406	94,564
2.01.03.02	State Tax Obligations	27,654	206,240
2.01.03.03	Municipal Tax Obligations	1,415	1,818
2.01.04	Borrowings, Financing and Debentures	1,156,288	632,134
2.01.04.01	Borrowings and Financing	1,147,556	321,175
2.01.04.01.01	In National Currency	356,018	45,217
2.01.04.01.02	In Foreign Currency	791,538	275,958
2.01.04.02	Debentures	8,732	310,959
2.01.05	Other obligations	706,915	711,379
2.01.05.01	Related Party Liabilities	512	1,279
2.01.05.01.02	Debts with Subsidiaries	512	1,279
2.01.05.02	Others	706,403	710,100
2.01.05.02.01	Dividends and Interest on equity Payable	288,791	237,259
2.01.05.02.05	Other obligations	44,789	55,610
2.01.05.02.06	Statutory Participation	5,855	5,855
2.01.05.02.07	Obligations with Card Administrators	621	26,919
2.01.05.02.08	Derivative financial instruments	-	6,680
2.01.05.02.09	Leases payable	366,347	377,777
2.01.06	Provisions	63,246	57,914
2.01.06.01	Labor, Civil, Security and Tax Provisions	63,246	57,914
2.01.06.01.04	Civil Provisions	24,806	22,996
2.01.06.01.05	Labor Provisions	38,440	34,918
2.02	Non-Current Liabilities	1,628,866	1,659,612
2.02.01	Borrowings, Financing and Debentures	405,477	406,086
2.02.01.01	Borrowings and Financing	5,477	6,086
2.02.01.01.01	In National Currency	5,477	6,086
2.02.01.02	Debentures	400,000	400,000
2.02.02	Other obligations	1,199,885	1,230,095
2.02.02.02	Others	1,199,885	1,230,095
2.02.02.02.04	Other obligations	-	247
2.02.02.02.05	Leases payable	1,199,885	1,229,848
2.02.04	Provisions	23,504	23,431
2.02.04.01	Labor, Civil, Security and Tax Provisions	23,504	23,431
2.02.04.01.01	Tax Provisions	23,504	23,431

Individual Statements / Balace Sheet-Liabilities

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Current period 3/31/2020	Prior end of year 12/31/2019
2.03	Shareholder´s Equity	4,688,165	4,704,614
2.03.01	Capital	3,795,634	3,795,634
2.03.02	Capital reserves	(50,528)	38,678
2.03.02.04	Granted Options	68,933	74,227
2.03.02.05	Treasury Shares	(119,461)	(35,549)
2.03.04	Profit Reserves	882,788	882,788
2.03.04.01	Legal reserve	54,955	54,955
2.03.04.07	Tax Incentive Reserve	97,539	97,539
2.03.04.08	Proposed Additional Dividend	325	282,546
2.03.04.10	Reserve for Investment and Expansion	729,969	447,748
2.03.05	Accumulated Profit / Loss	(47,932)	-
2.03.08	Other Comprehensive Results	108,203	(12,486)

Individual Statements / Income Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year 1/1/2020 to 3/31/2020	Acumulated of Last Year 1/1/2019 to 3/31/2019
3.01	Revenue from Sale of Goods and / or Services	1,387,441	1,571,266
3.01.01	Net sales revenue from goods	1,371,507	1,482,940
3.01.02	Net revenue from financial products and services	15,934	88,326
3.02	Cost of Goods and / or Services Sold	(617,365)	(675,669)
3.02.01	Cost of sales with goods	(617,365)	(671,432)
3.02.02	Cost of financial products and services	-	(4,237)
3.03	Gross Profit	770,076	895,597
3.04	Operating Expenses / Revenues	(740,964)	(683,102)
3.04.01	Selling Expenses	(505,596)	(486,707)
3.04.02	General and Administrative Expenses	(202,317)	(179,721)
3.04.03	Losses due to non-recoverability of assets	21,896	(26,548)
3.04.04	Other Operating Income	8,927	29,432
3.04.05	Other Operating Expenses	(34,098)	(56,746)
3.04.06	Equity on Profit/Loss of Subsidiaries	(29,776)	37,188
3.05	Income Before Net Financial Expenses and Taxes	29,112	212,495
3.06	Net Financial expenses	(30,525)	(24,226)
3.06.01	Financial income	10,079	6,861
3.06.02	Financial expenses	(40,604)	(31,087)
3.07	Income Before Taxes on Profit	(1,413)	188,269
3.08	Income Tax and Social Contribution on Profit	11,832	(26,671)
3.08.01	Current	(36)	(13,937)
3.08.02	Deferred	11,868	(12,734)
3.09	Net Income from Continuing Operations	10,419	161,598
3.11	Profit / Loss for the Period	10,419	161,598
3.99.01	Basic Earnings per Share	0.0131	0.2061
3.99.01.01	ON	0.0131	0.2061
3.99.02	Diluted Earnings per Share	0.0131	0.2051
3.99.02.01	ON	0.0131	0.2051

Individual Statements / Comprehensive Income Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year 1/1/2020 to 3/31/2020	Acumulated of Last Year 1/1/2019 to 3/31/2019
4.01	Net Income For The Period	10,419	161,598
4.02	Other Comprehensive Income	120,689	3,876
4.02.01	Cash Flow Hedge	89,660	15,804
4.02.02	Portion Of Other Comprehensive Income Of Subsidiaries	5,733	891
4.02.03	Taxes Related To Components Of Comprehensive Income	(30,485)	(5,373)
4.02.04	Cumulative Translation Adjustments	55,781	(7,446)
4.03	Total Comprehensive Income For The Period	131,108	165,474

Individual Statements / Cash Flow Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year 1/1/2020 to 3/31/2020	Acumulated of Last Year 1/1/2019 to 3/31/2019
6.01	Net Cash From Operating Activities	133,796	(66,236)
6.01.01	Cash Flow From Operating Activities	183,218	283,916
6.01.01.01	Net Income For The Period	10,419	161,598
6.01.01.02	Depreciation And Amortization	163,392	155,968
6.01.01.05	Interest Expense and structuring costs Of Borrowing and leases	32,546	29,324
6.01.01.06	Interest on financing of operating services	2,561	-
6.01.01.07	Equity on Profit/Loss of Subsidiaries	29,776	(37,188)
6.01.01.09	Deferred And Current Taxes	(11,832)	26,671
6.01.01.12	Estimated losses (Reversal) On Assets net	(36,331)	(42,839)
6.01.01.13	Other adjustments of Net Income	(7,313)	(9,618)
6.01.02	Changes In Assets And Liabilities	128,879	(190,538)
6.01.02.01	Trade Accounts Receivable	893,382	231,361
6.01.02.02	Inventories	(226,805)	(81,141)
6.01.02.03	Recoverable Taxes	21,499	(50,521)
6.01.02.04	Other assets	(31,188)	(18,815)
6.01.02.05	Financing – Financial Services Operations	-	198,470
6.01.02.06	Suppliers	(223,607)	(288,490)
6.01.02.07	Tax Obligations	(265,147)	(179,841)
6.01.02.11	Obligations With Card Administrators	(26,466)	(6,932)
6.01.02.12	Other obligations	(12,789)	5,371
6.01.03	Others	(178,301)	(159,614)
6.01.03.02	Payment of Income Tax and Social Contribution	(164,391)	(139,738)
6.01.03.03	Payment of interest on borrowings, debentures and leases	(3,609)	(19,876)
6.02	Net cash from investing activities	(160,321)	(98,169)
6.02.01	Acquisitions of fixed and intangible assets	(57,579)	(56,607)
6.02.03	Proceeds from disposal of fixed assets	23	411
6.02.04	Investments in subsidiaries	(102,765)	(41,973)
6.03	Net cash from financing activities	319,721	(71,224)
6.03.02	Repurchase of treasury stocks	(96,964)	-
6.03.03	Borrowings	861,562	1,447
6.03.04	Payments of borrowings and debentures	(340,646)	(3,924)
6.03.06	Leases payments	(97,412)	(60,020)
6.03.07	Interest on Capital and Dividends Paid	(6,819)	(8,727)
6.05	Increase (decrease) In Cash and Cash Equivalents	293,196	(235,629)
6.05.01	Cash And Cash Equivalents at the beginning of the period	1,011,854	876,302
6.05.02	Cash And Cash Equivalents at the end of the period	1,305,050	640,673

Individual Statements / Changes in Shareholder´s Equity - 1/1/2020 to 3/31/2020

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Capital	Capital Reserves, Options Granted and Treasury Stock	Revenue Reserves	Retained Earnings	Other Comprehensive Income	Total
5.01	Opening Balances	3,795,634	38,678	882,788	-	(12,486)	4,704,614
5.03	Adjusted Initial Balances	3,795,634	38,678	882,788	-	(12,486)	4,704,614
5.04	Capital Transactions with Stockholders	-	(89,206)	-	(58,351)	-	(147,557)
5.04.04	Treasury Stock Acquired	-	(96,964)	-	-	-	(96,964)
5.04.07	Interest on equity	-	-	-	(58,351)	-	(58,351)
5.04.09	Restricted Stock Plan	-	2,776	-	-	-	2,776
5.04.10	Stock option plan	-	4,982	-	-	-	4,982
5.05	Total Comprehensive Income	-	-	-	10,419	120,689	131,108
5.05.01	Net Income for the Period	-	-	-	10,419	-	10,419
5.05.02	Other Comprehensive income	-	-	-	-	120,689	120,689
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	89,660	89,660
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	5,733	5,733
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(30,485)	(30,485)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	55,781	55,781
5.07	Balances as of March 31, 2020	3,795,634	(50,528)	882,788	(47,932)	108,203	4,688,165

Individual Statements / Changes in Shareholder´s Equity - 1/1/2019 to 3/31/2019

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Capital	Capital Reserves, Options Granted and Treasury Stock	Revenue Reserves	Retained Earnings	Other Comprehensive Income	Total
5.01	Opening Balances	2,637,473	79,557	1,235,334	-	2,148	3,954,512
5.03	Adjusted Initial Balances	2,637,473	79,557	1,235,334	-	2,148	3,954,512
5.04	Capital Transactions with Stockholders	-	7,301	-	(66,768)	-	(59,467)
5.04.07	Interest on equity	-	-	-	(66,768)	-	(66,768)
5.04.09	Restricted Stock Plan	-	2,496	-	-	-	2,496
5.04.10	Stock option plan	-	4,805	-	-	-	4,805
5.05	Total Comprehensive Income	-	-	-	161,598	3,876	165,474
5.05.01	Net Income for the Period	-	-	-	161,598	-	161,598
5.05.02	Other Comprehensive income	-	-	-	-	3,876	3,876
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	15,804	15,804
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	891	891
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(5,373)	(5,373)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	(7,446)	(7,446)
5.07	Balances as of March 31, 2019	2,637,473	86,858	1,235,334	94,830	6,024	4,060,519

Individual Statements / Statement of Added Value

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year 1/1/2020 to 3/31/2020	Acumulated of Last Year 1/1/2019 to 3/31/2019
7.01	Income	1,842,580	2,047,299
7.01.01	Sales of Goods, Products and Services	1,808,732	2,039,410
7.01.02	Other Receives	11,952	34,437
7.01.04	Provision / Reversal of Credits Doubtful Settlement	21,896	(26,548)
7.02	Input Purchased From Third Parties	(959,055)	(1,024,213)
7.02.01	Cost Of Sales Of Goods, Financial Products And Services (Including Taxes)	(697,526)	(772,194)
7.02.02	Materials, Energy, Outsides Services And Others	(251,405)	(248,289)
7.02.03	Loss / Recovery of Assets	(10,124)	(3,730)
7.03	Gross Value Added	883,525	1,023,086
7.04	Retentions	(163,392)	(155,968)
7.04.01	Depreciation and Amortization	(163,392)	(155,968)
7.05	Value Added Net Produced	720,133	867,118
7.06	Value Added Received In Transfer	(19,185)	44,377
7.06.01	Equity on Profit/Loss of Subsidiaries	(29,776)	37,188
7.06.02	Financial income	10,591	7,189
7.07	Total Added Value to Distribute	700,948	911,495
7.08	Distribution of Added Value	700,948	911,495
7.08.01	Personnel Expenses	248,221	238,128
7.08.01.01	Compensation	181,770	179,073
7.08.01.02	Benefits	37,642	33,489
7.08.01.03	Government Severance Indemnity Fund For Employees	18,417	17,739
7.08.01.04	Others	10,392	7,827
7.08.01.04.01	Stock Option Plan	4,982	4,805
7.08.01.04.02	Management remuneration	5,410	3,022
7.08.02	Taxes, fees and contributions	348,739	424,297
7.08.02.01	Federal Taxes	83,207	132,476
7.08.02.02	State Taxes	252,051	280,432
7.08.02.03	Municipal Taxes	13,481	11,389
7.08.03	Remuneration of Third Party Capital	93,569	87,472
7.08.03.02	Rents	49,298	55,673
7.08.03.03	Others	44,271	31,799
7.08.03.03.01	Financial expenses	44,271	31,799
7.08.04	Remuneration of Shareholders' Equity	10,419	161,598
7.08.04.01	Interest on Equity	58,351	66,768
7.08.04.03	Retained Earnings / Loss for the Period	(47,932)	94,830

Consolidated Statements / Balance Sheet-Asset

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Current period 3/31/2020	Prior end of year 12/31/2019
1	Total Assets	11,742,079	11,791,735
1.01	Current assets	6,598,661	6,656,209
1.01.01	Cash and cash equivalents	1,435,642	1,148,053
1.01.02	Financial investments	307,998	224,249
1.01.02.01	Financial investments measured at fair value through profit or loss	307,998	224,249
1.01.02.01.02	Fair Value Titles	307,998	224,249
1.01.03	Trade Accounts Receivable	3,012,644	3,825,961
1.01.03.01	Customers	3,012,644	3,825,961
1.01.04	Inventories	1,405,648	1,124,506
1.01.06	Recoverable Taxes	246,096	258,396
1.01.06.01	Recoverable Current Taxes	246,096	258,396
1.01.08	Other Current Assets	190,633	75,044
1.01.08.03	Others	190,633	75,044
1.01.08.03.02	Derivative financial instruments	94,964	4,382
1.01.08.03.03	Other Assets	95,669	70,662
1.02	Non-Current Assets	5,143,418	5,135,526
1.02.01	Long-Term Assets	326,320	297,620
1.02.01.07	Deferred Taxes	228,908	208,067
1.02.01.07.01	Deferred Income Tax and Social Contribution	228,908	208,067
1.02.01.10	Other Non-Current Assets	97,412	89,553
1.02.01.10.04	Recoverable Taxes	80,468	73,345
1.02.01.10.05	Other Assets	16,944	16,208
1.02.03	Fixed Assets	4,020,609	4,053,671
1.02.03.01	Fixed Assets in Operation	1,985,644	1,974,380
1.02.03.02	Right-of-Use in Progress	1,834,416	1,879,961
1.02.03.03	Fixed Assets in Progress	200,549	199,330
1.02.04	Intangible	796,489	784,235
1.02.04.01	Intangible	679,810	667,556
1.02.04.01.02	Others Intangibles	679,810	667,556
1.02.04.02	Goodwill	116,679	116,679

Consolidated Statements / Balance Sheet-Liabilities

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Current period 3/31/2020	Prior end of year 12/31/2019
2	Total Liabilities	11,742,079	11,791,735
2.01	Current Liabilities	4,803,382	4,768,397
2.01.01	Social and Labor Obligations	297,999	306,882
2.01.01.01	Social Obligations	70,386	81,263
2.01.01.01.01	Social charges	70,386	81,263
2.01.01.02	Labor obligations	227,613	225,619
2.01.01.02.01	Wages payable	227,613	225,619
2.01.02	Suppliers	851,614	1,082,399
2.01.02.01	National suppliers	851,614	1,082,399
2.01.03	Tax Obligations	79,185	636,723
2.01.03.01	Federal Tax Obligations	42,494	412,679
2.01.03.01.01	Income Tax and Social Contribution Payable	19,929	299,927
2.01.03.01.02	Other Federal Tax Obligations	22,565	112,752
2.01.03.02	State Tax Obligations	32,400	219,155
2.01.03.03	Municipal Tax Obligations	4,291	4,889
2.01.04	Borrowings, Financing and Debentures	1,796,251	894,018
2.01.04.01	Borrowings and Financing	1,787,519	583,059
2.01.04.01.01	In National Currency	746,393	98,625
2.01.04.01.02	In Foreign Currency	1,041,126	484,434
2.01.04.02	Debentures	8,732	310,959
2.01.05	Other obligations	1,704,882	1,780,740
2.01.05.02	Others	1,704,882	1,780,740
2.01.05.02.01	Dividends and Interest on equity Payable	288,791	237,259
2.01.05.02.05	Other obligations	90,374	94,413
2.01.05.02.06	Statutory Participation	5,855	5,855
2.01.05.02.07	Obligations with Card Administrators	881,287	985,298
2.01.05.02.08	Derivative financial instruments	-	7,764
2.01.05.02.09	Leases payable	438,575	450,151
2.01.06	Provisions	73,451	67,635
2.01.06.01	Labor, Civil, Security and Tax Provisions	73,451	67,635
2.01.06.01.04	Civil Provisions	33,257	30,868
2.01.06.01.05	Labor Provisions	40,194	36,767
2.02	Non-Current Liabilities	2,250,532	2,318,724
2.02.01	Borrowings, Financing and Debentures	715,584	751,011
2.02.01.01	Borrowings and Financing	315,584	351,011
2.02.01.01.01	In National Currency	315,584	311,152
2.02.01.01.02	In Foreign Currency	-	39,859
2.02.01.02	Debentures	400,000	400,000
2.02.02	Other obligations	1,507,114	1,537,395
2.02.02.02	Others	1,507,114	1,537,395
2.02.02.02.04	Other obligations	22,519	24,111
2.02.02.02.05	Leases payable	1,484,595	1,513,284
2.02.03	Deferred Taxes	2,159	5,837
2.02.03.01	Deferred Income Tax and Social Contribution	2,159	5,837
2.02.04	Provisions	25,675	24,481
2.02.04.01	Labor, Civil, Security and Tax Provisions	25,675	24,481
2.02.04.01.01	Tax Provisions	25,675	24,481

Consolidated Statements / Balance Sheet-Liabilities

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Current period 3/31/2020	Prior end of year 12/31/2019
2.03	Shareholder´s Equity	4,688,165	4,704,614
2.03.01	Capital	3,795,634	3,795,634
2.03.02	Capital reserves	(50,528)	38,678
2.03.02.04	Granted Options	68,933	74,227
2.03.02.05	Treasury Shares	(119,461)	(35,549)
2.03.04	Profit Reserves	882,788	882,788
2.03.04.01	Legal reserve	54,955	54,955
2.03.04.07	Tax Incentive Reserve	97,539	97,539
2.03.04.08	Proposed Additional Dividend	325	282,546
2.03.04.10	Reserve for Investment and Expansion	729,969	447,748
2.03.05	Accumulated Profit / Loss	(47,932)	-
2.03.08	Other Comprehensive Results	108,203	(12,486)

Consolidated Statements / Income Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year 1/1/2020 to 3/31/2020	Acumulated of Last Year 1/1/2019 to 3/31/2019
3.01	Revenue from Sale of Goods and / or Services	1,863,761	1,892,117
3.01.01	Net sales revenue from goods	1,550,180	1,650,337
3.01.02	Net revenue from financial products and services	313,581	241,780
3.02	Cost of Goods and / or Services Sold	(696,674)	(744,031)
3.02.01	Cost of sales with goods	(691,240)	(738,430)
3.02.02	Cost of financial products and services	(5,434)	(5,601)
3.03	Gross Profit	1,167,087	1,148,086
3.04	Operating Expenses / Revenues	(1,143,719)	(910,364)
3.04.01	Selling Expenses	(620,780)	(576,848)
3.04.02	General and Administrative Expenses	(231,405)	(201,814)
3.04.03	Losses due to non-recoverability of assets	(199,325)	(72,516)
3.04.04	Other Operating Income	10,313	29,433
3.04.05	Other Operating Expenses	(102,522)	(88,619)
3.05	Income Before Net Financial Expenses and Taxes	23,368	237,722
3.06	Net Financial expenses	(36,272)	(26,729)
3.06.01	Financial income	25,579	11,185
3.06.02	Financial expenses	(61,851)	(37,914)
3.07	Income Before Taxes on Profit	(12,904)	210,993
3.08	Income Tax and Social Contribution on Profit	23,323	(49,395)
3.08.01	Current	(33,319)	(42,501)
3.08.02	Deferred	56,642	(6,894)
3.09	Net Income from Continuing Operations	10,419	161,598
3.11	Profit / Loss for the Period	10,419	161,598
3.11.01	Attributed to Parent Company Shareholders	10,419	161,598
3.99.01	Basic Earnings per Share	0.0131	0.2061
3.99.01.01	ON	0.0131	0.2061
3.99.02	Diluted Earnings per Share	0.0131	0.2051
3.99.02.01	ON	0.0131	0.2051

Consolidated Statements / Comprehensive Income Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year 1/1/2020 to 3/31/2020	Acumulated of Last Year 1/1/2019 to 3/31/2019
4.01	Net Income For The Period	10,419	161,598
4.02	Other Comprehensive Income	120,689	3,876
4.02.01	Cash Flow Hedge	98,346	17,154
4.02.03	Taxes Related To Components Of Comprehensive Income	(33,438)	(5,832)
4.02.04	Cumulative Translation Adjustments	55,781	(7,446)
4.03	Total Comprehensive Income For The Period	131,108	165,474
4.03.01	Attributed to Parent Company Shareholders	131,108	165,474

Consolidated Statements / Cash Flow Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year 1/1/2020 to 3/31/2020	Acumulated of Last Year 1/1/2019 to 3/31/2019
6.01	Net Cash From Operating Activities	(253,752)	(70,304)
6.01.01	Cash Flow From Operating Activities	346,425	367,077
6.01.01.01	Net Income For The Period	10,419	161,598
6.01.01.02	Depreciation And Amortization	198,541	180,123
6.01.01.05	Interest Expense and structuring costs Of Borrowing and leases	36,757	33,254
6.01.01.06	Interest on financing of operating services	7,986	-
6.01.01.09	Deferred And Current Taxes	(23,323)	49,395
6.01.01.12	Estimated losses (Reversal) On Assets net	122,405	(43,615)
6.01.01.13	Other adjustments of Net Income	(6,360)	(13,678)
6.01.02	Changes In Assets And Liabilities	(193,741)	(30,082)
6.01.02.01	Trade Accounts Receivable	697,086	462,960
6.01.02.02	Inventories	(265,561)	(83,212)
6.01.02.03	Recoverable Taxes	5,177	3,003
6.01.02.04	Other assets	(24,048)	(22,601)
6.01.02.05	Financing – Financial Services Operations	-	203,352
6.01.02.06	Suppliers	(237,574)	(338,018)
6.01.02.07	Tax Obligations	(282,426)	(238,300)
6.01.02.11	Obligations With Card Administrators	(104,011)	(26,816)
6.01.02.12	Other obligations	17,616	9,550
6.01.03	Others	(406,436)	(407,299)
6.01.03.02	Payment of Income Tax and Social Contribution	(308,430)	(203,438)
6.01.03.03	Payment of interest on borrowings, debentures and leases	(3,956)	(20,402)
6.01.03.04	Interest paid on operating services financing	(10,301)	-
6.01.03.05	Financial investments	(83,749)	(183,459)
6.02	Net cash from investing activities	(89,417)	(78,471)
6.02.01	Acquisitions of fixed and intangible assets	(89,440)	(78,882)
6.02.03	Proceeds from disposal of fixed assets	23	411
6.03	Net cash from financing activities	637,411	(92,178)
6.03.02	Repurchase of treasury stocks	(96,964)	-
6.03.03	Borrowings	1,493,462	43,122
6.03.04	Payments of borrowings and debentures	(634,942)	(57,814)
6.03.06	Leases payments	(117,326)	(68,759)
6.03.07	Interest on Capital and Dividends Paid	(6,819)	(8,727)
6.04	Net Foreign Exchange Variation in Cash and Cash Equivalents	(6,653)	(1,492)
6.05	Increase (decrease) In Cash and Cash Equivalents	287,589	(242,445)
6.05.01	Cash And Cash Equivalents at the beginning of the period	1,148,053	944,671
6.05.02	Cash And Cash Equivalents at the end of the period	1,435,642	702,226

Consolidated Statements / Changes in Shareholder´s Equity - 1/1/2020 to 3/31/2020

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Capital	Capital Reserves, Options Granted and Treasury Stock	Revenue Reserves	Retained Earnings	Other Comprehensive Income	Total Attribuited to Parent Company Shareholders	Non-Controlling Shareholder Interest	Shareholder´s Equity
5.01	Opening Balances	3,795,634	38,678	882,788	-	(12,486)	4,704,614	-	4,704,614
5.03	Adjusted Initial Balances	3,795,634	38,678	882,788	-	(12,486)	4,704,614	-	4,704,614
5.04	Capital Transactions with Stockholders	-	(89,206)	-	(58,351)	-	(147,557)	-	(147,557)
5.04.04	Treasury Stock Acquired	-	(96,964)	-	-	-	(96,964)	-	(96,964)
5.04.07	Interest on equity	-	-	-	(58,351)	-	(58,351)	-	(58,351)
5.04.09	Restricted Stock Plan	-	2,776	-	-	-	2,776	-	2,776
5.04.10	Stock option plan	-	4,982	-	-	-	4,982	-	4,982
5.05	Total Comprehensive Income	-	-	-	10,419	120,689	131,108	-	131,108
5.05.01	Net Income for the Period	-	-	-	10,419	-	10,419	-	10,419
5.05.02	Other Comprehensive income	-	-	-	-	120,689	120,689	-	120,689
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	89,660	89,660	-	89,660
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	5,733	5,733	-	5,733
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(30,485)	(30,485)	-	(30,485)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	55,781	55,781	-	55,781
5.07	Balances as of March 31, 2020	3,795,634	(50,528)	882,788	(47,932)	108,203	4,688,165	-	4,688,165

Consolidated Statements / Changes in Shareholder´s Equity - 1/1/2019 to 3/31/2019

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Capital	Capital Reserves, Options Granted and Treasury Stock	Revenue Reserves	Retained Earnings	Other Comprehensive Income	Total Attribuited to Parent Company Shareholders	Non-Controlling Shareholder Interest	Shareholder´s Equity
5.01	Opening Balances	2,637,473	79,557	1,235,334	-	2,148	3,954,512	-	3,954,512
5.03	Adjusted Initial Balances	2,637,473	79,557	1,235,334	-	2,148	3,954,512	-	3,954,512
5.04	Capital Transactions with Stockholders	-	7,301	-	(66,768)	-	(59,467)	-	(59,467)
5.04.07	Interest on equity	-	-	-	(66,768)	-	(66,768)	-	(66,768)
5.04.09	Restricted Stock Plan	-	2,496	-	-	-	2,496	-	2,496
5.04.10	Stock option plan	-	4,805	-	-	-	4,805	-	4,805
5.05	Total Comprehensive Income	-	-	-	161,598	3,876	165,474	-	165,474
5.05.01	Net Income for the Period	-	-	-	161,598	-	161,598	-	161,598
5.05.02	Other Comprehensive income	-	-	-	-	3,876	3,876	-	3,876
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	15,804	15,804	-	15,804
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	891	891	-	891
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(5,373)	(5,373)	-	(5,373)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	(7,446)	(7,446)	-	(7,446)
5.07	Balances as of March 31, 2019	2,637,473	86,858	1,235,334	94,830	6,024	4,060,519	-	4,060,519

Consolidated Statements / Statement of Added Value

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year 1/1/2020 to 3/31/2020	Acumulated of Last Year 1/1/2019 to 3/31/2019
7.01	Income	2,154,846	2,373,780
7.01.01	Sales of Goods, Products and Services	2,340,690	2,411,457
7.01.02	Other Receives	13,481	34,839
7.01.04	Provision / Reversal of Credits Doubtful Settlement	(199,325)	(72,516)
7.02	Input Purchased From Third Parties	(1,134,768)	(1,155,773)
7.02.01	Cost Of Sales Of Goods, Financial Products And Services (Including Taxes)	(780,521)	(847,119)
7.02.02	Materials, Energy, Outsides Services And Others	(344,651)	(306,169)
7.02.03	Loss / Recovery of Assets	(9,596)	(2,485)
7.03	Gross Value Added	1,020,078	1,218,007
7.04	Retentions	(198,541)	(180,123)
7.04.01	Depreciation and Amortization	(198,541)	(180,123)
7.05	Value Added Net Produced	821,537	1,037,884
7.06	Value Added Received In Transfer	26,119	11,541
7.06.02	Financial income	26,119	11,541
7.07	Total Added Value to Distribute	847,656	1,049,425
7.08	Distribution of Added Value	847,656	1,049,425
7.08.01	Personnel Expenses	306,891	278,839
7.08.01.01	Compensation	231,930	213,229
7.08.01.02	Benefits	42,730	37,781
7.08.01.03	Government Severance Indemnity Fund For Employees	21,501	19,831
7.08.01.04	Others	10,730	7,998
7.08.01.04.01	Stock Option Plan	4,982	4,805
7.08.01.04.02	Management remuneration	5,748	3,193
7.08.02	Taxes, fees and contributions	398,530	498,535
7.08.02.01	Federal Taxes	99,552	175,166
7.08.02.02	State Taxes	279,832	307,510
7.08.02.03	Municipal Taxes	19,146	15,859
7.08.03	Remuneration of Third Party Capital	131,816	110,453
7.08.03.02	Rents	66,057	71,859
7.08.03.03	Others	65,759	38,594
7.08.03.03.01	Financial expenses	65,759	38,594
7.08.04	Remuneration of Shareholders' Equity	10,419	161,598
7.08.04.01	Interest on Equity	58,351	66,768
7.08.04.03	Retained Earnings / Loss for the Period	(47,932)	94,830

Message from the Management

We began the year of 2020 in a favorable trading scenario, the Company reporting good sales and healthy inventories until the middle of March when customer traffic through the stores began to fall away as the uncertainties surrounding the spread of the Covid-19 outbreak increased. As the situation deteriorated, we adopted measures for meeting the challenges on both health and economy fronts, always guided by the enchantment of our customers, employees and our other stakeholders, as well as by our principals and value proposal. On this context, we organized the measures taken on the basis of four pillars:

1. preservation of health and life;
2. preservation of jobs at the Company, in the textile chain and ecosystem;
3. preservation of the financial health of the Company, both for sustaining the other pillars as well as the longevity of the business;
4. support for hospitals at the front line in the combat of the disease and support for vulnerable communities.

