ANNUAL REPORT 2021

LOJAS RENNER S.A

FINANCAL STATEMENTS 2021

Summary

MANAGEMENT REPORT 2021

Introduction

In compliance with the legal provisions and in accordance with Brazilian corporate law, Lojas Renner S.A. presents as follows its Management Report, with comments on the operational and financial results for the fiscal year ending December 31, 2021. This report is a complementary to the Company's Financial Statements which conform to the international accounting standards (IFRS), issued by the International Accounting Standards Board (IASB). The information presented herein is aligned with the Company's Integrated Report which respects global best practices and IIRC (International Integrated Reporting Council) guidelines.

Message from the Management

Innumerous transformations marked 2021 with the Company making significant investments in its strategy for developing the fashion and Lifestyle ecosystem. From the external point of view, we continue to experience much uncertainty and volatility not only due to the continuing Covid-19 pandemic and its effects on health and restrictions on mobility but also the economic consequences which accompany it.

We began 2021 with a growing number of Covid-19 infections in Brazil, leading to an intensification of social distancing protocols and consequently, fresh restrictions on operations. Once again, we responded immediately, totally committed to our employees, clients and suppliers and prioritizing their wellbeing. Since the middle of April, with the gradual resumption in mobility and normal store opening hours, we were able to observe an important consistency in sales performance over the following months with an average +20% increase in relation to 2019. Consequently, despite the reduction in average opening hours at 85%, Net Revenue from Merchandise Sales reported significant growth, not only in relation to 2020 of 43.5%, but also when compared to 2019 of 12.8%. And all this set against a background of record enchantment: 99.1% of our customers being very satisfied or satisfied, signaling to us that we are on the right track in offering a value proposal to them which is increasingly more comprehensive.

However, more important than the short-term scenario, the Company is committed to the future and continues to advance in the building of its ecosystem for a more complete offering of products and services to the consumer. This journey had its beginnings back in September 2019 when the Board of Directors and the Executive Board in conjunction took a decision as to the strategic priorities for the next few years, on this basis, defining the structure of the ecosystem. At the same time, we renewed our value proposition for attending the new business model and since then we have been working on the necessary development in our practices, introducing new expertise and structuring our teams. And 2021 was the year in which we accelerated even more and intensively invested in the execution of this plan, maximizing the capacity of our existing platform in order to be the specialized ecosystem leader in fashion and Lifestyle and a benchmark in Latin America.

Consumers habits have been changing faster than ever and to meet these demands, it has been necessary to act swiftly in providing a more comprehensive offering at all stages of the consumer's journey. In this context, the principal investment fronts are those related to the increase in assortment of products, categories and services as well as in the generation of proprietary content and media to ensure greater engagement, frequency and stickiness. In the same way, continuous investment in the omni journey, with its greater coverage of integrated channels and platforms, has brought greater flexibility and maximized sales. In addition, we are increasing the customer base at Realize CFI and expanding the offer of financial solutions that attend the needs of all the component parts of our ecosystem. And for all this to happen, we are developing some important enablers: logistics, technology, knowledge of the customer and data. All these initiatives have the goal of leveraging enchantment, gains in productivity and efficiency, reducing CAC (customer acquisition cost), as well as increasing lifetime value.

It was with these plans in mind that at the beginning of May, we capitalized through an equity offering, the equivalent of approximately R$ 3.9 billion. These resources have given us the flexibility and readiness to continue the construction of the ecosystem, irrespective of any extraneous scenario that may arise. Over the year, the Company has invested approximately R$ 1.3 billion in expenditure and capex. This incorporates the construction of our new omni Distribution Center in São Paulo, of 163 thousand m^2, currently at the equipment assembly and automation stage, for attending all the businesses and fundamental to a significant improvement in services as well as the expansion of the store network, with 32 new units, which in turn will leverage the online operation in the new store locations. Equally, these investments cover the higher expenses relative to the digitalization of the business and the creation of teams and reinforcement of structures to support the various initiatives in the ecosystem. Capex was also dedicated to the acquisition of Repassa, our managed fashion retail business in line with the offer to the consumer of services adjacent to the core business and our strategy of sustainability. And this more intense investment cycle has already resulted in important advances in the pillars supporting the ecosystem.

We posted new records in the digital channel in spite of a robust comparative base, the normalization of the off-line operation as well as the effects of the cyber-attack in August which led to instability in our systems and unavailability of our digital operations for some days. Annual GMV reached R$ 1.6 billion, 49.9% greater than 2020 (242.8% versus 2019), and with an increased share of total business at 13.5%. During the year, Renner was the most sought-after brand among national players in the fashion business as well as maintaining absolute leadership in Monthly Active User (MAU) ratings on the same comparative basis. Progress was also made in other digital sales modalities, such as social selling and Whatsapp, reaching up to 20% of online sales. As a result of our initiatives, our position as a digital brand has been reinforced being Top of Mind – Brand Recall in Fashion Retailing in all four quarters of the year and the most recalled Fashion brand over the Black Friday period in Fashion and accessories purchases.

As part of the omni journey, we made available physical store inventories for online purchasing, thus significantly increasing assortment and we focused our efforts on the improvement of standards of service, equated with greater productivity in the last mile. On this front, we saw a significant improvement at Renner, with 45% of deliveries being made in up to D+2, while at Youcom, this same indicator reached a level of 70%. At the bricks-and-mortar stores, we continued to report progress in the digitalization of the customer journey with the implementation of the RFID at points of sale, bringing a greater degree of agility to processes and customer service. We also increased the importance of alternative modalities of checkout such as store attendants equipped with mobile devices, the use of self-service totems or checkout via customer smartphone. These alternative methods at some units reached in excess of 45% of sales. As a result of a more flexible and complete experience, the participation of the omni customer base more than doubled in relation to 2019, leveraging the potential of our ecosystem, these customers accounting for a frequency and average spending considerably higher than those shopping in just one channel.

The Camicado and Renner marketplaces continued to expand the categories and variety of products on offer and reached their goals for the year, currently having 210 and 190 sellers, respectively. Renner's digital assortment more than doubled through partners' offers and with the entry of Camicado and Youcom in the platform – are among the top 5 sellers – the synergy between the businesses became even more evident.

We also evolved in themes related to the relationship and knowledge of the customer. In content & branding, we focused on awareness and leveraging flows with our efforts directed towards improvement in customer recurrence, engagement and monetization. Among these the holding of weekly lives as well as an intensification of the partnership with influencers, significantly increasing the potential reach. Again, we were the first brand in Latin America to make a 3D live, as well as the first fashion retailer in Brazil with a live of products on TikTok. On the CRM front we increased retention and saw our active customer base evolve sequentially through the year with 3.5 million more than in 2020, reaching 17.7 million. In addition, we have already detected significant synergies between the businesses with customers buying in more than one brand spending up to 7 times more than those that consume in only one of them.

Realize turned in a relevant performance through wider coverage of the ecosystem with the offer of financial solutions. In this context, the institution increased the offer of products at Renner as well as in the other businesses and reporting a record TPV (Total Payment Volume). In addition, the active customer base increased 12% compared with 2020 while service revenues further increased in importance. Realize also executed financing operations for suppliers and in the case of sellers on a test basis. At year-end, the digital account was launched for customers in a specific city on a pilot operation basis.

And all this constantly observing our supporting pillars which permeate our operation: products and services, ESG strategy, people and culture of enchantment. In this context, our ESG initiatives merit special showcasing. In addition to collaboration and support measures for the community during the pandemic, 2021 was the year when we finalized our public sustainability commitments, previously established in 2018. Again, among the various indices related to the theme in which we participate, of particular note was the Dow Jones Sustainability Index, which is based on the S&P Global ESG Scores, in which we reached the highest score among global retailing companies as well as B3's ISE where we were placed second in the general ranking. We also unveiled our circular store, the first in the Brazilian retail sector to use this concept, an achievement of which we are very proud.

A year of challenges without a doubt, but many advances and lessons learnt. We have a net cash of R$ 2.5 billion and we have surpassed R$ 10.6 billion in Total Net Revenue, once more being the largest in our segment. Sales performance combined with the optimization of integrated inventories as well as the use of data in our processes has contributed to markdown levels historically among the lowest producing a very healthy gross margin of 54.2%. Again, on this front, particular mention should also be made of the role of our offices in China and Bangladesh, bringing flexibility and security in the supply of imported products. Furthermore, our Net Income amounted to R$ 633 million, 61% being approved for distribution to the shareholders, the largest percentage since 2013.

And we move on to 2022! Although uncertainties still prevail in relation to the economic and health-related scenarios, we know that we are more prepared and very alert to the opportunities that may arise. We believe that brands with meaning and a clear value proposition generate competitive differentials and create the conditions for gains in market share, principally when set against a more difficult macro scenario and one of sector consolidation like the current one.

We are the largest omni player in the apparel segment and we continue committed to our purpose in order to increasingly consolidate as the leading ecosystem in the segment. As a result, we will continue differentiating ourselves in terms of both product and Lifestyle, investing in quality and fashion. We shall continue prioritizing the omni journey, expanding the store network with about 40 rollouts expected for 2022, at the same time in which we are growing the online operation. In parallel to this, we shall also focus on investments in our logistics and technology platforms as well as best time to market and initiatives at Realize, the Company's total capex amounting to R$ 1.0 billion. All this with much focus, striving for greater productivity and efficiency in the operations for potentializing customer enchantment and generating a return for our shareholders.

And last but not least, we would like to extend a vote of thanks to our employees, directors and executives, who continued engaged with our purpose; to the suppliers, that have committed to our operations; to the shareholders, that have supported our transformation; and to the customers and community in general, that have recognized us as the 12th most valuable brand in the country, according to Interbrand.

Thank you all!

José Galló
Chairman of the Board of Directors

Fabio Adegas Faccio
Chief Executive Officer

Porto Alegre, March 17, 2022.

Highlights in the period

Net Revenue from Merchandise Sales rose 43% and +13% vs 2020 and 2019, respectively. Monthly average +20% vs 2019 since the reopening of the stores in April

2022: Tendency of recovery continues, with acceleration vs 2019

Consistent gain in market share, with sales 20p.p. above the market

Robust growth of 50% in Digital Sales (GMV) for the year despite a record comparative base; penetration reaches 13.5%

Renner's marketplace, currently with +190 sellers, an increase of 2.2x in digital assortment

Record enchantment of 99.1% in 2021

Levels of markdowns at the lowest levels in recent years

45% of deliveries made up to D+2 at Renner and 70% at Youcom, driven by the metropolitan regions of Rio de Janeiro and Sao Paulo

Acceleration in the content production, reducing CAC in 4Q21

Greater efficiency of shipping from store – 18% reduction in cost per delivery 4Q21 vs 4Q20

Robust growth of the portfolio, with delinquency in line with historical levels

Record TPV due to greater coverage of the Ecosystem by Realize with expansion of 12% in the active customer base

17.7 MM active customers in the ecosystem, an increase of ~25% vs 2020 with retention of +12 p.p.

Continuing increase in the participation of omni customers (+46% vs 2020) and ecosystem cross-brand customers spending 6 to 7x more

Payout of 61%, the largest percentage distributed since 2013

Reinforcement of the digital brand: Top of Mind in fashion for the entire year and leader in MAU among national players

Total Adjusted EBITDA 1.9X greater than 2020 (ex-tax credit)

Macroeconomic Scenario

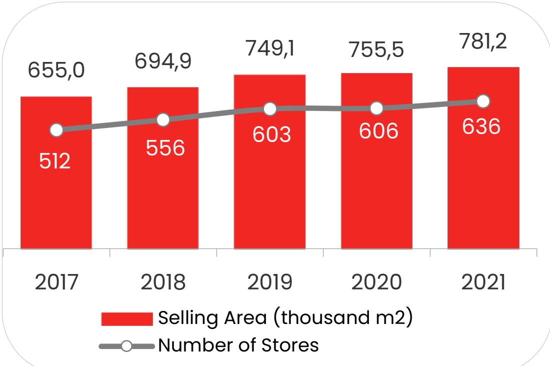
The year 2021 was once more dominated by the effects of the Covid-19 pandemic, impacting the economy not only in Brazil but around the world. Early in the year, with the onset of the second wave of the pandemic, new restrictions involving social distancing had some important effects on several segments as well as on household incomes. Subsequently, as the sanitary situation improved and some of the restrictions eased, the economy began to report an uneven recovery depending on the specific sector. This movement occurred across several countries, in so doing, generating an imbalance in the productive chains on a global scale in addition to logistical ruptures. In Brazil, these factors combined with the energy crisis, increased commodity prices and devaluation of the local currency, fueled a significant hike in inflation with higher interest rates following in its wake not to mention raising fiscal issues as well.

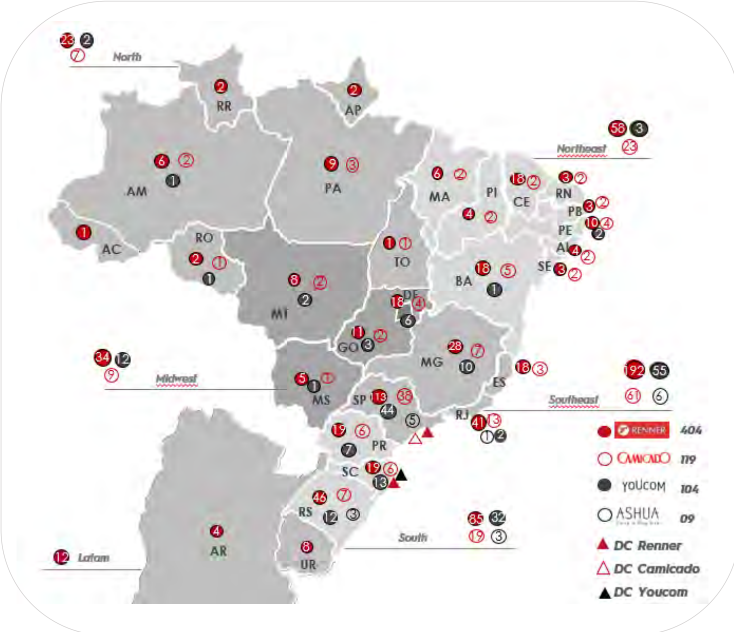
The apparel sector was no different. On the one hand, footfall through the shopping malls begin to show signs of a gradual recovery in flows and with this sales reported a corresponding improvement from April, in some months posting levels above those for 2019 based on PMC – Monthly Retailing Survey data, published by the Government Statistics Office - IBGE. On the other hand, the challenges were greater in terms of operating costs, mainly with respect to inflationary pressures and the devaluation of the Real against the US Dollar.

The Company and its business

Lojas Renner S.A. was incorporated in 1965 and currently encompasses the largest fashion and lifestyle ecosystem in Brazil, having the Renner, Camicado, Youcom, Ashua and Repassa brands under its umbrella. In addition, Realize CFI is responsible for the management of financial products. The Company currently operates 636 stores, located nationwide in Brazil as well as abroad (8 units in Uruguay and 4 more in Argentina).

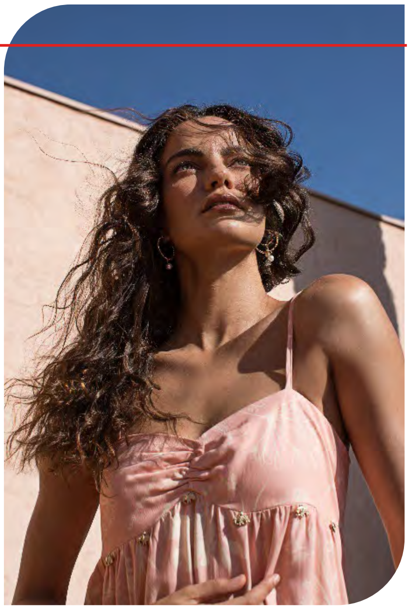
The Company's registered offices are in Porto Alegre (RS). There are also offices in China and Bangladesh for coordinating importation and development of new suppliers. In the context of logistics, there are three Distribution Centers (CDs), one of them dedicated to Camicado business, in addition to one cross docking unit.





	RENNER			CAMICADO			YOUCOM		
	2021	2020	Var.	2021	2020	Var.	2021	2020	Var.
Number of Stores	413	393	20	119	113	6	104	100	4
New Stores Unveiled	21	7	-	6	2	-	5	2	-
Closures	1	2	-	0	3	-	1	3	-
Sales Area (th. m²)	713.8	690.3	3.4%	49.8	48.3	3.1%	17.7	16.9	4.7%

RENNER



The Company's principal business is its network of Renner stores, representing 90% of total Net Revenue. Renner seeks to deliver the best experience in fashion to middle/high income groups with quality products and services at competitive prices. The network develops and sells quality apparel, footwear and underwear for women, men, and children through 18 proprietary brands, of which eight represent the Lifestyle concept, each one reflecting its own style of being and dressing. Renner also sells accessories and cosmetics through two private labels as well as offers merchandise in some categories with third party labels.