Based on these pillars, we were the first in line to adopt the temporary closure of all stores in Brazil, Uruguay and Argentina between March 18 and 20 as our contribution to social isolation and combatting the pandemic. We implemented fresh measures to protect the health of the employees, customers and partners, always with the guidance of the health authorities. We blocked all labor contract terminations for a period of at least 60 days, this measure remaining in place to this day, developing and expanding partnerships to underscore our assistance to hospitals and low-income communities. At the same time that we adopted all the necessary safety measures, we also mobilized to revise our forecasts for revenues, expenses, Capex and cash flow, putting into practice a rigorous and responsible contingency plan for confronting a crisis of this magnitude.

EMPLOYEES

With the outbreak of the first recorded case on the markets where we have presence, employees in the administrative areas were placed on a regime of home office working. Similarly, the DC and Call Center teams initially worked with reduced numbers pending operational reviews and reinforced measures of security. The instore teams were mainly placed on vacation and a compensation regime through an hours' bank system (MP 927). Subsequently, under MP 936 and as from April 16, labor contracts were suspended for inactive employees, while for all administrative staff and other employees, working hours and salaries were reduced proportionally by 25%.

BUSINESS CONTINUITY

Following all the measures taken for closing stores and adjusting Customer Call Center operations and logistics, our efforts were focused on the following:

- Accelerating the process of sales through the digital channels since early April with a significant impact on our revenues as well as boosting the base of new customers and contributing to both current sales and also to the future of our business with the potential for an increase in market share through adjusting product mix to the current moment; resuming and expanding investments in performance marketing, these investments having been temporarily reduced for the implementation of all the additional safety measures in our operations; in addition to investments in increased content of customer interest, the focus being on complicity and empathy of each one of our proprietary brands with their related customers and followers.
- Anticipating various stages of the omnichannel project and the project for digitization of our companies and originally scheduled to occur between 2020 and 2022 but now largely implemented during the months of March, April and May.
- Raising of fresh resources of approximately R$ 2.0 billion in the form of Loans and Financing to reinforce the Company's cash combined with the reduction in payout to 25% of net income for fiscal year 2019, as well as a reduction in Capex to R$ 560 million with the aim of preserving the Company's financial health even under a worst case scenario.
- Creation of new channels for receipt and attendance focused on customer support for clarifying doubts and facilitating payments through the development of collection chatbot and business portal features as well as making adjustments to Call Center scripts and FAQs in the social networks with an emphasis on guidance and education in the use of the digital channels.
- In the case of our Renner card operations, we refined our communication to transmit greater empathy and solidarity, adopting an interest free policy for up to seven days and a credit line for Meu Cartão customers at a cost 65% lower than what we were practicing previously. Again, for greater customer convenience, we created a series of facilities and means of payment through banking correspondents such as supermarkets and convenience stores.

SUPPLY CHAIN

We also adopted a series of measures for supporting our commercial partner chain. In this context, we carefully negotiated the adjustment of the order book to the new reality and maintained a large portion of orders to which we were already committed, also preserving all advances to suppliers and holding costs as always below market. We also increased our bank lines of credit in support of our partners as additional help for our supply chain. In a similar vein, we produced primers and tutorial manuals, creating webinars with specialists for the guidance of partner companies on procedures for tapping lines of credit and assisting business in the light of changes to the labor and tax legislation as well as in relation to new lines of credit and finance and legal aspects.

SOCIAL RESPONSIBILITY

Through the intermediary of the Lojas Renner Institute, we implemented various initiatives for collaborating with hospitals and more vulnerable communities. Support totaling R$ 4.1 million was largely allocated to the purchase of material for hospitals' public healthcare units (Sistema Único de Saúde - SUS) in the states of Santa Catarina and Rio Grande do Sul, as well as designated health care units in São Paulo such as InCor and the Albert Einstein hospitals. The Company also contributed to a fund created by the state of Rio de Janeiro for assisting hospitals in the region. Part of the value has also been allocated to low income communities, principally the Bom Jesus district in the city of Porto Alegre, the focus here being on family groups in addition to guaranteeing a minimum income for the Environmental Education Center's (Centro de Educação Ambiental - CEA) scavengers and seamstresses - these already receiving support from the Institute.

Through partnerships with our main apparel suppliers, we have designed models of masks and aprons, subsequently approved by the appropriate authorities, and then produced and donated to the above-mentioned institutions, a total 1.3 million items.

Renner also joined forces with Eretz.bio, a startup incubator at the Albert Einstein Hospital for the development of the collaborative Wellbeing platform for linking hospitals to producers of Personal Protective Equipment (PPE) and uniforms. We are using our expertise in fashion retailing to leverage the output of equipment using this collaborative platform for a higher purpose: to save lives, helping to protect healthcare workers.

BEGINNING OF A GRADUAL RESUMPTION

With the decision based on a technical assessment of criteria, combined with rigorous initiatives for the care and safety of our teams and customers, on April 24, we began the gradual resumption of the bricks and mortar operation at some specific Renner, Camicado, Youcom and Ashua stores. Selected stores must comply with the following criteria: to be at locations where state and municipal governments permit store opening; the evaluation of local health indicators; besides verification of the situation of the local market as a whole. As of today,18.3% of our stores are open for business and the numbers are updated daily.

All our units are prepared, employees trained with primers and courses on the principal precautions that must be taken at the stores as well as in their own homes and in the commute to and from work. All are duly protected, with temperatures taken on arrival, and with safety equipment. Numbers in the stores at any one time respect all the rules of social distancing. Clients are offered alcohol gel at store entrances and are requested to use face masks and we maintain social distancing recommendations. We have temporarily closed fitting rooms for greater safety, complying with the best international practices and health authority recommendations.

We have accelerated the implementation of alternative forms of digital and omni sales, which in addition to our sites and Apps, enable our customers to purchase products without leaving home, thus contributing to the incomes of our employees and the community in general by the selling of Renner products through an specific platform. Since April, we have anticipated the roll out of the Ship from Store, through delivery from the stores, providing a greater selection of inventory and operations as well as a significant reduction in delivery time. We are beginning social selling and Whats App sales, as well as drive thru pickup. We have also resumed instore pickup delivery where units have reopened. We have ramped up our investment in content with a focus on complicity with our consuming public through the medium of playlists, webinars, virtual tours, texts, materials, publication of themes on a wide range of interests such as: wellbeing, mindfulness, yoga, food, health, hygiene, games to be enjoyed between parents and children, fashion, art, culture, as well as Renner Live Music, where we have brought, all types of music. Through these and other initiatives, our digital sales have been growing at levels much above those previously recorded including a significantly stronger growth in new customers, improving our prospects now and principally for the future

OUTLOOK

We are living at a time of great uncertainty, a reflection of the crisis caused by the Covid-19 pandemic, but which has also brought with it, negative impacts for the economy. Given the difficulties in visualizing the outcome to this health crisis, there is still limited clarity as to future impacts on the leading macro-economic variables, such as employment levels, household income, salary bill and consumer confidence.

With our initial moves involving temporary store closures, we demonstrated our capacity to react and adapt quickly, with agile decisions, adjusting the Company's expenses structure and reinforcing its cash position. We are accelerating the digital transformation process at Renner, anticipating the stages of the roadmap of our structural projects in the light of the immediate needs of the moment. We also believe there is a major lesson being learnt, benefiting the improvement in internal processes, contributing to the reinforcement of our value proposition and business model as well as the development of people and leaders.

The mobilization of our team to meet such a challenging moment has been an unparalleled experience, bringing significant gains in productivity, effectiveness and innovation, which will remain as perpetual assets for the Company. Our firm is prepared for this moment as well as for the future. We are alert and always evaluating good projects and opportunities which make sense for our customers and are aligned to the strategic vision. Just as was the case during other crises, we believe those companies with value proposition and clear meaning tend to emerge strengthened from a given scenario to capture a larger market share. We are working with enhanced commitment, dedication and innovation so that Lojas Renner S.A. will be even more relevant now and in the future.

Highlights in the Period

May 21, 2020 – LOJAS RENNER S.A. (B3: LREN3; USOTC: LRENY), the largest fashion retailer in Brazil, announces its results for the first quarter (1Q20). As per the current standard, as of January 2019, Leases Expenses, Depreciation and Interest reflect the effect of the IFRS 16.

Consolidated Information (R$ MM)	1Q20	1Q19	Var.
Net Revenue from Merchandise Sales	1,550.2	1,650.3	-6.1%
Growth in Same Store Sales	-10.7%	12.7%	-
Gross Profit from Merchandise Sales	858.9	911.9	-5.8%
Gross Margin from Retailing Operation	55.4%	55.3%	0.1p.p.
Operating Expenses (SG&A)[1]	(662.7)	(609.6)	8.7%
SG&A as a % of Net Revenue from Merchandise Sales	42.7%	36.9%	5.8p.p.
Ajusted EBITDA from Retailing Operation	90.3	218.6	-58.7%
Ajusted EBITDA Margin from Retailing Operation	5.8%	13.2%	-7.4p.p.
Financial Products Result	20.7	97.7	-78.8%
Ajusted Total EBITDA (Retail + Financial Products)	110.9	316.3	-64.9%
Ajusted Total EBITDA Margin	7.2%	19.2%	-12.0p.p.
Net Income	10.4	161.6	-93.6%
Net Margin	0.7%	9.8%	-9.1p.p.
ROIC LTM	17.8%	23.2%	-5.4p.p.

[1] *To facilitate analysis, Depreciation and Amortization expenses including Lease Depreciation have been excluded from the above table.*

Operational Highlights– 1Q20

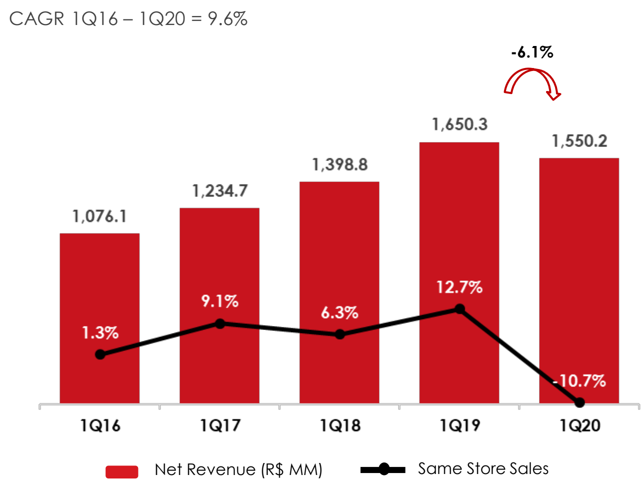
Net Revenue -6.1% SSS -10.7%	▪ Good pace of sales until mid-March ▪ Impact on sales with the temporary closure of all stores in the second half of March
Gross Profit -5.8% +0.1 p.p. of Gross Profit	▪ Well adjusted good quality inventory and good acceptance of the collection
EBITDA Retail -58.7% EBITDA Margin Retail -7.4 p.p.	▪ Fixed expense structure could not be adjusted proportionally to the decrease in sales for this period
Financial Products Results -78.8%	▪ Growth of total credit portfolio ▪ Higher portfolio coverage levels and increased provisioning
Net Income -93.6% Net Margin -9.1 p.p.	▪ Reduction in Retail EBITDA, impacted by lower sales ▪ Lower Financial Products Result
Capex R$ 89.4 MM	▪ Store rollouts ▪ Investments in technology

Businesses Breakdown	1Q20	1Q19	Var.
RENNER [1]			
Stores in Operation	387	354	33
Gross Openings	0	0	-
Selling Area (thousand m²)	683.1	635.3	7.5%
Net Revenue (R$ MM)	1,404.9	1,497.6	-6.2%
Gross Margin	55.5%	55.3%	0.2p.p.
CAMICADO			
Stores in Operation	112	110	2
Gross Openings	1	4	-
Selling Area (thousand m²)	47.9	47.6	0.7%
Net Revenue (R$ MM)	108.1	113.5	-4.8%
Gross Margin	52.3%	54.1%	-1.8p.p.
YOUCOM			
Stores in Operation	98	94	4
Gross Openings	0	0	-
Selling Area (thousand m²)	16.3	15.5	5.6%
Net Revenue (R$ MM)	37.2	39.3	-5.2%
Gross Margin	60.1%	58.6%	1.5p.p.

1 - Includes Ashua units and stores in Uruguay and Argentina.
Closures: 1 Renner, 3 Camicado and 3 Youcom in 1Q20. In 1Q19, 2 Camicado stores were closed.

Net Revenue from Merchandise Sales

Net Revenue from Merchandise Sales and Same Store Sales



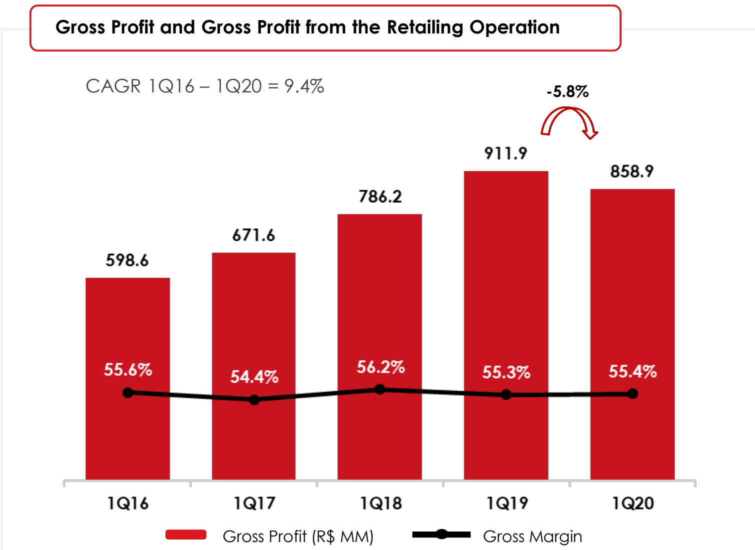
- Until March 13, sales proceeded at a good pace and similar levels to 4Q19 with increased customer flows through the stores despite the strong comparative base in 1Q19 (12.7%). The Fall-Winter collection was launched in early March, already indicating good customer acceptance. During the period of the quarter, the Company continued to gain market share when compared principally to the performance of the IBGE's (Federal Government's Statistics Office) Monthly Retailing Survey Index.

- In the following week, with the spread of Covid-19, the Company shortened opening hours at some units and closed others at locations on the recommendation of the local authorities. Finally, between March 18 and March 20, the Company closed temporarily all its physical stores with a significant impact on the quarter's performance. As a result, Same Store Sales for 1Q20 posted a reduction of 10.7%.

- Sales at Camicado and Youcom also posted good performances up to mid-March. At Youcom, sales performance was similar to 4Q19 while Camicado continued to report improving revenues with a performance above the sector average, following adjustments to inventory and product mix as well as improvements in store operations and other processes of the business, as well the reinforcement of the management team. However, from the second half of March, operations at both Camicado and Youcom were equally impacted by the temporarily closure of the physical stores, recording a decrease in Net Revenue of 4.8% and 5.2%, respectively.

- In turn, sales through the Digital Channels reported a good rate of growth with an increase of 32.9% compared to 1Q19. This was achieved despite the decline in performance marketing investments, a conscious procedure for reducing sales in the final ten days of March to allow time for adapting the operation and ensuring the health and safety of the employees. While this had an impact on the period's sales, which up to then were reporting growth similar to 4Q19, it permitted selling to be ramped up in the following days and reflected in an increase much above that recorded previously in the final weeks of the current period. Sales at Camicado warrant particular attention thanks to the implementation of several improvements to the website and app as well as product types, for which demand grew as people began to spend more time at home.

Gross Profit from the Retailing Operation

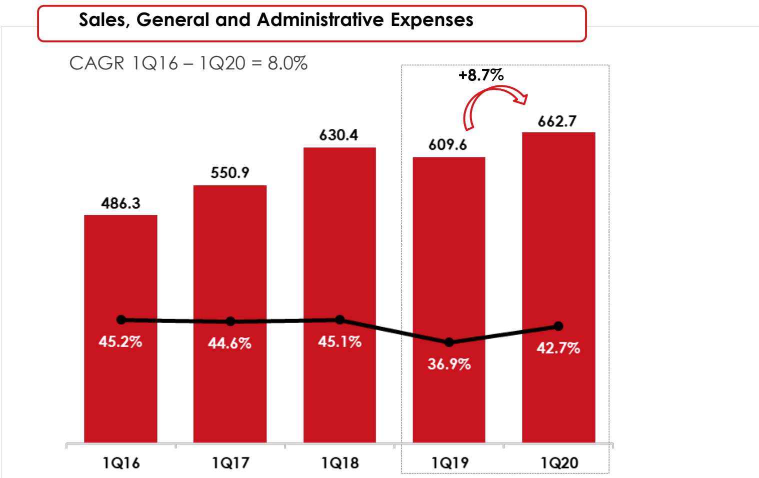


- Well managed commercial operations together with good quality and adequate inventory levels plus contracted currency levels similar to 2019, were instrumental in ensuring that Gross Margin reported stability during 1Q20 at 55.4%.
- At Renner, Gross Margin registered a 0.2 p.p. improvement over 1Q19 while at Youcom, there was an increase of as much as 1.5 p.p., also the result of the management of commercial operations and good inventory quality.
- Conversely, Camicado reported a reduction in Gross Margin of 1.8 p.p. due to the process of adjustment to inventory begun in the preceding quarters but already showing an improvement prior to 4Q19.

Operating Expenses

Operating Expenses (R$ MM)	1Q20	1Q19	Var.
Operating Expenses (SG&A) [1]	**(662.7)**	**(609.6)**	**8.7%**
% Over Net Revenue from Merchandise Sales	**42.7%**	**36.9%**	**5.8p.p.**
Selling Expenses	(464.9)	(439.3)	5.8%
% Over Net Revenue from Merchandise Sales	*30.0%*	*26.6%*	3.4p.p.
General and Administrative Expenses	(197.8)	(170.2)	16.2%
% Over Net Revenue from Merchandise Sales	*12.8%*	*10.3%*	2.4p.p.
Other Operating Expenses	**3.9**	**15.2**	**-74.3%**
Profit Sharing Program	(0.0)	(13.0)	-99.8%
Recovery of Tax Credits	10.3	29.4	-65.0%
Other Operating Revenues/ (Expenses)	(6.4)	(1.3)	388.2%
Total Operating Expenses	**(658.8)**	**(594.4)**	**10.8%**

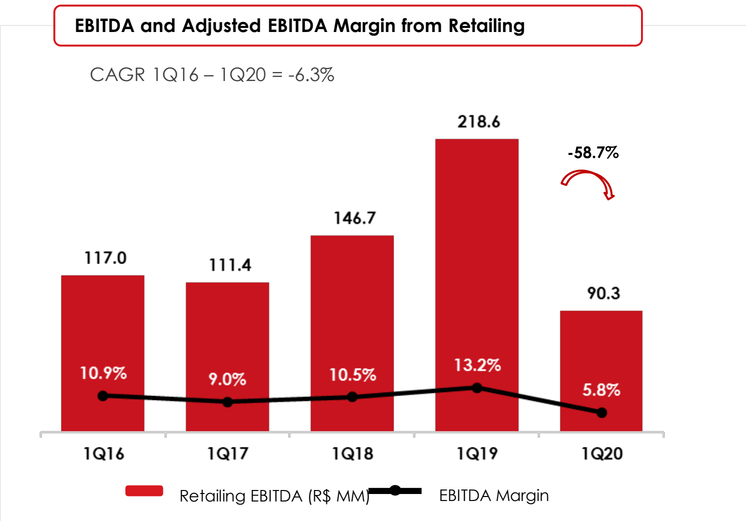
[1] To facilitate analysis, Depreciation and Amortization expenses including Lease Depreciation have been excluded rom the above table.



Leasing expenses, previously booked as "Occupation", as from 1Q19, have now been recognized in the depreciation and financial expenses line.

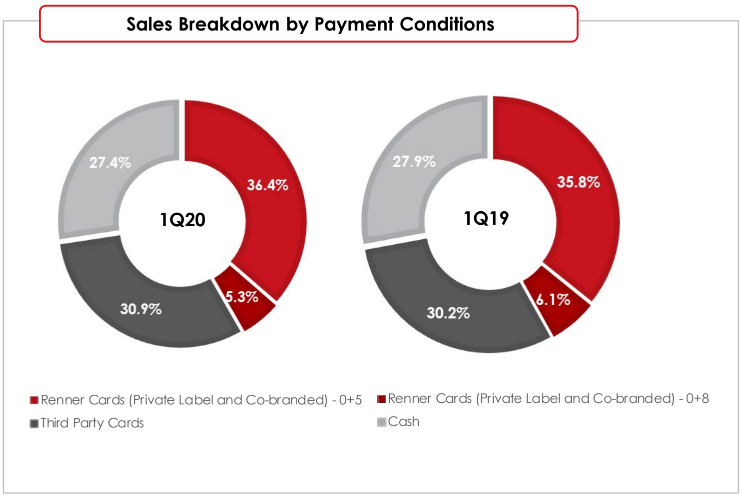
- Operating Expenses (SG&A) increased by 8.7%, compared with 1Q19. As soon as the Company perceived a reduction in sales, it implemented a plan of adjustments for adapting the operation accordingly. However, it should be noted that 1Q20 expenses still do not reflect all these initiatives. The renegotiation and reduction of key accounts occurred more significantly in April albeit not to the same degree as the decline in sales.
- Also meriting mention is the comparative base of 1Q19 which was distorted by the operational leverage.
- The decline in Other Operational Revenues reflects a reduced clawback of tax credits compared to 1Q19, notwithstanding the lower level of provisioning for the Profit Sharing Program - reflecting levels of performance.

Adjusted EBITDA from the Retailing Operation



- In 1Q20, EBITDA from Retailing posted a reduction of 58.7%, with a Margin of 5.8% with results reflecting the lower sales mentioned previously.

Payment Conditions

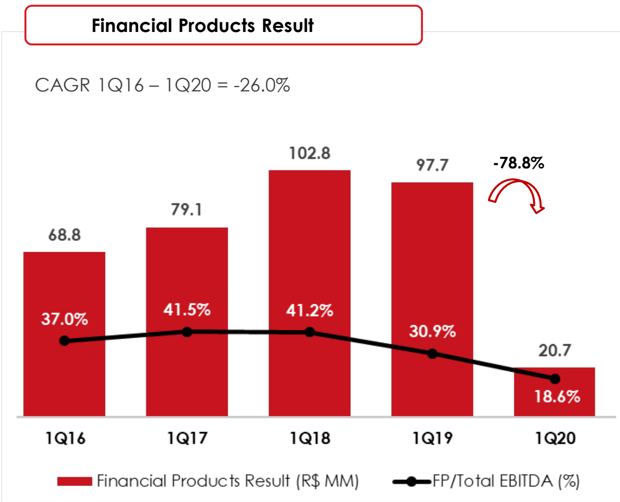


- In 1Q20, the Company recorded a total of 32.9 million cards issued and accounting for 41.7% of merchandise sales, in line with the same period in 2019. There was a 0.6 p.p. growth in the participation of the interest free 0+5 installment plan, albeit offset by a lower penetration of the 0+8 plan - a reflection of customer behavior with a low propensity to purchase using interest bearing installment options.

Financial Products Result

Financial Products Result (R$ MM)	1Q20	1Q19	Var.
Revenues, Net of Funding and Taxes	**308.1**	**236.2**	**30.5%**
Renner Card (Private Label)	113.3	91.5	23.8%
Co-branded Card Meu Cartão	194.9	144.7	34.7%
Credit Losses, Net of Recoveries	**(199.3)**	**(72.5)**	**174.9%**
Renner Card (Private Label)	(67.4)	(28.7)	135.0%
Co-branded Card Meu Cartão	(131.9)	(43.8)	201.0%
Operating Expenses	**(88.2)**	**(65.9)**	**33.7%**
Financial Products Result	**20.7**	**97.7**	**-78.8%**
% of Company's Total Adjusted EBITDA	18.6%	30.9%	-12.3p.p.

As of 1Q20 Revenues and Credit Losses from Quick Withdrawal – Saque Rápido were included in the Private Label figures.



- The Financial Product Result was R$ 20.7 million, below the R$ 97.7 million of the1Q19, a reflection of the current scenario with high levels of portfolio provisioning and a significant increase in the level of coverage.
- The growth of 30.5% in Revenues is due mainly to the increase of 42.9% in Co-branded Meu Cartão business. Private Label revenue posted an increase of 23.8% against 1Q19, reflecting lower funding costs and the appropriation of interest on transactions booked to Realize CFI as from April 2019.
- In the context of Net Losses, the increase is due to higher levels of portfolio coverage of 17.3% on the 1Q20 against 12.2% of the 1Q19, in the light of macro-economic uncertainty. Private Label business was also impacted from April 2019 by the effect of dragging method of these transactions onto the books of Realize.
- In turn, Operating Expenses increased by 33.7% and close to rate of revenue growth, but still not reflecting budgetary reduction measures adopted in the light of the Covid-19 outbreak.

Customer Accounts Receivable

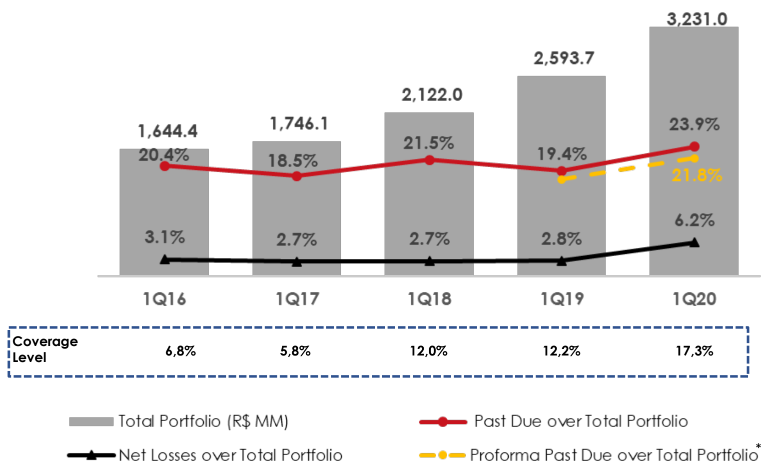
Customer Accounts Receivable (R$ MM)	Mar.20	Dec.19	Mar.19	Var.
Renner Card (Private Label) - Net Portfolio	**958.0**	**1,240.4**	**1,060.4**	**-9.7%**
Renner Card (Private Label) - Total Portfolio [(1)]	1,168.9	1,394.8	1,157.6	1.0%
Estimated Credit Losses	(197.5)	(132.8)	(78.7)	150.9%
Present Value Adjustment	(13.4)	(21.6)	(16.0)	-16.4%
Other	0.0	0.0	(2.4)	-100.0%
Co-branded (Meu Cartão) - Net Portfolio	**1,713.2**	**1,782.7**	**1,215.4**	**41.0%**
Meu Cartão (Co-Branded) - Total Portfolio	2,080.3	2,078.4	1,456.1	42.9%
Estimated Credit Losses	(362.3)	(287.9)	(236.8)	53.0%
Present Value Adjustment	(4.8)	(7.8)	(3.9)	21.9%
Total Third-Party Credit Card Companies	**334.7**	**797.1**	**425.2**	**-21.3%**
Other Accounts Receivable	**6.8**	**5.8**	**2.3**	**189.9%**
Total Credit Portfolio, Net	**3,012.6**	**3,826.0**	**2,703.3**	**11.4%**

(1) Private Label total portfolio excludes the "Other" account, related to the FIDC's (Securitization Fund) fee. As of 1Q20, the Quick Withdraw al portfolio w as included on the Private Label one

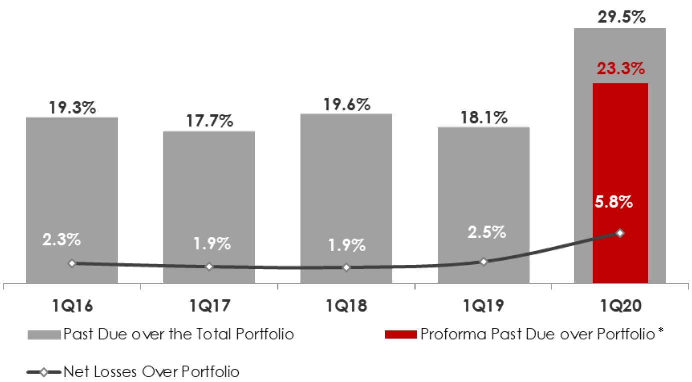
- In March 2020, Accounts Receivable totaled R$ 3,012.6 million, a growth of 11.4%, largely reflecting greater use of the Co-branded Meu Cartão. Of this total, R$ 1,713.2 million (56.9%) related to the Meu Cartão portfolio, R$ 958.0 million (31.8%) to the Private Label, in addition to other receivables relating to Card Administrators and Other Receivables.

Deliquency

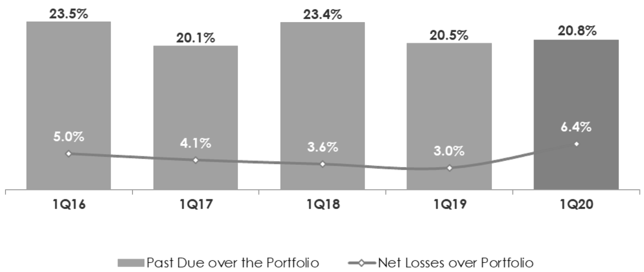
Total Portfolio



Cartão Renner



Meu Cartão



** For comparison reasons, the pro-forma data regards to the receivables portfolio up to 180 days.*

Total Portfolio:

- The total Financial Products portfolio (Renner Card and Meu Cartão) recorded growth of 24.6% in 1Q20, largely driven by the Co-branded card. The Private Label portfolio, in turn, remained flat due to reduced sales volumes in March.
- The increase in the percentage of net losses was a consequence of the higher levels of coverage of the portfolio, generating a higher volume of provisions mentioned previously. The percentage of overdues rose principally as a function of the Private Label portfolio.

Private Label (Renner Card):

- The increase in the percentage of overdues relates mainly to lower portfolio growth and the writing off of assets over 360 days against 180 days in 1Q19. In addition, since an important number of customers make payments at the physical stores, settlement of bills declined after the network was temporarily closed until a migration process to other payment channels began.
- The increase of 3.3 p.p. in provisioning and net losses on recoveries reflects principally the increase in portfolio provisioning, both due to the higher levels of coverage adopted by the Company as well as the effect of the dragging method of transactions for booking at Realize as from April 2019. For provisioning purposes, the methodology involves the dragging of the entire overdue debit to the worst classification of customer overdues.

Co-branded card (Meu Cartão):

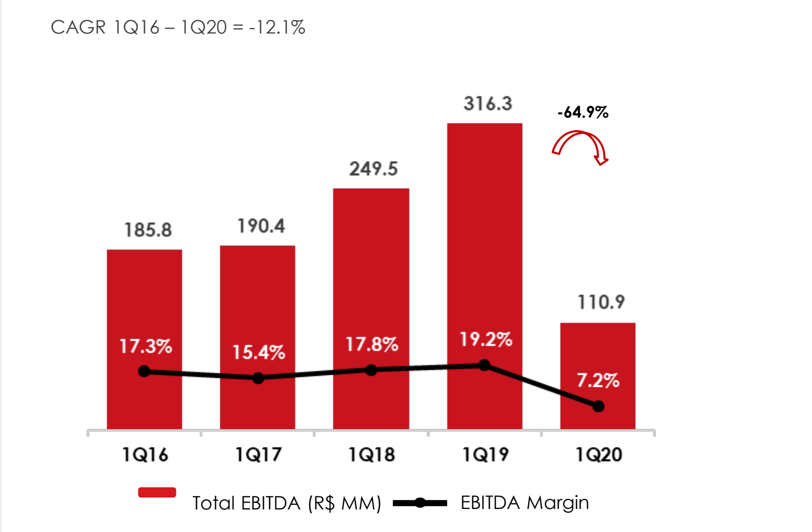
- The increase in net losses is mainly due to the higher coverage of the portfolio and provisioning, adopted by the Company in the light of the developing economic scenario.

Total Adjusted EBITDA

EBITDA Reconciliation (R$ MM)	1Q20	1Q19	Var.
Net Income	**10.4**	**161.6**	**-93.6%**
(+) Income and Social Contribution Taxes	(23.3)	49.4	-147.2%
(+) Financial Result, Net	36.3	26.7	35.7%
(+) Depreciation and Amortization	193.2	172.5	12.0%
Total EBITDA	**216.6**	**410.2**	**-47.2%**
(-) Depreciation for Leasing (IFRS16)	(93.5)	(84.0)	11.3%
(-) Financial Expenses for Leasing (IFRS16)	(17.1)	(15.2)	12.5%
(+) Stock Option Plan	5.0	4.8	3.7%
(+) Result on Write-Off and Provision for Impairment of Fixed Assets	(0.2)	0.5	-
Total Adjusted EBITDA	**110.9**	**316.3**	**-64.9%**
Total Adjusted EBITDA Margin*	7.2%	19.2%	-12.0p.p.

**Pursuant to Article 4, CVM Instruction 527, the Company has chosen to show Adjusted EBITDA as in the above table in order to provide information which best reflects the gross operational cash generation from its activities.*

EBITDA and Total Adjusted EBITDA Margin



- With the adoption of IFRS 16, for comparison's sake, the Company now reports EBITDA also adjusted for Depreciation and Financial Expenses given the similarity with cash flows arising from the leasing agreements.
- Total Adjusted EBITDA amounted to R$ 110.9 million, equivalent to a Total Adjusted EBITDA Margin of 7.2%, and a reduction in relation to 1Q19. This performance is due to the lower operating result from retailing as well as a decreased Financial Products Result.

Financial Result, Net

Financial Result, Net (R$ MM)	1Q20	1Q19	Var.
Financial Revenue	**10.3**	**7.6**	**36.0%**
Gains on Cash Equivalents	9.6	7.2	31.9%
Other financial revenue	0.8	0.3	131.7%
Financial Expenses	**(37.1)**	**(35.6)**	**4.0%**
Interest on Loans, Borrowings and Swap	(14.6)	(16.1)	-9.5%
Other Financial Expenses	(4.2)	(3.2)	32.8%
Financial Expenses for Leasing (IFRS16)	(18.3)	(16.4)	11.6%
Foreing Exchange, Net	**(9.5)**	**1.3**	**-**
Financial Result, Net	**(36.3)**	**(26.7)**	**35.7%**

- The increase in the negative Financial Result, Net in 1Q19, is largely due to the increase in negative Foreign Exchange due to foreign trade payment flows and the execution of the currency hedge.

Free Cash Flow

Cash Flow (R$ MM)	1Q20	1Q19	Var.
Total Adjusted EBITDA	**110.9**	**316.3**	**(205.4)**
(+/-) Income and Social Contribution Taxes/Others	(311.8)	(197.4)	(114.4)
Operating Cash Flow	**(200.9)**	**118.9**	**(319.8)**
(+/-) Changes in Working Capital	**(83.2)**	**(261.0)**	**177.8**
Accounts Receivable	813.3	459.3	354.0
Inventories	(281.1)	(137.1)	(144.0)
Suppliers	(230.8)	(337.9)	107.1
Other Accounts Receivable/Payable	(384.6)	(245.3)	(139.2)
(-) Capex	**(89.4)**	**(78.9)**	**(10.6)**
(=) Free Cash Flow	**(373.5)**	**(221.0)**	**(152.5)**

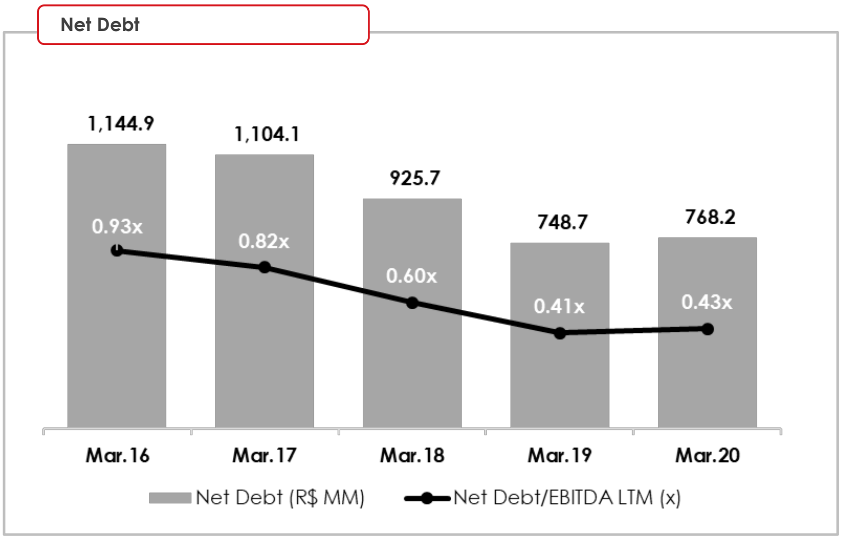
As from 1Q20, Operating Financing (Financial Products) was excluded from Changes in Working Capital.

- The reduction in Free Cash Flow in the quarter is above all due to lower operating cash generation in 1Q20 in spite of a decrease in the need for working capital mainly due to the reduction in Accounts Receivable reflecting the decrease in sales from the second half of March.
- Additionally, there was a change in the collection of income tax of Realize from being monthly to annually in 2019 with a payment in January 2020, also impacting FCF.

Net Debt

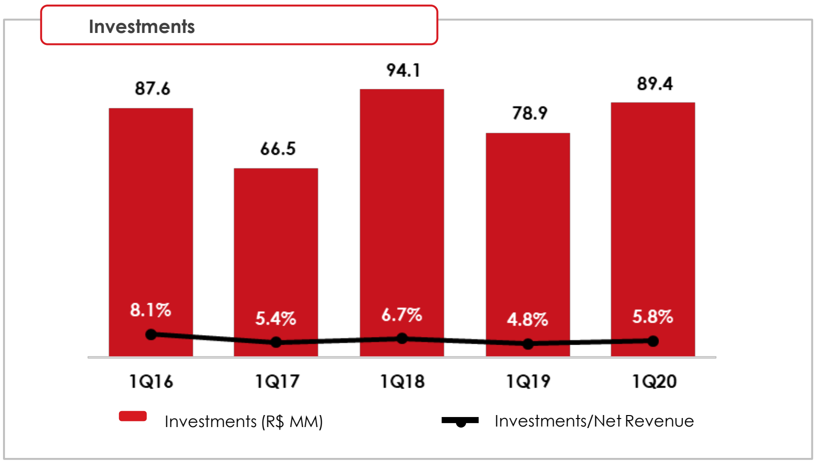
Net Debt (R$ MM)	Mar.20	Dec.19	Mar.19
Borrowings and Financing	**(1,663.3)**	**(1,153.7)**	**(1,019.2)**
Current	(1,257.3)	(709.0)	(957.7)
Noncurrent	(406.0)	(444.6)	(61.4)
Credit Operations to Customers Financing	**(848.6)**	**(491.4)**	**(1,054.9)**
Current	(539.0)	(185.0)	(913.8)
Noncurrent	(309.6)	(306.4)	(141.1)
Gross Debt	**(2,511.8)**	**(1,645.0)**	**(2,074.1)**
Cash and Cash Equivalents and Financial Investments	**1,743.6**	**1,372.3**	**1,325.4**
Net Debt	**(768.2)**	**(272.7)**	**(748.7)**
Net Debt / Total Adjusted EBITDA (LTM)	*0.43x*	*0.14x*	*0.41x*

- As at March 31, 2020, the Company's Net Debt was R$ 768.2 million, a slight increase in relation to the outstanding debt as at March 31, 2019, more particularly due to lower operating cash generation during the quarter.
- In view of the current scenario, the Company has decided to reinforce its cash position through the raising of additional capital which in March amounted to approximately R$ 830.0 million.
- In addition, in April and May, the Company executed two debenture issues amounting R$ 1 billion – with an impact on the cash position at the end of 2Q20.



Operating Finance is used for financing the Financial Products portfolios and its variation is linked to the financed volumes of these products. Debt servicing expenses related to capital management are booked to the Financial Result, Net. The costs of Operating Finance and linked to Financial Products, are reflected in the Operating Result.

Investments



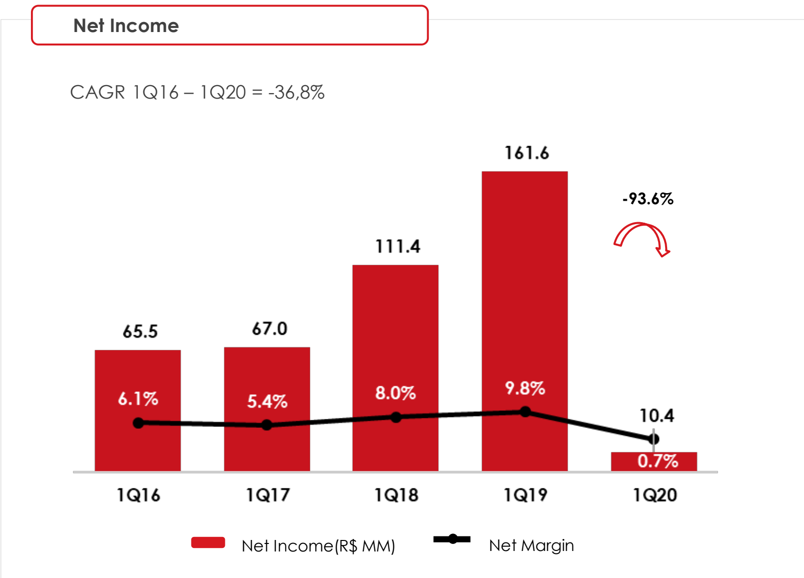
CAPEX Summary (R$ MM)	1Q20	1Q19
New Stores	49.6	27.9
Remodeling of Installations	11.7	17.4
IT Equipament & Systems	25.0	28.7
Distribution Centers	2.8	3.5
Others	0.3	1.4
Total Capex	**89.4**	**78.9**

- Out of the total investments for the quarter, R$ 61.3 million (68.5%) were invested in the opening of new stores and remodeling, including the anticipation of work on stores scheduled to be rolled out in the coming quarters, R$ 25.0 million (28.0%) in IT systems and equipment and a further R$ 2.8 million (3.2%) in distribution centers.

- In the quarter, Renner closed one store, its network having 387 units in operation including 9 in Uruguay, 4 in Argentina and 8 under the Ashua banner, with a total square meterage of 683.1 thousand m². Camicado, opened 1 unit and closed 3, the network totaling 112 stores with a total sales area of 47.9 thousand m². Youcom in turn closed 3 units, the network totaling 98 stores in operation with a sales area of 16.3 thousand m².

- Depreciation and Amortization expenses amounted to R$ 193.2 million in 1Q20, 12.0% up compared with 1Q19; This primarily reflects the current expansion plan in progress and the increase in IT system assets.

Net Income and Dividends



- Net income was R$ 10.4 million corresponding to a Net Margin of 0.7%, reflecting the lower total EBITDA generated in the period as well as the growth in depreciation expenses, a reflection of the fixed assets and investments implemented in previous periods.
- In 1Q20, Lojas Renner credited shareholders with dividends in the form of interest on capital worth R$ 58.4 million, corresponding to R$ 0.073638 per share and considering 792,398,882 common shares excluding treasury stock.

Subsequent Event

- The Company has been successful in its lawsuit, pending with the Federal courts, with respect to the exclusion of the state sales tax (Imposto sobre Circulação de Mercadorias e Serviços - ICMS) from the calculation base of the PIS and COFINS federal taxes. On the basis of a ruling of May 18, 2020, against which no further appeal can be lodged, the Company's right to a refund, via compensation, of the amounts recorded for the periods from November 2001 to February 2017 and duly restated in the total value of R$ 1,357.1 million.

- To receive the said credit, the amount in question is still subject to ratification via an administrative procedure with the Brazilian Internal Revenue Service.

1 OPERATIONS

Lojas Renner S.A. ("Parent Company") - corporation with head office at Av. Joaquim Porto Villanova, 401, Porto Alegre (RS), listed in B3 S.A.- Brasil, Bolsa e Balcão under the code LREN3 and its direct and indirect subsidiaries, individually or jointly (the "Company" or the "Consolidated"), are mainly engaged in:

i) Retail trade of clothes and sports products, shoes, accessories, perfumery, domestic appliances, towels & linen, furniture, and decoration articles;
ii) Granting of quick withdrawals, financing of purchases, insurance, and operations inherent to credit companies, among others.

2 HIGHLIGHTS

Below, management emphasizes certain important matters in this disclosure:

2.1 IMPACTS OF COVID-19

The Company's management has followed up on all developments related to Covid-19, with daily monitoring of the situation and guidance provided by the government authorities and decided to temporarily close all physical stores of the Company from March 20. This initiative was necessary to preserve the integrity of our employees, customers, suppliers and the community.

From the point of view of the operation, measures related to supply, demand and financial management in this moment of uncertainty are currently adjusted to handle this new reality. Pursuant to Circular Letters Nos. 02/20 and 03/20 issued by the Brazilian Securities and Exchange Commission (CVM) and considering the economic scenario and the risks and uncertainties arising from the impacts of Covid-19, we have revised our accounting estimates listed below and mentioned our assessments in respective notes, as well as we listed other measures that were adopted due to this new economic reality:

Estimate	Note
Estimated credit losses	7.3
Estimated inventory losses	8.3
Discount rate applied to adjustment to present value	7.1, 8.1, 18.1 and 19.1
Realization of deferred income and social contribution taxes	11.4
Definition of the useful life of the fixed and intangible assets	13.1
Evaluation of impairment of intangible assets with indefinite useful life	15.2
Provisions for tax, civil and labor risks	22.2
Determination of fair values of derivative financial instruments and stock option plans	23.3 and 29.6
Other measures	**Note**
Exchange rate risk	5.1.1
Liquidity risk (Covenants)	5.2
Capital management	5.3
Inventories	8
Recoverable taxes	9
Borrowings, financing and debentures	16.2
Financing - financial services and operations	17.1
Suppliers	19.2
Distribution of dividends	27.2
Events after the reporting period	37

3 BASIS FOR THE PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS

3.1 STATEMENT OF CONFORMITY

These interim financial statements were approved by Company's management on May 21, 2020, and were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP), including CPC 21 (R1) – Interim Financial Reporting, issued by the Accounting Pronouncements Committee ("CPC") and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), in addition to considering pronouncements, guidance and interpretations issued by the CPC, approved by the Brazilian Securities and Exchange Commission (CVM) and the provisions of Corporation Law.

3.2 STATEMENT OF RELEVANCE

The Company's management affirms that applied technical guideline OCPC 7 and CVM Resolution 727/14 by complying with the minimum requirements and disclosing only relevant information that helps users make decisions. Therefore, all relevant information used in business management is highlighted in this document.

3.3 BASIS OF MEASUREMENT

These interim financial statements were measured considering the historical cost as a basis of value, except for certain financial instruments measured at their fair values (Note 23.3).

3.4 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Real (R$), functional currency of the Company and balances were rounded to the nearest value, except otherwise indicated.

For foreign subsidiaries operating in a stable economic environment and with a different functional currency from the Parent Company, the statements of profit or loss are translated into Brazilian Reais at the average monthly exchange rate, assets and liabilities are translated at the closing rate and equity items are translated at the historical rate. For subsidiaries operating in a hyperinflationary environment, the balances of assets, liabilities and retained earnings are translated at the closing rate.

3.5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Since the preparation of financial statement requires management's assumptions and estimates related to the probability of future events, affecting the balances of assets and liabilities and other transactions, actual results may differ from these estimates.

Significant accounting estimates are essential to produce the best possible information on Profit or Loss and Equity, even with the subjectivity, complexity, and non-precision, and have a significant impact on the information already presented in Note 2.

3.6 ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these interim financial statements are presented and summarized in the respective notes and were applied consistently in the periods.

3.6.1 Consolidation

In the preparation of these statements, interim financial statements of subsidiaries closed on the same reporting date were used.

The Company's consolidated interim financial statements include the companies below, where the direct and indirect interest represents **100.0%** as of March 31, 2020 and December 31, 2019:

Direct Subsidiaries				Indirect Subsidiaries
BRL	BRL	BRL	BRL	BRL
Dromegon Participações Ltda. ("Dromegon") owner of some properties used in the Company's operations and its rev enues are limited to rents.	**Renner Administradora de Cartões de Crédito Ltda.** ("RACC") engaged in rendering intermediation financial serv ices (up to 2018) by means of agreement with financial institutions to grant personal loans by means of contract on bank correspondent.	**Maxmix Comercial Ltda.** ("Camicado") is engaged in retail trade of domestic appliances, towen and linen, and decoration articles.	**Fashion Business Comércio de Roupas Ltda.** ("Youcom") is engaged in trade of clothing, shoes and accessories.	**Realize Crédito Financiamento e Investimento S.A.** ("Realize CFI") is engaged in operations inherent to credit companies, financing and inv estment, in accordnce with legal and regulatory prov isions in force.
BRL	RMB	UYU	USD	
Realize Participações S.A. is engaged in ownership interest in financial institutions and other financial institutions authorized to operate by the Central Bank of Brazil.	**Lojas Renner Shanghai Trading Co. Ltd.** ("LRS") is engaged in performing the duties of purchasing, quality control and sample dev elopment, and acting as a v ehicle for building up relationships with business partners and to prov ide support in the prospecting of new foreign suppliers.	**Lojas Renner Uruguay S.A.** ("LRU") operates in the retail trade in clothing, sports and footwear, perfumery, cosmetics, accessories.	**Lojas Renner Trading Uruguay S.A.** is engaged in carrying out purchase and sales operations for Company's companies based in Latin America, except Brazil.	
ARS				
Lojas Renner Argentina S.A.U. ("LRA") operates in the retail trade in clothing, sports and footwear, perfumery, cosmetics, accessories.				

3.6.2 CPC 42/*IAS* 29 Financial Reporting in Hyperinflationary Economies

Pursuant to CPC 42/*IAS* 29, non-monetary assets and liabilities, equity and statements of profit or loss of companies operating in highly inflationary economies must be corrected for the changes in purchasing power according to each country's general price index. The updates made in LRA are based on the Consumer Price Index (CPI), resulting from the combination of CPI published by the National Institute of Statistics and Census (INDEC) and the Internal Wholesale Price Index (IPIM) according to Resolution No. 539/18 issued by the Argentine Federation of Economic Sciences Professionals Council (FACPCE).

With the start of operations in 2019, these statements are restated in accordance with CPC 42/IAS 29.

4 STANDARDS AND INTERPRETATIONS IN FORCE AND NOT IN FORCE

4.1 AMENDMENTS TO CPC 38, CPC 40 (R1) AND CPC 48 (CVM RESOLUTION No. 854/2020)

CVM Resolution No. 854/2020 came into effect as of January 1, 2020. It addresses changes in Accounting Pronouncements CPC 38, CPC 40 (R1) and CPC 48, issued by the Accounting Pronouncements Committee (CPC), as a result of the change in the benchmark interest rate, related to the forecast to discontinue the use of the London Interbank Offered Rate (LIBOR) as a reference interest rate after 2021. The Company is assessing the impacts of the applicability of these changes.

4.2 AMENDMENTS TO CPC 26/IAS 1 AND CPC 23/IAS 8 – DEFINITION OF MATERIALITY

The amendments to CPC26/IAS 1 and CPC 23/IAS 8 clarify the definition of materiality and align the definition used in the conceptual framework and in other accounting standards. These amendments will become effective on January 1, 2020. Management understands that these amendments will not have a significant impact on the Company's financial statements, as it applies technical guidance OCPC 7 and, accordingly, discloses only relevant information (Note 3.2).

5 RISK MANAGEMENT

A multidisciplinary structure manages the Company's risks and enables the Executive Board to assess the alignment of business management with the policies and guidelines defined by management. In April 2012, the Board of Directors created the Audit and Risk Management Committee, identifies and monitors the main risk factors to which the Company is exposed in the normal course of operations:

i) Market risk (including foreign exchange risk and interest rate risk);
ii) Credit risk (Notes 6.4, 7.4 and 23.5);
iii) Liquidity risk; and
iv) Capital management.

5.1 MARKET RISKS

5.1.1 Exchange rate risk

It arises from current and future business operations - mainly from the import of goods in US dollars and obtaining a borrowing in foreign currency.

The policy on foreign exchange risk management formulated by the management is to hedge up to 100% of its imports by means of currency forwards purchase contracts such as Non-Deliverable Forward (NDF) and Swap operations related to contracted amount of borrowing in foreign currency (Bacen [Central Bank of Brazil] Law No. 4131). For setting the US dollar and Euro price used in the expected scenario, the Company follows future market projections of "B3 S.A.- Brasil, Bolsa e Balcão" for the next base date of disclosure.

The effective net exposure is mostly related to the estimate of future cash flows, which can be adjusted through the composition of prices adopted in retail to offset the impact of a possible appreciation of the USD on costs. Effective results will be noted, substantially, only upon the settlement of import requests, since imported goods are paid over time, i.e. after their recording in inventories.

Fixed asset items, foreign currency loans and swaps will be affected at the time of settlement.