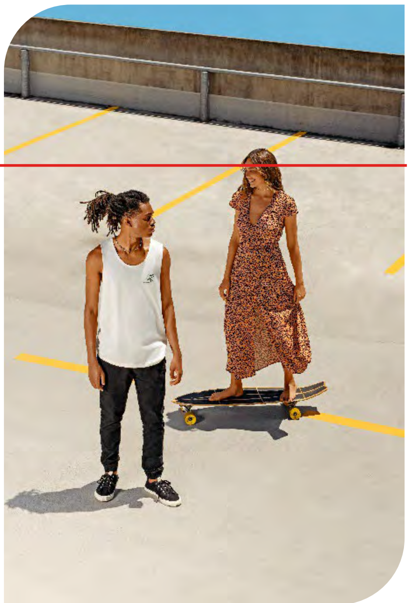
In 2021, Renner pursued its physical expansion plan, opening 20 stores and 1 unit was closed following a review of profitability. At the end of the year, there were 404 units in operation, 392 in Brazil, 8 in Uruguay and 4 in Argentina, equivalent to a total sales area of 713.8 thousand m^2. The stores have an average area of 1.8 thousand m^2, 90% of these located in shopping malls. In addition, Renner offers its products through online platforms both in Brazil and in Uruguay. Also, 1 unit was closed following a review of profitability.

The stores abroad adopt the same standards and positioning as the units in Brazil. The first stores were opened in 2017 in Uruguay, representing an important step forward for testing the business model in other markets. The products have seen a ready acceptance by local customers, this reflected in the differentiated sales performance. The operation also has a hub for directly receiving imported products from Asia, thus avoiding double taxation. At the end of 2019, Renner unveiled 4 stores in Argentina, a country with a large population and a favorable competitive environment with commercial opportunities arising through the medium of Mercosur. In 2021, the focus of the operation was on the implementation of solutions for improving lead times and simplification of export procedures.

CAMICADO

Camicado is a specialist store network, its objective to enchant people with experiences in the household and home décor areas. It was acquired in 2011 and is the largest Brazilian retailer in its segment, with a footprint in all regions of the country. It offers a large variety of products, among them articles for household decoration, kitchen and domestic utensils, portable electric items, organization and bed-, table- and bath ware. The brand operates 119 stores, all of them located in shopping malls, with an average area of 418 m^2. During the year, Camicado rolled out 6 stores, its network now having a total area of 49.8 thousand m^2.

In 2021, Camicado continued its growth trajectory, not only in bricks-and-mortar units but also through digital sales. Improvements were made to the website in terms of the customer experience while marketing strategies were revisited with the aim of increasing digital participation and reducing CAC. In addition, the brand registered significant growth in sales via Whatsapp and in the number of those affiliated to the social sales (*Minha Sacola*) program. The company continued to work on the structuring of its marketplace through the development of new partners. Today, it has approximately 210 sellers and more than 90 thousand active products, offering a more complete household and home décor solution to consumers.



YOUCOM

Youcom was constituted in 2013 with its purpose to enchant and connect the young lifestyle market. In a specialized format, the stores have an average size of 170 m^2, in an innovative and sustainable way, offering quality products with a strong fashion appeal at competitive prices. One of the initiatives during the year was the acceleration of the responsible fashion model through products bearing the YC Change seal and consisting of more than 900 items with a sustainability appeal as well as various products with a positive social impact.

In 2021, Youcom rolled out 5 stores and 1 unit was closed following a review of profitability, its network amounting to 104 units in operation, located nationwide and with a total of 17.7 thousand m^2 of sales area.

Youcom has continued to invest in the digital transformation to achieve its ambition to be digital first, launching its app, the latter reporting positive results both in the number of downloads as well as in customer retention. During the period, Youcom also joined third party marketplaces, successfully advancing in partnerships with affiliates, and using influencers as brand ambassadors.

ASHUA

The Ashua Curve & Plus Size brand was launched in 2016, exclusively selling through Renner's e-commerce channel, offering products with sizes from 44 to 56 which enhance the value of curves and the female body, providing both quality and fashion information.

In 2021, the brand unveiled one store and by the year end, had 9 units in operation with an average area of 224 m^2. The installation of brand corners within Renner stores was also expanded, these now totaling 14 units, with an average area of 42 m^2.

Ashua has also taken some important steps in developing its digital transformation both in the attractiveness of its online operation through campaigns with influencers as well as through omni initiatives. The year also marked the entry of the brand in the Uruguayan market through the medium of e-commerce as well as the participation in different marketplaces in Brazil. The launch of products with greater sustainability appeal under the Re label also warrants mention.

REALIZE CFI – SERVIÇOS FINANCEIROS

Realize Crédito, Financiamento e Investimento S.A. - Realize CFI seeks to enchant its customers through financial experiences and solutions that have an impact on their lives. In December 2021, the financial institution had a credit portfolio totaling R$ 4.8 billion mainly made up of two types of product: the Renner Card (Private Label), created in 1973, and the Meu Cartão (Co-branded Card), launched in 2012 with the Mastercard and Visa flags, the latter of which can be used at other establishments both in Brazil and abroad. For purchases made at Renner, both cards offer the option of payment in up to five monthly interest free installments or in eight interest bearing installments.

Realize also offers financial solutions to its customers through insurance and general assistance services as well as extended warranty and signature services. The institution offers solutions for businesses with operations for the anticipation of receivables to ecosystem sellers as well as financing working capital and granting of credit lines to suppliers. Again, at the year-end, the digital account was launched for customers in the form of a pilot operation in São Paulo but for subsequent general rollout. Eligible customers are also offered other services such as the *Saque Rápido* – a personal loan model, and on the investment front, the issue of bank certificates of deposit (CDBs).

During the year, Realize was also able to report advances in the digitalization of the customer payments journey. This offers the possibility of issuing virtual cards, contracting of loans with deposit to a checking account, increase of limits, facilities for installment payments, among other facilities which provide a totally autonomous journey. Consequently, more than 90% of the customers interacted digitally with the finance house during the year. There were also advances through greater occupation of the ecosystem, through an increasingly greater range of solutions for meeting customer needs and thus driving greater portfolio volume and monetization of the business. Recent developments of these principal initiatives are described in the chapter Financial Solutions.

REPASSA

The Company acquired Repassa in 2021. Founded in 2015, Repassa is a native digital startup with sustainability as its core objective and an online platform which resells apparel, footwear and accessories focused on a female audience in the B and C+ social groupings, through a managed resale service.

This segment has high growth potential and is one of the key tendencies in apparel retailing. In addition, this transaction is aligned to the Company's ecosystem strategy, the new service delivering value to customers, complementing their journey as well as creating a new source of revenue, increased recurrence and lifetime value. In addition, it underscores the Company's objective of stimulating rational consumption and extending the useful life of the items.

During the year, the brand's first two kiosks in shopping malls were opened, leveraging the participation of the partners, tripling the volume of the *Sacolas do Bem* orders. In the year, the teams were reinforced and the head office in Jundiaí structured, increasing inventory capacity by 3 times.

Supporting Pillars

CORPORATE VALUES

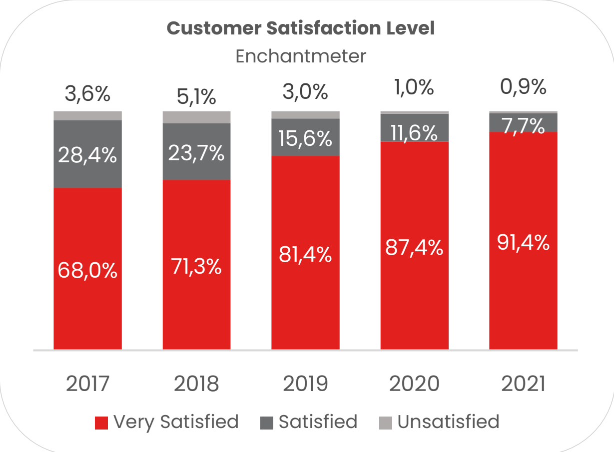
- ENCHANT… to exceed customer expectations.
- OUR WAY… to do things in a simple and agile manner, with great energy and passion.
- PEOPLE… to hire, develop and retain the best people.
- OWNERS OF THE BUSINESS… to think and act like owners of our business unit.
- OBSTINATE PURSUIT OF RESULTS… to seek results and not just good ideas.
- QUALITY… our products and services have the highest level of quality.
- SUSTAINABILITY… businesses and attitudes based on the sustainability principles.

WE LOVE CHALLENGES: not knowing that something is impossible, we just go ahead and do it!

CULTURE OF ENCHANTMENT

To enchant customers is part of the essence of Lojas Renner: it is one of its values and its reason for being. More than 20 years ago, the Company pioneered the Enchantmeter, which measures the customer's shopping experience in Renner stores. In addition, the culture has been disseminated through approximately 900 thousand Stories of Enchantment, reported by the employees themselves and protagonists in the situations where customers are surprised by differentiated initiatives beyond what was expected.

It was on the basis of this value that in 2021 the Company took a further step in the development of the fashion and Lifestyle ecosystem in order to offer an even more robust value proposal and to become the choice of still more customers. These involved investments directed towards a still more comprehensive offer at all stages of the consumer's journey. As a result, the Company continued to exceed the expectations of its customers, in 2021 reaching record levels of enchantment, with 99.1% exiting the stores either very satisfied or satisfied.

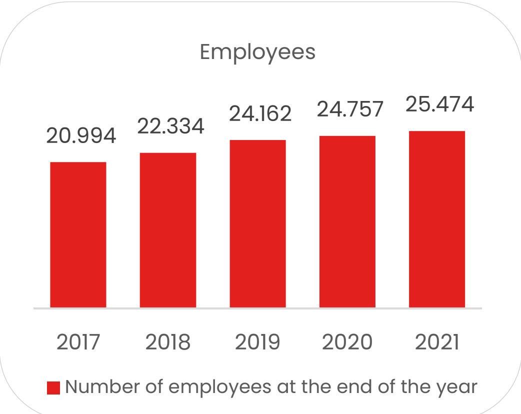


PEOPLE

In order to ensure adherence to the new cycle of digital transformation, innovation, expansion of the connection and operation of the businesses, in 2021, the Company embarked on a project of cultural evolution. Following a diagnosis which considered aspects such as diversity of the segments, of the teams and countries as well as integration of new businesses, Renner undertook a revision of the value proposal to the employee. This envisages the continuity of the employer brand strategy which valorizes the culture and diversity of Lojas Renner's talents and businesses. In this context, Encantech was also launched, a community of tech talents which seeks to attract and develop talents for the Tech, Data, Agile and Digital areas from different parts of Brazil and the world.

The focus of the year was on the engagement of all in the construction of the fashion and Lifestyle ecosystem, conducted through clear and transparent communication as to the challenges of the business and the necessities of transformation to ensure continuing progress. For this, leaders and teams were mobilized through an extensive journey of learning, known as OneX, in which the employee is able to share and experience the strategic themes of the digital cycle, further reinforcing the corporate culture.

In addition, all employees are provided with a career cycle which begins with an evaluation of competencies and undertaken by all employees on a semi-annual basis and annually by the leadership. The process begins with the employee and their leader build an Individual Development Plan (PDI) with a focus on career objectives and necessities for current individual development. Through the use of artificial intelligence, necessities listed in the PDI of each employee are linked with content of the Renner University (RU), setting out curated courses and specific training for each plan to include where necessary additional people of reference, mentors and groups in the PDI.



In line with this, the RU groups and connects development paths and in-house and external training through a career mobility platform and portal where the PDIs are executed and managed. The employee has autonomy over their own learning process, controlling and defining their development paths. The Company also has a leaders' development program for accelerating career progress and for ensuring the preparation of leaders for accompanying the intense rate of business expansion. During, the year, there was an improvement in Career Mobility, People in Up

Movement Program, one more RU channel connecting employee skills with opportunities for development. It includes participation in projects, mentoring, vacancies open in the Ecosystem, always with a focus on development of skills to ensure the availability of people better prepared to meet the challenges of the business.

Thanks to these and other initiatives, the Company reached an engagement of 89%, a level above the average for retailing and in line with the goal set for the period. For more than twenty years, an annual engagement survey is held - both voluntary and anonymous - involving all Lojas Renner S.A. employees. The 2021 survey recorded adherence of 78%. In addition, the Company was certified by the Great Place to Work (GPTW) which, based on a survey conducted with the employees found that 87% consider Lojas Renner S.A. an excellent place to work, 17 p.p. above the average for companies in all sectors in Latin America. Realize also obtained certification with 82% in the survey.

PRODUCT

In 2021, in the light of the continuing adverse scenario, Company's focus remained on the support of its chain of suppliers, working closely with its partners. The year saw major challenges in the product development process, a reflection of the need for remote working, shortages of raw materials and the increase in costs across the entire product manufacturing process. As a result of these factors combined, the Company was obliged to replan and adjust seasonal collections in order to adapt to the new circumstances. However, it proved possible to mitigate these impacts with transparency and integration with suppliers, generating more adaptability and flexibility in the processes, assertiveness in the collections and greater autonomy and reliability among the teams and partners. In the light of this scenario, the Company expanded the scope and reinforced the teams in China and Bangladesh, giving them more responsibility and autonomy for conducting importation, lending greater agility to the processes, guaranteeing security and compliance with lead times despite the turbulent situation in international logistics during the period.

In 2021, there were advances in digital collections with the development of pilot projects involving the entire E2E (End to End Process) chain. An example was the project for the sportswear brand Get Over in the Metaverse, in addition to the development of a small totally digital collection from the very beginning of the process and involving digital samples up to final delivery in CD, an innovation which enchanted both partners and customers. This year also marked the consolidation of the reactivity process through a T-shirt printing machine, generating 115 thousand pieces delivered to the customer according to reactivity of demand.

During the year, special collections were launched. The Renner branded Atelier premium collection was one of the highlights, introducing top quality fabrics, in classic styles and superior finishing. The Studio collection with the Re label, was also launched and further underscored the sustainability of the products with basic and timeless pieces in natural materials such as linen and cotton, as well as a beauty products line. Also launched was one more edition of the *Somos Arte* collection in partnership with artists. Another highlight was the expansion of the in-house confection of samples and the creation of digital avatars and the use of mannequins for fitting, molded from real human bodies. The initiative results in still more quality, wearability and diversity in the products as well as greater speed in the process of developing the collections.

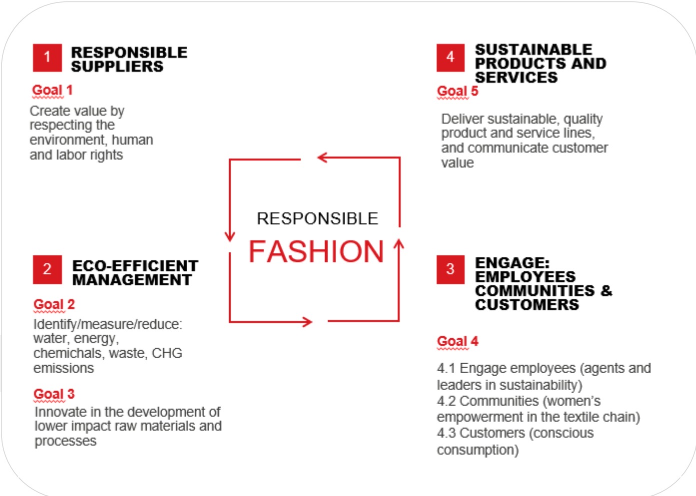
At Youcom, the mix on offer was expanded as well as the consolidation of the jeans category for the youth market. At Camicado, the assortment of items on sale in the stores has been increased 20 times since 2018, making for a one-stop shopping journey on the part of the consumer.

As a result of these and other improvements, the Company has maintained its assertiveness in the development of the collections and efficient inventory management, contributing to the maintenance of very healthy levels of markdowns, among the lowest in the past few years.

ESG – ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ENVIRONMENTAL AND SOCIAL

Sustainability is one of Lojas Renner's values. The Company believes that fashion should be fair, rational and responsible. The year 2021 marked the conclusion of the Renner's Responsible Fashion cycle strategic, which listed the priority management themes between 2016 and 2021 with the aim of minimizing the major socio-environmental risks of the operations and supply chain and to increase the creation of value to the stakeholders and the environment.



Responsible Suppliers

The Company adopts management strategies dedicated to the socio-environmental monitoring and development of the supply chain. In this context, all partners must comply with the suppliers Code of Conduct through the signature of the Commercial Contract and the Responsible Conduct Commitment Agreement.

For suppliers identified as having the greatest impact in each group, the evaluation process is more detailed. In the case of resale suppliers, the Renner, Youcom and Ashua brands require their suppliers and contracted manufacturers of clothing, footwear and accessories to provide ABVTEX (Brazilian Association of Textile Retail) certification which confirms their adherence to good corporate practices of socio-environmental responsibility.

In addition, the Company believes that suppliers, duly instructed and aware of the impact of their activities, are able to control the risks of their operations and improve their performance. For this reason, it seeks to maximize the potential positive impact on the textile chain through initiatives and programs of support for the development of suppliers in Brazil. Some of these programs already have a long track record such as the PMC (Continual Improvement Program), already in its nineth consecutive year of activity, and the Productive Chain Program in partnership with Sebrae for providing training to the companies. In 2021, the latter Program benefited 121 suppliers.