We show below the net exposure and the related sensitivity analysis regarding the requests for import of goods and fixed assets, and borrowings in foreign currency as of March 31, 2020:

	Consolidated						
				Currency appreciation		Currency depreciation	
	Notional amount (Payable) Receivable	Rate - Next Quarter	Probable scenario	Possible +25%	Remote +50%	Possible -25%	Possible -50%
Derivatives for hedge accounting							
Orders issued (object)	US$ (114,453)	R$ 5.2173	R$ (565)	R$ (148,907)	R$ (297,248)	R$ 147,776	R$ 296,118
NDF (instrument)	US$ 82,000	R$ 5.2173	R$ 405	R$ 106,684	R$ 212,963	R$ (105,874)	R$ (212,153)
Net exposure	**US$ (32,453)**		**R$ (160)**	**R$ (42,223)**	**R$ (84,285)**	**R$ 41,902**	**R$ 83,965**
Fixed asset purchase agreement (object)	€ (47,072)	R$ 5.7757	R$ 1,130	R$ (65,950)	R$ (133,006)	R$ 68,186	R$ 135,266
NDF (instrument)	€ 2,000	R$ 5.7757	R$ (48)	R$ 2,802	R$ 5,651	R$ (2,897)	R$ (5,747)
Net exposure	**€ (45,072)**		**R$ 1,082**	**R$ (63,148)**	**R$ (127,355)**	**R$ 65,289**	**R$ 129,519**
Not designated for hedge accounting							
Borrowing 4,131 (object)	US$ (252,491)	R$ 5.2173	R$ 6,240	R$ (317,872)	R$ (641,984)	R$ 330,352	R$ 654,464
Swap - (Instrument)	US$ 245,611	R$ 5.2173	R$ (6,073)	R$ 309,208	R$ 624,489	R$ (321,353)	R$ (636,634)
Net exposure	**US$ (6,880)**		**R$ 167**	**R$ (8,664)**	**R$ (17,495)**	**R$ 8,999**	**R$ 17,830**
Total net exposure/effect			**R$ 1,089**	**R$ (114,035)**	**R$ (229,135)**	**R$ 116,190**	**R$ 231,314**
Total exposure, net of income tax/social contribution of 34.35%			**R$ 715**	**R$ (74,864)**	**R$ (150,427)**	**R$ 76,279**	**R$ 151,857**

Regarding the net exposure of imported goods orders, the Company - observing its foreign exchange risk management policy - follows the projections and scenarios expected for foreign currency exchange rates. In 1Q/2020, the perceived net exposure was sensitized by the Company's decision to wait for a time of less stress and volatility to resume hedge contracts.

In relation to the impacts of borrowing and Swap contracted for hedging the US dollar exposure in these contracts, the demonstrated net exposure is related to the fixed cost of taxes plus Libor, not covered by the contracted hedge instrument.

5.1.2 Interest rate risk

This arises from transactions of cash equivalents, interest- earning bank deposits, financing of financial services operations, debentures, borrowings and Swap. The Company's policy is to keep 100% of its borrowings in the fixed rate market, with funding repaying fixed rates, and adjusted for CDI (Interbank Deposit Certificate), Selic, TJLP and Libor. Keeping financial assets indexed to the CDI, as well as the short-term realization of receivables adjusted for fixed interest rates, a risk level associated with interest rates fluctuation is relatively low.

The Company dynamically analyzes its exposure to interest rates, continuously monitoring the contracted rates versus the prevailing market rates, simulating various scenarios of refinancing, renewal of positions and natural hedging, defining a reasonable change in interest rates and calculating the impact on profit or loss.

As of March 31, 2020, as required by IN CVM 475/08, the Company conducted sensitivity tests for adverse and favorable scenarios of interest (CDI, Selic and TJPL at 25% or 50% higher or lower than the probable scenario), considering the following assumptions: expected scenario for the next CDI and Selic interest rate disclosure of 3.37% p.a., based on projections of the B3 S.A. (Brasil, Bolsa, Balcão) and TJLP of 4.94% p.a., based on BNDES.

We present below the sensitivity analysis of the risk of interest rates on March 31, 2020:

	Consolidated					
	Balance on 3/31/2020	Probable Scenario	Interest Rate Appreciation		Interest Rate Depreciation	
			Possible + 25%	Remote + 50%	Possible - 25%	Remote - 50%
Net impact on profit/loss 36.77%		(9,454)	(11,817)	(14,180)	(7,090)	(4,726)
Cash Equivalents and Interest-Earning Bank Deposits	1,664,896	13,178	16,472	19,768	9,884	6,590
Borrowings, Financing, Debentures, Swap, Financial Services	(2,511,835)	(28,129)	(35,161)	(42,194)	(21,097)	(14,065)

The income from cash equivalents and interest-earning bank deposits are net of Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS).

5.2 LIQUIDITY RISK

Based on the cash cycle of retail operations, as well as on the minimum capital required to guarantee the credit operations, the Company manages its cash and cash equivalents by setting a minimum strategic cash amount aiming at:

i) Precaution in times of uncertainty in economy;
ii) Guarantee the implementation of investment and expansion strategy;
iii) Guarantee the maintenance/expansion of financial product operations in times of credit restriction;
iv) Guarantee debt amortization and debt services; and
v) Guarantee the maintenance of the dividend distribution policy.

Management monitors the continuous forecasts of liquidity requirements considering the debt finance plans to ensure the Company has enough cash to meet its operational needs.

The Company has borrowings with covenants that require the maintenance of financial indicators, as follows and quarterly monitors them and confirmed the compliance.

Instrument	Issue Date	1º Indicator	2º Indicator
BNDES Prodesign	8/12/2016	$\frac{Consolidated\ Net\ Debt}{EBITDA} \leq 3.0$	$\frac{EBITDA}{Financial\ Net\ Income} \geq 2.0$
9th issue of debentures	3/18/2019		
Borrowing 4.131	1/9/2019		
Borrowing 4.131	4/18/2019		
Borrowing 4.131	7/30/2019		
Borrowing 4.131	11/22/2019		
Borrowing 4.131	1/27/2020		

On March 31, 2020, the Company's management assessed the effects of Covid-19 on covenants and identified that the drop in EBITDA and the increase in indebtedness increased leverage, however, as the Company operated with relatively low levels of leverage, the covenant indicators on March 31, 2020 were below the established limits, with a good safety margin. The contractual cash flows of the financial liabilities (Consolidated) are shown below:

	Book balance	Contractual cash flow	Less than 3 months	4-6 months	7-12 months	1-2 years	3-5 years	> 5 years
Borrowings, financing and debentures	1,663,261	**1,724,325**	81,452	460,900	747,520	14,863	419,590	-
Financing - financial service operations	848,574	**895,926**	191,546	251,951	105,880	346,549	-	-
Leases payable	1,923,170	**2,376,837**	108,718	105,707	211,097	384,154	817,214	749,947
Suppliers	851,614	**855,107**	252,154	585,668	16,973	312	-	-
Obligations with credit card administrators	881,287	**881,287**	707,659	111,782	55,130	6,716	-	-
Total on March 31, 2020	**6,167,906**	**6,733,482**	**1,341,529**	**1,516,008**	**1,136,600**	**752,594**	**1,236,804**	**749,947**

	Book balance	Contractual cash flow	Less than 3 months	4-6 months	7-12 months	1-2 years	3-5 years	> 5 years
Borrowings, financing and debentures	1,153,663	**1,219,144**	465,204	12,240	291,882	23,012	426,806	-
Financing - financial service operations	491,366	**545,170**	37,740	-	152,855	-	354,575	-
Leases payable	1,963,435	**2,434,655**	115,160	106,431	205,734	388,194	840,842	778,294
Suppliers	1,082,399	**1,082,399**	1,049,006	33,141	252	-	-	-
Obligations with credit card administrators	985,298	**985,298**	772,122	151,619	59,910	1,647	-	-
Derivative financial instruments	7,764	**7,764**	5,228	2,489	47	-	-	-
Total on December 31, 2019	**5,683,925**	**6,274,430**	**2,444,460**	**305,920**	**710,680**	**412,853**	**1,622,223**	**778,294**

Contractual cash flow includes principal plus future estimated interest. Additionally, the *rating* agency Standard & Poor's rated the Company credit as brAAA in the national scale category (Brazil).

5.3 CAPITAL MANAGEMENT

In addition to equity, the Company uses third parties to finance its activities, thereby optimizing its capital structure. The indebtedness levels are monitored in relation to its cash generation capacity and its capital structure. The net indebtedness reflects the Company's total exposure to the obligations contracted in the financial system, which justifies the non-inclusion of liabilities related to leases payable.

The increase in net debt in the first quarter of 2020 derives from the actions taken by the Company to face the adverse scenario imposed by Covid-19 and its impacts. The expectation of cash generation for the subsequent quarters was affected, which led the Company to strengthen its cash, intensifying the use of third-party capital. This decision was supported by the low financial leverage of the Company, in addition to broad access to credit lines through the capital markets or the financial system.

	Consolidated	
	3/31/2020	12/31/2019
Borrowings and financing	**(1,663,261)**	**(1,153,663)**
Current	(1,257,286)	(709,022)
Noncurrent	(405,975)	(444,641)
Operating financing	**(848,574)**	**(491,366)**
Current	(538,965)	(184,996)
Noncurrent	(309,609)	(306,370)
Gross indebtedness	**(2,511,835)**	**(1,645,029)**
Cash, Cash Equivalents and Interest-Earning Bank Deposits	1,743,640	1,372,302
Net indebtedness	**(768,195)**	**(272,727)**
Equity	**4,688,165**	**4,704,614**
Leverage ratio	**16.39%**	**5.80%**

6 CASH, CASH EQUIVALENTS AND INTEREST-EARNING BANK DEPOSITS

6.1 ACCOUNTING POLICY

Cash equivalents, measured at fair value through profit or loss includes cash balance, demand deposits, short-term and highly liquid short-term interest-earning bank deposits, recorded at amounts like market values.

Interest-earning bank deposits not classified as cash equivalents are investments that do not have repurchase guarantees by the issuer in the primary market, only in the secondary market and they are measured at fair value through profit or loss.

6.2 BREAKDOWN OF CASH AND CASH EQUIVALENTS

	Index	Weighted average rate p.a.	Parent Company 3/31/2020	Parent Company 12/31/2019	Consolidated 3/31/2020	Consolidated 12/31/2019
Cash and banks			16,132	121,471	78,744	181,686
Cash equivalents						
CDB	CDI	102.0%	1,112,763	632,733	1,152,645	676,527
Investment funds	CDI	87.9%	165,925	235,828	182,233	268,018
CDI	CDI	100.5%	-	-	10,400	-
Repo operations in debentures	CDI	86.5%	5,717	23	7,107	23
Automatic Investment	CDI	10.0%	4,485	21,758	4,485	21,758
Fund - BACEN Jud	CDI	61.3%	28	41	28	41
Total			**1,305,050**	**1,011,854**	**1,435,642**	**1,148,053**

6.3 BREAKDOWN OF INTEREST-EARNING BANK DEPOSITS

	Index	Weighted average rate p.a.	Parent Company 3/31/2020	Parent Company 12/31/2019	Consolidated 3/31/2020	Consolidated 12/31/2019
Financial National Treasury Bills	Selic	100.0%	-	-	307,998	224,249
Total			**-**	**-**	**307,998**	**224,249**

6.4 CREDIT RISK

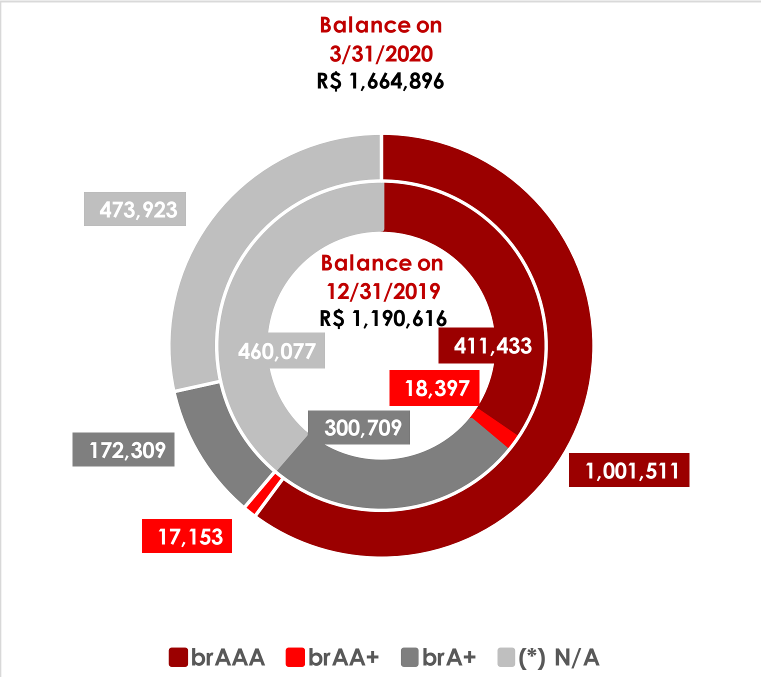
According to the Company's financial policy, cash equivalents and short-term investments must be invested in financial institutions with a long-term rating on a national scale classified as having low credit risk and with recognized market soundness.

The ratings of cash equivalents and interest-earning bank deposits are according to the main risk rating agencies.

Next is the credit quality of the cash equivalents and interest-earning bank deposits of the Company.

(*) Not applicable, since there is no classification of risk in the main risk rating agencies for Funds – Brasil Plural Crédito Privado Retail FIRF, Western Assets and National Treasury Bills in national scale.

However, the assets of balances of these funds and National Treasury Bills that make up the funds' balance have a AAA risk rating in at least one rating agency.



7 TRADE ACCOUNTS RECEIVABLE

7.1 ACCOUNTING POLICY

Trade accounts receivable correspond to the amounts receivable for the sale of goods, through Co-branded card ("Meu Cartão") at the network of affiliated stores by the Visa and Mastercard system, and quick withdrawals granted to its customers by the indirect subsidiary Realize CFI and financial institutions in the agreement.

Fixed credit sales were brought to present value on transactions date, based on estimated rate of the Company's capital average weighted cost. Contra-entry of adjustment to present value is the clients' account and its realization is recorded as sales revenue due to fruition of term. Discount rate used involves analysis of capital structure and of macro-economic context uncertainties and was 0.87% p.m. to the Parent Company and 1.02% p.m. to the subsidiaries (0.99% p.m. on December 31, 2019). In view of the economic scenario due to Covid-19, we reviewed these rates and did not identify the need to change the adjustment rates to present value.

7.2 BREAKDOWN

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Renner credit card (Private Label)	610,764	973,555	1,168,880	1,394,809
Co-branded card ("Meu Cartão")	201,225	334,785	2,080,271	2,078,378
Third-party cards	244,566	644,540	342,890	816,477
Exports - Related parties	32,434	29,173	-	-
Other receivables	1,677	1,995	6,760	5,819
(-) Estimated credit losses	(3,514)	(25,965)	(559,783)	(420,705)
(-) Adjustment to present value	(23,862)	(45,309)	(26,374)	(48,817)
Total	**1,063,290**	**1,912,774**	**3,012,644**	**3,825,961**

7.3 ESTIMATED CREDIT LOSSES

The estimated credit loss is an amount considered enough by management to cover any losses in the recovery of receivables based on client balance.

In view of the current scenario of uncertainties in the economy, caused by the Covid-19 pandemic and in compliance with Memorandum Circulars CVM/SNC/SEP/No. 02/2020 and No. 03/2020, the Company reviewed the variables that make up the methodology of measurement of estimated losses, through the projection of the rollovers of each range of the portfolio, capturing the estimates of reflexes in the default and recovery of credits for the next months, which reflected in an increase in the coverage of estimated losses in all portfolios, as one can observe in Note 7.3.2. It is worth highlighting that management is attentive, monitoring the economic scenario and assessing any impacts that may affect the performance of the portfolios and, consequently, the measurement of estimated losses.

The portfolios of Co-branded card (Meu Cartão) and Renner credit card (Private Label) recorded at the subsidiary Realize CFI, with a maturity over 360 days are written off from the balance of trade accounts receivable against estimated losses in credit, in line with the practices of financial institutions.

7.3.1 Changes in estimated credit losses

	Balances on 1/1/2019	Estimated (losses), net	Write-offs	Balances on 12/31/2019	Estimated (losses) reversals, net	Write-offs	Balances on 3/31/2020
Renner credit card (Private Label)	(65,406)	(159,539)	198,980	**(25,965)**	(22,461)	44,912	**(3,514)**
Total Parent Company	**(65,406)**	**(159,539)**	**198,980**	**(25,965)**	**(22,461)**	**44,912**	**(3,514)**
Co-branded card	(232,007)	(280,563)	224,678	**(287,892)**	(146,708)	72,287	**(362,313)**
Renner credit card (Private Label)	(8,353)	(107,245)	8,750	**(106,848)**	(89,992)	2,884	**(193,956)**
Total Consolidated	**(305,766)**	**(547,347)**	**432,408**	**(420,705)**	**(259,161)**	**120,083**	**(559,783)**

7.3.2 Coverage of losses per delay ranges and credit product

Estimated credit losses are recognized based on the risk rating of the operations, in accordance with the criteria defined by the Central Bank of Brazil (Res. No. 2,682), considering the balance realization history and recovery of receivables in arrears for up to 360 days, plus expected losses in accordance with CPC 48/ IFRS 9.

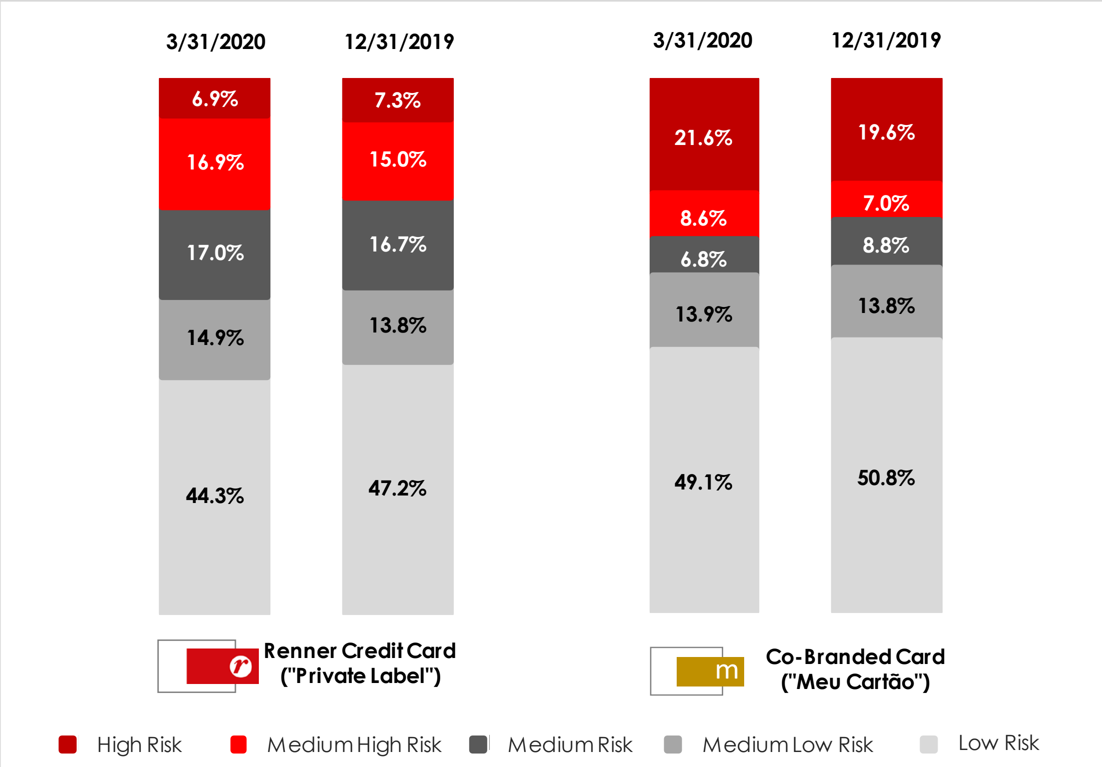
		3/31/2020			12/31/2019		
Renner credit card (Private Label) In days		Balance	Estimated losses	Coverage	Balance	Estimated losses	Coverage
A	0-14	660,298	(17,498)	2.7%	1,119,357	(21,373)	1.9%
B	15-30	144,489	(3,829)	2.7%	60,467	(1,314)	2.2%
C	31-60	117,281	(11,720)	10.0%	42,519	(2,199)	5.2%
D	61-90	73,268	(11,869)	16.2%	30,161	(5,147)	17.1%
E	91-120	27,184	(13,644)	50.2%	33,493	(13,572)	40.5%
F	121-150	24,125	(17,010)	70.5%	34,125	(21,206)	62.1%
G	151-180	24,054	(23,719)	98.6%	34,140	(27,455)	80.4%
H	>180	98,181	(98,181)	100.0%	40,547	(40,547)	100.0%
Total		**1,168,880**	**(197,470)**	**16.9%**	**1,394,809**	**(132,813)**	**9.5%**
Estimated losses x Minimum required (Central Bank of Brazil)				**130.9%**			**130.1%**

		3/31/2020			12/31/2019		
Co-branded card ("Meu Cartão") In days		Balance	Estimated losses	Coverage	Balance	Estimated losses	Coverage
A	0-14	1,442,747	(38,233)	2.7%	1,566,336	(29,917)	1,9%
B	15-30	109,504	(2,902)	2.7%	62,486	(1,193)	1.9%
C	31-60	98,801	(9,870)	10.0%	64,118	(2,007)	3.1%
D	61-90	92,139	(14,853)	16.1%	75,719	(8,003)	10.6%
E	91-120	52,570	(26,280)	50.0%	49,900	(15,933)	31.9%
F	121-150	46,021	(32,210)	70.0%	42,698	(22,587)	52.9%
G	151-180	39,154	(38,630)	98.7%	33,397	(24,528)	73.4%
H	>180	199,335	(199,335)	100.0%	183,724	(183,724)	100.0%
Total		**2,080,271**	**(362,313)**	**17.4%**	**2,078,378**	**(287,892)**	**13.9%**
Estimated losses x Minimum required (Central Bank of Brazil)				**126.7%**			**110.1%**

7.4 CREDIT RISK

The sales and credit grant policies of the Company aim at minimizing problems arising from the default of its clients through a judicious selection of the client balance, which takes into consideration their capacity to pay (creditworthiness) and diversification of its operations (risk spread). These policies are subordinated to the credit, set out by its management, supported by advanced technology systems and processes, related to the risk and fraud area.

The internal risk rating of the credit quality of the accounts receivable balance is as follows:



i) **Low Risk:** likelihood lower than or equal to 9.3% of being 60 days overdue.

ii) **Medium low risk**: likelihood higher than 9.3% and lower than or equal to 16.8% of being 60 days overdue.

iii) **Medium Risk:** clients with up to four months of Renner Credit Card (including the new Renner Credit Card – Realize) or Co-branded card ("Meu Cartão") with little history of movement for purposes of measuring the likelihood of default.

iv) **Medium high risk:** likelihood higher than 16.8% and lower than or equal to 31.3% of being 60 days overdue.

v) **High risk:** likelihood higher than 31.3% of being 60 days overdue.

The receivables from sales with third-party credit cards are not included in the analysis above because they are receivables with low risk of default, with no history of loss in the Company.

The Company's receivables derive from retail operations to individuals in a massified way, with individual credit analysis, with low average ticket, having as characteristic the absolute spread of credit risk and the lack of guarantee instrument. The amounts recorded in accounts receivable represent the appropriate size of the Company's exposure to credit risk.

8 INVENTORIES

8.1 ACCOUNTING POLICY

The inventories are measured at acquisition cost, including non-recoverable taxes, transportation costs, and other costs necessary to take inventories to current conditions. Costs of imported goods' inventories also consider any gains or losses from settled cash flow hedges that are transferred from equity.

Inventories are valued at weighted average cost and deducted from estimated losses and adjustment to present value on the date of the transactions, based on the estimated rate of the weighted average cost of capital of the Company, when applicable. The adjustment to present value is matched against the inventory account and its realization is recorded as cost of sales for its realization. The discount rate used involves analyzing the capital structure and the uncertainties of the macro-economic context and was 0.87% per month to the Parent Company and 1.02% to the subsidiaries (0.99% per month on December 31, 2019). Given the economic environment due to the Covid-19, we conducted a review of these rates and did not identify any need for changes.

Losses are estimated based on historical levels and are materialized only upon realization of inventories, which will reflect the Company's operating model and will serve as a basis for updating the estimate. We analyzed possible impacts on inventory loss estimates due to Covid-19 and did not identify any need for changes.

8.2 BREAKDOWN

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Goods for resale	913,403	779,948	1,113,517	956,330
Imports in transit	235,018	165,611	279,848	199,083
Advances to suppliers	28,083	3,777	28,315	3,947
Auxiliary materials and warehouse	4,863	5,226	13,983	10,742
Adjustment to present value	(18,075)	(17,582)	(20,315)	(19,285)
Estimated losses	(7,251)	(21,132)	(9,700)	(26,311)
Total	**1,156,041**	**915,848**	**1,405,648**	**1,124,506**

The Company has a balance of advances related to confirming agreement with a balance of R$ 28,083 on March 31, 2020 in the Parent Company and Consolidated (R$ 3,777 on December 31, 2019), fully reversing into inventory goods.

8.3 ESTIMATED INVENTORY LOSSES

The Company has been improving its inventory management and has been achieving better turnover efficiency, measures that have contributed to better coping with the current moment. At the end of March, the transition from spring/summer to autumn/winter collection was practically completed, so that the remaining low volumes are stored in a good state of conservation and safety and have the characteristics of being non-perishable products that have a low risk of obsolescence in the short term. As such, we can conclude that there are no elements, at this moment, that render it justifiable to set up an additional loss estimate deriving from the Covid-19 impacts.

	Parent Company	Consolidated
Balance on January 1, 2019	**(61,805)**	**(69,092)**
(-) Estimated losses, net	(57,356)	(62,240)
(+) Actual loss	98,029	104,625
(+/-) Translation adjustment	-	396
Balance on December 31, 2019	**(21,132)**	**(26,311)**
(-) Estimated losses, net	(10,097)	(9,762)
(+) Actual loss	23,978	26,437
(+/-) Translation adjustment	-	(64)
Balance on March 31, 2020	**(7,251)**	**(9,700)**

From the implementation of the RFID (Radio Frequency Identification) system at the Parent Company, it was possible to increase the frequency of realization of inventories for most of the inventories and, with that, we started to recognize the effects directly on P&L, without running through the estimated losses account.

9 RECOVERABLE TAXES

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
State VAT (ICMS)	147,254	146,604	191,021	185,636
ICMS – Fixed assets	51,245	53,736	57,513	60,771
Income and social contribution taxes	13,555	11,778	15,065	17,187
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and Social Security Financing (COFINS)	9,028	8,821	12,377	9,324
Tax credits from foreign subsidiaries	-	-	42,008	27,673
Other recoverable taxes	7,861	29,503	8,580	31,150
Total	**228,943**	**250,442**	**326,564**	**331,741**
Current assets	178,305	199,116	246,096	258,396
Noncurrent assets	50,638	51,326	80,468	73,345
Total	**228,943**	**250,442**	**326,564**	**331,741**

The Company assessed the realization of recoverable taxes due to Covid-19 and understood that the impacts are short-term and do not jeopardize their recoverability.

10 OTHER ASSETS

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Prepaid expenses	22,078	8,241	23,047	9,414
Judicial deposits	9,489	9,496	9,602	9,610
Advances to third parties	19,579	18,420	40,784	29,289
Advances to employees	13,036	4,395	14,607	5,036
Credits from agreement with suppliers	9,548	8,176	9,548	8,176
Insurance indemnities in progress	681	1,162	985	1,402
Insurance commissions receivable	17	197	6,351	5,479
Amounts receivable – operating financial services agreement	-	7,567	-	7,567
Other accounts receivable	10,187	8,759	7,689	10,897
Total	**84,615**	**66,413**	**112,613**	**86,870**
Current assets	70,794	53,195	95,669	70,662
Noncurrent assets	13,821	13,218	16,944	16,208
Total	**84,615**	**66,413**	**112,613**	**86,870**

11 INCOME AND SOCIAL CONTRIBUTION TAXES

11.1 ACCOUNTING POLICY

Provision for income and social contribution taxes are based on taxable profit for the period. Deferred income and social contribution taxes are recognized on the temporary differences at the end of each period between the balances of assets and liabilities recognized in the financial statements and the respective tax bases employed to arrive at taxable profit, including the balance of tax losses, where applicable. The current and deferred taxes are recognized in profit or loss, except when they correspond to items recorded in "other comprehensive income" in equity.

11.2 BREAKDOWN

11.2.1 Parent Company

	3/31/2020		12/31/2019	
Deferred income tax/social contribution tax calculation bases	IRPJ	CSLL	IRPJ	CSLL
Estimated losses in assets	24,113	24,113	63,941	63,941
Provisions for tax, civil and labor risks	90,247	90,247	84,957	84,957
Adjustment to present value	39,199	39,199	58,086	58,086
Provision employee profit sharing	68,227	68,227	68,227	68,227
Restricted share plan	18,501	18,501	39,664	39,664
Income and social contribution tax losses	306,281	306,281	-	-
Equity valuation adjustments - hedge	-	-	2,436	2,436
Swap from borrowing	-	-	2,115	2,115
Lease payable	66,326	66,326	63,696	63,696
Other assets	701	11	702	11
Deferred tax assets base	**613,595**	**612,905**	**383,824**	**383,133**
Review of the useful life	(139,357)	(139,357)	(124,167)	(124,167)
Equity valuation adjustments - hedge	(87,224)	(87,224)	-	-
Swap from borrowing	(185,271)	(185,271)	-	-
Other liabilities	(11,018)	(11,018)	(14,176)	(14,176)
Deferred tax liabilities basis	**(422,870)**	**(422,870)**	**(138,343)**	**(138,343)**
Total	**190,725**	**190,035**	**245,481**	**244,790**
Nominal rates	25%	9%	25%	9%
Deferred income and social contribution tax assets	**47,681**	**17,103**	**61,370**	**22,031**

11.2.2 Consolidated

	3/31/2020		12/31/2019	
Deferred income tax/social contribution tax calculation bases	**IRPJ**	**CSLL**	**IRPJ**	**CSLL**
Estimated losses in assets	315,751	313,916	283,738	282,316
Provisions for tax, civil and labor risks	107,360	107,360	100,754	100,754
Adjustment to present value	43,276	43,276	62,890	62,890
Provision employee profit sharing	69,864	69,864	69,864	69,864
Restricted share plan	18,501	18,501	39,664	39,664
Income and social contribution tax losses (i)	570,955	543,704	176,478	166,304
Equity valuation adjustments - hedge	-	-	3,382	3,382
Lease payable	77,908	75,849	73,847	72,036
Other assets	27,185	11	20,707	2,126
Deferred tax assets base	**1,230,800**	**1,172,481**	**831,324**	**799,336**
Goodwill on acquisition of equity interest	(81,713)	(81,713)	(76,707)	(76,707)
Appreciation of assets	(28,798)	(28,798)	(28,888)	(28,888)
Review of the useful life	(157,058)	(157,058)	(138,639)	(138,639)
Equity valuation adjustments - hedge	(94,964)	(94,964)	-	-
Swap from borrowing	(222,814)	(222,814)	(1,471)	(1,471)
Other liabilities	(15,013)	(7,109)	(21,647)	(15,050)
Deferred tax liabilities basis	**(600,360)**	**(592,456)**	**(267,352)**	**(260,755)**
Total	**630,440**	**580,025**	**563,972**	**538,581**
Weighted nominal rates (ii)	25%	11.92%	25%	11.37%
Deferred income and social contribution tax assets and liabilities (iii)	**157,610**	**69,139**	**140,993**	**61,237**

(i) Credits recognized on IRPJ and CSLL tax losses of the parent company and subsidiaries Camicado, Youcom, LRS, LRU and LRA.
(ii) The weighted nominal rate of Social Contribution (CSLL) is greater than the general rate of 9% due to the consolidation of the balances of the indirect subsidiary Realize CFI.
(iii) The management individually offsets deferred assets against the deferred liabilities of the Parent Company and subsidiaries. In Consolidated, net deferred liability belongs to subsidiary Camicado.

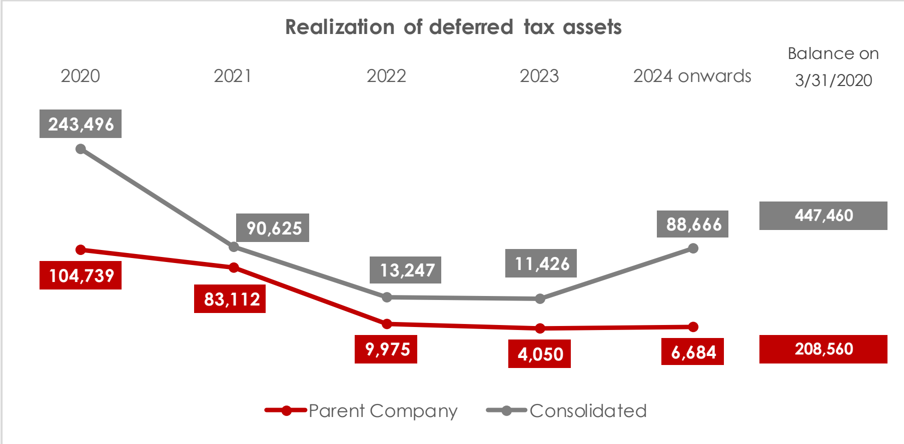
11.3 CHANGES IN DEFERRED TAXES, NET

Below are the changes in deferred taxes, recognized at weighted nominal tax rates:

	Parent Company	Consolidated
Balance on January 1, 2019	**71,451**	**142,244**
Recognized in profit or loss	12,072	60,061
Recognized in other comprehensive income	(122)	(93)
Translation adjustments	-	18
Balance on December 31, 2019	**83,401**	**202,230**
Recognized in profit or loss	11,868	56,642
Recognized in other comprehensive income	(30,485)	(33,438)
Translation adjustments	-	1,315
Balance on March 31, 2020	**64,784**	**226,749**

11.4 REALIZATION OF DEFERRED TAX ASSETS

The recoverability of deferred tax asset balances is reviewed at the end of each year and, when it is no longer probable that future taxable profits will be available to recover the asset, in whole or in part. Management's evaluation, the current scenario impacted by Covid-19 did not affect projections of future taxable earnings, which are based on technical feasibility studies, allowing for an estimate of the recovery of credits within a period of no more than 10 years. Also, estimated deferred tax realization involves uncertainties of other estimates.



11.5 ANALYSIS OF THE EFFECTIVE RATE FOR THE INCOME AND SOCIAL CONTRIBUTION TAXES

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged to profit or loss is presented below:

	Parent Company		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Profit or loss before income and social contribution taxes	**(1,413)**	**188,269**	**(12,904)**	**210,993**
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	**480**	**(64,011)**	**4,387**	**(71,738)**
Permanent (additions) exclusions:				
Stock option plan expense	(1,694)	(1,634)	(1,694)	(1,634)
Profit or loss from ownership interest	(10,124)	12,644	-	-
Interest on equity	19,839	22,701	19,839	22,701
Tax benefits	-	406	31	436
Investment grant (i)	3,722	3,528	4,016	4,232
Income and social contribution tax differences of subsidiaries	-	-	(1,359)	(2,276)
Others (additions)	(391)	(311)	(1,915)	(1,134)
Exempt portion of the 10% surtax	-	6	18	18
Income and social contribution taxes in P&L for the period	**11,832**	**(26,671)**	**23,323**	**(49,395)**
Current	(36)	(13,937)	(33,319)	(42,501)
Deferred	11,868	(12,734)	56,642	(6,894)
Effective tax rate (ii)	**N/A**	**14.17%**	**N/A**	**23.41%**

(i) ICMS tax incentives and benefits, considered investment subsidies, under the terms of Supplementary Law 160/2017.

(ii) In the 1st Quarter of 2020, the IRPJ and CSLL taxes recorded was positive (creditor) due to the negative tax result and the resolution as to interest on equity (IOE), which occurred in March 2020, under the terms of article 9, paragraph 1 of Law No. 9249/95.

12 INVESTMENTS

12.1 BREAKDOWN

	Parent Company	
	3/31/2020	12/31/2019
Investments in subsidiaries	1,518,305	1,383,802
Goodwill on asset appreciation	1,290	1,290
Total	**1,519,595**	**1,385,092**

12.2 CHANGES IN INVESTMENTS IN SUBSIDIARIES

Subsidiaries	Balance on 12/31/2019	Capital contribution	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Balance on 3/31/2020
RACC	**1,647**	-	1,239	-	-	**2,886**
Dromegon	**11,443**	-	944	-	-	**12,387**
Camicado	**406,967**	77,670	(11,563)	5,259	-	**478,333**
Youcom	**142,696**	-	(7,667)	474	-	**135,503**
LRS	**9,767**	-	(545)	2,592	-	**11,814**
Realize Participações S.A.	**550,814**	-	3,423	-	-	**554,237**
LRU	**143,636**	-	(4,753)	13,429	-	**152,312**
LRA	**114,892**	25,095	(10,384)	39,273	-	**168,876**
Realize CFI	**3**	-	-	-	-	**3**
Lojas Renner Trading Uruguay	**1,937**	-	(470)	487	-	**1,954**
Total	**1,383,802**	**102,765**	**(29,776)**	**61,514**	**-**	**1,518,305**

Subsidiaries	Balance on 1/1/2019	Capital contribution	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Balance on 12/31/2019
RACC	**2,167**	-	7,597	-	(8,117)	**1,647**
Dromegon	**11,573**	-	6,101	-	(6,231)	**11,443**
Camicado	**413,838**	-	(6,850)	(21)	-	**406,967**
Youcom	**122,949**	20,000	(217)	(36)	-	**142,696**
LRS	**7**	6,776	2,578	406	-	**9,767**
Realize Participações S.A.	**283,938**	50,000	216,876	-	-	**550,814**
LRU	**120,967**	37,141	(2,886)	(11,586)	-	**143,636**
LRA	**11**	125,806	(7,268)	(3,657)	-	**114,892**
Realize CFI	**2**	-	1	-	-	**3**
Lojas Renner Trading Uruguay	**-**	2,001	(86)	22	-	**1,937**
Total	**955,452**	**241,724**	**215,846**	**(14,872)**	**(14,348)**	**1,383,802**

13 FIXED ASSETS AND INTANGIBLE ASSETS

13.1 ACCOUNTING POLICY

Recorded at the cost of acquisition, formation or installation of stores, deducted from accumulated depreciation or amortization, calculated under the straight-line method at rates that consider estimated useful lives of assets, as follows:

Class	Annual Rate (%)	Useful life (years)
Fixed Assets		
Buildings	1.66	60
Furniture and utensils	10 up to 25	4 up to 10
Facilities	5 up to 10	10 up to 20
Machinery and Equipment	5 up to 10	10 up to 20
Leasehold improvements	10	10
Vehicles	20	5
Computers and peripherals	10 up to 33.3	3 up to 10
Intangible		
IT systems	12.5 up to 20	5 up to 8
Right-of-use properties	10	10

The Company has as a procedure, to annually review the fixed and intangible assets based on technical evaluations of specialists and with the objective of:

i) Identifying evidence that its assets may be impaired; and
ii) Identifying changes in the form of use and maintenance that may affect the useful life of its fixed and intangible assets.

On March 31, 2020, due to the impacts of Covid-19, management reviewed the future projections of its cash-generating units (CGU) and did not identify the need for provisioning assets, as there is no revaluation or idleness regarding fixed assets.

13.2 BREAKDOWN OF FIXED ASSETS

	Parent Company					
	3/31/2020			12/31/2019		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	**288**	288	-	**288**
Properties	61,898	(2,820)	**59,078**	61,898	(2,613)	**59,285**
Furniture and fixtures	473,411	(247,292)	**226,119**	469,412	(237,546)	**231,866**
Facilities	522,451	(254,100)	**268,351**	514,051	(247,698)	**266,353**
Machinery and equipment	274,907	(149,565)	**125,342**	274,080	(146,160)	**127,920**
Leasehold improvements	1,726,043	(919,369)	**806,674**	1,710,288	(883,821)	**826,467**
Vehicles	1,589	(475)	**1,114**	1,589	(425)	**1,164**
Computers and peripherals	280,302	(167,041)	**113,261**	271,695	(159,500)	**112,195**
Fixed assets in progress	187,869	-	**187,869**	188,715	-	**188,715**
Total	**3,528,758**	**(1,740,662)**	**1,788,096**	**3,492,016**	**(1,677,763)**	**1,814,253**

	Consolidated					
	3/31/2020			12/31/2019		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	**288**	288	-	**288**
Properties	76,965	(8,700)	**68,265**	76,965	(8,493)	**68,472**
Furniture and fixtures	553,813	(274,521)	**279,292**	540,693	(262,862)	**277,831**
Facilities	580,672	(276,743)	**303,929**	570,394	(269,276)	**301,118**
Machinery and equipment	295,396	(152,312)	**143,084**	291,320	(148,498)	**142,822**
Leasehold improvements	2,051,485	(988,855)	**1,062,630**	2,003,402	(945,061)	**1,058,341**
Vehicles	1,589	(475)	**1,114**	1,589	(424)	**1,165**
Computers and peripherals	302,384	(175,342)	**127,042**	291,164	(166,821)	**124,343**
Fixed assets in progress	200,549	-	**200,549**	199,330	-	**199,330**
Total	**4,063,141**	**(1,876,948)**	**2,186,193**	**3,975,145**	**(1,801,435)**	**2,173,710**

13.3 RECONCILIATION OF NET BOOK VALUE OF FIXED ASSETS

13.3.1 Parent Company

Book value	Balance on 1/1/2019	Additions	Transf.	Write-offs	Estimated losses	Transf. CPC 06 (R2)/*IFRS* 16	Depreciation	Balance on 12/31/2019	Additions	Transf.	Write-offs	Depreciation	Balance on 3/31/2020
Land	**288**	-	-	-	-	-	-	**288**	-	-	-	-	**288**
Properties	**87,131**	-	-	-	-	(27,021)	(825)	**59,285**	-	-	-	(207)	**59,078**
Furniture and fixtures	**230,385**	2,103	49,958	(1,307)	(8,204)	-	(41,069)	**231,866**	2,577	1,790	-	(10,114)	**226,119**
Facilities	**264,322**	1,365	25,868	(101)	(256)	-	(24,845)	**266,353**	1,710	6,780	(12)	(6,480)	**268,351**
Machinery and equipment	**123,437**	958	17,271	(43)	(206)	-	(13,497)	**127,920**	380	607	(36)	(3,529)	**125,342**
Leasehold improvements	**825,918**	7,939	132,421	(621)	(1,795)	-	(137,395)	**826,467**	9,986	6,461	-	(36,240)	**806,674**
Vehicles	**1,718**	311	-	(628)	-	-	(237)	**1,164**	-	-	-	(50)	**1,114**
Computers	**95,011**	512	53,773	(2,242)	(5,499)	-	(29,360)	**112,195**	1,426	7,624	(16)	(7,968)	**113,261**
Fixed assets in progress	**89,662**	378,927	(279,291)	(581)	(2)	-	-	**188,715**	22,416	(23,262)	-	-	**187,869**
Total	**1,717,872**	**392,115**	**-**	**(5,523)**	**(15,962)**	**(27,021)**	**(247,228)**	**1,814,253**	**38,495**	**-**	**(64)**	**(64,588)**	**1,788,096**

13.3.2 Consolidated

Book value	Balance on 1/1/2019	Additions	Transf.	Write-offs	Estimated losses	Transf. CPC 06 (R2)/IFRS 16	Deprec.	Translation adjustment	Balance on 12/31/2019	Additions	Transf.	Write-offs	Deprec.	Translation adjustment	Balance on 3/31/2020
Land	**288**	-	-	-	-	-	-	-	**288**	-	-	-	-	-	**288**
Properties	**96,188**	131	-	-	-	(27,021)	(826)	-	**68,472**	-	-	-	(207)	-	**68.265**
Furniture and fixtures	**272,596**	2,577	60,643	(1,128)	(8,654)	-	(47,844)	(359)	**277,831**	2,675	8,819	104	(11,939)	1,802	**279,292**
Facilities	**295,597**	4,232	31,360	(81)	(896)	-	(28,730)	(364)	**301,118**	1,772	8,244	(10)	(7,577)	382	**303,929**
Machinery and equipment	**130,222**	952	26,222	(63)	(267)	-	(14,107)	(137)	**142,822**	413	1,362	(12)	(3,893)	2,392	**143,084**
Leasehold improvements	**993,626**	8,797	226,442	(4,625)	(4,207)	-	(159,162)	(2,530)	**1,058,341**	14,555	17,725	13	(44,366)	16,362	**1,062,630**
Vehicles	**1,718**	311	-	(626)	-	-	(238)	-	**1,165**	-	-	-	(51)	-	**1,114**
Computers	**103,851**	1,283	57,558	(671)	(5,574)	-	(31,857)	(247)	**124,343**	2,300	8,946	31	(8,868)	290	**127,042**
Fixed assets in progress	**100,363**	501,678	(402,225)	-	(2)	-	-	(484)	**199,330**	42,512	(45,096)	-	-	3,803	**200,549**
Total	**1,994,449**	**519,961**	**-**	**(7,194)**	**(19,600)**	**(27,021)**	**(282,764)**	**(4,121)**	**2,173,710**	**64,227**	**-**	**126**	**(76,901)**	**25,031**	**2,186,193**

The main natures that make up the group of fixed assets in progress refer to the development and implementation of the Company's stores and distribution centers.

13.4 BREAKDOWN OF INTANGIBLE ASSETS

	Parent Company					
	3/31/2020			12/31/2019		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	821,006	(467,393)	**353,613**	765,947	(451,475)	**314,472**
Right-of-use properties	69,300	(49,495)	**19,805**	69,760	(49,150)	**20,610**
Trademarks and patents	6,593	(83)	**6,510**	6,519	(83)	**6,436**
Intangible assets in progress	92,144	-	**92,144**	128,193	-	**128,193**
Total	**989,043**	**(516,971)**	**472,072**	**970,419**	**(500,708)**	**469,711**

	Consolidated					
	3/31/2020			12/31/2019		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	1,016,002	(516,871)	**499,131**	947,069	(494,796)	**452,273**
Right-of-use properties	103,087	(60,628)	**42,459**	98,555	(59,459)	**39,096**
Trademarks and patents	34,925	(83)	**34,842**	34,851	(83)	**34,768**
Intangible assets - others	3,500	(3,500)	**-**	3,500	(3,500)	**-**
Intangible assets in progress	103,378	-	**103,378**	141,419	-	**141,419**
Goodwill - Camicado	116,679	-	**116,679**	116,679	-	**116,679**
Total	**1,377,571**	**(581,082)**	**796,489**	**1,342,073**	**(557,838)**	**784,235**

13.5 RECONCILIATION OF NET BOOK VALUE OF INTANGIBLE ASSETS

13.5.1 Parent Company

Book value	Balance on 12/31/2019	Additions	Transf.	Amort.	Balance on 3/31/2020
IT systems	**314,472**	45	55,014	(15,918)	**353,613**
Right-of-use properties	**20,610**	-	-	(805)	**19,805**
Trademarks and patents	**6,436**	74	-	-	**6,510**
Intangible assets in progress	**128,193**	18,965	(55,014)	-	**92,144**
Total	**469,711**	**19,084**	**-**	**(16,723)**	**472,072**

Book value	Balance on 1/1/2019	Additions	Transf.	Write-offs	Estimated losses	Amort.	Balance on 12/31/2019
IT systems	**271,020**	284	142,397	(38,829)	(10)	(60,390)	**314,472**
Right-of-use properties	**17,396**	2	7,159	-	(872)	(3,075)	**20,610**
Trademarks and patents	**5,934**	502	-	-	-	-	**6,436**
Intangible assets in progress	**118,659**	160,129	(149,556)	(1,039)	-	-	**128,193**
Total	**413,009**	**160,917**	**-**	**(39,868)**	**(882)**	**(63,465)**	**469,711**

The main natures that make up the group of intangible accounts in progress refer to the development and implementation of Information Technology systems and licensing.

13.5.2 Consolidated

Book value	Balance on 12/31/2019	Additions	Transf.	Write-offs	Amort.	Translation adjustment	Balance on 3/31/2020
IT systems	**452,273**	2,545	59,304	1	(21,172)	6,180	**499,131**
Right-of-use properties	**39,096**	38	974	2	(1,595)	3,944	**42,459**
Trademarks and patents	**34,768**	74	-	-	-	-	**34,842**
Intangible assets in progress	**141,419**	22,556	(60,278)	-	-	(319)	**103,378**
Goodwill - Camicado	**116,679**	-	-	-	-	-	**116,679**
Total	**784,235**	**25,213**	**-**	**3**	**(22,767)**	**9,805**	**796,489**

Book value	Balance on 1/1/2019	Additions	Transf.	Write-offs	Estimated losses	Amort.	Translation adjustment	Balance on 12/31/2019
IT systems	**326,320**	50,104	149,295	(176)	(11)	(72,735)	(524)	**452,273**
Right-of-use properties	**33,358**	2	12,874	16	(1,497)	(5,431)	(226)	**39,096**
Trademarks and patents	**34,265**	503	-	-	-	-	-	**34,768**
Intangible assets in progress	**124,454**	180,858	(162,169)	(1,550)	-	-	(174)	**141,419**
Goodwill - Camicado	**116,679**	-	-	-	-	-	-	**116,679**
Total	**635,076**	**231,467**	**-**	**(1,710)**	**(1,508)**	**(78,166)**	**(924)**	**784,235**

14 RIGHT-OF-USE

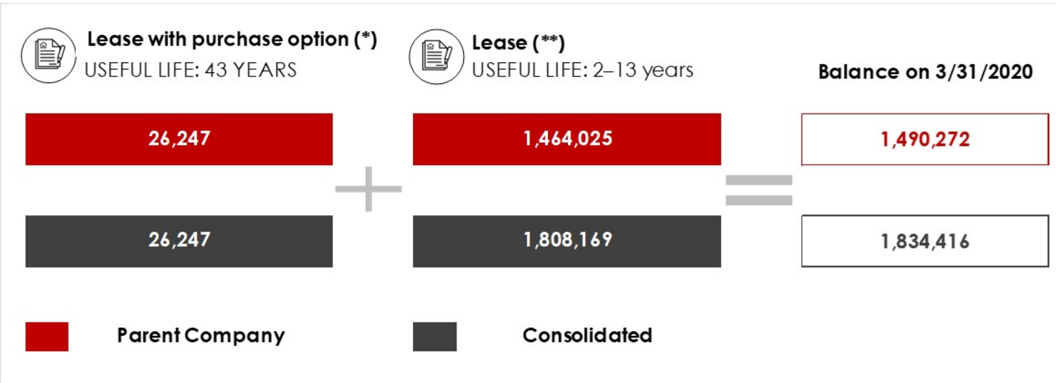
The purpose of the standard IFRS 16/CPC 06 (R2), applicable as of January 1, 2019, is to unify lease accounting model, and requires for all lease contracts within the scope of the standard - unless they are covered by exemption - that lessees to recognize assumed liabilities against respective right-of-use assets.

14.1.1 Right-of-Use

14.1.1.1 Accounting policy

The Company's management chose to use the practical measure for transition and to not consider initial costs for measurement of right-of-use asset corresponds to initial lease liability value plus initial direct costs incurred, thus maintaining the initial lease liability value. Depreciation is calculated using the straight-line method according to the remaining term of contracts.

14.1.1.1.1 Breakdown of right-of-use



(*) Corresponds to the administrative headquarters building.

(**) Corresponds to the rental of comercial space and distribution centers.

14.1.1.1.2 Changes in right-of-use

	Parent Company	Consolidated
Balance on January 1, 2019	**1,746,679**	**2,020,767**
(+/-) Remeasurement and new contracts	105,579	227,972
(-) Depreciation	(317,354)	(369,161)
(+/-) Translation adjustment	-	383
Balance on December 31, 2019	**1,534,904**	**1,879,961**
(+/-) Remeasurement and new contracts	37,451	54,515
(-) Depreciation	(82,083)	(98,873)
(+/-) Translation adjustment	-	(1,187)
Balance on March 31, 2020	**1,490,272**	**1,834,416**

15 IMPAIRMENT TEST OF THE GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

15.1 ACCOUNTING POLICY

Assets with an indefinite useful life, such as goodwill, are not subject to amortization and are tested every year to identify a possible impairment need. For impairment valuation purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units - CGU), in conformity with the analysis of views used by the management. Non-financial assets, except goodwill, that have been impaired, are subsequently reviewed for possible reversal of the impairment at each reporting date.

15.2 EVALUATION OF THE RECOVERABLE VALUE

The book value of the goodwill and the trademark allocated on Camicado is R$ 144,741 (R$ 144,741 on December 31, 2019).

To determine the recoverable value of Camicado, the Company used cash flow projections before income and social contribution taxes, based on financial budgets approved by management for a period of 10 years, considering measures such as improvements in the product mix, opening growing number of stores in synergy with the Parent Company, aligned with the brand value proposition and the dilution of costs provided by the growth. These are indications that support Camicado's business plan, approved by the Parent Company.

The Company carried out review tests on March 31, 2020 and concluded that there are no factors that indicate the need for impairment losses, since the recoverable amount exceeded the book value.

16 BORROWINGS, FINANCING AND DEBENTURES

16.1 ACCOUNTING POLICY

Balances of borrowing, financing and debentures are initially recognized at fair value upon receipt and subsequently, they start to be measured at amortized cost as provided for in contract (plus charges, interest calculated at effective rate, inflation adjustment, exchange-rate change, and amortization charges incurred up to statement of financial position dates).

Balance of working capital borrowing – Law 4131 in foreign currency is measured at fair value, reflecting current market expectations of future values using the discounted cash flow evaluation techniques (conversion of future cash flows into a single value). Borrowings of the same financing line 4131 but in domestic currency are measured at amortized cost.

16.2 BREAKDOWN OF BORROWINGS, FINANCING AND DEBENTURES

Description	Index	Rates	Maturity	Parent Company		Consolidated	
				3/31/2020	12/31/2019	3/31/2020	12/31/2019
In domestic currency							
Debentures (i)	CDI	103.9% p.a.	10/2022	408,732	710,959	408,732	710,959
Fundo do Nordeste - FNE (ii)	-	6.97%-11.01% p.a.	6/2023-7/2024	7,913	8,524	8,560	9,208
BNDES (iii)	Selic	2.5% p.a.	7/2020	1,899	3,289	1,899	3,289
BNDES (iii)	TJLP	2.12% p.a.	7/2020	1,000	1,750	1,000	1,750
Working capital - secured account	CDI	112.5% p.a.	-	-	-	-	51,420
Working capital– Law 4.131 Bacen (iv)	CDI	108.61% p.a. and CDI +3.28% p.a.	7/2020-3/2021	350,683	-	350,683	-
Foreign currency							
Working capital– Law 4.131 Bacen (v)	-	1.91%-3.7% p.a.	4/2020-1/2021	976,809	273,843	1,112,516	378,508
(+/-) *swap* – working capital (vi)	CDI	100.95%-112.0% p.a.	4/2020-1/2021	(185,271)	2,115	(220,129)	(1,471)
Total				**1,561,765**	**1,000,480**	**1,663,261**	**1,153,663**
Current liabilities				1,156,288	594,394	1,257,286	709,022
Noncurrent liabilities				405,477	406,086	405,975	444,641
Total				**1,561,765**	**1,000,480**	**1,663,261**	**1,153,663**

(i) Funds obtained were intended to maintain the minimum strategic cash level. In 2020, 7th issuance – single series debentures were settled in the amount of R$ 307,784, the balance is related to 9th issuance.