Again, through the Renner Excellence Program (PER), the Company aims at promoting and fostering development and innovation along the supplier chain, recognizing companies outstanding for their Quality, Sustainability, Efficiency, Cooperation, and Innovation. More than 200 companies took part in the program in 2021. Also, during the year, the PAC (Program for Acceleration in Compliance) was launched to offer consultancy to Renner's resale suppliers, identified through the audit process as needing to improve their performance in the management of compliance. The Program involves the stages of diagnosis and then the construction of an action plan together with the supplier and specialists, thus accelerating the improvement of the practices of the supplier and ensuring their compliance.

As a result of various of these initiatives, in 2021, the Company publicly committed to having 100% of the Renner global resale chain socio-environmentally certified, guaranteeing the adoption of widely accepted best practices.

Ecoefficient Management

In 2021, the Company achieved its public commitment of having at least 75% of corporate energy consumption from renewable and low impact sources - solar, wind, biomass and small hydroelectric plants (SHP), these reaching 100%.

In the combatting of climate change, the Company exceeded the target of reducing its CO_2 emissions by 20% in relation to its 2017 inventory, reaching 30.99%. In this context, it continued as a component of B3's Carbon Efficient Index (ICO_2) and also publishes its inventory of greenhouse gas (GHG) emissions, since 2013, receiving the Gold seal under the GHG Protocol program. Since 2015, Renner has been a carbon neutral company with all its GHG emissions compensated in relation to the inventory of the preceding year. In 2019, the Company also began to support the Science Based Targets initiative (SBTi), a global initiative of companies on a clearly defined path towards reducing emissions in line with the Paris Accord goal. Renner recently also submitted its goals, science based, to the SBTi, which recently approved them, serving as a parameter in the Company's initiatives for reducing emissions.

When we look at our operations, all store lighting uses LED lamps, the objective being for the stores to be increasingly eco-efficient. Currently, one store has LEED Silver level certification while the corporate headquarters in Porto Alegre and two stores have Gold certification. Since 2015, the Company has been adopting principles, concepts and criteria for store construction and modernization according to sustainability standards aligned to the lessons learnt from the stores already certified. The Company is also implanting the Energy and Assets Management Project, using the best technologies in automation, lighting and air conditioning for efficiency gains at the stores. Again, over recent years, the Company has continuously promoted awareness and training initiatives with logistic service providers and focused on the management of greenhouse gases.

Some important measures were taken in relation to the circular economy. In 2021, Renner rolled out its first circular store in Brazil (Rio de Janeiro), aligning circularity with the digital transformation. This creates a unique experience for customers, involving the best choice of resources for reducing environmental impacts, starting from design through to operations. During work on the store, mention should be made of the reuse of 97% of the waste generated from the equipment employed, the reduction of 37% in the volume of wood used while among others, store mannequins are 100% recyclable. As to resources, water consumption in the operation is 56% less than in conventional stores - supplied from renewable energy sources (wind) – and also incorporating more energy efficient equipment.

Engagement of Employees, Communities and Customers

Lojas Renner believes that in addition to offering lower impact lines of apparel, the customers have to be informed and made aware of the manufacturing process of these pieces and their differentials, thereby empowering their choices and stimulating more sustainable habits of consumption and use. To this end, the Company has presented concepts of sustainability through the Renner Style blog, demonstrating their importance and engaging all with content for adopting responsible behavior and standards of consumption which contribute to the preservation of the environment and respect for people.

In terms of social responsibility, for thirteen years now, the Lojas Renner Institute has been managing private social investment focused both on the development of communities as well as the generation of income, training in professional skills and support for entrepreneurship among women in the ecosystem. In this way the Institute seeks to engage employees, customers and society in the projects and causes it supports. The Altogether Advance Movement raised R$ 6.8 million during the year through the earmarking of part of the profit from online sales in April 2021 through the site/app by Renner, Ashua, Youcom and Camicado. For the first time, the four businesses participated in the campaign on an integrated basis.

Again, during the year, the Institute continued supporting the public health system as well as socially vulnerable communities through donations, coordinating resources and institutional partnerships which multiply social impact. A total of R$ 2.2 million were invested in actions directed at tackling Covid-19, for the second consecutive year the front which received the largest volume of resources raised by the Lojas Renner Institute. Support was also provided for the race to immunize the population with the donation of R$ 1.2 million for the construction of the new plant at the Butantan Institute, as well as dispatching oxygen plants and tankers to Amazonas following a crisis involving oxygen shortages early in the year.

In line with the commitment to human rights, since 2020, Corporate Policy on the theme establishes the guiding principles for providing the direction to the Company's activities and relations along the entire value chain of the business. Since 1995, the Company has had its Code of Conduct and since 2018, the Code of Conduct for Suppliers for guiding, clarifying and formalizing conduct, values and principles expected of our employees, managers and suppliers, respectively. In this context, all employees must read and declare that they have cognizance of the Code when they are hired while also undergoing specific training at the Renner University on the theme. The suppliers also must declare awareness of the Code when contracted, disclose its contents to their own employees and continually receive content and training on the theme.

Considering the scenario of the year and the identified risks, discrimination was prioritized. Initiatives were adopted to include both internal and external stakeholders for managing the theme on two fronts: zero tolerance in relation to discrimination and harassment and combatting domestic violence. In this context, a multidisciplinary squad was responsible for taking actions directed at process areas, sensibilization, training, mitigation and corrective measures. In 2021, employee training continued apace on the theme and important actions concluded on the zero tolerance of discrimination and harassment front.

The Plural Program, created in 2020, also guides the diversity and inclusion strategy. During 2021, the program was disseminated throughout the Company with the exhibition of a video manifesto; the disclosure of a guide on diversity for employees; communications and thematic events throughout the year, communication and sensibilization on diversity for the suppliers.

Sustainable Products and Services

The Company understands that the path to a Responsible Fashion necessarily involves building an offer of lower impact products and services. This purpose is materialized in the form of the Re Responsible Fashion Seal (Renner) and the YC Change (Youcom), which identify products made from raw materials or processes with lower environmental impact and greater value added along the chain. For that, training and alignment of resale suppliers was carried out, in support of innovation and development of the sector, and in the engagement and awareness of product teams, which have goals for creating lower impact products linked to their variable remuneration.

In 2021, the Company surpassed its goal under its public commitment which during the year, required it to have 80% of its items of apparel carrying the Re Seal. By the end of the period, Renner had reached 81.3% of lower impact products. For the goal of reaching 100% certified cotton, 99.15% was reached, this difference is mainly justified by the impact of the pandemic in which adjustments and extensions in orders were necessary, resulting in the receipt of a small portion of products without certified cotton in the year.

Also in 2021, after a successful partnership in 2020 and with customer support, Repassa was acquired, a native digital platform of resale of used clothes and accessories. Reinforcing the Company's objective of stimulating conscious consumption and expansion of parts life. The customers can collect the "*Sacola do Bem*" free of charge at the participating stores and allocate their clothes that are no longer used for sale or donation.

CORPORATE GOVERNANCE

In July 2005, Lojas Renner S.A., was the first company in Brazil to have all its shares traded on the B3, without a controlling shareholder, being deemed the first Brazilian corporation. The adoption of best corporate governance practices and the Company's governance model is one of strengths of its ESG policies. These policies are reflected in Renner's ranking and evolution in key market indices such as the Dow Jones Sustainability Index (DJSI) and the Corporate Sustainability Index (ISE B3).

The strategic guidelines are set by the Board of Directors, currently with eight members, 88% of them independent. The Board has the support of four committees: People (2005), Sustainability (2008), Strategic (2014) and Auditing and Risk Management (2012), the latter one being statutory since 2018. Since 2006, the Company also has had a permanently installed Fiscal Council.

In turn, the operational activities are the responsibility of the Executive Board, currently with five members and working according to guidelines set by the Board of Directors and having the support of certain management committees in the decision-making process. The Company also has non-statutory executive divisions aligned to "leaders formers of leaders" culture, continuing the work of the formation and valorization of in-house talents as well as providing support for growth of the Company.

In relation to risk management, Lojas Renner has signed up to the best national and international practices for the efficient management of risks of the business, thus bolstering the culture of ethics, transparency and governance with a robust structure, supported by policies and processes. The Risks Division established in 2019, works closely with the business areas, giving consultative support to the identification, prevention and treatment of the main risks as well as promoting awareness of a preventive culture. The main categories of monitored risk are operational, strategic, reputational, and socio environmental. The Company also has a dedicated structure in the area of Compliance, in turn, under the supervision of the Risks Division, directed towards compliance with the General Data Protection Regulation (GDPR). This endeavors to guarantee the privacy and security of data and has been working since 2018 on the necessary measures for adoption of best practice on the theme. Throughout 2021, Lojas Renner implemented tools and process improvements, such as, an external platform for personal data privacy, referring to the commitment to the principles of the GDPR, and an external tool for the management of information security, bringing relevant data for internal and partners actions.

The Company constantly reviews its Corporate Governance system, through which new practices are adopted and existing practices are fine tuned. For this, it has a Corporate Governance division to support the activities related to the functioning of governance, for meeting the demands of and relationship with regulatory bodies, shareholders and voting agencies, including questions related to shareholders' meetings as well as for the proposal and implementation of processes promoting best practice.

Main Corporate Governance Practices

- B3 – Brasil, Bolsa, Balcão's Novo Mercado
- 100% free float
- Majority of the Board of Directors are independent (88%)
- Women on the Board of Directors (25%), on the Executive Board (40%) and on the Fiscal Council (33%)
- Board of Directors and Management Committees
- Different executives as Chairman of the Board and CEO of the Executive Board
- Manual for Participation in Shareholders' Meetings
- Stock Options and Restricted Stock Plan
- Internal charter for Boards, Executive Board and Committees
- Formal appraisal of Board of Directors and Executive Board
- Secretaries to the Boards, Executive Board and Committees
- Board of Directors and Committees Portal
- Internal Audit and Compliance
- Whistle blowing channel run by an independent third party
- Various Corporate Policies
- Corporate Governance Area – Governance Officer
- Executive Board with remuneration linked to ESG goals

In 2018, Lojas Renner was the first company to deliver its report on the Brazilian Code of Corporate Governance to the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários*) – CVM and was the Company that most adhered to the dictates of the Code. Since 2019, adherence to practices recommended by the Report has been 98.1%, while the average adherence of companies in 2021 was 58.7% according to published surveys. Lojas Renner was placed first with a maximum score in the ranking published by Banco J.P. Morgan, based on the Report using data obtained from the CVM and related to the perspective of corporate governance in retail sector companies. The Company reached the highest percentage of compliance with 100% adherence to the 44 questions considered valid by the bank for the pillars of Shareholders, Board of Directors, Executive Board, Inspection and Control Regulators, and Ethics and Conflict of Interests.

With its focus on the valorization of gender diversity and in line with its Managers' Nomination Policy and with a view to maintaining the Company aligned to best international practices of governance, in 2020, Lojas Renner signed an instrument of adherence to the Women on Board (WOB), committing to maintain at least two female directors on its Board of Directors. WOB is an independent initiative supported by UNO Women for recognizing, valorizing, and disseminating the existence of corporate environments with the presence of women with seats on Boards of Directors, demonstrating the benefits of such diversity to the wider business world and to society.

During 2021, with the continuing pandemic, the Company held two shareholders' meetings on an exclusively virtual basis with a view to protecting the health of shareholders and employees. During the course of these meetings, the commitment of the shareholders to the business and to the new forms of participation were apparent. The Annual General Meeting saw a participation of 774 shareholders representing 64.3% of the Company's capital stock. Among the matters on the agenda of the AGM were: (i) approval of the financial statements for 2020; (ii) the distribution of dividends; (iii) the election of the members of the Board of Directors and the Fiscal Council; and (iv) the remuneration of Management. All items on the agenda were approved.

The Extraordinary General Meeting had the participation of 915 shareholders, on the second call, representing 67.75% of the Capital Stock of the Company. Among the items approved on the agenda were: (i) the increase in the Capital Stock of R$ 1.230 billion, through the incorporation of part of Capital and Profit Reserves, with a share bonus to shareholders in the proportion of one new share for every ten existing shares; (ii) the increase in the authorized capital stock in the same proportion as the share bonus (10%); and (iii) amendments and consolidation of the Corporate Bylaws with the main features, the broadening of the Company's corporate purpose to reflect the new business fronts currently under development and included in the context of Lojas Renner's fashion and Lifestyle ecosystem, and the optimization of distribution of competencies among the respective members of the Board of Directors and Executive Board. The proposal for a new long-term incentive plan with performance, shares, restricted and matching, was not approved by the shareholders. Consequently, the Company's current two plans continue in place: the Stock Option Plan and the Restricted Shares Plan, approved at the Extraordinary General Meeting of September 23, 2015 and amended by the Extraordinary General Meeting of October 21, 2020.

ESG RECOGNITION

During the year, the Company received various recognitions related to ESG theme such as:

- Dow Jones Sustainability Index (DJSI) Portfolio – 7th consecutive year in the evaluation based on the S&P Global ESG Scores, being the retail company with the highest score in the world, reaching 80 points out of 100 in the ranking, 15 more than the score in the preceding year. For the first time, the Company was included in the DJSI for two categories simultaneously: World Index and the Emerging Markets Index.

- Corporate Sustainability Index (ISE B3) – 8th consecutive year, remaining in 2nd place in the general ranking.
- Fashion Brazil Transparency Index (ITMB) 2021- Renner and Youcom in 3rd place among 40 Brazilian retailers.
- Carbon Efficient Index (ICO2) B3 – 11th consecutive year, a component since the inception of the index.
- Morgan Stanley Capital International (MSCI) – 3rd consecutive year with an A rating, 1st place in the sector in the Supply Chain Labor Standards category, one of the 25 Brazilian companies ranked as leaders in the MSCI Brazil ESG leaders index, and the only retailer ranked among the top 10 Brazilian companies as best performance in the MSCI ESG ratings.
- Sustainalytics – Categorized as low risk and placed as 2nd best fashion retailer in the world in the ESG risk ranking.
- Refinitiv – 2nd best for the ESG sector in the Refinitiv ESG scores, with an ESG A rating and with a maximum score in product responsibility.
- FTSE4GOOD – 7th consecutive year.
- CDP Climate Change -11th consecutive year submitting data to the CDP Climate Change, with the best score of all Brazilian retail and included in the portfolio of the CDP Brazil Index – Climatic Resilience (ICDPR-70).
- ESG Ranking in Brazil of the Bank of America – 1st place based on the scores of MSCI, Refinitiv and Sustainalytics.
- Most Responsible Merco Companies and with Best Corporate Governance – 1st place in the fashion retailing category.
- Estadão Empresas Mais Award – 2nd place in the Corporate Governance category.

Corporate Actions

At the beginning of May, the Company made a primary public offering of shares, with restricted placement efforts (restricted offering), with the issue of 102 million shares, raising resources equivalent to approximately R$ 4.0 billion. The restricted offering was priced on April 29 at R$ 39.00, with a discount of 2.4% versus the closing price for the day, a level well below the average for share offerings at the time in the market. The net proceeds from the offering are being allocated to: (i) the development and strengthening of the Company's fashion and Lifestyle ecosystem through organic and/or inorganic initiatives; (ii) the continuity of the digitalization of the Company's core processes and the development of its omnichannel; (iii) construction of a new distribution center, (iv) expansion of the physical stores (Omni Hubs); (v) the expansion of financial services offered through Realize CFI; and (vi) flexibility for undertaking investments; being that any remaining net resources will be used for strengthening the cash position for the ordinary management of the Company's businesses.

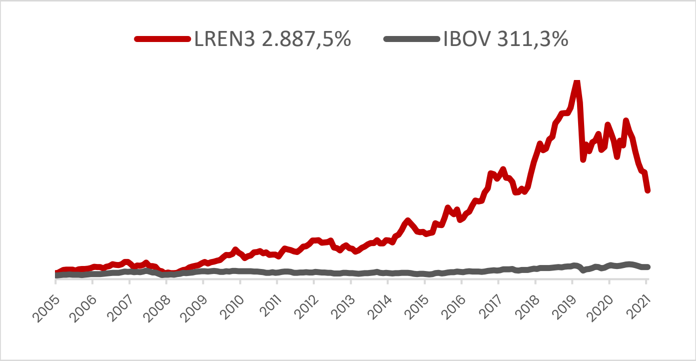
The Extraordinary General Meeting held in November, approved the share bonus at a ratio of 10%, with the issue of 89.8 million common shares, being one common share for every ten already held on the date of the offering with an attributed unit cost of R$ 13.35. The shares held as treasury stock, in the stock option plan, in the restricted shares plan and in ADRs are also eligible for the bonus.

In relation to the dividends, during the year, the shareholders were credited with R$ 387.9 million as Interest on Shareholders' Equity, to be ratified at the Annual General Meeting of 2022. Thus, the dividend yield is equivalent to 1.8% (on the basis of the share price on December 31, 2021) while the payout of 61.3% is the largest distributed percentage since 2013.

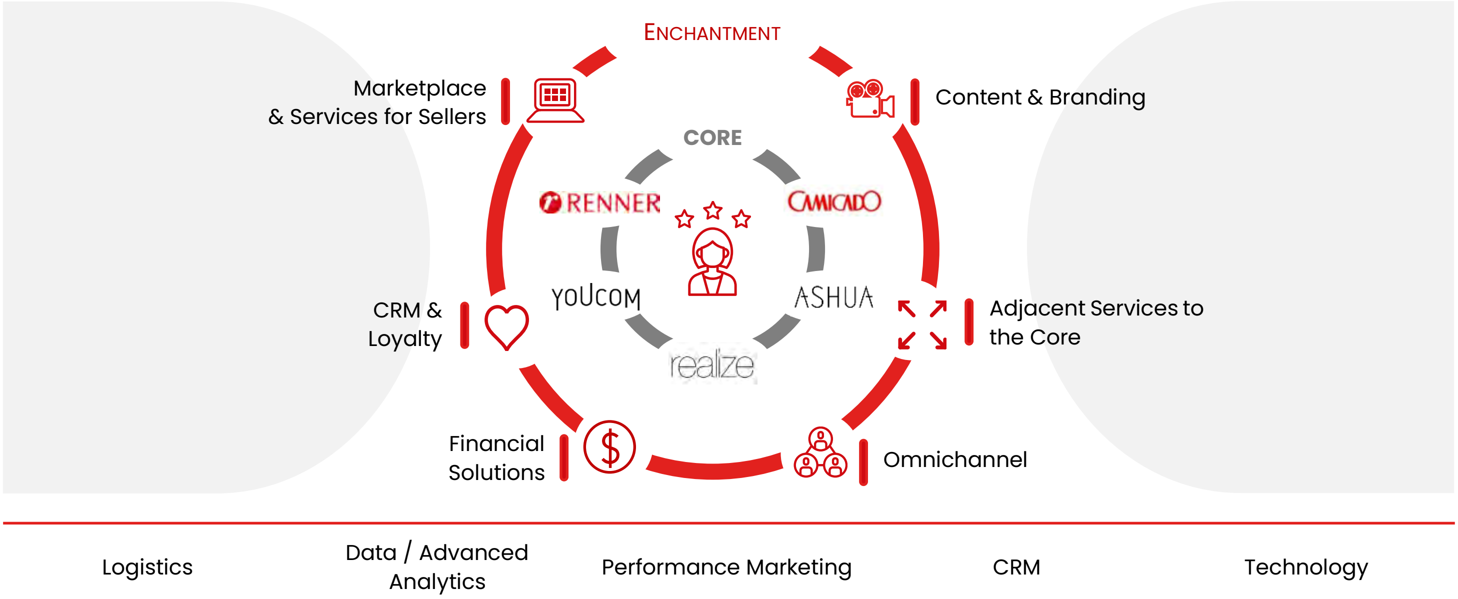
Share Performance

Lojas Renner S.A.'s shares are traded on B3 – Brasil, Bolsa, Balcão, under the LREN3 symbol and in the form of ADRs on the US OTC market under the LRENY symbol. In 2021, LREN3's shares reported a depreciation of 37.53% (adjusted for corporate events) versus the Ibovespa's depreciation of 11.93%, posting a market cap of R$ 24 billion as at December 30, 2021.

During the year, the number of company shareholders increased by 31.2% from 119.0 thousand in December 2020 to 156.1 thousand in 2021 in December 2021, principally private individuals. In this period 7.6 million trades were transacted, involving 2,359.9 million shares with an average daily trading volume of R$ 367.8 million. In the case of the ADR program, launched in 2017, a total of 11.6 million receipts had been issued at the end of 2021 against 7.5 million in December 2020.



Development of the Fashion and Lifestyle Ecosystem



The year marked the intensification of investments in the consolidation of the Company's fashion and Lifestyle ecosystem for ensuring a more complete offering to consumers. This journey began in September 2019, when the Board of Directors and the Executive Board decided the strategic priorities jointly for the following years and on this basis the definition of the design of the ecosystem. At the time, the value proposal was renewed in line with the new business model and since then work has been done on the necessary development of internal practices, bringing in new expertise and structuring of the teams. In 2021, the Company invested more intensively in the execution of this plan, maximizing the potential of its platform and making it the leading specialized ecosystem in fashion and Lifestyle and a benchmark in Latin America.

There has been an increasingly accelerated change in consumer habits. To meet these demands, rapid action is needed to provide a more comprehensive offering at all stages of the consumer's journey. In this context, the main fronts of the ecosystem are related to expanding product assortment, categories and services for the customers as well as the offer of services for partners and sellers and the generation of proprietary content and medias for greater engagement, frequency and stickiness. In the same way, the omni journey with a more comprehensive coverage of integrated channels and platforms, brings greater digitalization, flexibility in the journey and maximizes sales potential. Additionally, Realize CFI customer base is expanding as well as the offer of financial solutions for meeting the necessities of all the components of the ecosystem. And for all this to materialize, the Company has been evolving in relation to important enablers, leveraging logistics, technology, knowledge of the customer and data. All these initiatives aim to leverage enchantment, gain efficiency and productivity, reduce CAC (customer acquisition cost), as well as increase lifetime value. The developments along these fronts are as follows:

OMNICHANNEL

Digital sales continued to report robust growth of 49.9% during the year despite the record comparative base in 2020, reaching a consolidated GMV of R$ 1,625.2 million and representing 13.5% of the Company's total GMV. This performance reflected the continuous investment in improving the customer experience, with more autonomy, mainly in relation to the post-sale period as well as in integrated tools of live commerce, more especially in relation to the last mile.

As to the available digital channels, WhatsApp warrants mention, with advances in active communication resulting in growth in sales of 10x, this channel generating the highest average ticket and conversion rates in the ecosystem. Similarly, Social Sales – recently redenominated Renner Favorites - grew 12 times versus 2020.

Online flow reached about 1,063 million visits (+28% in relation to 2020), of which 65% were through the app. In the period there were +19 million downloads, corresponding to 8.3 million active users and once more maintaining absolute leadership in the Monthly Active Users (MAU) ranking among national players according to AppAnnie data. As a result of these operational developments, combined with content initiatives, Renner was Top of Mind –Brand in Fashion Retailing recall in all four quarters of the year as well as being cited as the most recalled fashion brand during Black Friday, according to Ebit.

In 2021, the Company continued investing significantly in the entire omnichannel process with the implementation of various initiatives and improvements for transforming the customer shopping experience into an increasingly more enchanting journey and in this way, maintaining its position as the largest omni player in the apparel segment in Brazil. In this context, the Company concluded the implementation of the infinite aisle in the second quarter, making available the entire assortment in the physical stores for online purchases as well, increasing the diversification and depth of items for digital sales and permitting the greater use of the stores for the last mile. This translates into enhanced attractiveness for the customers, reduced rupture and as a consequence, more sales.

The following stage was to prioritize the services and cost fronts followed by advances in the expansion of logistical capacity. Adjustments were made in the operational models for attending the new selling formats, delivery and pick up of products in line with the digital transformation strategies. The operations were diversified, the teams strengthened as well as improvements made in the quality of packaging and preparation of products sent, thus ensuring an upgrade in the shopping experience. In addition, the participation of instore pickup recovered, reaching 18% of the total, and about 18% of instore pickup customers making additional purchases, so leveraging the omni operation. In this context there was a significant advance both in the speed of delivery with up to 45% of these being executed in up to D+2, as in the cost per shipment of *shipping from store*, which showed a reduction of 18% in 4Q21 versus the same period in 2020, improving the digital equation.

Still on the last mile, at Renner, a focus was given to the metropolises of São Paulo and Rio de Janeiro, presenting relevant gains in the level of service, where 40% of deliveries were made on the same day or next day in these locations. In addition, Youcom moved its e-commerce DC from RJ to SP with 70% of deliveries to the greater São Paulo area now being executed on the same or next day. The civil construction work on the new distribution center in Cabreúva (SP) is nearing completion and a start made on the assembling of equipment and automation. Work continues on plan and the DC will be unveiled in 2022, resulting in gains in efficiency, speed and synergy among the Company's businesses and attend the entire omnichannel operation of the ecosystem.

From the point of view of store operations, the expansion plan continued to be implemented, 32 units being opened in the year as already mentioned, together with a pilot guide shop operation, a Renner concept combining online and offline, and unveiled in April. In addition, the digitalization of store activities reported further advances: in May, a pilot checkout operation via RFID was implemented and by October, the entire store network was using this facility, the technology giving much greater flexibility and agility in customer service.

In terms of checkout, more than 45% of sales at some units are already being conducted away from the traditional cash desks. Purchases can be concluded through the Mobile Checkout made by store employees using mobile devices; Self-Checkout, self-service totems; as well as Pague Digital, using customer smartphones, remaining an important feature of store operations. This modality represented more than 10% of store sales in some regions, payment being made using the digital wallet through the Renner app.

CONTENT & BRANDING

During the year, various actions were executed for generating additional customer flow, recurrence, engagement and monetization. Investments were made in content for generating greater consistency in the fashion image and greater interaction of the customers with the Company's digital channels. In the light of this, new content management models were created for each social network, as well as various initiatives during the year, such as interactive posts, dispatch of weekly content with hints on style and the creation of a Youtube series. The year also saw the launch of Rennata, Renner's digital persona and participation in the gamer universe through Renner Play, among others. A campaign was also run through the Masked Singer program. During each episode, about 37 million people were impacted by vignettes and merchandising initiatives with a direct effect on site flows.

Renner was the first brand in Latin America to present a Live Shop 3D and also the first in the fashion segment to run a products live on the TikTok social network. During the year, lives were held with increasing frequency with weekly events in different brands of the ecosystem and in different formats, from major productions to more dynamic and agile events through partnerships with influencers, brands and content channels.

Combined with this, the Company developed a more recurrent and assertive communication style with the customers, employing different campaigns, capsule collections and jointly-created content with partners. For this purpose, activations of nearly 1400 macro and micro influencers were executed from April, with an increase of 25% in quantity sequentially in the quarters during the year, including organic and major influencers. With this, in 4Q21 the reach of activation through influencers was 161% superior to 2Q21 when launched.

As a result of all these initiatives, traffic across the sites and apps originating in the digital networks recorded robust growth of 146% versus 2020, as well as an increase of 24% in the volume of engagement of our posts on Instagram with reduction on CAC.

CRM AND LOYALTY

In 2021, there was an important and consistent evolution in the ecosystem's customer base to reach a total of 17.7 million active customers as of December 31 and corresponding to a growth of 25% compared with the preceding year. In addition, the ecosystem retention rate was 12 p.p. greater than in 2020 with a reduction of 18% in churn rate, an indication of greater customer lifetime value. Additionally, 88% of sales is totally identified, permitting a more detailed knowledge of customer profile and in turn, making for a more assertive contact through the offer of personalized campaigns.

In addition, ecosystem customers are becoming increasingly more integrated across channels with an increase of 46% in the omni customer base. These customers purchase more frequently, generating spending 3 times greater than the other channels, thereby leveraging the operations. From the point of view of synergy between businesses, customers that buy more than one of the brands in the ecosystem spend as much as 6 to 7 times more than those that relate to one brand only.

The Loyalty Program platform has already been contracted and MVP rewards for some of the benefits already initiated, these being well received by customers based on the initial results monitored. The program will have a cross-brand dynamic attending all ecosystem customers and will offer quantitative benefits and differentiated experiences.

MARKETPLACE & SERVICES FOR SELLERS

Renner's marketplace, which started in May 2021, ended the year with 154 sellers, in December representing ~5% of transacted e-commerce sales volume. Currently, there are 190 partners with an aggregate of 53 thousand active products in the site, most notably for Camicado and Youcom, which are among the channel's 5 largest sellers, reinforcing the synergies of the brands in the ecosystem. In relation to the development of the technological platform, the Company continued to see progress in the improvement and automation of internal processes for scaling up the channel. It has also revealed important indicators and lessons in relation to the profile of the partners and the receptiveness of the customers.

Over the year, implementation focused on the validation of assortment and partners. In the last few months, in addition to the core category, the mix was expanded to other categories such as footwear, accessories and household fashion. This latter category, currently represented by Camicado, corresponded to 10% of GMV transacted in 3P in December. Besides increasing the online assortment by 120%, the marketplace products introduced a complementary aspect to a given price range. Black Friday warrants mention with a significant performance, making November the principal month in the year for the platform's sales.

Camicado's marketplace, in turn, closed 2021 with 200 sellers operating across its platform, representing +16% of digital GMV for the year. In addition, the assortment of items available to the customers in the online store has increased 20 times since 2018. Currently, the platform offers 90 thousand types of product between Camicado's items and those of the sellers, from decorative items for the kitchen, dining and sitting room, bedroom, bathroom, garden and veranda, laundry room and office and a line for household pets to furniture and home appliances. In addition to its own marketplace, Camicado is present in some third party platforms.

ADJACENT SERVICES TO THE CORE

The transformation of the ecosystem into a complete platform for attending the daily journey of the consumer also involves the offer of adjacent services that can add value to the customer through the development of partnerships and opportunities in a range of different services. In this context, Renner developed a partnership in 2020 with Repassa, a digital fashion retail platform, from the outset, its proposal being viewed favorably by customers and indicating that in all probability its services would prove attractive. Subsequently, the Company acquired the startup in august, further enriching the customer journey in the ecosystem. Since the conclusion of the acquisition, work has been undertaken to integrate the company into the ecosystem, maintaining management autonomy and seeking to capture synergies. More information about Repassa in 'The Company and its business'.

FINANCIAL SOLUTIONS – REALIZE CFI

During 2021, Realize reported important developments in its activities in the ecosystem, strengthening its platform of solutions. The focus was on increasing the active customer base, growth of which was 12% versus 2020, as well as greater LTV through the expansion of its portfolio, in this way enhancing its ability to meet its customers' needs with greater participation in their day-to-day journeys.

During the year, Realize continued to prioritize the offer of the co-branded Meu Cartão at Renner and in so doing occupying more space in the ecosystem, with an expanded offer of solutions at Camicado, Youcom and Ashua. With this, the representativity of Meu Cartão in the active base reached 53% at the year-end, an increase of 68% versus 2020.

In the year, engagement campaigns were also run with customers through cashback initiatives and enchantment actions for Super Heavy User customers, employing differentiated and exclusive experiences on commemorative dates such as Children's Day and the Year-End holiday period. These initiatives serve as important levers and connectors between the retail operations and the finance institution.

As to digitalization, 90% of the customer base interacted digitally with Realize with an increase of 29% in single accesses to the channels versus 2020, behavior which is fundamental for potentializing a more accelerated agenda of digital offerings in the ecosystem.

In the context of offering financial solutions with the delivery of a differentiated value to customers, the insurance and assistance portfolio was extended to include Pet, Wellbeing, Health of the Body and Mind modalities as well as extended warranty and signature services. Solutions were also launched for businesses with test operations for anticipating receivables for sellers and financing working capital and credit lines for Renner's suppliers, with approximately R$80 million drawn down over the course of 2021. The Realize's CDBs, on investment platforms, totaled R$161 million issued until December 2021.

The operationalizing of the Digital Account was an important initiative at the finance house in 2021. At the year end, the product was launched in the physical stores in a pilot square in the state of São Paulo. The aim is to expand and scale up the operation on a profitable basis, maximizing synergies between the financial services offered and the retail operations in addition to strengthening customer loyalty.

As a result of these and other initiatives, Realize reported a record TPV of +R$ 13 billion. In addition, revenue from services grew 64% vs 2020 and now representing 28% of Realize's revenue for the year.

TECHNOLOGY AND DATA

During the year, the Company recorded advances in the use of data for decision making. Based on the infinite potential for the use of data, the Company prioritized areas with a greater impact on the ecosystem, also reinforcing the IT and Data teams critical to the development of projects. Thus, by the end of 2021, the teams had a contingent of more than 753 people, comprising more than 12 tribes and 71 squads.

There were developments in models for short-term forecasting, these having an accuracy of 98% for Lojas Renner S.A. and in excess of 99% for Renner's physical stores, allowing the anticipation of low performance and in the light of this, recommendations for corrective actions to the stores involved.

In the purchasing process, a pilot operation employs a tool for indicating volumes for basic items manufactured in Brazil, capturing insights permitting the Company to develop improvements and continue work on the expansion of this motor.

The supply function using data at Renner maintained coverage of existing categories but with important progress being made in new forecast models, allowing better quality information to be generated for improving the supply of products. As a result, 21% of the subclasses, representing about 43% of the sales, are included in the model. In addition, distribution by AI was used for basic items, at the end of the year, accounting for approximately 30% of sales.

The productization phase of Renner's Markdowns Motor was concluded. At the end of the year, the tool was operating in the subclasses representing 84% of sales, with an advance of 30 p.p. in sales coverage. As a direct benefit of the Markdowns Motor, there was a reduction of four weeks in the product life cycle for white label items (not including clearance sales), minimizing the need for markdowns.

The Pricing Motor proved an important tool for e-commerce at Camicado, with items covered representing about 16% of sales. The tool has a search feature for prices of comparable products, making suggestions for price optimization in a process which is 100% automated.

Finally, also worthy of mention, is the Intelligent Assortment in which at year-end, 3 models were developed for testing the hypothesis that assortments geared to consumer preferences could reduce e-commerce freight costs and improve customer service. Initial tests proved the hypothesis correct and triggered the next stage of designing the pilot project for subsequent execution and expansion.