(ii) The Company signed financing agreements with Banco do Nordeste through FNE (Northeast Constitutional Financing Fund) to fund the expansion of its group of stores in the region.

(iii) The Company entered into a financing transaction with BNDES (Brazilian Bank for Economic and Social Development) using the *Prodesign* facility to invest in product development structure and processes.

(iv) The Company entered into two contracts in Brazilian Reais (BRL) with Banco Santander in the 4131 financing line, totaling R$ 350,000. These funds are used to maintain the strategic minimum cash, already considering possible impacts of Covid-19.

(v) In addition to the contracts already existing on December 31, 2019, the Company entered into three foreign currency contracts with Citibank in the 4131 financing line, totaling US$ 111,360, equivalent to R$ 479,528. These funds are used to maintain the minimum cash and support the Company's Share Buyback Program (Note 29).

(vi) Swap transactions in foreign currency (Law 4131) are hedging against foreign exchange rate fluctuations.

Changes in parent company's and consolidated borrowings are shown in Note 36.

The covenants and the settlement schedule in accordance with the contractual cash flow (principal plus estimated future interest up to maturity) are shown in Note 5.2.

17 FINANCING – FINANCIAL SERVICE OPERATIONS AND GUARANTEES

17.1 FINANCING - FINANCIAL SERVICE OPERATIONS

				Parent Company		Consolidated	
Financing	**Index**	**Charges**	**Maturity**	**3/31/2020**	**12/31/2019**	**3/31/2020**	**12/31/2019**
In domestic currency							
Secured account	-	20.7% p.m.	Immediate	-	37,740	-	37,740
Interbank Dep. Certif. (i)	CDI	109.5%-209.0% p.a.	4/2020-3/2021	-	-	390,226	-
Financial bills (ii)	CDI	104.1% p.a.	8/2022	-	-	309,609	306,370
Foreign currency							
Working capital– Law 4.131 Bacen (iii)	-	US$ + 4.76% p.a.	8/2020	-	-	185,825	142,830
(+/-) swap – working capital	CDI	101.80%	8/2020	-	-	(37,086)	4,426
Total				**-**	**37,740**	**848,574**	**491,366**
Current liabilities				-	37,740	538,965	184,996
Noncurrent liabilities				-	-	309,609	306,370
Total				**-**	**37,740**	**848,574**	**491,366**

(i) By means of its indirect subsidiary Realize CFI, the Company issued Certificates of Interbank Deposits in the amount of R$ 389,600 in March 2020. These funds are intended to strengthen the minimum cash and support the ordinary course of business, already considering possible impacts of Covid-19.
(ii) Through its indirect subsidiary Realize CFI, the Company issued Financial Bills for private distribution to finance operations and ordinary course of business in the amount of R$ 300,000, issued in August 2019.
(iii) The indirect subsidiary Realize CFI entered into contract in modality 4.131 to finance operations and ordinary course of business, and the Parent Company is the guarantor.

17.2 GUARANTEES

Parent Company is the guarantor and main payer and is jointly responsible for all (main and accessory) obligations deriving from the Secured Account and Financial Bills transactions (further details in Note 17.1).

18 LEASES PAYABLE

18.1 ACCOUNTING POLICY

From contracts that were in the standard's scope, only minimum fixed rent value has been considered lease component for liability evaluation purposes. The measurement of lease liability corresponds to total future fixed rent payments (gross of taxes), discounted at an interest incremental rate. Considering that all contracts analyzed in the scope of application of the standard are rental agreements that provide for indexation to inflation indexes, and also considering the definition of the standard in the sense that the flows must not contain inflation projections, Company management defined that the incremental rate to be considered for discounting these flows is a real interest rate, readily observable on the market, plus the Company's risk spread. This definition of using the real interest rate, in the Company's assessment, is the one that best reflects the characteristics of its contracts, with annual indexation terms, remaining necessary to "increase" a real interest rate to measure the liability. Management assessed possible impacts of Covid-19 and concluded that future fluctuations in economic indexes (CDI, inflation, among others), did not affect the definition of the discount rate, since the openings of the quarter were prior to Covid-19. Regarding the other discount rates, there is no change.

18.1.1. Breakdown of leases payable

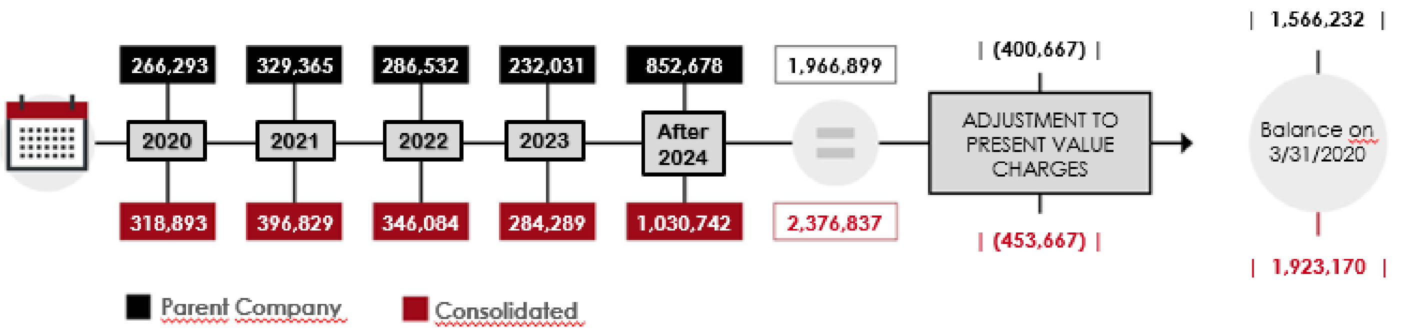
Description	Parent Company 3/31/2020	Parent Company 12/31/2019	Consolidated 3/31/2020	Consolidated 12/31/2019
Lease with purchase option (*)	35,880	35,428	35,880	35,428
Rentals	1,530,352	1,572,197	1,887,290	1,928,007
Total	**1,566,232**	**1,607,625**	**1,923,170**	**1,963,435**
Current liabilities	366,347	377,777	438,575	450,151
Noncurrent liabilities	1,199,885	1,229,848	1,484,595	1,513,284
Total	**1,566,232**	**1,607,625**	**1,923,170**	**1,963,435**

(*) The discount rate for the lease with the purchase option is in accordance with the lease agreement for the property of the administrative headquarters, executed in July 2012, and adjusted by reference to the accumulated variation of the annual National Consumer Price Index (INPC).

18.2 CHANGES IN LEASES PAYABLE

	Parent Company	Consolidated
Balance on January 1, 2019	**1,753,598**	**2,027,686**
(+) Charges	75,018	85,676
(+/-) Remeasurement and new contracts	105,579	227,972
(-) Lease payments	(326,570)	(377,825)
(+/-) Translation adjustment	-	(74)
Balance on December 31, 2019	**1,607,625**	**1,963,435**
(+) Charges	18,568	22,200
(+/-) Remeasurement and new contracts	37,451	54,515
(-) Lease payments	(97,412)	(117,326)
(+/-) Translation adjustment	-	346
Balance on March 31, 2020	**1,566,232**	**1,923,170**

18.3 FUTURE COMMITMENTS



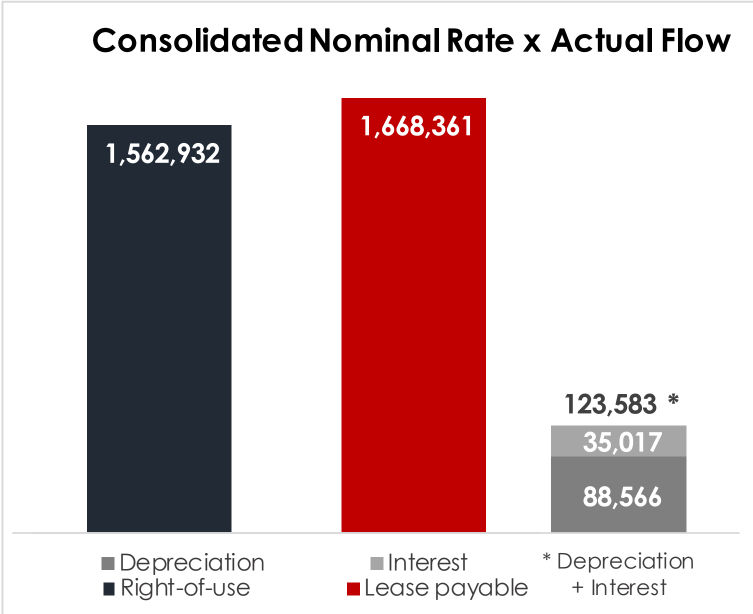
18.3.1 Additional information

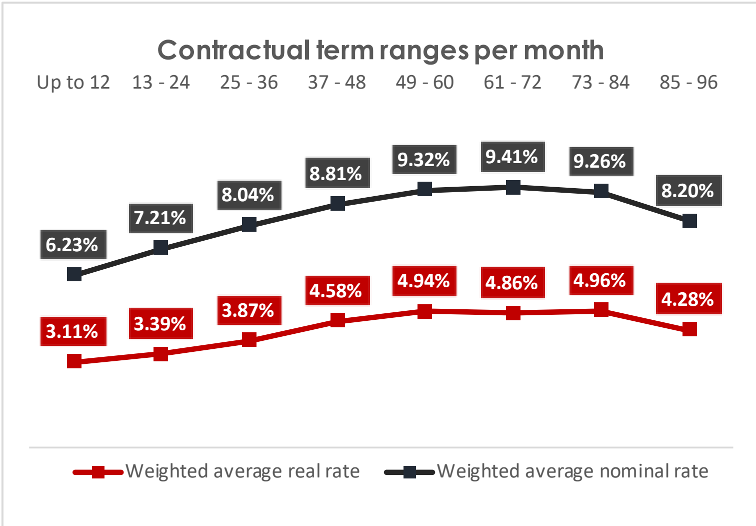
Although the IASB's Conclusion Bases 161 and 162, referenced in CVM Circular Letter 02/19, refer to a nominal rate, we have not adopted this criterion for statement of financial position purposes. Management understands that for financial statement purposes, the incremental rate to be considered should be a real rate, since item 27b and conclusion basis 166 require the adoption of a real cash flow. Additionally, the use of a nominal incremental rate would not reflect the characteristics of our contracts that have annual indexation clauses, a 'step-up' real interest rate being needed to measure the liability. Thus, in order to maintain consistency between payment flows and the discount rate, we believe that the use of a real incremental rate would be more appropriate.

In order to meet the requirements of the instructions established in the letter, the impacts on the statement of financial position and on profit or loss on March 31, 2020, if we had adopted the nominal rate on the statement of financial position, are shown aside.

Real discount rate corresponds to future market quotations obtained at B3 S.A. - Brasil, Bolsa, Balcão - reference in DI vs. IPCA + risk spread for funding at amounts that represent total investments for the opening of new stores. We considered the remaining weighted period of each set of contracts and using a single discount rate in accordance with respective periods of contracts with similar characteristics.

This model compared to the nominal rate and nominal cash flow model recommended by the CVM does not generate material differences, since the balances of assets and liabilities at the initial moment are similar, and the oscillations mainly of interest in finance income show time differences that tend toward neutrality starting from the middle of the contract term. Accordingly, in order to represent the best information to the market, which best reflects the essence of the Company's business and which is closest to the essence of the standard, management will maintain this model of real rates and flows in its financial statements. The flow of payments according to the weighted average term that corresponds to the respective rates previously reported is as follows.





	Consolidated					
Weighted average period (months) (*)	Contractual flow	2020	2021	2022	2023	After 2023
Up to 12	**11,996**	11,661	281	54	-	-
13-24	**211,290**	80,521	91,281	39,488	-	-
25-36	**388,604**	76,521	103,647	103,776	79,575	25,085
37-48	**416,696**	52,322	70,801	70,971	71,020	151,582
49-60	**448,951**	41,990	57,036	57,539	57,940	234,446
61-72	**632,021**	48,091	64,393	65,200	65,415	388,922
73-84	**24,869**	1,550	2,069	2,069	2,069	17,112
85-96	**56,110**	2,936	3,915	3,915	3,915	41,429
> 97 months (**)	**186,300**	3,301	3,406	3,072	4,355	172,166
Total	**2,376,837**	**318,893**	**396,829**	**346,084**	**284,289**	**1,030,742**

(*) The Company calculated the weighted average term for the purpose of rate quotation, as the contracts have monthly amortization charges, reducing the average term of the operation and the risk to the creditor.

(**) Refers to the future contractual lease flow with a purchase option that has an 8.81% p.a. discount rate implicit in the contract, signed in July 2012, of the administrative head office building.

On March 31, 2020, the potential credit of PIS and COFINS about the contractual gross flow is R$ 219,857 and when adjusted to present value using the weighted average term is R$ 185,581.

19 SUPPLIERS

19.1 ACCOUNTING POLICY

Credit purchase transactions were brought to present value on transactions date, based on estimated rate of the Company's capital cost and the uncertainties in the macroeconomic context and corresponded to 0.87% p.m. to the Parent Company and 0.99% p.m. to the Subsidiaries (0.99% p.m. on December 31, 2019). In view of the economic scenario due to Covid-19, we reviewed these rates and did not identify the need to change the adjustment to present value rates. Adjustment to present value is recorded in supplier and its reversal is matched against cost of sales, due to fruition of term in case of suppliers. Balance of trade accounts payable is measured at amortized cost using the effective interest rate method.

19.2 BREAKDOWN

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Trade suppliers	595,816	742,264	666,072	822,149
Adjustment to present value	(2,738)	(4,805)	(3,413)	(5,212)
Suppliers - use and consumption	139,627	189,993	179,673	233,572
Rents payable	8,088	25,625	9,282	31,890
Total	**740,793**	**953,077**	**851,614**	**1,082,399**

On March 31, 2020, pre-payments made to suppliers whose original maturity was subsequent to this date totaled R$ 197,004 (R$ 278,951 as of December 31, 2019). The discounts obtained from these pre-payments, for being related to supply of goods, are recorded as reduction of the cost of sales.

The Parent Company has a *confirming* agreement with Santander and Bradesco to manage its commitments with suppliers, which remain as "Suppliers" until this obligation is terminated with a balance of R$ 33,017 on March 31, 2020 (R$ 47,217 on December 31, 2019). The composition of the operation's balance was reviewed, and it was concluded that there was no change in terms, prices or conditions and – as there are no impacts due to the charges practiced by the financial institution – the operation is shown in the "Suppliers" account.

In commitment to its supply chain, the Company took some actions to mitigate the impacts of Covid-19, not changing the payment policy and maintaining receivables operations to all resale suppliers, not passing on the increase in interest rates.

20 TAX LIABILITIES

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Income and social contribution taxes	-	164,355	19,929	299,927
ICMS payable	27,654	206,240	32,400	219,155
PIS/COFINS	-	80,830	5,654	92,701
Taxes payable - Foreign subsidiaries	-	-	6,366	1,684
Other taxes	9,821	15,552	14,836	23,256
Total	**37,475**	**466,977**	**79,185**	**636,723**

21 SOCIAL CHARGES AND LABOR LEGISLATION OBLIGATIONS

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Salaries payable	37,157	40,873	45,044	49,448
Profit sharing	91,815	91,815	93,346	93,239
Accrued vacation pay, 13th monthly salary and bonuses	76,046	71,350	89,223	82,932
Social charges	61,240	72,510	70,386	81,263
Total	**266,258**	**276,548**	**297,999**	**306,882**

22 PROVISION FOR TAX, CIVIL AND LABOR RISKS, CONTINGENT LIABILITIES AND ASSETS

22.1 ACCOUNTING POLICY

The Company and its subsidiaries are party to tax, labor and civil lawsuits and administrative proceedings ongoing, from normal course of operations and based on legal advisors' opinion, management set up a provision considered enough to cover estimated losses.

22.1.1 Tax provisions

Taking into consideration individuality of each proceeding, classification of loss, and internal and external legal advisors' evaluation. For the classification of possible loss, management records provision at the estimated amounts of court costs and attorney fees based on the history incurred and current contractual bases negotiated with its legal advisors, since the future disbursements of funds is likely. For proceedings assessed as probable loss, provisions are set up for the total amount of the measured contingency.

22.1.2 Civil and labor provisions

The civil and labor provisions are periodically reviewed, considering the development of lawsuits, and the history of effectively settled amounts once that there is a likelihood of outflow of funds to comply with these obligations.

22.2 PROVISIONS

Provisions are broken down as follows:

	Parent Company		Consolidated	
Nature	**3/31/2020**	**12/31/2019**	**3/31/2020**	**12/31/2019**
Civil	24,806	22,996	33,257	30,868
Labor	38,440	34,918	40,194	36,767
Tax	29,793	29,712	36,700	35,499
(-) Judicial deposits	(6,289)	(6,281)	(11,025)	(11,018)
	86,750	**81,345**	**99,126**	**92,116**
Current liabilities	63,246	57,914	73,451	67,635
Noncurrent liabilities	23,504	23,431	25,675	24,481
Total	**86,750**	**81,345**	**99,126**	**92,116**

Most significant tax provisions refer to:

(i) Disallowance of ICMS credit right in acquisitions from suppliers considered disreputable;
(ii) Disallowance of ICMS credit right (on energy, acquisitions of goods, rate difference, among others);
(iii) Increase in SAT (Occupational Accident Insurance) rate and establishment of FAP (Accident Prevention Factor);
(iv) Disallowance of expense with payment of interest on equity of prior years; and
(v) Requirement of INSS/IRRF on non-salary portions.

And regarding the civil and labor provisions, the Company and its subsidiaries are party to civil and labor lawsuits that have consumption-related nature with different objects.

The Company's management assessed the impacts of Covid-19 and concluded that there are no factors that indicate the need to increase tax, civil and labor provisions.

22.3 CHANGES IN THE PROVISION FOR TAX, CIVIL AND LABOR RISKS

	Parent Company				
Nature	**Civil**	**Labor**	**Tax**	**(-) Judicial deposits**	**Total**
Balance on January 1, 2020	**22,996**	**34,918**	**29,712**	**(6,281)**	**81,345**
Provisions / (Reversals)	1,810	3,522	(23)	-	5,309
Restatement	-	-	104	(8)	96
Balance on March 31, 2020	**24,806**	**38,440**	**29,793**	**(6,289)**	**86,750**

	Consolidated				
Nature	**Civil**	**Labor**	**Tax**	**(-) Judicial deposits**	**Total**
Balance on January 1, 2020	**30,868**	**36,767**	**35,499**	**(11,018)**	**92,116**
Provisions / (Reversals)	2,389	3,427	1,085	1	6,902
Restatement	-	-	116	(8)	108
Balance on March 31, 2020	**33,257**	**40,194**	**36,700**	**(11,025)**	**99,126**

22.4 TAX CONTINGENT LIABILITIES

According to our legal advisors, there is a likelihood of outflows of funds from contingent liabilities plus interest and inflation adjustment stated below:

	Parent Company		Consolidated	
Nature	**3/31/2020**	**12/31/2019**	**3/31/2020**	**12/31/2019**
Tax	282,222	279,148	312,568	290,693

The significant lawsuits related to contingent liabilities on March 31, 2020 and December 31, 2019 are described below:

i) ICMS – Disreputable suppliers – Proceedings related to supposed undue credit-taking of ICMS related to the acquisition of goods from suppliers considered disreputable by the tax authorities. The restated amount of the lawsuits was R$ 139,208 in the Parent Company and R$ 140,481 in the Consolidated (R$ 138,440 in the Parent Company and R$ 139,705 in the Consolidated as of December 31, 2019).

ii) Social Security (INSS)/Withholding Income Tax (IRPF) non-wage installments – Refers to tax assessment notices filed for charging social security contribution on amounts considered by the Company as not taxable as well as application of ex-officio fine because income tax was not withheld on amounts. The restated amount was R$ 37,766 in the Parent Company and in Consolidated (R$ 37,544 in the Parent Company and in Consolidated as of December 31, 2019).

iii) Corporate Income Tax (IRPJ)/Social Contribution Tax on Net Profit (CSLL) - Interest on equity of prior years - Refers to the disallowance of expenses with payment of interest on equity calculated based on prior year's equity. The restated amount was R$ 27,972 in the Parent Company and in Consolidated (R$ 26,883 in the Parent Company and in Consolidated as of December 31, 2019).

iv) ICMS - Disallowance of third-party credits - Disallowance of ICMS credits acquired from third parties in Rio de Janeiro State. The restated amount was R$ 19,175 in the Parent Company and in Consolidated (R$ 19,132 in the Parent Company and in Consolidated as of December 31, 2019).

v) ICMS – tax debit balance centralization - Tax assessment notices for the collection of ICMS due to alleged mistakes in the centralization of debit balances of centralized establishments into a centralizing business establishment. The restated amount was R$ 18,714 in the Consolidated on March 31, 2020. This is a new tax assessment notice.

vi) Other contingent liabilities with the restated amount totaling R$ 58,101 in the Parent Company and R$ 68,460 in Consolidated (R$ 57,149 in the Parent Company and R$ 67,429 in the Consolidated as of December 31, 2019) refer to various matters on federal, state and municipal scope.

22.5 CONTINGENT, CIVIL AND LABOR LIABILITIES

For civil and labor lawsuits, the history of obligations effectively settled is considered, since they refer to massified civil lawsuits of consumer civil nature and of diverse labor nature, in which lawsuit value frequently does not reflect contingency value. Thus, the provision corresponds to the exposure to this kind of risk.

22.6 CONTINGENT ASSETS

ICMS in PIS and COFINS contribution tax bases - The Company has lawsuits in progress related to companies Lojas Renner and Camicado, for obtaining the right to exclude ICMS from PIS and COFINS calculation basis, as well as offsetting amounts unduly paid. The favorable decision on the suit became final and unappealable in May 2020, determining the exclusion of the ICMS disclosed in the invoices from the calculation base of the referred contributions. The amount calculated, relating to the accrual periods from November/01 to February/17, is R$ 1,357,087. The amount will be subject to a tax offsetting validation procedure before the Brazilian IRS (RFB). The amounts related to March/17 (date of the STF decision) onwards have been recognized in profit or loss since then.

Subsidiary Camicado's lawsuit had a favorable decision handed down by the Federal Regional Court of the 3rd Region and is awaiting a term for appeal, if any, by the Federal Government. As it is still pending a final and unappealable court decision, it is not possible to recognize the asset related to the credits to be surveyed in relation to the accrual periods that precede 5 years from the date of filing of the suits until the month of March 2017 (date of the decision of the STF, estimated at R$ 15,190. The amounts related to the periods after March/2017 (date of the STF decision), a period in which the likelihood of loss of the lawsuit is assessed as remote by the legal advisors, have been recognized in profit or loss since then.

23 FINANCIAL INSTRUMENTS

Pursuant to internal policy approved by management, derivative financial instruments are entered in order to hedge the foreign exchange risk taken in import orders and borrowings abroad. The classification of its non-derivative financial assets and liabilities in determined at the time of their initial recognition, pursuant to the business model in which the asset is managed and its characteristics of contractual cash flows in CPC 48/IFRS 9. Financial liabilities are measured according to their nature and purpose.

23.1 ACCOUNTING POLICY

Derivatives are recognized at fair value through other comprehensive income, except *Swaps*. The fair values of derivative financial instruments are determined based on the macro-economic scenario indicators. The method for recognizing the resulting gain or loss depends on whether the derivative is or is not designated as a hedge instrument. If so, the method depends on the nature of the item that is being hedged. The Company adopts hedge accounting and assigns forward contracts (NDF) as cash flow hedge.

Early in each transaction, the relationship between the hedge instruments and the hedge-protected items is documented, risk management objectives, strategy for conducting several hedge transactions and Company's evaluation on early and continued basis of the economic relation between the instrument and hedged item.

23.1.1 Cash flow hedge

The Company applies cash flow hedge accounting to protect itself against exchange-rate change risk deriving from import orders not yet paid. The effective portion of the change in the fair value of designated derivatives and qualified as cash flow hedge, and not settled, is recognized in equity as "Equity valuation adjustments" in other comprehensive income. This portion is realized upon elimination of risk for which derivative was contracted. Upon settlement of financial instruments, gains and losses previously deferred in equity are transferred from and included in initial measurement of asset's cost.

23.1.2 Swap

In the Swap transactions not designed for *hedge accounting*, gains or losses are recognized in the finance income (costs).

23.2 FINANCIAL INSTRUMENTS BY CATEGORY

23.2.1 Parent Company

	Amortized cost	Fair Value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	1,305,050	-	**1,305,050**
Trade accounts receivable	1,063,290	-	-	**1,063,290**
Derivative financial instruments (hedge)	-	-	87,224	**87,224**
Financial liabilities				
Borrowings, financing and debentures	(770,227)	(791,538)	-	**(1,561,765)**
Leases payable	(1,566,232)	-	-	**(1,566,232)**
Suppliers	(740,793)	-	-	**(740,793)**
Obligations with credit card administrators	(621)	-	-	**(621)**
Total on March 31, 2020	**(2,014,583)**	**513,512**	**87,224**	**(1,413,847)**

	Amortized cost	Fair Value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	1,011,854	-	**1,011,854**
Trade accounts receivable	1,912,774	-	-	**1,912,774**
Derivative financial instruments (hedge)	-	-	4,244	**4,244**
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(6,680)	**(6,680)**
Borrowings, financing and debentures	(724,522)	(275,958)	-	**(1,000,480)**
Financing - financial services and operations	(37,740)	-	-	**(37,740)**
Leases payable	(1,607,625)	-	-	**(1,607,625)**
Suppliers	(953,077)	-	-	**(953,077)**
Obligations with credit card administrators	(26,919)	-	-	**(26,919)**
Total on December 31, 2019	**(1,437,109)**	**735,896**	**(2,436)**	**(703,649)**

23.2.2 Consolidated

	Amortized cost	Fair Value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	1,435,642	-	**1,435,642**
Interest-earning bank deposits	-	307,998	-	**307,998**
Trade accounts receivable	3,012,644	-	-	**3,012,644**
Derivative financial instruments (hedge)	-	-	94,964	**94,964**
Financial liabilities				
Borrowings, financing and debentures	(770,874)	(892,387)	-	**(1,663,261)**
Financing - financial services and operations	(699,835)	(148,739)	-	**(848,574)**
Leases payable	(1,923,170)	-	-	**(1,923,170)**
Suppliers	(851,614)	-	-	**(851,614)**
Obligations with credit card administrators	(881,287)	-	-	**(881,287)**
Total on March 31, 2020	**(2,114,136)**	**702,514**	**94,964**	**(1,316,658)**

	Amortized cost	Fair Value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	1,148,053	-	**1,148,053**
Interest-earning bank deposits	-	224,249	-	**224,249**
Trade accounts receivable	3,825,961	-	-	**3,825,961**
Derivative financial instruments (hedge)	-	-	4,382	**4,382**
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(7,764)	**(7,764)**
Borrowings, financing and debentures	(776,626)	(377,037)	-	**(1,153,663)**
Financing - financial services and operations	(344,110)	(147,256)	-	**(491,366)**
Leases payable	(1,963,435)	-	-	**(1,963,435)**
Suppliers	(1,082,399)	-	-	**(1,082,399)**
Obligations with credit card administrators	(985,298)	-	-	**(985,298)**
Total on December 31, 2019	**(1,325,907)**	**848,009**	**(3,382)**	**(481,280)**

23.3 MEASUREMENT AND HIERARCHY OF FAIR VALUES

The discounted cash flow evaluation technique is used to measure financial assets and liabilities' fair values, and as an assumption, the present value of estimated cash flows based on future market quotations. For the financial assets and liabilities whose book balances are reasonably close to fair value, fair values are not determined as established in CPC 40/IFRS 7.

Regarding the impacts of Covid-19, management assessed and concluded that the future fluctuations in the CDI indexes, inflation and the dollar rate are already captured in the calculation methodology for measuring the fair values of financial instruments reflected in the positions of financial assets and liabilities.

Below, the fair value of debentures and financing – financial service operations for disclosure purposes.

23.3.1 Parent Company

	3/31/2020		12/31/2019	
Financial assets and liabilities	**Fair Value**	**Book balance**	**Fair Value**	**Book balance**
Debentures	(406,269)	(408,732)	(707,982)	(710,959)
Financing - financial services and operations	-	-	(37,740)	(37,740)
Total	**(406,269)**	**(408,732)**	**(745,722)**	**(748,699)**

23.3.2 Consolidated

	3/31/2020		12/31/2019	
Financial assets and liabilities	**Fair Value**	**Book balance**	**Fair Value**	**Book balance**
Debentures	(406,269)	(408,732)	(707,982)	(710,959)
Financing - financial services and operations	(848,004)	(848,574)	(491,113)	(491,366)
Total	**(1,254,273)**	**(1,257,306)**	**(1,199,095)**	**(1,202,325)**

Financial assets and liabilities of the Company are classified in "Level 2" of the fair value hierarchy versus book balances.

Level 2 - Inputs that are observable for assets or liabilities, whether directly or indirectly, except for prices quoted (not adjusted) in active markets for identical assets and liabilities to which the Entity may have access on the measurement date.

23.4 DERIVATIVE FINANCIAL INSTRUMENTS

These instruments are managed through operating strategies, aimed at liquidity, profitability and security. Foreign currency exchange, Non-Deliverable Forward (NDF) and Swap contracts are used as a hedging instrument for its exposure to volatility of foreign currency exchange and investments in derivatives or any other financial instruments are not made on a speculative basis. Below, the breakdown of derivatives is segregated between designated to hedge accounting (cash flow hedge) and not designated to hedge accounting:

	Parent Company		Consolidated	
Description of derivatives	**3/31/2020**	**12/31/2019**	**3/31/2020**	**12/31/2019**
Designated for hedge				
NDF (Import orders)	87,224	(2,436)	94,964	(3,382)
Not designated for hedge				
Exchange rate swap	185,271	(2,115)	257,215	(2,955)
Total	**272,495**	**(4,551)**	**352,179**	**(6,337)**

Swaps are stated in balance of borrowing, financing and debenture (Note 16.1) and Financing - financial service operations (Note 17.1) since they are following CPC 40/IFRS 7.

23.4.1 Derivatives for hedge accounting

23.4.1.1 *NDF (Non-Deliverable Forward)*

Hedge Instrument				Hedge transactions	
Maturity dates	**Currency**	**Notional amount**	**Fair value (*)**	**Transaction**	**Estimated maturity**
4/30/2020–7/31/2020	USD	75,000	84,804	Goods import order	4/30/2020–7/31/2020
8/2020	EUR	2,000	2,420	Contract for import of fixed assets	8/2020
Total Parent Company			**87,224**		
4/30/2020–7/31/2020	USD	7,000	7,740	Goods import orders	4/30/2020–7/31/2020
Total Consolidated			**94,964**		

(*) Non-Deliverable Forward methodology is the cash flow discount in projections from "B3 S.A.- Brasil, Bolsa e Balcão".

During the period, the NDF transactions used to hedge the cash flow risk of import orders were effective and complied with the levels established by accounting pronouncement CPC 48/IFRS 9.

23.4.1.2 Cash flow

The cash flows related to import orders of goods for resale are initially recorded in inventories and subsequently throughout the operation, in profit or loss as cost of goods sold. In addition, NDF were taken out to cover cash flows for contracts for import of goods, initially recognized at fixed assets and subsequently in profit or loss considering the depreciation according to useful life. Set out below are the expected cash flow from the import orders of future operations exposed to foreign currency hedged by derivatives:

	Consolidated		
	Up to 3 months	4-6 months	Total
Resale goods import orders (*)	350,863	76,955	427,818
Notional amount US$	**67,250**	**14,750**	**82,000**

(*) USD expected for next disclosure: R$ 5.2173.

	Consolidated		
	Up to 3 months	4-6 months	Total
Contract for import of fixed assets (**)	-	11,551	11,551
Notional amount EUR	**-**	**2,000**	**2,000**

(**) EUR expected for next disclosure: R$ 5.7757.

23.4.2 Derivatives not for hedge accounting

23.4.2.1 Swaps

					Amount receivable (payable)	
Instrument	Maturity	Receivable	Payable	Notional amount	3/31/2020	12/31/2019
Exchange rate swap						
Working capital– Law 4131	Aug/2020	US$ + 2.7429%	104.4% CDI	US$ 25,000	35,673	5,546
Working capital– Law 4131	Nov/2020	US$ + 2.3954%	105.2% CDI	US$ 42,900	44,866	(7,661)
Working capital– Law 4131	Jan/2021	US$ + 2.4557%	108.6% CDI	US$ 7,600	7,716	-
Working capital– Law 4131	Jul/2020	US$ + 2.5857%	109.0% CDI	US$ 41,360	45,389	-
Working capital– Law 4131	Sept/2020	US$ + 1.9096%	106.0% CDI	US$ 30,000	12,158	-
Working capital– Law 4131	Jan/2021	US$ + 2.6460%	112.0% CDI	US$ 40,000	39,469	-
Total Parent Company					**185,271**	**(2,115)**
Exchange rate swap						
Working capital– Law 4131	Jan/2021	US$ + 3.6994%	106.95% CDI	US$ 10,515	16,378	3,281
Working capital– Law 4131	Apr/2020	US$ + 3.6074%	100.95% CDI	US$ 6,600	8,492	646
Working capital– Law 4131	Jun/2020	US$ + 2.6999%	107.5% CDI	US$ 8,636	9,988	(341)
Working capital– Law 4131	Aug/2020	US$ + 4.6678%	101.8% CDI	US$ 33,000	37,086	(4,426)
Total Consolidated					**257,215**	**(2,955)**

23.4.2.2 Change of the swaps

	Parent Company	Consolidated
Balance on January 1, 2019	**37,181**	**39,833**
Swap adjustment payment	2,855	4,978
Swap adjustment receipt	(33,580)	(41,773)
Change in the fair value	(8,571)	(5,993)
Balance on December 31, 2019	**(2,115)**	**(2,955)**
Swap adjustment receipt	(1,275)	(1,435)
Change in the fair value	188,661	261,605
Balance on March 31, 2020	**185,271**	**257,215**

23.5 CREDIT RISK

On the chart at the side, we present the credit risk of derivative assets according to the main risk rating agencies:

Rating - National Scale	Consolidated	
	3/31/2020	12/31/2019
brAAA	352,179	13,855
Total - Derivative financial instrument (assets)	**352,179**	**13,855**

24 OTHER OBLIGATIONS

	Parent Company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Prepaid revenues (i)	1,192	1,439	30,293	32,001
Obligations with customers (ii)	18,404	23,749	50,557	51,637
Obligations related to transactions with insurance (iii)	2,028	2,143	8,751	8,411
Transfer of operation of financial products (iv)	808	3,117	-	-
Acquisition of ICMS credits (v)	8,433	13,245	8,552	13,458
Other obligations (vi)	13,924	12,164	14,740	13,017
Total	**44,789**	**55,857**	**112,893**	**118,524**
Current liabilities	44,789	55,610	90,374	94,413
Noncurrent liabilities	-	247	22,519	24,111
Total	**44,789**	**55,857**	**112,893**	**118,524**

i) Advance of payroll agreements from financial institution, insurance exclusivity premiums with the insurance company and Co-branded card ("Meu Cartão") incentive premium.
ii) Balances in favor to clients (credits may be used as payment for purchases in the Company) and goods bought from bridal registries, but not yet delivered.
iii) Advances related to insurance operations related to exclusivity contract and insurance premiums paid by clients to be transferred to the insurance company.
iv) Transfers referring to Renner card operations with Realize CFI and transfers from Camicado's sales.
v) Balances payable corresponding to the acquisition of ICMS credits.
vi) Balances payable corresponding to *royalties*, payroll advance borrowings, among others.

25 RELATED PARTIES

The Parent Company, the subsidiaries and related persons perform transactions among themselves, related to the financial, business and operational aspects of the Company. We describe below the most significant transactions.

25.1 PARENT COMPANY'S CONTEXT

25.1.1 Rent agreements

In August 2018, we updated rent agreements by means of addendum with the subsidiary Dromegon referring to the buildings of the stores located in the downtown of Porto Alegre, Santa Maria and Pelotas, effective for ten years, and may be renewed, amounts were set at, respectively, 4.29%, 4% and 4% of gross monthly sales of stores.

25.1.2 Quick withdrawal extension service agreement

The Company offers to Renner's clients Quick Withdrawal financial service by means of its indirect subsidiary, Realize CFI and is a party in the transaction through its operating infrastructure, providing bank correspondent product services.

25.1.3 Use of Renner Card and Co-branded card ("Meu Cartão") in Camicado

One of the main synergy drivers in the Camicado integration process is the acceptance of Renner Card (CCR) and Co-branded card ("Meu Cartão") in Camicado stores.

25.1.4 Renner Credit Card Operations - Realize

As of April 2019, in line with the reorganization strategy and business specialization, the sales through the Renner Credit Card (Private Label) started being recorded in the indirect subsidiary Realize CFI.

25.1.5 Agreement to apportion corporate costs and expenses

To optimize the corporate structure, Lojas Renner and its subsidiaries entered into agreements among themselves to share their structures, mainly focused on sharing back-office and corporate structure. For foreign subsidiaries, the sharing of corporate expenses is charged by the parent company in the form of service exports.

25.1.6 Import intermediation

The Parent Company carries out commercial transactions with its subsidiary LRS, which operates as import intermediary, in line with the strategy of approximation and development of international base of suppliers. The revenue from intermediation commission was recognized at a price compatible with the market conditions.

25.1.7 Export of goods

Parent Company carries out commercial transactions with its subsidiaries LRU and LRA related to the export of goods for building up inventories and be prepared for retail transactions in these countries, priced considering market conditions.

25.1.8 Purchase of ICMS credits

On May 29, 2019, a pledge agreement was granted for the assignment of ICMS credits on behalf of the subsidiary Camicado to the Parent Company, in the amount of R$ 9,446, which in turn paid the present value of R$ 9,109 using a rate of 0.5% per month. These tax credits are in the process of approval for qualification with the Treasury Department of the State of São Paulo for transfer to the Parent Company, at which time the effect arising from the negative goodwill of this operation will be recognized.

25.2 CONSOLIDATED CONTEXT

25.2.1 Agreements or other significant obligations between the company and its management members

According to Chapter IV, article 13 of the Company's Bylaws, the Company's management is incumbent upon the Board of Directors and management members are described in for a term of office drafted in a book, signed by the invested management member, not requiring any guarantee of management, and conditioned to the prior signature of the Statement of Compliance of Management Members regarding the Novo Mercado Listing Rules.

The Board of Directors, elected at Shareholders' Meeting, have unified terms of office of one year, re-election being permitted. The Board members in office are automatically considered appointed for re-election by their joint proposal. The Executive Board, with members who are elected and removable at any time by the Board of Directors, has a two-year term, with reelection permitted. It is related to the company through a service agreement, the remuneration of which comprises a fixed component adjusted annually according to the INPC index and a variable component according to the Company's financial performance.

25.2.2 Compensation of the members of the Board of Directors and Executive Board (the "Management")

Pursuant to Corporation Law and the Company's bylaws, it is the responsibility of shareholders, at an Annual Shareholders' Meeting, to set the total annual compensation amount of the key management personnel, and of the Board of Directors to distribute the allowance among the management members after considering the Committee of Persons' opinion.

The Annual Shareholders' Meeting held on April 29, 2020, approved the management members' overall compensation limit up to R$ 38,800 for year 2020. This amount consists of funds that include fixed compensation of management members, variable compensation, which considers the participation in meetings and the statutory participation (article 34 of the Bylaws and paragraph 1 of article 152 of Law 6.404/76), and the cost of the share plan and the restricted share plan (Notes 29 and 30). Summary of amounts is as follows:

	Parent Company		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Management compensation	(5,410)	(3,022)	(5,749)	(3,193)
Stock option plan	(2,693)	(2,422)	(2,693)	(2,422)
Restricted share plan	(948)	(1,098)	(948)	(1,098)
Total	**(9,051)**	**(6,542)**	**(9,390)**	**(6,713)**

Total management compensation is impacted by operating and financial indicators in the Company's profit or loss.

25.3 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

25.3.1 Accounting policy

Transactions between subsidiaries, including unrealized balances, gains and losses on these transactions are eliminated. The accounting policies of the subsidiaries are consistent with the practices adopted by the Parent Company. The main balances of the statement of financial position and of profit or loss concerning transactions with related parties derive from transactions under contractual and usual market conditions.

25.3.2 Balances with related companies

Operations - Assets (liabilities)	RACC	Dromegon	Camicado	Youcom	LRS	Realize Participações S.A.	LRU	LRA	Realize CFI	Total
Accounts receivable										
Export of goods for resale	-	-	-	-	-	-	13,690	18,744	-	**32,434**
Co-branded card ("Meu Cartão") operations	-	-	-	-	-	-	-	-	201,225	**201,225**
Renner credit card (New Private Label)	-	-	-	-	-	-	-	-	606,921	**606,921**
Other assets										
Renner credit card	-	-	-	-	-	-	-	-	2,538	**2,538**
Credit with related parties										
Sharing of expenses	142	-	977	1,169	1,613	4	871	4,361	18,887	**28,024**
Debit with related parties										
Sharing of expenses	-	12	-	-	(235)	-	-	-	-	**(223)**
Rents payable	-	(240)	(49)	-	-	-	-	-	-	**(289)**
Obligations with credit card administrators										
Co-branded card ("Meu Cartão") operations	(621)	-	-	-	-	-	-	-	-	**(621)**
Other obligations										
Renner credit card operations (Private Label)	-	-	-	-	-	-	-	-	(808)	**(808)**
Total on March 31, 2020	**(479)**	**(228)**	**928**	**1,169**	**1,378**	**4**	**14,561**	**23,105**	**828,763**	**869,201**
Accounts receivable										
Export of goods for resale	-	-	-	-	-	-	15,015	14,158	-	**29,173**
Co-branded card ("Meu Cartão") operations	-	-	-	-	-	-	-	-	334,785	**334,785**
Renner credit card (New Private Label)	-	-	-	-	-	-	-	-	943,091	**943,091**
Other assets										
Renner credit card	-	-	-	-	-	-	-	-	1,454	**1,454**
Credit with related parties										
Sharing of expenses	-	-	615	1,844	1,098	4	196	-	9,562	**13,319**
Debit with related parties										
Sharing of expenses	-	12	-	-	(235)	-	-	-	-	**(223)**
Rents payable	-	(1,030)	(26)	-	-	-	-	-	-	**(1,056)**
Obligations with credit card administrators										
Co-branded card ("Meu Cartão") operations	(988)	-	-	-	-	-	-	-	(25,931)	**(26,919)**
Other obligations										
Renner credit card operations (Private Label)	-	-	-	-	-	-	-	-	(3,117)	**(3,117)**
Total on December 31, 2019	**(988)**	**(1,018)**	**589**	**1,844**	**863**	**4**	**15,211**	**14,158**	**1,259,844**	**1,290,507**

25.3.3 Transactions with related companies

Type of revenue (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	LRA	Realize CFI	Total
Apportionment for corporate expenses	-	19	2,110	1,701	(533)	-	-	10,647	**13,944**
Intermediation commission	-	-	-	-	(4,067)	-	-	-	**(4,067)**
Property rent expenses	-	(1,091)	-	-	-	-	-	-	**(1,091)**
Revenue from rendering of services	-	-	-	-	-	1,362	-	20,186	**21,548**
Export of goods	-	-	-	-	-	14,108	3,707	-	**17,815**
Total on March 31, 2020	**-**	**(1,072)**	**2,110**	**1,701**	**(4,600)**	**15,470**	**3,707**	**30,833**	**48,149**

Type of revenue (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	LRA	Realize CFI	Total
Apportionment for corporate expenses	(41)	19	1,684	1,170	412	-	-	2,849	**6,093**
Intermediation commission	-	-	-	-	(3,749)	-	-	-	**(3,749)**
Property rent expenses	-	(1,418)	-	-	-	-	-	-	**(1,418)**
Revenue from rendering of services	-	-	-	-	-	732	-	5,524	**6,256**
Export of goods	-	-	-	-	-	11,303	-	-	**11,303**
Return of exports	-	-	-	-	-	(1,772)	-	-	**(1,772)**
Total on March 31, 2019	**(41)**	**(1,399)**	**1,684**	**1,170**	**(3,337)**	**10,263**	**-**	**8,373**	**16,713**

26 EQUITY

26.1 CAPITAL

The Company's authorized capital limit is 1,361,250,000 (one billion, three hundred and sixty-one million and two hundred fifty thousand) common shares, all without par value. Within the limits authorized in the Articles of Association, the Company will be able to increase the capital independently of statutory reform. The Board will determine the conditions for the share issuance, including price and timeframe for payment.

According to article 40 of the Company By-laws, any person or group of shareholders that acquires or becomes the holder of shares issued by the Company (Purchasing Shareholder) in a quantity greater than or equal to 20% of the total shares issued, shall, within 60 days after the date of acquisition, hold a Public Offering (PO) for the acquisition of all the shares, complying with provisions of CVM regulations, of the regulations of B3 and of the Company's By-laws. As of March 31, 2020, no shareholder individually holds ownership interest greater than or equal to 20%.

Each common share corresponds to the right to one vote in the deliberations of the General Meeting, as well as the right to participate in the allocation of income, in the form of dividends, proposed in compliance with By-laws and in accordance with articles 190 and 202 of Law 6404/76, which establish a minimum compulsory dividend of 25% of the adjusted profit or loss.

26.1.1 The changes in Capital are shown below:

	Share quantity (thousand)	Total
Balance on January 1, 2019	**720,024**	**2,637,473**
Capital increase, RCA on May 23, August 21, and November 21	3,532	46,111
Incorporation of capital reserves, SSM (Special Shareholders' Meeting) as of April 30, 2019	-	72,050
Share bonus (incorporation of income reserves)	72,002	1,040,000
Balance on December 31, 2019	**795,558**	**3,795,634**
Balance on March 31, 2020	**795,558**	**3,795,634**

26.2 TREASURY SHARES

At a meeting of the Board of Directors held on March 10, 2020, the Share Buyback Program with no capital reduction was approved unanimously and without any restriction, with the possibility of acquiring up to 8,000,000 (eight million) common shares.

As of March 31, 2020, treasury shares balance is R$ 119,461 (R$ 35,549 as of December 31, 2019), corresponding to 3,158,685 (three million, one hundred and fifty-eight thousand, six hundred and eighty-five) common shares at average weighted cost of R$ 37.82 (R$ 19.42 as of December 31, 2019).

Changes are stated on the side:

	Number of shares (in thousand)	Amount	Averag e price
Balance on January 1, 2019	**2,085**	**44,536**	**21.36**
Disposal of shares	(421)	(8,987)	21.35
Share bonus	167	-	-
Balance on December 31, 2019	**1,831**	**35,549**	**19.42**
Disposal of shares	(672)	(13,052)	19.42
Repurchase of shares	2,000	96,964	48.48
Balance on March 31, 2020	**3,159**	**119,461**	**37.82**

26.3 CAPITAL RESERVES

26.3.1 Stock option plan reserve and restricted share plan

These are reserves to offset the expenses of the stock option plan and restricted shares (Notes 29 and 30), the allocation of which depends on resolution at the Special Shareholders' Meeting. The balance on March 31, 2020 is R$ 68,933 (R$ 74,227 on December 31, 2019).

26.4 INCOME RESERVES

26.4.1 Legal reserve

In compliance with article 193 of Law 6404/76 and article 34, item (a) of the Company's Bylaws, the legal reserve is set up at amount equivalent to 5% of the profit or loss for each year. The balance on March 31, 2020 is R$ 54,955 (R$ 54,955 on December 31, 2019).

26.4.2 Reserve for investment and expansion

It is set up as decided by the management bodies to cover investments in the Company's expansion plan, as provided for in article 34, item (c) of the Bylaws. Considering the impacts of Covid-19, the additional dividend proposed in RCA on January 16, 2020 in the amount of

R$ 282,221 was reverted to the investment and expansion reserve, as approved at the Annual Shareholders' Meeting on April 29, 2020. On March 31, 2020 the balance is R $ 729,969 (R$ 447,748 on December 31, 2019).

26.4.3 Tax incentive reserve

The Company uses ICMS tax incentives in the form of "deemed credit," with its impacts on profit or loss. The management, in view of the publication of Supplementary Law 160/17 and in compliance with Law 6404/76, allocated them as tax incentive reserve. The balance on March 31, 2020 is R$ 97,539 (R$ 97,539 on December 31, 2019).

26.4.4 Additional dividend proposed

These are the dividends proposed in addition to the mandatory minimum, which were based on the distribution of 50% of the net income for year 2019, as decided at the RCA held on January 16, 2020. However, the RCA held on March 30, 2020 had this resolution revoked, proposing to distribute the mandatory minimum dividend of 25% of the adjusted net income for year 2019, in line with initiatives to prepare the Company for the impacts of Covid-19 (Note 27.2). The difference in the amount of R$ 282,221 recorded on December 31, 2019 was reclassified to investment and expansion reserve. As on March 31, 2020, the balance is R$ 325 (R$ 282,546 as of December 31, 2019).

26.5 OTHER COMPREHENSIVE INCOME

These are the accumulated translation adjustments, hyperinflation adjustment and the unrealized profit or loss on derivative financial instruments as equity valuation adjustments. The amount represents an accumulated balance of gain, net of taxes, in the amount of R$ 108.203 on March 31, 2020 (R$ 12,486 of loss, net of taxes, on December 31, 2019).

27 DIVIDENDS AND INTEREST ON EQUITY

27.1 ACCOUNTING POLICY

The bylaws and corporate law establish a distribution of dividends of a minimum of 25% of the adjusted annual profit or loss. If such limit was not attained by interim remunerations, we record a provision at the of the year in the amount of the minimum mandatory dividend that has not yet been distributed. Dividends exceeding this limit are segregated in a specific account of equity denominated "Additional dividends proposed". When decided by management, interest on equity is calculated in dividends for the year. The tax benefit of interest on equity is recognized in profit or loss (Note 11.5).

27.2 DISTRIBUTION OF DIVIDENDS – YEAR 2019

At a meeting of the Board of Directors held on March 30, 2020, considering the impacts of Covid-19, the directors approved the distribution of the amount of R$ 267,653, which corresponds to 25% of the Company's adjusted net income for 2019 and dividends prescribed in that year, to be distributed among the Company's shareholders. As permitted in article 35 of the Bylaws, interest on equity totaling R$ 251,956, resolved throughout year 2019 was imputed to the mandatory dividend amount proposed by management. As such, the amount to be paid as dividends is R$ 15,697, corresponding to R$ 0.019809 per share. The distribution of dividends was approved at the Annual Shareholders' Meeting held on April 29, 2020. The sum of interest on equity plus dividends complies with the provisions of articles 201 and 202 of Law 6404/76 and article 36 of the Company's Bylaws.

27.3 DISTRIBUTION OF INTEREST ON EQUITY– YEAR 2020

The resolution in respect of distribution of interest on equity is as follows:

Period	Nature	Payment	Outstanding shares (thousand) (*)	R$/share	3/31/2020	R$/share	31/03/2019
1Q20	Interest on equity – RCA 3/16/2020	April/2021	792,399	0.073638	58,351	0.092945	66,768
Total				**0.073638**	**58,351**	**0.092945**	**66,768**

(*) The number of outstanding shares does not consider treasury shares.

Interest on equity was deducted when calculating income and social contribution taxes. Tax benefits of this deduction were approximately R$ 19,839 (R$ 22,701 as of March 31, 2019).

28 EARNINGS PER SHARE

We calculated the basic earnings per share dividing profit attributable to shareholders by the weighted average number of common shares issued during the period. Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding, presuming the conversion of all the potential diluted common shares for the stock option plans.

The number of shares calculated as described is compared to the number of issued shares, if the stock option plan is exercised. Basic and diluted earnings per share are as follows:

	Parent Company and Consolidated	
Basic/Diluted numerator	**1Q20**	**1Q19 (*)**
Net income for the period	10,419	161,598
Weighted average of common shares, net of treasury shares	793,555	784,167
Potential increase in common shares because of the option plan	2,209	3,793
Basic earnings per share - R$	**0.0131**	**0.2061**
Diluted earnings per share - R$	**0.0131**	**0.2051**

(*) On April 30, 2019, the Special Shareholders' Meeting approved the share bonus at the rate of 10% (ten percent). Therefore, for purposes of compliance with CPC 41 accounting standard, Earnings per share, we have recalculated earnings for the period on March 31, 2019.

29 STOCK OPTION PLAN

29.1 ACCOUNTING POLICY

The Company approved a stock option plan for selected management members and executives, offering them the possibility of acquiring the Company's shares in the form and at conditions described in the plan. Fair value of granted stock option plans is calculated at the date of respective grant using the Black&Scholes model. Expense is recorded at a *pro rata temporis* basis, which starts on grant date and ends on the date in which the beneficiary acquires the right to exercise the option. The Company maintains two stock option plans, totaling six programs and two ongoing contract grants. Details of stock option plans are as follows:

29.2 1ST PLAN (PROGRAMS 2005–2015 AND CONTRACT GRANTS)

All stock option plan arrangements granted through 2015 follow the stock option plan approved at the Special Shareholders' Meeting held on May 25, 2005 and amended by the next Meetings held on April 10, 2007 and March 30, 2009. The programs establish that 50% of options shall be vested after the lapse of three years (1st tranche) from their respective grant, and the remaining portion (2nd tranche) after four years (considering only the options comprising the same grant).

29.3 2ND PLAN (PROGRAMS 2016–2019 AND CONTRACT GRANTS)

On September 23, 2015, at the Special Shareholders' Meeting a new stock option plan was approved. Each program will have four tranches, with 25% being exercisable after one year and successively. On February 9, 2017 and February 7, 2019, a new contractual options granting was approved by the Chief Executive Officer, which provides for the same conditions of the 2nd Stock option plans.

29.4 COMMON FEATURES OF THE PLANS

Both establish the oversight by the Committee of Persons ("Committee"), created according to the Company's Bylaws, which is composed of the independent members of the Board of Directors ("Board"). Committee members may not be benefited in stock options. Once an option becomes exercisable, the beneficiary (selected management members and executives) may exercise it at any time, at its own discretion, up to the end of the 6-year period counted as of such option grant date. Plans also provide for the right to exercise them in case of death, retirement or permanent disability of the member.

In case of obligation of carrying out a public offering, under the terms of articles 39, 40, 41 and 42 of the Bylaws, or in the event of success of the tender offer of the Company, if any of these cases result in the termination without cause of a Plan participant by initiative of the Company, all options granted to the respective participant and that are not yet vested shall automatically become vested. This condition is restricted to the termination that occurs up to 12 months in case of the Plan approved in 2015.

29.5 POSITION OF STOCK OPTION PLAN

Grants	Exercise value	Grant date	Grace period 1st tranche	Grace period 2nd tranche	Grace period 3rd tranche	Grace period 4th tranche	Position of grants (Quantity) Balance on 3/31/2020	Balance on 12/31/2019
11th grant	12.04	2/12/2015	2/11/2018	2/11/2019	-	-	249	249
						Subtotal – 1st Plan	**249**	**249**
1st grant	14.00	2/4/2016	2/3/2017	2/3/2018	2/3/2019	2/3/2020	613	613
2nd grant	19.73	2/9/2017	2/9/2018	2/9/2019	2/9/2020	2/8/2021	797	799
Contractual grant	19.73	2/9/2017	2/9/2018	2/9/2019	2/9/2020	2/8/2021	1,721	1,721
3rd grant	32.91	2/8/2018	2/8/2019	2/8/2020	2/7/2021	2/7/2022	864	873
Contractual grant	38.62	2/7/2019	2/7/2020	2/6/2021	2/6/2022	2/6/2023	133	133
4th grant	38.62	2/7/2019	2/7/2020	2/6/2021	2/6/2022	2/6/2023	922	940
5th grant	57.70	2/5/2020	2/4/2021	2/4/2022	2/4/2023	2/4/2024	1,156	-
						Subtotal – 2nd Plan	**6,206**	**5,079**
						Total	**6,455**	**5,328**

The closing share price of the Company as of March 31, 2020 is R$ 33.59 (R$ 56.19 as of December 31, 2019).