Economic-Financial Performance

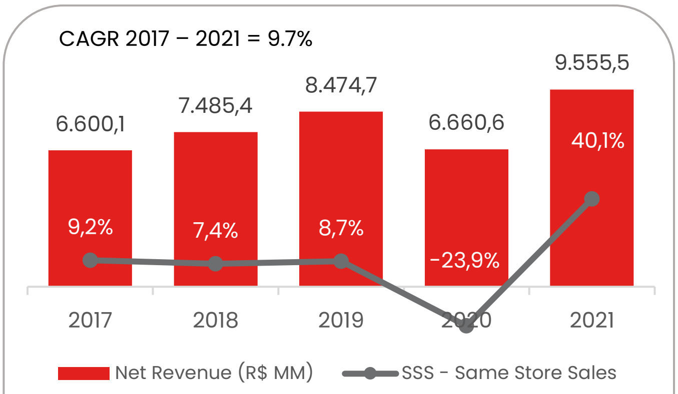
The following financial and operating information, except when indicated to the contrary is in accordance with the norms of the International Financing Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB). All variations shown here are calculated based on numbers in thousands of Reais, as well as the rounding. In accordance with the regulations in effect, as from January of 2019, expenses with leases, depreciation and interest reflect the effects of IFRS 16. For purposes of comparison with the market and in line with the Financial Statements, since 4Q21 the Company has been reporting the EBITDA Information Post-IFRS 16 (excluding Leasing Depreciation and Interest)

CONSOLIDATED INFORMATION

(R$ MM)	2021	2020	Var.
Net Revenue from Retailing Operation[1]	**9,555.5**	**6,660.6**	**43.5%**
Growth in Same Store Sales	40.1%	-23.9%	-
Digital GMV	**1,625.2**	**1,084.0**	**49.9%**
Digital Sales Penetration	13.5%	12.4%	-
Gross Profit from Retailing Operation	5,178.8	3,459.3	49.7%
Gross Margin from Retailing Operation	**54.2%**	**51.9%**	**2.3p.p.**
Operating Expenses (SG&A)[2] (Post IFRS 16)	(3,529.8)	(2,608.9)	35.3%
SG&A as a % of Net Revenue from Retailing Operation	36.9%	39.2%	-2.3p.p.
Adjusted EBITDA from Retailing Operation (post IFRS 16)[3]	1,475.8	1,578.3	-6.5%
Adjusted EBITDA Margin from Retailing Operation (post IFRS 16)[3]	15.4%	23.7%	-8.3p.p.
Financial Services Result	247.6	83.0	198.3%
Adjusted Total EBITDA (post IFRS 16)[3]	**1,723.3**	**1,661.2**	**3.7%**
Adjusted Total EBITDA Margin (post IFRS 16)[3]	18.0%	24.9%	-6.9p.p.
Adjusted Total EBITDA (post IFRS 16)[3] (ex PIS/COFINS)	**1,723.3**	**925.8**	**86.1%**
Adjusted Total EBITDA Margin (post IFRS 16)[3] (ex PIS/COFINS)	18.0%	13.9%	4.1p.p.
Adjusted Total EBITDA (pre IFRS 16)[4]	1,108.4	1,190.4	-6.9%
Adjusted Total EBITDA Margin (pre IFRS 16)[4]	11.6%	17.9%	-6.3p.p.
Net Result	**633.1**	**1,096.3**	**-42.2%**
Net Margin	6.6%	16.5%	-9.9p.p.
Earnings per share	0.64	1.38	-
ROIC[LTM]	6.7%	15.9%	-9.2p.p.

[1] In 2021, the Retail Operation includes the merchandise sales, as well as services operations (commissions and costs from marketplaces and Repassa)
[2] To facilitate analysis, Depreciation and Amortization expenses including Lease Depreciation have been excluded from the above table.
[3]Total Adjusted EBITDA without Lease Depreciation and Financial Expenses with respect to IFRS 16.
[4] Total Adjusted EBITDA with Lease Depreciation and Financial Expenses with respect to IFRS 16.
Note: In May 2020, the Company was successful in a lawsuit relating to the exclusion of ICMS from the PIS/COFINS tax calculation base. Thus, a tax credit of R$ 784.6 MM (R$ 735.4 MM net of legal fees) was booked to Other Operating Results, relating to principal amount as well as R$ 578.4 MM (R$ 551.4 million net of tax), relating to interest on this amount and booked to the Financial Result. The total amount was R$ 1,363.0 MM, with a net effect of R$ 1,036.9 MM on the profit for 2020.

NET REVENUE FROM MERCHANDISE SALES



In 2021, the Retail Operation includes the merchandise sales, as well as services operations (commissions and costs from marketplaces and Repassa)

The year 2021 began with a scenario similar to the final days of 2020, impacted by fresh restrictions due to the worsening of the pandemic as well customers adopting a more cautious stance in frequenting shopping malls, in turn affecting footfall through the bricks-and-mortar stores and revenues from the retailing operation. This was principally the case with the intensification of temporary store closures in important commercial centers where the Company conducts its operations in the South, Southeast and Northeast regions.

However, in the last weeks of April, with increasing vaccination and an amelioration in the effects of the pandemic, some of the restrictive measures were lifted, encouraging greater mobility on the part of the population. This was accompanied by increased store opening times with a positive impact on the operation. Thus, from April, the Company maintained a consistent monthly growth of more than 20% on average. The highlight was for the period leading up to Mothers' and Childrens' days, both registering records and exceeding the Company's best forecasts for these commemorative dates. Worthy of mention is that customer flows, while still lower than usual, gradually recovered during the course of the year and were more than compensated by higher conversion rates, increased ticket value and number of items per shopping bag.

Equally, the correct execution of the operations with a well-diversified mix of products, generating a greater degree of attractiveness and acceptance among consumers, also contributed to the good sales performance and the recovery of the operation.

In relation to the digital channels, the Company was also able to report important results in 2021. Such were a reflection not only of initiatives implemented over the year such as greater generation of content in digital media, partnerships with influencers, improvements in the shopping experience and strengthening of the marketplaces, but also the sequential increase in the customer base. Worthy of mention was the evolution in sales through the WhatsApp channel, as well as the greater relevance of the app among customers. With this, Consolidated GMV totaled R$ 1,625.2 million, a year-on-year growth of 49.9% and equivalent to a 13.5% share of total sales.

The Company reported a consolidated performance in Net Revenue from the Merchandise Sales of R$ 9,555.5 million, significant growth of 43.5% and 12.8%, respectively in relation to 2020 and 2019. Same Store Sales registered increases of 40.1% and 6.1% on the same comparative basis. This performance was higher than the IBGE's Monthly Retailing Survey for the apparel segment of 19.7%, demonstrating a continuing gain in market share during the period.

At Youcom, the same scenario of recovery prevailed over the year. Net Revenue from Merchandise Sales posted an increase of 68.6% against 2020, totaling R$ 291.0 million. In comparison with 2019, growth was 31.5%. The brand has continued to report vigorous growth in the first few months of 2022.

In turn, Camicado also benefited from increasing consumer mobility and reaching Net Revenue from Merchandise Sales of R$ 650.6 million, a growth of 28.4% against 2020, despite the latter year being one of greater demand for household items and home décor products in a period when due to the pandemic, consumers spent more time at home. Compared to 2019, growth was 23.9%. In addition, digital sales continued to turn in a good performance, accounting for 30.1% of the total against 26.9% in 2020.

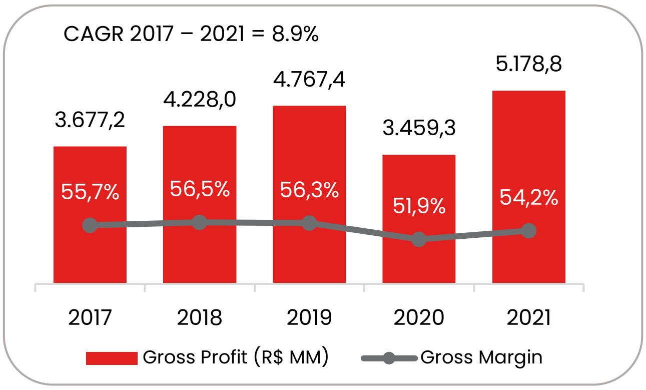
BREAKDOWN BY BUSINESS (R$ MM)	2021	2020	Var.
Consolidated	**9,555.5**	**6,660.6**	**43.5%**
Renner*	8,613.9	5,981.0	44.0%
Camicado	650.6	506.9	28.4%
Youcom	291.0	172.7	68.6%

*Includes sales revenues of Ashua and Repassa services

GROSS PROFIT FROM THE RETAILING OPERATIONS

The first months of the year proved more challenging with a promotional environment greater than usual for the period due to operational restrictions and temporary store closures. However, this scenario began to change as the effects of the pandemic diminished, the Company reporting a recovery in margins. This combined to balanced, good quality inventories in the stores with an adequate assortment, also contributed to this performance.

In 2021, the Retail Operation includes the merchandise sales, as well as services operations (commissions and costs from marketplaces and Repassa)



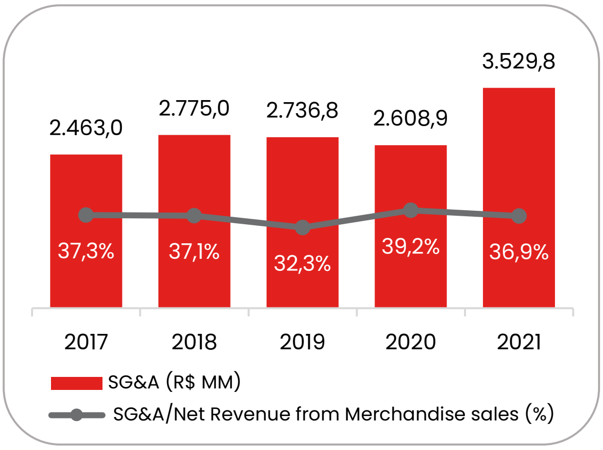
The Company reported a Consolidated Gross Margin of 54.2%, an improvement of 2.3 p.p. against 2020. On a comparison with 2019, the gross margin was 2.1 p.p. lower, largely due to inflationary effects on costs of raw materials and international freight in addition to higher contracted currency levels for imported products. However, the assertiveness of the collections together with greater integration between channels as well as the use of data in some processes such as the allocation of items in the stores and the use of the Markdowns motor all contributed to maintaining a very healthy level of markdowns, among lowest in recent years. The combination of these factors allowed the Company to partially compensate the cost pressures of the period.

BREAKDOWN BY BUSINESS

(R$ MM)	2021	2020	Var.
Consolidated	**54.2%**	**51.9%**	**2.3p.p.**
Renner	54.6%	51.9%	2.7p.p.
Camicado	46.3%	50.9%	-4.6p.p.
Youcom	60.4%	56.2%	4.2p.p.

At Renner, Gross Margin was 2.7 p.p. greater than 2020 and at Youcom, this increase reached 4.2 p.p., for the same reasons as above. In turn, Camicado reported a reduction of 4.6 p.p., reflecting the greater exposure of this business segment to imported products as well as greater competitiveness.

OPERATING EXPENSES



OPERATING EXPENSES COMPOSITION

(R$ MM)	2021	2020	Var.
Operating Expenses (SG&A) (Post IFRS 16)[1]	**(3,529.8)**	**(2,608.9)**	**35.3%**
% Over Net Revenue from Merchandise	*36.9%*	*39.2%*	-2.3p.p.
Sales	(2,545.1)	(1,885.6)	35.0%
% Over Net Revenue from Merchandise	*26.6%*	*28.3%*	*-1.7p.p.*
General and Administrative	(984.7)	(723.3)	36.1%
% Over Net Revenue from Merchandise	*10.3%*	*10.9%*	*-0.6p.p.*
Other Operating Results	**(176.3)**	**726.6**	**NA**
Profit Sharing Program	(217.3)	(22.5)	864.8%
Recovery of Tax Credits	79.1	815.1	-90.3%
Other Operating Revenues/(Expenses)	(38.1)	(66.0)	-42.3%
Total Operating Expenses	**(3,706.1)**	**(1,882.3)**	**96.9%**

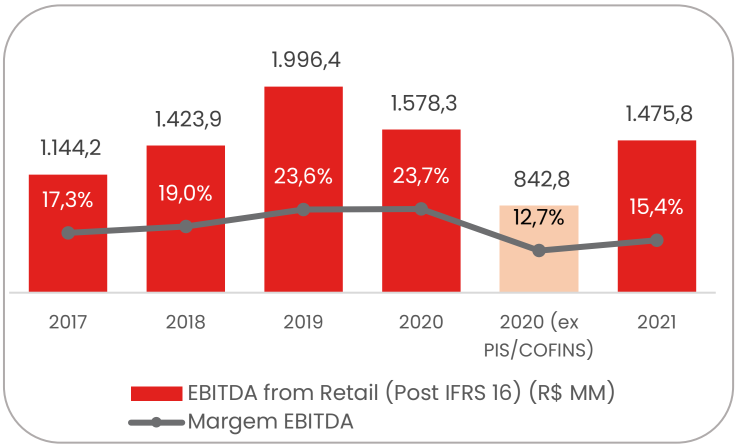
[1] Due to the adoption of IFRS 16, fixed costs of occupancy contracts are no longer shown in SG&A since 2019.

Selling, General and Administrative Expenses (SG&A) as a percentage of Net Revenue from Merchandise Sales recorded a reduction of 2.3 p.p., compared to the preceding year, mainly the result of the greater dilution of expenses as a function of higher sales volumes. These expenses were 35.3% greater than in 2020, totaling R$ 3,529.8 million, reflecting investments in the development of the fashion and Lifestyle ecosystem, the acceleration in digital sales as well as initiatives relating to the ongoing digital transformation. Inflationary pressures on important lines of the operation also had an impact on performance.

Selling Expenses totaled R$ 2,545.1 million, representing 26.6% of Net Revenue from Merchandise Sales, a 1.7p.p. reduction versus 2020. General and Administrative Expenses were in turn R$ 984.7 million, representing 10.3% of Net Revenue from Merchandising Sales, also reporting a percentage reduction of 0.6p.p. against 2020.

Other Operating Results were negative at R$ 176.3 million compared to R$ 726.6 million positive in 2020. This decline is mainly due to the booking of a tax credit in 2020 of the order of R$ 735.4 million, net of legal fees, following successful legal action with respect to the exclusion of the ICMS sales tax from the PIS/COFINS tax calculation base. Higher provisioning for the employee Profit Sharing Program also had an impact on this result in the light of the performance effectively reported compared to the Company's budget. Important to mention that the budget for 2021 was prepared at a time of considerable uncertainty and volatility during the second Covid-19 wave. Notwithstanding, recovery proved to be faster and more intense than expected leading to the booking of expenses relative to the PPR well above the usual and at non-recurring levels. Conversely, in 2020, these expenses were lower than usual and the direct result of the unexpected effects of the pandemic in that year.

ADJUSTED EBITDA FROM THE RETAILING OPERATIONS (POST IFRS 16)



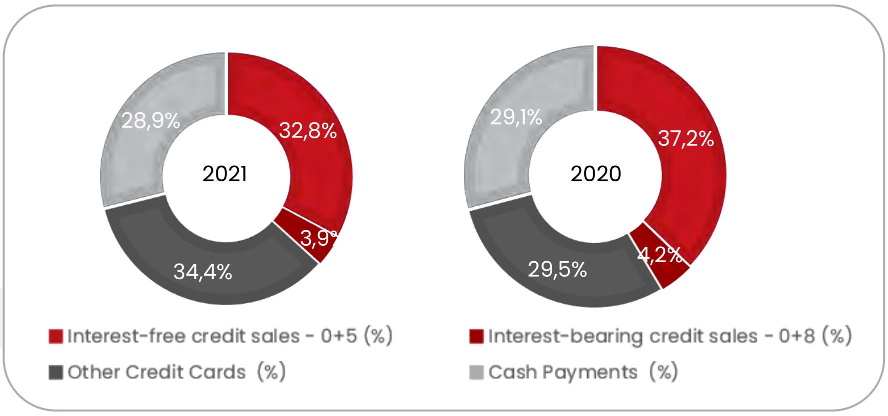
Adjusted EBITDA from the Retailing Operations (Post IFRS 16) reached R$ 1,475.8 million in 2021, equivalent to a 15.4% margin. On a comparable basis and excluding the benefit of tax credits already mentioned, adjusted EBITDA from the Retailing Operations was 1.8x greater than 2020 due to higher sales volume.

In addition, the greater provisioning for the annual Profit Sharing Program as already mentioned, negatively impacted the EBITDA Margin from the Retailing Operations in 2021 by 2.0 p.p.

Due to the adoption of IFRS 16, since 2019, the EBITDA information for 2017 and 2018 is pre IFRS 16 and, therefore, not comparable.

PAYMENT CONDITIONS

The cards issued by the Company totaled 34.7 million in December 2021, accounting for 36.7% of merchandise sales compared to 41.4% in 2020. The lower percentage stems from the effect of the pandemic on the customer base although the difference on an annual comparison basis decreased over the year in line with the gradual recovery in the customer base.



FINANCIAL SERVICES RESULT

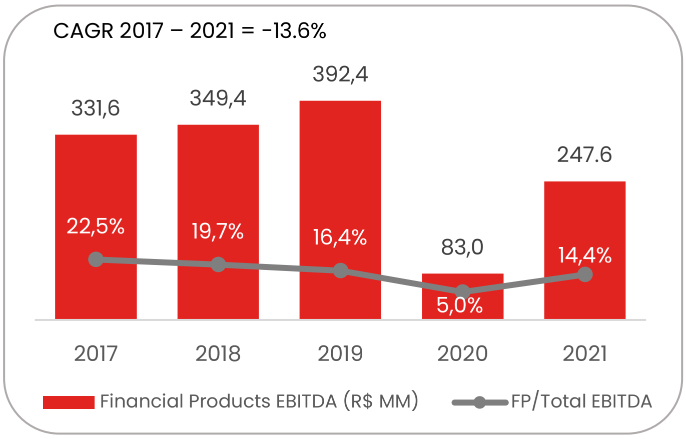
PRODUCT BREAKDOWN (R$ MM)	2021	2020	Var.
Revenues, Net of Funding and Taxes	**993.6**	**854.3**	**16.3%**
Renner Card (Private Label)	172.0	246.9	-30.3%
Meu Cartão (Co-branded)	821.6	607.5	35.2%
Credit Losses, Net of Recoveries	**(339.8)**	**(412.6)**	**-17.7%**
Renner Card (Private Label)	(41.2)	(107.2)	-61.5%
Meu Cartão (Co-branded)	(298,6)	(305.5)	-2.3%
Operating Expenses	**(406.3)**	**(358.7)**	**13.2%**
Financial Services Result	**247.6**	**83.0**	**198.3%**
% of Company's Total Adjusted EBITDA (Post IFRS 16)	14.4%	5.0%	9.4p.p.

Financial Services Revenue posted an increase of 16.3% against 2020, driven by the evolution in portfolio volume in tandem with the recovery in retail performance. Important to mention that the greater participation of Meu Cartão, due to the strategy of intensifying the offer of this product throughout the Ecosystem, as well as the inclusion of new products and services made a positive contribution to the generation of additional revenue.

Net Losses saw a reduction of 17.7% in relation to 2020, thanks to the improvement in the quality of credit as well as the higher credit recovery.

Finally, Operating Expenses posted an increase of 13.2%, albeit less than portfolio growth, due to the increase in sales and transactional volumes. This line also reflects the greater operational investments allocated to this segment, an important component in the development of Realize in the Company's ecosystem in addition to inflationary pressures.

In the light of the foregoing, the Financial Services Result amounted to R$ 247.6 million, a significant growth of 198.3%, in relation to 2020, principally as a function of the increase in the Revenues and the reduction in credit losses.



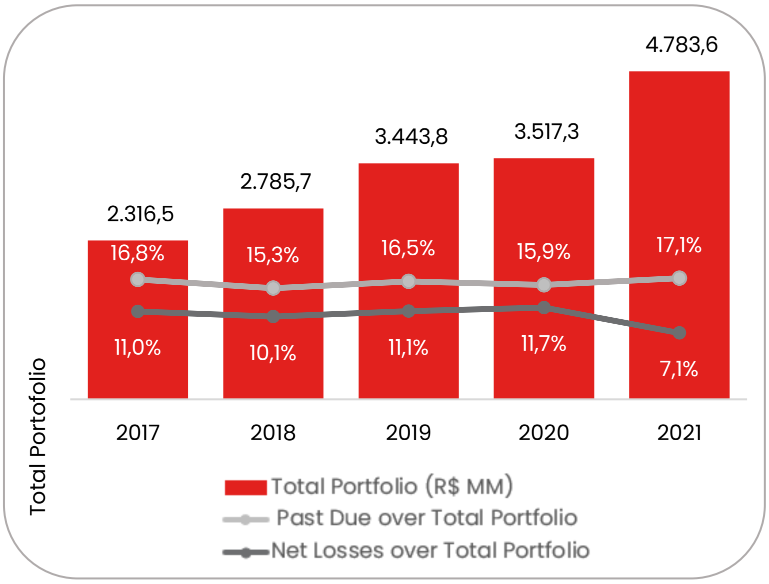
Due to the adoption of IFRS 16, since 2019, the EBITDA information for 2017 and 2018 is pre IFRS 16 and, therefore, not comparable.

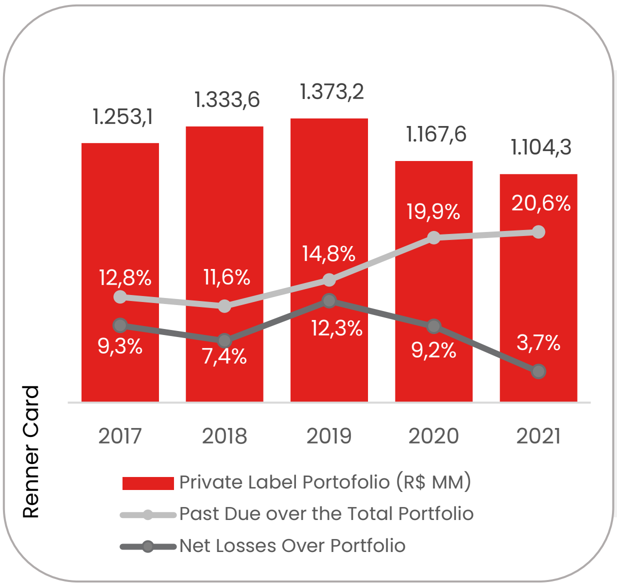
CREDIT PORTFOLIO

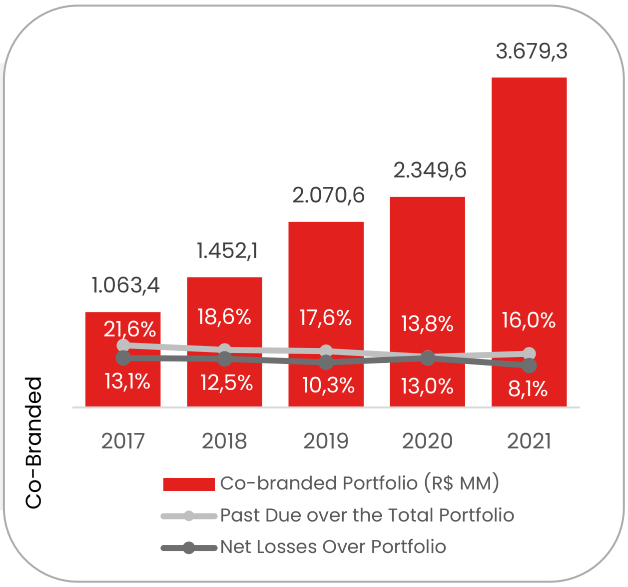
The total financial products portfolio reported growth of 36.0%, driven by the Meu Cartão portfolio which reached R$ 3,679.3 million, a growth of 56.6%, and the result of a strategy of prioritizing the offer of this product as well as the effect of greater consumer spending. This increase more than compensated for the fall of 5.4% in the Private Label portfolio which had total outstanding of R$ 1,104.3 million In December 2021.

The increase in the percentage of total overdues was largely the result of lower generation of Private Label volume, due to reduced portfolio renewal. On the other hand, the result for Meu Cartão reflects the enhanced offer of the product in a drive to increase profitability, leading to more usual levels of delinquency, albeit still at historically low levels.

The percentage of net losses was lower than in 2020, reflecting credit quality, the greater level of recovery as well as portfolio renewal, given a more robust rate of growth. Both products presented an improvement in this indicator and with this, net losses reached one of their lowest levels on record.







TOTAL ADJUSTED EBITDA RETAIL AND FINANCIAL PRODUCTS

EBITDA RECONCILIATION

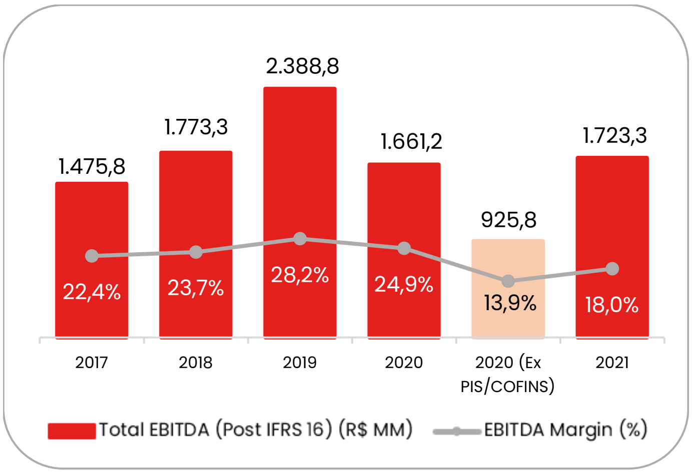
(R$ MM)	2021	2020	Var.
Net Income	**633.1**	**1,096.3**	**-42.2%**
(+) Income and Social Contribution Taxes	6.7	104.5	-93.5%
(+) Financial Result, Net	175.4	(343.9)	NA
(+) Depreciation and Amortization (*)	877.0	759.6	15.5%
Total EBITDA	**1,692.2**	**1,616.5**	**4.7%**
(+) Stock Option Plan	15.4	22.8	-32.8%
(+) Statutory Participation	6.8	1.4	395.5%
(+) Result on Write-Off and Provision for Impairment of Fixed Assets	9.0	20.5	-56.2%
Total Adjusted EBITDA – (Post IFRS 16)[1]	**1,723.3**	**1,661.2**	**3.7%**
Total Adjusted EBITDA Margin -(post IFRS 16)[1]	*18.0%*	*24.9%*	*-6.9pp*
(-) Depreciation for Leasing (IFRS16) (*)	(413.2)	(335.0)	23.3%
(-) Financial Expenses for Leasing (IFRS16) (**)	(201.8)	(135.8)	48.6%
Total Adjusted EBITDA (pre IFRS 16)[2]	1,108.4	1,190.4	-6.9%
Total Adjusted EBITDA Margin (pre IFRS 16)[2]	*11.6%*	*17.9%*	*-6.3p.p.*

In accordance with the provisions of art. 4 of CVM Instruction No. 527, the Company chose to disclose the Adjusted EBITDA, as shown in the table above, in order to provide the information that best reflects the gross operating cash flow from its activities.
[1] Total Adjusted EBITDA without Lease Depreciation and Financial Expenses with respect to IFRS 16.
[2] Total Adjusted EBITDA with Lease Depreciation and Financial Expenses with respect to IFRS 16.
(*) Depreciation and Amortization for leasing is shown net of the effects of PIS/COFINS, the amount of which is respectively (R$ 38,4 MM in 2021 and R$ 31,3 MM in 2020).
(**) Interest on leasing is shown net of the effects of PIS/COFINS, the amount of which is respectively (R$ 16,2 MM in 2021 and R$ 12,3 MM in 2020).

Total Adjusted EBITDA (Post IFRS 16)[2] was R$ 1,723.3 million, corresponding to a Margin of 18.0%. On a comparable basis (excluding the nonrecurring result of the legal action related to the PIS/COFINS taxes calculation base), it was 1.9x higher year-on-year due to the improved operational result from Retailing and Financial Services.

In addition, the greater provisioning for the Profit Sharing Program during the year, as already mentioned, negatively impacted Total EBITDA Margin for 2021 by 1.9 p.p.

Due to the adoption of IFRS 16, since 2019, the EBITDA information for 2017 and 2018 is pre IFRS 16 and, therefore, not comparable.



NET FINANCIAL RESULT

The Net Financial Result was negative at R$ 174.1 million, a decrease in relation to 2020, basically due to interest on tax credits of R$ 551.2 million booked in the latter year. Excluding this effect, the financial result would have reported a 16.0% improvement due to income from investments of cash equivalents stemming from resources raised from the share offering settled in 2Q21.

RESULT, NET

(R$ MM)	2021	2020	Var.
Financial Revenue	**229.1**	**598.6**	**-61.7%**
Gains on Cash Equivalents	196.0	35.3	456.1%
Other Financial Revenue	33.0	563.4	-94.1%
Financial Expenses	**(398.1)**	**(238.9)**	**66.7%**
Interest on Loans, Borrowings and Swap	(168.6)	(87.5)	92.6%
Other Financial Expenses	(27.7)	(15.6)	78.2%
Financial Expenses for Leasing	(201.8)	(135.8)	48.6%
Foreing Exchange, Net	**(5.0)**	**(15.8)**	**-68.2%**
Financial Result, Net	**(174.1)**	**343.9**	**NA**

FREE CASH FLOW

Free Cash Flow was negative at R$ 266.5 million, reflecting higher investments in the development of the ecosystem and digitalization of the businesses. Excluding this effect, the operation saw cash generation notably higher than reported in 2020.

It is important to mention that of the increase in Accounts Receivable, the portion directly related to the retailing operation is around R$ 500 million and is a result of better sales performance in the period. Also impacted this line the greater off-us spending of Meu Cartão, whose counterpart of the current installment is in the line Obligations with Card Issuers.

FREE CASH FLOW

(R$ MM)	2021	2020	Var.
Total Adjusted EBITDA (Post IFRS 16)	**1,723.3**	**1,661.2**	**62.1**
(+/-) Income and Social Contribution Taxes/Others	125.0	222.7	(97.7)
Operating Cash Flow	**1,848.3**	**1,883.9**	**(35.6)**
(+/-) Changes in Working Capital	**(1,084.5)**	**(1,346.4)**	**261.9**
Accounts Receivable	(1,601.2)	14.3	(1,615.5)
Obligations with Card Issuers	641.7	207.9	433.8
Inventories	(227.9)	(257.2)	29.3
Suppliers	195.3	418.6	(223.3)
Taxes	225.3	(1,313.3)	1,538.6
Other Accounts Receivable/Payable	(317.7)	(416.7)	99.0
(-) Capex	**(934.0)**	**(544.0)**	**(390.0)**
(-) Investments in subsidiaries	**(96.3)**	**-**	**(96.3)**
(=) Free Cash Flow	**(266.5)**	**(6.5)**	**(260.0)**

During 2020, the Operating Cash Flow benefited to the tune of R$ 1,287.0 million from the claw-back of tax credits following the successful legal action involving PIS/COFINS tax calculations and already previously mentioned, this amount however neutralized by the increase in the recoverable taxes line.

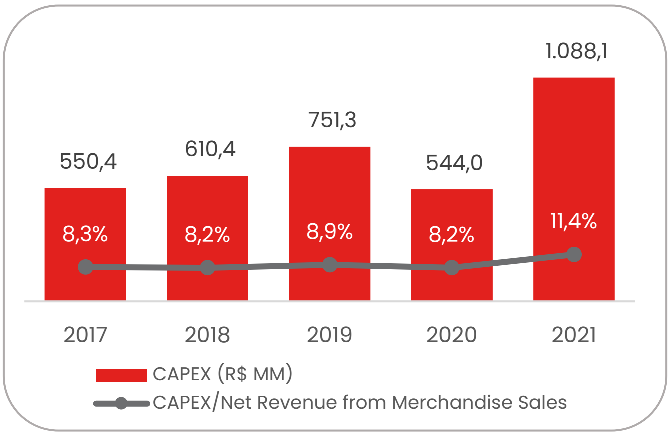
(CASH) NET DEBT

On December 31, 2021, the Company reported Net Cash of R$ 2,480.4 million, greater than the position the same period of the previous year following the issue of 102 million new shares. The public offering was settled on May 4 and the respective resources being used in the development of the fashion and Lifestyle ecosystem, ramping up the digital transformation as well as in the construction of the new Omni DC and the expansion of the bricks-and-mortar stores.

(CASH) DEBT NET

(R$ MM)	dec.21	dec.20
Borrowings and Financing	**2,664.5**	**2,623.0**
Current	1,610.5	1,077.1
Noncurrent	1,054.0	1,545.9
Credit Operations to Customers Financing	**802.6**	**762.0**
Current	475.5	341.4
Noncurrent	327.1	420.6
Gross Debt	**3,467.1**	**3,385.0**
Cash and Cash Equivalents and Financial Investments	**(5,947.5)**	**(2,672.4)**
Net (Cash) Debt	**(2,480.4)**	**712.6**
Net (Cash) Debt / Total Adjusted EBITDA (Post IFRS 16) (LTM)	*-1.44x*	*0.43x*
Net (Cash) Debt / Total Adjusted EBITDA (Pre IFRS 16) (LTM)	*-2.24x*	*0.60x*

INVESTMENTS

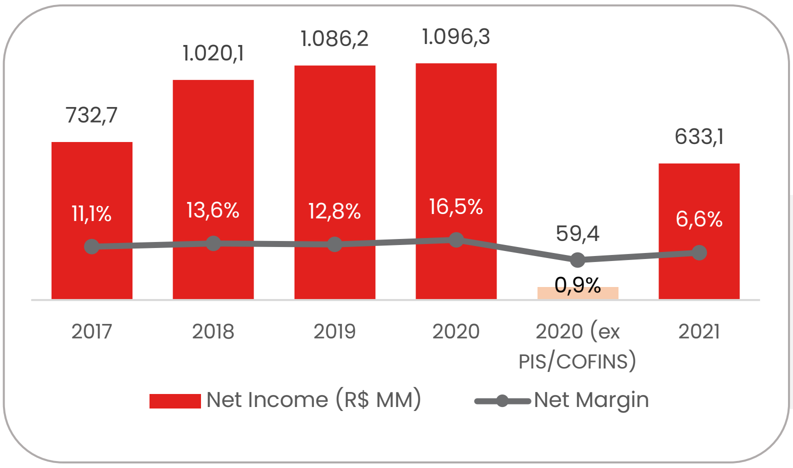


CAPEX (R$ MM)	2021	2020
New Stores	173.2	96.3
Remodeling of Installations and others	91.2	45.5
IT Equipament & Systems	488.5	265.7
Distribution Centers and others	335.2	136.5
Total Capex	**1,088.1**	**544.0**

Investments totaled R$ 1,088.1 million during the year, a significant increase in relation to 2020. Capex largely reflects the resumption in the expansion plan (32 stores rolled out during the year) and store modernization at more normal levels in addition to disbursements for the construction of the new DC in São Paulo. Investments were also directed to other initiatives related to digitalization of the operations and development of the Lojas Renner S.A. ecosystem.