Each option corresponds to the right to subscribe one share of the Company. As of March 31, 2020, there were 4,244 thousand in-the-Money options. We show below the effects in the net equity per share and the respective percentage of reduction in the ownership interests of the current shareholders:

	3/31/2020	12/31/2019
Equity	4,688,165	4.704.614
Number of shares - thousand	795,558	795,558
Book value per share - R$	5.89	5.91
Equity, considering the in-the-Money options exercised	4,777,859	4,836,083
Number of shares, considering the in-the-Money options exercised	799,802	800,886
Book value of the share, considering the in-the-Money options exercised	5.97	6.04
% of decrease in the ownership interest of current shareholders, considering the in-the-Money options exercised	0.53%	0.67%

29.6 ASSUMPTIONS TO FAIR VALUE MEASUREMENT OF STOCK OPTION PLAN

Fair value of granted stock option plans is calculated at the date of grant using the Black&Scholes model. For determining it, the Company adopted assumptions as:

i) Exercise value of option: weighted average rate over the last 30 share trading sessions of Lojas Renner S.A before the grant date.
ii) Share price volatility: weighting of the trading history of the Company's share.
iii) Risk-free interest rate: using CDI available on the grant date and projected for the maximum grace period of the option.
iv) Estimated dividend: payment of dividends per share in relation to the market value of shares on the grant date.
v) Vesting period: maximum period for beneficiaries to exercise their options.

Regarding the impacts of Covid-19, management assessed and concluded that future fluctuations in the share price and the CDI index did not affect the methodology for calculating the fair value of the options granted for the purchase of shares, since the pricing of the value of options was prior to the impacts of Covid-19.

29.7 CHANGES

	Amount (in thousands)
Balance on January 1, 2019	**7,276**
Options granted	1,092
Options exercised	(3,532)
Options canceled	(339)
Share bonus increase, SSM (Special Shareholders' Meeting) as of April 30	831
Balance on December 31, 2019	**5,328**
Options granted	1,166
Options canceled	(39)
Balance on March 31, 2020	**6,455**

On March 31, 2020, expense with stock option plan totaled R$ 4,982 (R$ 4,805 on December 31, 2019) in the Parent Company and Consolidated.

30 RESTRICTED SHARE PLAN

30.1 ACCOUNTING POLICY

The Company approved a restricted share plan for selected management members and executives whose expense is recorded at a *pro rata temporis* basis (on grant date and ends on the date in which the Company transfers the right of shares to the beneficiary) and corresponds to the number of issued shares multiplied by the share price on the grant date. The provision of social security contributions is updated monthly according to the closing price of the Company.

On September 23, 2015, a Restricted Shares Plan was approved at the Special Shareholders' Meeting, administered by the Committee – composed of independent members of the Board of Directors – which provides that the members of both bodies will not be eligible for the Restricted Shares contained therein.

30.2 MAIN CHARACTERISTICS

The Board of Directors may grant a number of registered and book-entry common shares of the Company, which are under treasury, not in excess of 1% of the totality of issued shares upon recommendation of the Committee, management members and executives who occupy strategic positions for the businesses.

The definite transfer of Restricted Shares to the participants is conditioned to the fulfillment of a grace period of three years for each grant, and at the end of the grace period, the participant shall have employment agreement with the Company, otherwise, the grants shall be cancelled. All Restricted Shares which grace period has not been completed yet shall be due and shall be transferred to the owners, heirs or successors in case of death, permanent invalidity or retirement.

In case public offer is mandatory pursuant to the terms of articles 39, 40, 41 and 42 of the Bylaws, or in the hypothesis public offer is successful for acquisition of the Company's control, if any of these cases result in termination without cause of a Plan member at the Company's initiative, all restricted shares assigned to the participant and still within grace year will be transferred to the member by recommendation of the Committee and if approved by the Board of Directors.

The contractual grant has the same conditions of exercise and grace period of the other existing grants.

30.3 POSITION OF RESTRICTED SHARE PLAN

Grants	Grant date	Grace period 1st tranche	Position of grants (Quantity) 3/31/2020	12/31/2019
2nd grant	02/09/2017	02/09/2020	-	345
Contractual grant	02/09/2017	02/09/2020	-	321
3rd grant	02/08/2018	02/07/2021	249	263
Contractual grant	02/07/2019	02/06/2022	40	40
4th grant	02/07/2019	02/06/2022	295	311
5th grant	02/05/2020	02/04/2023	250	-
		Total	**834**	**1,280**

30.4 CHANGES IN RESTRICTED SHARE PLAN

	Quantity (in thousands)
Balance on January 1, 2019	**1,351**
Options granted	355
Options canceled	(131)
Options exercised	(421)
Share bonus increase, SSM (Special Shareholders' Meeting) as of April 30, 2019	126
Balance on December 31, 2019	**1,280**
Options granted	254
Options canceled	(28)
Options exercised	(672)
Balance on March 31, 2020	**834**

On March 31, 2020, the restricted share plan, including principal and social charges, totaled an expense reversal of R$ 1,629 (expense of R$ 4,870 on March 31, 2019).

31 INFORMATION PER BUSINESS SEGMENT

31.1 ACCOUNTING POLICY

The operating segments presented below are consistently organized with the internal report supplied to the Board of Directors, the main decision maker, in charge of allocating funds and evaluating performance of operating segments:

i) **Retail:** sale of garment items, perfumery, cosmetics, watches, as well as the home & decoration segment; including Renner, Camicado, Youcom, Ashua operations and also in Uruguay and Argentina.

ii) **Financial products:** granting of quick withdrawals, financing of purchases and insurance, and the practice of assets and liabilities inherent to credit companies, such as branded card, among others.

	Retail		Financial Products		Consolidated	
	1Q20	1Q19	1Q20	1Q19	1Q20	1Q19
Net operating revenue	1,550,180	1,650,337	313,581	241,780	1,863,761	1,892,117
Cost of sales	(691,240)	(738,430)	(5,434)	(5,601)	(696,674)	(744,031)
Gross profit	**858,940**	**911,907**	**308,147**	**236,179**	**1,167,087**	**1,148,086**
Sales	(567,838)	(529,663)	-	-	(567,838)	(529,663)
General and administrative	(204,722)	(178,814)	-	-	(204,722)	(178,814)
Losses on receivables, net	-	-	(199,325)	(72,516)	(199,325)	(72,516)
Other operating income (expenses)	3,890	15,161	(88,152)	(65,936)	(84,262)	(50,775)
Net income from segments	**90,270**	**218,591**	**20,670**	**97,727**	**110,940**	**316,318**
Depreciation and Amortization	(96,278)	(85,240)	(3,545)	(3,292)	(99,823)	(88,532)
Stock option plan					(4,982)	(4,805)
Income/loss from write-off and estimate of fixed assets losses					168	(500)
Finance income (costs), net					(19,207)	(11,488)
Income and social contribution taxes					23,323	(49,395)
Net income for the period					**10,419**	**161,598**

The result shown in the table does not deduct the expenses with depreciation and amortization of fixed and intangible assets, with the stock option plan and income/loss from write-off of assets. The exclusion of these expenses in the calculation is in line with the way management evaluates the performance of each business and its contribution to cash generation. The finance income/(costs) is not allocated by segment (except for finance income (costs), net from the application of CPC 06 (R2)/IFRS 16, understanding that its composition is more related to corporate decisions on capital structure than to the nature of the income/loss of each business segment.

32 REVENUES

32.1 ACCOUNTING POLICY

CPC 47/IFRS 15 – Revenue from Contracts with Customers establishes a model aimed at evidencing whether the criteria for accounting were satisfied complying with the following steps:

i) Identification of the contract with the customer;
ii) Identification of performance obligations;
iii) Determination of transaction price;
iv) The allocation of transaction price; and
v) Revenue recognition upon satisfaction of performance obligation.

Considering these aspects, revenues are recorded at the amount that reflects the Company's expectation of receiving in consideration of the products and financial services offered to customers.

The gross revenue is less rebates and discounts and eliminations of revenues between related parties and adjustment to present value, as per Note 7.1.

Sale of goods – retail: we operate both in e-commerce and at points of sale (stores), and revenue is recognized in profit or loss when the good is delivered to the customer. Sales are spot sales, in cash and debit cards, or forward sales through third-party cards, Renner card, through financing granted through the indirect subsidiary Realize CFI.

Sales of financial products and services: we carry out own credit transactions and offers quick withdrawals and sales financing through the indirect subsidiary Realize CFI and agreements with other financial institutions (balances of operations carried out up to April 1, 2019). Operating income, net is recognized considering effective interest rate, throughout contract validity and for agreed operations, according to the effective provision of services.

32.2 BREAKDOWN

	Parent Company		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Gross operating revenue	**1,934,017**	**2,170,262**	**2,478,859**	**2,552,363**
Sales of goods	1,915,119	2,075,416	2,148,076	2,295,081
Financial products and services	18,898	94,846	330,783	257,282
Deductions	**(546,576)**	**(598,996)**	**(615,098)**	**(660,246)**
Returns and cancellations	(125,285)	(130,852)	(138,169)	(140,906)
Taxes on sales	(418,327)	(461,624)	(459,727)	(503,838)
Taxes on financial products and services	(2,964)	(6,520)	(17,202)	(15,502)
Net operating revenue	**1,387,441**	**1,571,266**	**1,863,761**	**1,892,117**

According to our product return policy, the customer receives a bonus voucher at the same price of the returned good for use in a new purchase.

33 EXPENSES PER TYPE

The Company's statement of profit or loss is shown per function. Below the expenditures are shown per nature.

33.1 SELLING EXPENSES

	Parent Company		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Personnel	(191,853)	(173,011)	(231,902)	(203,267)
Occupancy	(42,061)	(52,913)	(55,292)	(67,269)
Outsourced services	(16,441)	(19,504)	(22,456)	(23,359)
Utilities and services	(57,136)	(54,810)	(64,651)	(60,936)
Promotions	(33,239)	(30,791)	(42,062)	(36,943)
Depreciation and Amortization	(56,118)	(50,152)	(70,672)	(60,568)
Depreciation – Right-of-use	(69,438)	(65,330)	(85,210)	(76,966)
Other expenses	(39,310)	(40,196)	(48,535)	(47,540)
Total	**(505,596)**	**(486,707)**	**(620,780)**	**(576,848)**

33.2 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Personnel	(90,429)	(78,493)	(100,000)	(85,851)
Occupancy	(8,303)	(493)	(9,962)	(1,396)
Outsourced services	(51,096)	(46,528)	(61,021)	(54,043)
Utilities and services	(12,754)	(13,134)	(14,439)	(14,419)
Depreciation and Amortization	(24,192)	(24,223)	(25,451)	(24,517)
Depreciation – Right-of-use	(7,662)	(6,654)	(8,152)	(7,053)
Other expenses	(7,881)	(10,196)	(12,380)	(14,535)
Total	**(202,317)**	**(179,721)**	**(231,405)**	**(201,814)**

33.3 OTHER OPERATING INCOME (EXPENSES)

	Parent Company		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Expenses with financial products and services	(26,045)	(34,811)	(87,571)	(65,655)
Depreciation and Amortization	(1,001)	(2,597)	(3,545)	(3,292)
Depreciation – Right-of-use	-	-	(169)	(95)
Income (expenses) from write-off of fixed assets	(27)	(916)	168	(500)
Stock option plan	(4,982)	(4,805)	(4,982)	(4,805)
Other operating income (expenses)	(2,043)	(656)	(6,395)	(1,310)
Recovery of tax credits	8,927	29,432	10,313	29,432
Employee profit sharing	-	(12,961)	(28)	(12,961)
Total	**(25,171)**	**(27,314)**	**(92,209)**	**(59,186)**

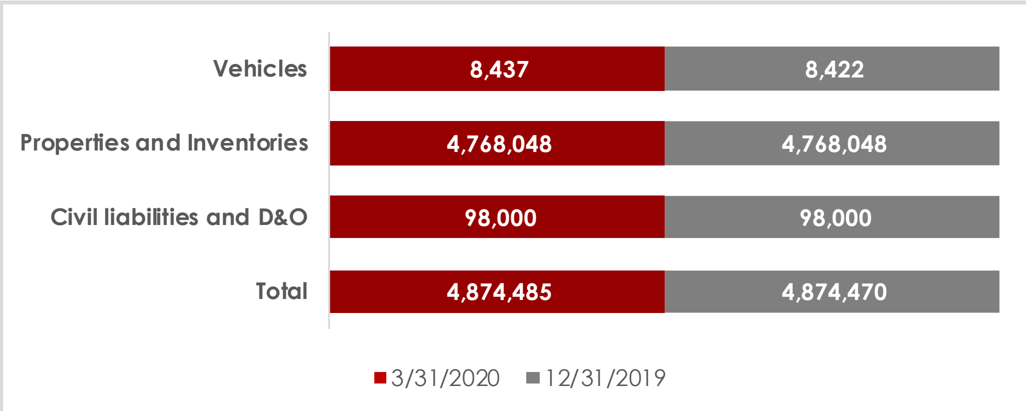
34 FINANCE INCOME (COSTS), NET

	Parent Company		Consolidated	
	1Q20	1Q19	1Q20	1Q19
Finance income	**10,079**	**6,861**	**25,579**	**11,185**
Gains on cash equivalents	9,194	6,662	9,560	7,249
Foreign exchange gains	448	124	11,099	3,597
Inflation adjustment	-	-	4,160	11
Other finance income	437	75	760	328
Finance costs	**(40,604)**	**(31,087)**	**(61,851)**	**(37,914)**
Interest on borrowings, financing and swap	(13,978)	(14,238)	(14,558)	(16,080)
Interest on leases	(14,901)	(14,269)	(18,292)	(16,389)
Foreign exchange losses	(9,704)	(101)	(15,458)	(1,052)
Liability interest	(283)	(492)	(568)	(700)
Inflation adjustment	-	-	(9,328)	(1,218)
Other finance costs	(1,738)	(1,987)	(3,647)	(2,475)
Finance income (costs), net	**(30,525)**	**(24,226)**	**(36,272)**	**(26,729)**

Finance income (costs) was affected in an unusual way in the 1st quarter of 2020, due to the effects of Covid-19. As a result, the exchange difference payable was impacted, mainly, due to the fluctuation of the US dollar exchange rate against the Brazilian real between the clearance from customs and the closing of the exchange rate for payments for imported goods, according to the flow implemented for payment of foreign trade operations and realization of foreign exchange hedge derivative instruments.

35 INSURANCE COVERAGE

The Company and its subsidiaries have insurance policies taken out with the main insurance companies in Brazil, which were determined as per guidance provided by experts and take into consideration the nature and the value of risk involved. As of March 31, 2020, the Company and its subsidiaries had insurance coverage for legal liability and property and casualty insurance (basic coverage: against fire, thunder, explosion and other financial loss policy coverage) and for inventory, as shown on the side:



36 SUPPLEMENTARY INFORMATION TO THE CASH FLOW

36.1 PARENT COMPANY

	Capital	Treasury shares	Leases payable	Loans, financing, debentures and operating financing	Statutory payables	Total
Balance on January 1, 2019	**2,637,473**	**(44,536)**	**33,940**	**906,725**	**242,995**	**3,776,597**
Changes affecting cash	**46,111**	**4**	**(326,570)**	**33,146**	**(411,520)**	**(658,829)**
Capital increase/Disposal and/or Transfer of treasury shares	46,111	-	-	-	-	**46,111**
Disposal/ transfer of shares	-	4	-	-	-	**4**
(Amortization) funding of borrowings and lease consideration	-	-	(326,570)	73,805	-	**(252,765)**
Interest paid on loans, debentures and operating financing	-	-	-	(40,659)	-	**(40,659)**
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(409,081)	**(409,081)**
Management fees	-	-	-	-	(2,439)	**(2,439)**
Changes not affecting cash	**1,112,050**	**8,983**	**1,900,255**	**60,609**	**411,639**	**3,493,536**
First-time adoption - CPC 06 (R2)/ IFRS 16 and contractual remeasurement	-	-	1,825,237	-	-	**1,825,237**
Share bonus and incorporation of capital reserves	1,112,050	-	-	-	-	**1,112,050**
Disposal/ transfer of shares	-	8,983	-	-	-	**8,983**
Interest expenses on borrowings, structuring costs and operating financing	-	-	75,018	60,609	-	**135,627**
Distribution of interest on equity and dividends	-	-	-	-	411,639	**411,639**
Balance on December 31, 2019	**3,795,634**	**(35,549)**	**1,607,625**	**1,000,480**	**243,114**	**6,611,304**
Changes affecting cash	**-**	**(96,964)**	**(97,412)**	**507,006**	**(6,819)**	**305,811**
Disposal/ transfer of shares	-	(96,964)	-	-	-	**(96,964)**
(Amortization) funding of borrowings and lease consideration	-	-	(97,412)	520,916	-	**423,504**
Interest paid on loans, debentures and operating financing	-	-	-	(13,910)	-	**(13,910)**
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(6,819)	**(6,819)**
Changes not affecting cash	**-**	**13,052**	**56,019**	**4,279**	**58,351**	**181,701**
Contractual remeasurement	-	-	37,451	-	-	**37,451**
Disposal/ transfer of shares	-	13,052	-	-	-	**13,052**
Interest expenses on borrowings, structuring costs and operating financing	-	-	18,568	16,539	-	**35,107**
Distribution of interest on equity and dividends	-	-	-	-	58,351	**58,351**
Financing – financial services and operations	-	-	-	37,740	-	**37,740**
Balance on March 31, 2020	**3,795,634**	**(119,461)**	**1,566,232**	**1,561,765**	**294,646**	**7,098,816**

36.2 CONSOLIDATED

	Capital	Treasury shares	Leases payable	Loans, financing, debentures and operating financing	Statutory payables	Total
Balance on January 1, 2019	**2,637,473**	**(44,536)**	**33,940**	**1,038,062**	**242,995**	**3,907,934**
Changes affecting cash	**46,111**	**4**	**(377,825)**	**48,078**	**(411,520)**	**(695,152)**
Capital increase	46,111	-	-	-	-	**46,111**
Disposal/ transfer of shares	-	4	-	-	-	**4**
(Amortization) funding of borrowings and lease consideration	-	-	(377,825)	(91,753)	-	**(286,072)**
Interest paid on loans, debentures and operating financing	-	-	-	(43,675)	-	**(43,675)**
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(409,081)	**(409,081)**
Management fees	-	-	-	-	(2,439)	**(2,439)**
Changes not affecting cash	**1,112,050**	**8,983**	**2,307,320**	**67,523**	**411,639**	**3,907,515**
First-time adoption - CPC 06 (R2)/ *IFRS* 16 and contractual remeasurement	-	-	2,221,644	-	-	**2,221,644**
Share bonus and incorporation of capital reserves	1,112,050	-	-	-	-	**1,112,050**
Disposal/ transfer of shares	-	8,983	-	-	-	**8,983**
Interest expenses on borrowings, structuring costs and operating financing	-	-	85,676	67,523	-	**153,199**
Distribution of interest on equity and dividends	-	-	-	-	411,639	**411,639**
Balance on December 31, 2019	**3,795,634**	**(35,549)**	**1,963,435**	**1,153,663**	**243,114**	**7,120,297**
Changes affecting cash	**-**	**(96,964)**	**(117,326)**	**844,263**	**(6,819)**	**623,154**
Disposal/ transfer of shares	-	(96,964)	-	-	-	**(96,964)**
(Amortization) funding of borrowings and lease consideration	-	-	(117,326)	858,520	-	**741,194**
Interest paid on loans, debentures and operating financing	-	-	-	(14,257)	-	**(14,257)**
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(6,819)	**(6,819)**
Changes not affecting cash	**-**	**13,052**	**77,061**	**13,909**	**58,351**	**662,373**
Contractual remeasurement	-	-	54,861	-	-	**54,861**
Disposal/ transfer of shares	-	13,052	-	-	-	**13,052**
Interest expenses on borrowings, structuring costs and operating financing	-	-	22,200	22,543	-	**44,743**
Distribution of interest on equity and dividends	-	-	-	-	58,351	**58,351**
Financing – financial services and operations	-	-	-	491,366	-	**491,366**
Balance on March 31, 2020	**3,795,634**	**(119,461)**	**1,923,170**	**2,511,835**	**294,646**	**8,405,824**

37 EVENTS AFTER THE REPORTING PERIOD

After a judicious evaluation of the confrontation with all the challenges caused by Covid-19, the Company's management has been adopting some measures for the gradual resumption of its operations in compliance with the local government decrees:

37.1 GRADUAL REOPENING OF STORES

As of April 24, the gradual reopening of stores began, in some specific units of Renner, Camicado and Youcom. Decisions for resuming activities are analyzed individually and following technical criteria as to the extent of the pandemic in each municipality, while ensuring the safety of people and business. For those definitions, retail trade operating in these cities was also considered.

37.2 FUNDING

37.2.1 10th Issue of Debentures

On April 13, 2020, the 10th issue of simple, single series, unsecured nonconvertible debentures subject to a public offering with restricted distribution efforts was carried out, by the Parent Company as approved at the Board of Directors' Meeting held on April 6, 2020, in the amount of R$ 500,000 with a rate of 100% of the DI variation + 2.96% p.a. and maturity on April 13, 2021. The funds thus raised will be used as a source of working capital and to maintain the Company's minimum strategic cash level.

37.2.2 11th Issue of Debentures

On May 8, 2020, the 11th issue of simple, two series, unsecured nonconvertible debentures subject to a public offering with restricted distribution efforts was carried out, by the Parent Company as approved at the Board of Directors' Meeting held on April 29, 2020, in the total amount of R$ 500,000. The 1st series corresponds to R$ 300,000, with a rate of 100% of the DI variation + 3.00% p.a. and maturity on May 5, 2022, and the 2nd series corresponds to R$ 200,000, with a rate of 100% of the DI variation + 3.04% p.a. and maturity on November 5, 2022. The funds thus raised will be used as a source of working capital and to maintain the Company's minimum strategic cash level.

37.2.3 CDI and CCB – Realize CFI

On April 27 and 28 and May 11 and 14, subsidiary Realize CFI took out four loans, three in the form of Interbank Deposit Certificates (CDI) under the following conditions, respectively: R$ 50,000 with Itaú at a rate of 210% the CDI; R$ 100,000 with Banco Safra with CDI rate + 3.5% p.a.; and R$ 10,000 with Banco BV with 240% CDI rate. The fourth funding was contracted in the form of Bank Credit Note in the amount of R$ 30,000 with CDI rate + 3.5% p.a. The loans mature in April and May 2021, and the funds are intended to reinforce cash and maintain the Company's minimum strategic cash.

37.3 PROVISIONAL EXECUTIVE ORDER No. 936/2020

In view of the impacts observed on the Brazilian economy due to Covid-19, two measures provided in Provisional Executive Order (MP) No. 936/2020 were adopted by the Company as of April 16, 2020:

i) proportional reduction of working hours and salaries by 25%; and
ii) suspension of the employment contract.

These measures taken by the Company are intended to adjust the cost structures to face the scenario and preserve jobs.

37.4 BUSINESS CONTINUITY

After all the measures and impacts of Covid-19 mentioned throughout these Interim Financial Statements, we are still preparing for operating expenses to be adjusted to a new sales reality, and with that, in addition to the adoption of MP No. 936/2020 and reinforcement of the Company's cash, we implemented a series of actions to review rent and service contracts, and review the investment plan, among other measures. The Company has been permanently monitoring the scenario and maintains a dynamic adjustment plan, adaptable according to the evolution of the economic scenario and internal opportunities.

We understand that this moment of isolation and mobility restriction will make consumers get accustomed to the use of e-commerce more quickly, which is beneficial for our digital transformation. We have accelerated alternative forms of sales that, in addition to e-commerce, allow customers to buy products without leaving home, contributing to the income of our employees. Since April, we have been testing deliveries from stores, social sales and WhatsApp.

In view of everything the Company is sure of its soundness, aware that there are still many challenges ahead, in relation to consumption and the resumption of the macroeconomic scenario, but past experiences have always shown to us that strong brands, with clear competitive differentials, come out victorious in crises.

Considering these factors, we understand that these initiatives contribute to our Company's operational continuity plan.

37.5 ANNUAL SHAREHOLDERS' MEETING

On April 29, 2020, the ASM was held, which decided on the distribution of profits for year 2019, the payment of dividends and management compensation set for year 2020. See notes 25.2.2 and 26.

37.6 ICMS IN THE PIS AND COFINS CALCULATION BASE

In May 2020, the Parent Company's final and unappealable decision was certified, determining the exclusion of ICMS from the PIS/COFINS calculation base. The amount computed in relation to the periods from November/01 to February/17 is R$ 1,357,087,101.84 (one billion, three hundred and fifty-seven million, eighty-seven thousand one hundred and one Reais and eighty-four cents). More information about the lawsuit see Note 22.6.

A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated interim financial information prepared in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting.

INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

The Shareholders, Board of Directors and Officers

Lojas Renner S.A.

Porto Alegre - RS

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Lojas Renner S.A. (the "Company") for the quarter ended March 31, 2020, comprising the statement of financial position as of March 31, 2020 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information form referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the three-month period ended March 31, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Audit and review of corresponding figures

The audit of the individual and consolidated statements of financial position as at December 31, 2019 and the review of the individual and consolidated interim financial information for the quarter ended March 31, 2019 presented for comparison purposes were conducted under the responsibility of other independent auditor, who issued unmodified audit and review reports dated February 05, 2020 and April 24, 2019, respectively.

Porto Alegre, May 21, 2020.

ERNST & YOUNG

Auditores Independentes S.S.

CRC-2SP15199/O-6

Guilherme Ghidini Neto

Accountant CRC-RS 067795/O-5

STATEMENT FROM THE BOARD OF EXECUTIVE OFFICERS ON THE INTERIM FINANCIAL STATEMENTS

Pursuant to subsection VI, Article 25 of CVM Instruction 480 of December 7, 2009 (amended by CVM Instruction 586 of June 8, 2017), the Board of Executive Officers states that it has reviewed, discussed and agreed the Company's Interim Financial Information for the quarter ended on March 31, 2020, authorizing their conclusion as of this date.

Porto Alegre, May 21, 2020.

BOARD OF EXECUTIVE OFFICERS

Fabio Adegas Faccio

Chief Executive Officer and Interim Chief Information Technology and Business Management Officer

Laurence Beltrão Gomes

Chief Financial and Administrative Officer and Investor Relations Officer

Fabiana Silva Taccola

Chief Operating Officer

Clarice Martins Costa

Chief Human Resource Officer

Henry Costa

Chief Product (Procurement) Officer

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS ON THE REPORT OF THE INDEPENDENT AUDITORS

In conformity with sub-item V, article 25 of CVM Instruction 480 of December 7, 2009 (amended by CVM Instruction 586 of June 8, 2017), the Board of Executive Officers declares that it has reviewed and discussed the content and opinion expressed in the report of the Independent Auditors on the Company's Interim Financial Information for the quarter ended on March 31, 2020, issued on this date.

The Board of Executive Officers declares that it agrees with the content and opinion expressed in the said report of the Independent Auditors on the Company's Interim Financial Information - ITR.

Porto Alegre, May 21, 2020.

BOARD OF EXECUTIVE OFFICERS

Fabio Adegas Faccio

Chief Executive Officer and Interim Chief Information Technology and Business Management Officer

Laurence Beltrão Gomes

Chief Financial and Administrative Officer and Investor Relations Officer

Fabiana Silva Taccola

Chief Operating Officer

Clarice Martins Costa

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Chief Product (Procurement) Officer