Depreciation and Amortization expenses (excluding leasing) totaled R$ 463.8 million in 2021, 9.2% up on 2020, a function largely of the increase in assets related to IT systems and the ongoing store expansion plan.

NET INCOME



On a comparable basis and excluding the benefit of tax credits following the successful legal action on the calculation base of PIS/COFINS taxes already mentioned, Net Income for 2021 was ~11x times greater than 2020, totaling R$ 633.1 million, equivalent to a margin of 6.6%, a reflection of the higher operating result for the period.

INDEPENDENT AUDITORS

Renner's policy with its independent auditors on the rendering of services unrelated to the external audit, rests on principles that preserve the auditor's independence. These principles are based on the fact that auditors should not audit their own work, perform managerial functions, or represent their client. During the fiscal year ending December 31, 2021, the independent auditing services at the Company, executed by Ernst & Young Auditores Independentes S/S, covered the examination of the financial statements and preparation of the assurance report for the Company's Annual Report and issuance of a comfort letter within the scope of the Primary Share Offering (Follow On). The fees payable to the independent auditors in the fiscal year 2021 were R$ 2,509 thousand.

AWARDS AND RECOGNITIONS

During 2021, Lojas Renner featured strongly in various awards and rankings, presented by different institutions and benchmarks in their fields. These accolades contribute to the engagement of the teams and the strengthening of the brand and ecosystem. Please find below a list of the principal awards and recognitions:

The Best of *Dinheiro* – 1st Place in the Retail Category	*Istoé Dinheiro*
Champions of Innovation – 1st place in the Commerce, Wholesale and Retail sector	*Amanhã* Magazine
Dow Jones Sustainability World Index – 1st place in the Retail sector in the world	RobecoSam
Corporate Sustainability Index (ISE) – component of the portfolio for the 8th consecutive year	B3
Most Valuable Brazilian Brands – 12th place in the overall ranking	Interbrand
Brands of Who Decides – 1st place in the Women's Fashion category	*Jornal do Comércio*
300 Biggest Brazilian Retailing Companies – 1st place in the Retail category	Brazilian Retail and Consumption Society (SBVC)
Great Place to Work – 12th place in Rio Grande do Sul	GPTW
Best CEO (1st place), Best CFO (1st place), Best IR Professional (3rd place), Best IR Team (1st place), Best Investor Day (2nd place), Best in ESG Metrics (1st place), Best IR Program (1st place) and Best Crisis Management in response to Covid-19 (1st Place). Classifications are considered for the Midcap category.	Institutional Investor Magazine
Most Responsive Merco Companies and with Best Corporate Governance – 1st position in the retail category	Merco
Estadão Empresas Mais – 2nd place in the Corporate Governance category	*Estadão*
Exame Best and Biggest – 5th Place in the Fashion and Apparel category	*Exame* Magazine
Época Negócios 360º - 1st place in the Textile, Leather and Apparel sector	*Época Negócios*
Women in Leadership Award – 3rd place in the Retail category	*Valor Econômico*
Reclame Aqui Award – 1st place in the Fashion and Clothing category - Retail	Reclame Aqui
Top of Mind – 1st place in the Apparel Stores Network	*Amanhã* Magazine

OUTLOOK

The year 2022 began with uncertainties still surrounding the economic and health scenarios. However, the Company is now more prepared and alert to the opportunities that may arise. In this context, Lojas Renner believes that brands with meaning and a clear value proposition generate competitive advantages and create the conditions for increasing market share, mainly under a more difficult macroeconomic scenario and one in which the segment continues to consolidate like the current one.

Lojas Renner is already the largest omni player in the apparel segment in Brazil and will continue committed to its projects in order to increasingly consolidate its position as ecosystem leader for the segment. Set against this background, it will continue to register a differentiated performance both in product and Lifestyle and investing in quality and fashion. An investment of R$ 1.0 billion has been budgeted for 2022 as per the proposal to be presented to the shareholders. The focus of these investments will be on the prioritization of the omni journey, expanding the store network, with the opening of around 20 Renner stores, 10 Youcom and approximately 5 units in both Camicado and Ashua, as well as the growth and greater profitability of the online operation. In tandem with this, the focus of investments will also be on logistics and technology platforms and improved time to market as well as initiatives at Realize. All of this to be conducted with great focus, greater productivity and efficiency in the operations for maximizing customer enchantment and generating return to the Company's shareholders.

ACKNOWLEDGEMENTS

Lojas Renner wishes to extend a special vote of thanks to its employees that continued engaged with the Company's proposition; to the suppliers which remained committed to the operations; to the shareholders which have supported the transformation underway; and to the customers and community at large that have remained accomplices to the ecosystem brands.

Porto Alegre, March 17, 2022.

Glossary

1P (first party): Own inventory, the company buys and sells products directly to the customers.
3P (third-party seller): Third party inventory which is managed by the sellers.
B2B (Business-to-Business): A commercial transaction between companies.
BRANDING: Management strategy of the brand with the objective of rendering it more recognizable by its consuming public and present in the market.
CAC: Customer Acquisition Cost.
CAGR: Compound Rate of Annual Growth.
CAPEX: Capital Expenditure allocated to the Company's investments. (Example: Fixed Assets and Intangible Assets).
CDB: Bank Deposit Certificate is a fixed income security issued by banks to raise funds for financing their activities. In exchange for this loan of resources to the bank, the latter will return the amount invested to the investor plus the interest agreed at the time of the investment.
CHURN: Rate of turnover. This is a metric used in customer management which shows the rate of consumers which a company has lost in a given period and the total revenue involved in this process.
MOBILE CHECKOUT: Process of concluding a purchase alternative to the traditional cashier's desk. The conclusion of the transaction may be made through *Mobile Sales*, made by the store employee using instore mobile devices; *Self-Checkout*, self-service totems; and through the *Pague Digital* (Digital Payment) whereby the customer concludes the purchase with his own smartphone using the Renner app.
CRM (Customer Relationship Management): Software which provides a complete management of the sales process, making the approach and contacts with the client more assertive.
CROSS-BRAND CUSTOMER: Customer who buys from more than one brand of the ecosystem.
CROSS SELL: Sale of complementary products or services based on customer interests within the Renner ecosystem.
EBITDA: Stands for "Earnings before interest, taxes, depreciation and amortization". Performance indicator of operating cash generation. The calculation of EBITDA may be adjusted for non-recurring items which contribute to the information on the potential for gross cash generation in the Company's operations. Adjusted EBITDA has no standardized meaning, and our definition may not be comparable with that used by other companies.
ESG (Environmental, Social and Governance): Environmental, social and governance practices.
FINTECH: Company using technology to offer financial products and services in an innovative manner.
FOLLOW ON: Subsequent offering of shares of a publicly held company.
FREE FLOAT: Is the percentage of a company's shares which are traded on the Stock Exchange.
GMV (Gross Merchandise Volume): Term used in online retailing to show the total monetary value of sales through this channel.
GUIDE SHOP: The guide shop model is a bricks-and-mortar commercial establishment with a display case, but with no stock (or with a small stock), in which consumers choose and try products, purchase them using totems or tablets, and receive the products at home.
INFINITE AISLE: Availability of inventories of the physical stores in the e-commerce, where customers can buy products from the physical stores inventory through e-commerce.
INFLUENCER: Professionals who through content published in the social media, are able to influence and cause an effect on thousands of people in relation to a given product. Due to their followers and engagement, they are deemed to be credible and successful people in their métier.
IFRS: International Financial Reporting Standards correspond to international accounting norms.
LAST MILE: Is a concept which relates to the last stage in the delivery of the product, leaving a distribution center to the final recipient.
LIFETIME VALUE: Is a metric defining the value of the customer's life cycle. It represents the sum of all the values expended by a consumer while he is a customer of the brand.
LOYALTY: Program for rewarding customers and encouraging repeat business.
MARKETPLACE: An online sales platform which combines different companies selling products as if it were a virtual store window.
MAU (Monthly Active Users): The number of active users in a month, the metric related to the frequency and involvement of users in sites and apps.
MVP (Minimum Viable Product): it consists of launching a new product or service with the lowest possible investment, to test the business before making large investments.
OMNICHANNEL: A strategy which uses all a company's communication channels in an integrated and simultaneous fashion. The underlying objective is to narrow the relationship between on- and off-line and strengthen the relationship of the customer with the company, thus improving their experience.
DIGITAL PAYMENT: A purchase modality where the customer can pay for his purchases in the store with his own smartphone using the Renner app.
p.p: Percentage points.
ROIC LTM: Return On Invested Capital over the last twelve months.
SELLER: Is the name given to all those that sell their products in the marketplace.
SPENDING: Total customer expenditure in a given period.
SSS (Same Store Sales): Relation between the sales executed in the same stores (more than 12 months of operation) in the current period compared to sales in these selfsame stores in the same period of the previous year.
STAKEHOLDERS: Individuals or entities that have a relationship with the Company. In addition to the shareholders, the company's employees, customers, suppliers, creditors, governments and community are stakeholders.
STARTUP: Young or recently constituted companies which present major growth possibilities. Startups are characterized by being scalable businesses and growing in a much faster and efficient way compared with a traditional small and middle market company.
STICKINESS: This is the propensity of customers to return to a product or use it with greater frequency, the product itself having characteristics that enhance the profoundness of the relationship with the customer over time.
TPV (Total Payment Volume): It is the total amount that was made in transactions through payment methods such as cards, acquirers, sub-acquirers and other intermediaries.
UX (User Experience): User Experience is the combination of elements and factors relative to the interaction of the user with a given product, system, or service responsible for projecting experiences of enchantment to gain the loyalty and capture customers.

SOCIAL BALANCE SHEET

Lojas Renner S.A. and subsidiaries

On December 31, 2021 and 2020

(In thousands of Brazilian Reais)

1 – Calculation base	2021	2020
Net revenue (NR)	10,571,556	7,537,180
Operating income (OI)	813,944	856,879
Gross payroll (GP)	1,120,645	841,085
Total value added (TVA)	5,495,478	4,539,776

2 – Internal social indicators	2021				2020			
	R$ thousands	% on GP	% on NR	% on TVA	R$ thousands	% on GP	% on NR	% on TVA
Food	71,068	6.3%	0.7%	1.3%	51,016	6.1%	0.7%	1.1%
Compulsory social charges	342,773	30.6%	3.2%	6.2%	268,998	32.0%	3.6%	5.9%
Health	69,847	6.2%	0.7%	1.3%	55,000	6.5%	0.7%	1.2%
Safety and labor medicine	3,267	0.3%	0.0%	0.1%	2,969	0.4%	0.0%	0.1%
Training and professional development	973	0.1%	0.0%	0.0%	462	0.1%	0.0%	0.0%
Kindergarten or kindergarten benefit	1,036	0.1%	0.0%	0.0%	955	0.1%	0.0%	0.0%
Employee profit sharing	217,335	19.4%	2.1%	4.0%	22,526	2.7%	0.3%	0.5%
Transportation	34,322	3.1%	0.3%	0.6%	29,812	3.5%	0.4%	0.7%
Other	25,352	2.3%	0.2%	0.5%	27,516	3.3%	0.4%	0.6%
Total - Internal social indicators	**765,973**	**68.4%**	**7.2%**	**13.9%**	**459,254**	**54.6%**	**6.1%**	**10.1%**

3 – External social indicators	2021				2020			
	R$ thousands	% on GP	% on NR	% on TVA	R$ thousands	% on GP	% on NR	% on TVA
Others (Lojas Renner Institute)	6,770	0.6%	0.1%	0.1%	8,243	1.0%	0.1%	0.2%
Total contributions to society	**6,770**	**0.6%**	**0.1%**	**0.1%**	**8,243**	**1.0%**	**0.1%**	**0.2%**
Taxes (excluding social charges)	2,065,297	184.3%	19.5%	37.6%	1,539,082	183.0%	20.4%	33.9%
Total - External social indicators	**2,072,067**	**184.9%**	**19.6%**	**37.7%**	**1,547,325**	**184.0%**	**20.5%**	**34.1%**

4 – Environmental indicators	2021				2020			
	R$ thousands	% on GP	% on NR	% on TVA	R$ thousands	% on GP	% on NR	% on TVA
4.1 - Investments relating to production/operation of the Company								
Energy preservation	1,188	0.1%	0.0%	0.0%	914	0.1%	0.0%	0.0%
Investments in environmental offset actions	1,111	0.1%	0.0%	0.0%	1,151	0.1%	0.0%	0.0%
Total investments relating to production/operation of the Company	**2,299**	**0.2%**	**0.0%**	**0.0%**	**2,065**	**0.2%**	**0.0%**	**0.0%**

	2021	2020
Regarding the establishment of annual goals to minimize waste and consumption in general in production/operation to increase the effectiveness in the use of natural resources, the company:	( ) Has no goals (x) Meet the goals from 0% to 50% ( ) Meet the goals from 51% to 75% ( ) Meet the goals from 76% to 100%	( ) Has no goals ( ) Meet the goals from 0% to 50% ( ) Meet the goals from 51% to 75% (x) Meet the goals from 76% to 100%

5 – Personnel indicators	2021	2020
	In units	In units
Number of employees at the end of the year	25,474	24,757
Number of onboarding in the year	12,638	8,212
Number of terminated employees in the year	11,921	7,617
Number of outsourced professionals	ND	ND
Number of interns	154	58
Number of employees per age range:	-	-
Up to 29 years old	14,449	14,255
Between 30 and 49	10,062	9,565
50 years old or older	963	937

	2021	2020
Number of employees per educational level:	**In units**	**In units**
Illiterate	4	2
Primary school	515	552
High school/technical school	19,479	19,560
Undergraduation and graduation	4,637	3,837
Did not informed	839	806
Education levels are collected when the employee is hired and there is no continuous update flow. Thus, the data presented does not reflect the updated level of our entire staff.		
Number of womens working in the Company	16,611	16,041
Percentage of women in leadership positions	65.2%	64.8%
Number of mens working in the Company	8,998	8,716
Percentage of men in leadership positions	35.1%	35.3%
Number of black men (women) working in the Company	6,039	6,783
Percentage of black men (women) in leadership positions	23.7%	27.4%
Number of employees with disabilities or special needs	871	1,015
Gross compensation segregated into:		
Employees	1,136,819	789,106
Managers and Directors	23,847	21,275
Difference between the lowest salary paid by the company and the minimum (federal or regional):	There are no differences	There are no differences

6 – Significant information on the exercise of corporate citizenship	**2021**	**2020**
Number of work-related accidents	0	48
The Company's social and environmental projects were developed by:	( ) Directors ( ) Directors and managers (x) All employees	( ) Directors ( ) Directors and managers (x) All employees
The safety and health standards in the workplace were defined by:	( ) Directors ( ) Directors and managers ( ) All employees (x) Everyone + CIPA	( ) Directors (x) Directors and managers ( ) All employees ( ) Everyone + CIPA
Regarding to the employees' labor union freedom, the right to collection bargaining and internal representation, the Company:	( ) Does not get involved ( ) Follows OIT rules (x) Encourages and follows OIT	( ) Does not get involved ( ) Follows OIT rules (x) Encourages and follows OIT
The private pension plan comprises:	We haven't private pension plan	We haven't private pension plan
The profit sharing comprises:	( ) Directors ( ) Directors and managers (x) All employees	( ) Directors ( ) Directors and managers (x) All employees
The choice of suppliers adopts the same ethical, social and environmental responsibility standards by the Company:	( ) Aren't considered ( ) Are suggested (x) Are required	( ) Aren't considered ( ) Are suggested (x) Are required
Regarding to commitment of employees in volunteer work programs, the Company:	( ) Does not ger involved ( ) Supports these programs (x) Organizes and encourages these programs	( ) Does not ger involved ( ) Supports these programs (x) Organizes and encourages these programs

	2021		2020	
Distribution of value added (DVA):	**R$ thousands**	**% on total**	**R$ thousands**	**% on total**
Government	2,408,070	43.8%	1,808,080	39.8%
Employees	1,617,548	29.4%	1,099,119	24.2%
Shareholders	387,876	7.1%	271,516	6.0%
Third parties	836,748	15.2%	536,308	11.8%
Retained	245,236	4.5%	824,753	18.2%

BALANCE SHEETS

Lojas Renner S.A. and subsidiaries
On December 31, 2021 and 2020
(All amounts in thousands of Brazilian Reais)

		Parent Company		Consolidated	
	Note	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	7.2	5,216,237	1,761,439	5,489,417	2,066,781
Interest-earning bank deposits	7.3	209,715	139,212	458,085	605,572
Trade accounts receivable	8.2	2,378,330	1,839,223	5,412,881	3,811,668
Inventories	9.2	1,289,049	1,152,239	1,609,560	1,381,662
Taxes recoverable	10	766,524	863,933	849,389	961,997
Derivative financial instruments	24.4	21,022	4,896	24,364	5,435
Other assets	11	101,835	46,093	141,084	63,651
Credits with related parties	26.3.2	15,161	18,215	-	-
Total current assets		**9,997,873**	**5,825,250**	**13,984,780**	**8,896,766**
Non-current assets					
Long-term receivables					
Trade accounts receivable	8.2	8,098	-	-	-
Taxes recoverable	10	509,892	636,111	551,243	661,111
Credits with related parties	26.3.2	1,872	1,358	-	-
Deferred income tax and social contribution	12.2	248,617	103,790	457,537	276,925
Other assets	11	115,676	10,047	125,738	12,847
Total long-term assets		**884,155**	**751,306**	**1,134,518**	**950,883**
Investments	13	2,018,188	1,595,255	-	-
Property, plant and equipment	14.2	2,258,449	1,786,396	2,650,859	2,154,260
Rights-of-use	15.2	2,080,926	1,397,843	2,434,188	1,700,038
Intangible	14.4	656,071	587,713	1,207,640	940,636
Total non-current assets		**7,897,789**	**6,118,513**	**7,427,205**	**5,745,817**
Total assets		**17,895,662**	**11,943,763**	**21,411,985**	**14,642,583**

Management's explanatory notes are an integral part of individual and consolidated financial statements.

BALANCE SHEETS

Lojas Renner S.A. and subsidiaries
On December 31, 2021 and 2020
(All amounts in thousands of Brazilian Reais)

	Note	Parent Company 12/31/2021	Parent Company 12/31/2020	Consolidated 12/31/2021	Consolidated 12/31/2020
Liabilities and equity					
Current liabilities					
Interest-bearing loans, borrowings and derivatives	17.2	1,603,751	1,037,626	1,610,452	1,077,081
Borrowings - Financial debt	18	-	-	475,522	341,390
Leases payable	19.2	567,416	410,998	666,100	496,583
Suppliers	20.2	1,599,786	1,208,337	1,762,233	1,404,852
Obligations with credit card administrators		19,295	15,711	1,835,143	1,193,168
Tax obligations	21	414,739	366,320	516,678	402,930
Social and labor obligations	22	404,892	193,403	460,373	226,816
Statutory obligations		353,522	246,269	353,522	246,269
Provisions for risks	23.2	47,635	52,104	66,613	67,059
Derivative financial instruments	24.4	315	30,327	315	31,428
Debits with related parties	26.3.2	1,463	1,445	-	-
Other obligations	25	114,247	64,571	207,149	145,835
Total current liabilities		**5,127,061**	**3,627,111**	**7,954,100**	**5,633,411**
Non-current liabilities					
Interest-bearing loans, borrowings and derivatives	17.2	998,430	1,545,933	1,054,027	1,545,933
Borrowings - Financial debt	18	-	-	327,101	420,575
Leases payable	19.2	1,719,815	1,120,649	1,994,936	1,365,804
Deferred Income Tax and Social Contribution	12.2	-	-	3,392	-
Suppliers	20.2	58,774	95,503	58,992	95,503
Provisions for risks	23.2	82,697	53,251	86,122	55,237
Other obligations	25	102,264	-	126,694	24,804
Total non-current liabilities		**2,961,980**	**2,815,336**	**3,651,264**	**3,507,856**
Total liabilities		**8,089,041**	**6,442,447**	**11,605,364**	**9,141,267**
Equity					
Issued capital	27.1	8,978,349	3,805,326	8,978,349	3,805,326
Treasury shares	27.2	(108,620)	(119,461)	(108,620)	(119,461)
Capital reserves	27.3	85,966	94,031	85,966	94,031
Profit reserves	27.4	739,901	1,694,515	739,901	1,694,515
Other comprehensive income	27.5	111,025	26,905	111,025	26,905
Total equity		**9,806,621**	**5,501,316**	**9,806,621**	**5,501,316**
Total liabilities and equity		**17,895,662**	**11,943,763**	**21,411,985**	**14,642,583**

Management's explanatory notes are an integral part of individual and consolidated financial statements.

INCOME STATEMENT

Lojas Renner S.A. and subsidiaries
For the years ended on December 31, 2021 and 2020
(In thousands of Brazilian Reais, except net income per share in Brazilian Reais)

		Parent Company		Consolidated	
	Note	2021	2020	2021	2020
Net operating revenue		**8,365,402**	**5,853,395**	**10,571,556**	**7,537,180**
Sales of goods	33.2	8,329,816	5,822,002	9,547,440	6,660,571
Revenue from services	33.2	35,586	31,393	1,024,116	876,609
Costs of sales		**(3,862,653)**	**(2,837,106)**	**(4,399,178)**	**(3,223,570)**
Sales of goods		3,862,653)	(2,837,106)	(4,374,886)	(3,201,309)
Services		-	-	(24,292)	(22,261)
Gross profit		**4,502,749**	**3,016,289**	**6,172,378**	**4,313,610**
Selling	34.1	(2,653,258)	(2,041,170)	(3,204,715)	(2,468,018)
General and administrative	34.2	(1,005,840)	(763,428)	(1,181,073)	(885,233)
Reversals (Losses) on receivables, net		82,456	98,296	(339,801)	(412,636)
Other operating income	34.3	(291,457)	608,174	(632,845)	309,156
Equity on profit/loss of subsidiaries	13	68,094	(63,663)	-	-
Net operating expenses		**(3,800,005)**	**(2,161,791)**	**(5,358,434)**	**(3,456,731)**
Operating profit before financial result		**702,744**	**854,498**	**813,944**	**856,879**
Financial revenues	35	223,795	618,347	383,304	712,925
Financial expenses	35	(366,517)	(242,451)	(557,395)	(369,043)
Net financial income		**(142,722)**	**375,896**	**(174,091)**	**343,882**
Earnings before income tax and social contribution		**560,022**	**1,230,394**	**639,853**	**1,200,761**
Current	12.5	(87,424)	(140,628)	(195,071)	(162,813)
Deferred	12.5	160,514	6,503	188,330	58,321
Income tax and social contribution, net		**73,090**	**(134,125)**	**(6,741)**	**(104,492)**
Net income for the year		**633,112**	**1,096,269**	**633,112**	**1,096,269**
Basis earnings per share - R$	29	0.6647	1.2424	0.6647	1.2424
Net earnings per share - diluted - R$	29	0.6628	1.2382	0.6628	1.2382
Number of shares at end of year (in thousands)		988,779	796,170	988,779	796,170

Management's explanatory notes are an integral part of individual and consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Lojas Renner S.A. and subsidiaries
For the years ended on December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Net income for the year	**633,112**	**1,096,269**	**633,112**	**1,096,269**
Equity valuation adjustments				
Items that will not be reclassified to net income	**33,026**	**(14,924)**	**33,026**	**(14,924)**
Cash flow hedge	46,138	(22,995)	50,042	(22,612)
Taxes related to net income from cash flow hedge	(15,687)	7,818	(17,016)	7,688
Cash flow hedge in subsidiaries, net of taxes	2,575	253	-	-
Accumulated translation and monetary adjustments				
Items that may subsequently be reclassified to equity	**51,094**	**55,018**	**51,094**	**55,018**
Accumulated translation and monetary adjustments due to hyperinflation	51,094	55,018	51,094	55,018
Other comprehensive income	**84,120**	**40,094**	**84,120**	**40,094**
Total comprehensive income for the year	**717,232**	**1,136,363**	**717,232**	**1,136,363**

Management's explanatory notes are an integral part of individual and consolidated financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY – PARENT COMPANY AND CONSOLIDATED

Lojas Renner S.A. and subsidiaries
On December 31, 2021 and 2020
(All amounts in thousands of Brazilian Reais, except interest on equity and dividends per share in Brazilian Reais)

				Capital reserve	Profit reserve						
	Note	Capital	Treasury shares	Stock option plan and restricted shares plan	Legal reserve	Investment and expansion	Tax incentive	Additional dividend proposed	Other comprehensive income	Retained earnings	Total
Balance on January 1st, 2021		**3,805,326**	**(119,461)**	**94,031**	**109,768**	**1,421,744**	**162,812**	**191**	**26,905**	**-**	**5,501,316**
Net income for the year		-	-	-	-	-	-	-	-	633,112	633,112
Capital increase	27.1.1	5,173,023	-	(30,759)	(109,768)	(927,420)	(162,812)	-	-	-	3,942,264
Disposal/Transfer of shares	27.2	-	10,841	(10,841)	-	-	-	-	-	-	-
Stock option plan	30	-	-	15,351	-	-	-	-	-	-	15,351
Restricted share plan	31	-	-	18,184	-	-	-	-	-	-	18,184
Equity adjustments	27.5	-	-	-	-	-	-	-	33,026	-	33,026
Accumulated translation adjustments	27.5	-	-	-	-	-	-	-	10,096	-	10,096
Monetary adjustments due to hyperinflation	27.5	-	-	-	-	-	-	-	40,998	-	40,998
Dividends deliberation		-	-	-	-	-	-	(191)	-	-	(191)
Prescribed dividends		-	-	-	-	-	-	-	-	341	341
Allocation of profit:		**-**	**-**	**-**	**17,757**	**(50,492)**	**277,971**	**341**	**-**	**(633,453)**	**(387,876)**
Legal reserve	27.4.1	-	-	-	17,757	-	-	-	-	(17,757)	-
Reserve for investment and expansion	27.4.2	-	-	-	-	(50,492)	-	-	-	50,492	-
Tax incentive reserve	27.4.3	-	-	-	-	-	277,971	-	-	(277,971)	-
Dividends	28.3	-	-	-	-	-	-	341	-	(341)	-
Interest on equity (R$ 0.428513 per share)	28.3	-	-	-	-	-	-	-	-	(387,876)	(387,876)
Balance on December 31, 2021		**8,978,349**	**(108,620)**	**85,966**	**17,757**	**443,832**	**277,971**	**341**	**111,025**	**-**	**9,806,621**

Management's explanatory notes are an integral part of individual and consolidated financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY – PARENT COMPANY AND CONSOLIDATED

Lojas Renner S.A. and subsidiaries
On December 31, 2021 and 2020
(All amounts in thousands of Brazilian Reais, except interest on equity and dividends per share in Brazilian Reais)

				Capital reserve	Profit reserve						
	Note	Capital	Treasury shares	Stock option plan and restricted shares plan	Legal reserve	Investment and expansion	Tax incentive	Additional dividend proposed	Other comprehensive income	Retained earnings	Total
Balance on January 1st, 2020		**3,795,634**	**(35,549)**	**74,227**	**54,955**	**434,856**	**97,539**	**282,546**	**(13,189)**	**-**	**4,691,019**
Net income for the year		-	-	-	-	-	-	-	-	1,096,269	1,096,269
Capital increase	27.1.1	9,692	-	-	-	-	-	-	-	-	9,692
Repurchase of shares	27.2	-	(96,964)	-	-	-	-	-	-	-	(96,964)
Disposal/Transfer of shares	27.2	-	13,052	(13,052)	-	-	-	-	-	-	-
Stock option plan	30	-	-	22,832	-	-	-	-	-	-	22,832
Restricted share plan	31	-	-	10,024	-	-	-	-	-	-	10,024
Equity adjustments	27.5	-	-	-	-	-	-	-	(14,924)	-	(14,924)
Accumulated translation adjustments	27.5	-	-	-	-	-	-	-	10,205	-	10,205
Monetary adjustments due to hyperinflation	27.5	-	-	-	-	-	-	-	44,813	-	44,813
Reserve for investment and expansion		-	-	-	-	282,221	-	(282,221)	-	-	-
Delibaration on additional proposed dividends		-	-	-	-	-	-	(325)	-	-	(325)
Prescribed dividends		-	-	-	-	-	-	-	-	191	191
Allocation of profit:		**-**	**-**	**-**	**54,813**	**704,667**	**65,273**	**191**	**-**	**(1,096,460)**	**(271,516)**
Legal reserve	27.4.1	-	-	-	54,813	-	-	-	-	(54,813)	-
Reserve for investment and expansion	27.4.2	-	-	-	-	704,667	-	-	-	(704,667)	-
Tax incentive reserve	27.4.3	-	-	-	-	-	65,273	-	-	(65,273)	-
Dividends (R$ 0.038952 per share)	28.3	-	-	-	-	-	-	191	-	(30,889)	(30,698)
Interest on equity (R$ 0.303839 per share)	28.3	-	-	-	-	-	-	-	-	(240,818)	(240,818)
Balance on December 31, 2020		**3,805,326**	**(119,461)**	**94,031**	**109,768**	**1,421,744**	**162,812**	**191**	**26,905**	**-**	**5,501,316**

Management's explanatory notes are an integral part of individual and consolidated financial statements.

STATEMENT OF CASH FLOW

Lojas Renner S.A. and subsidiaries
For the years ended on December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Cash flows from operating activities				
Net income for the year	**633,112**	**1,096,269**	**633,112**	**1,096,269**
Adjustments ro reconcile net income to cash and cash equivalents from operating activities				
Depreciation and amortization	746,086	647,843	916,070	791,036
Interest and structuring costs on loans and leases	355,971	212,725	387,590	238,548
Borrowing interest on operating services	-	2,561	40,781	29,708
Equity on profit/loss of subsidiaries	(68,094)	63,663	-	-
Income tax and social contribution	(73,090)	134,125	6,741	104,492
(Reversals) Estimated losses on assets, net	(887)	(33,843)	33,022	117,371
Exclusion of ICMS from PIS and COFINS basis	-	(1,363,029)	(17,416)	(1,363,029)
Discounts - leases payable	(97,473)	(104,488)	(117,622)	(128,927)
Other net income adjustments	87,941	67,836	98,012	95,560
Adjusted net income	**1,583,566**	**723,662**	**1,980,290**	**981,028**
Dividends received from subsidiaries	**8,171**	**6,926**	**-**	**-**
(Increase) Decrease in assets				
Trade accounts receivable	(558,284)	115,370	(1,659,394)	(95,712)
Inventories	(128,611)	(247,550)	(218,537)	(265,461)
Taxes recoverable	217,703	92,855	222,723	75,502
Other assets	(171,041)	9,736	(186,154)	(1,287)
Increase (Decrease) in liabilities				
Suppliers	207,198	341,980	172,011	419,457
Obligations with credit card administrators	3,584	(11,208)	641,975	207,870
Tax obligations	(43,704)	(76,895)	(14,382)	(124,919)
Other obligations	338,847	(74,776)	367,470	(18,251)
Payment of income tax and social contribution	-	(164,391)	(72,223)	(296,099)
Interest paid on loans and debentures	(146,941)	(47,643)	(147,362)	(49,224)
Interest paid on operating service borrowing	-	(10,301)	(18,304)	(10,301)
Net cash from operating activities, before interest-earning bank deposits	**1,310,488**	**657,765**	**1,068,113**	**822,603**
Interest-earning bank deposits	(70,503)	27,887	147,487	(214,224)
Net cash from operating activities	**1,239,985**	**685,652**	**1,215,600**	**608,379**
Cash flows from investment activities				
Acquisition of pp&e and intangible	(784,192)	(443,982)	(933,963)	(543,976)
Receipts due to sale of pp&e	419	147	419	147
Capital contribution in subsidiaries	(275,612)	(227,297)	(96,271)	-
Net cash consumed from investing activities	**(1,059,385)**	**(671,132)**	**(1,029,815)**	**(543,829)**
Cash flows from financing activities				
Increase of issued capital, net of issuance costs	3,916,730	9,692	3,916,730	9,692
Repurchase of shares	-	(96,964)	-	(96,964)
Loans raised	997,377	2,499,466	1,405,547	3,467,279
Amortization of loans and debentures	(999,479)	(987,178)	(1,368,523)	(1,787,961)
Consideration relating to leases payable	(396,393)	(279,017)	(471,918)	(334,911)
Interest on equity and dividends paid	(244,037)	(243,835)	(244,037)	(243,835)
Net cash used in financing activities	**3,274,198**	**902,164**	**3,237,799**	**1,013,300**
Effect of exchange rate changes on cash and cash equivalents	**-**	**-**	**(948)**	**7,977**
Increase of cash and cash equivalents	**3,454,798**	**916,684**	**3,422,636**	**1,085,827**
Cash and cash equivalents at the beginning of the year	1,761,439	844,755	2,066,781	980,954
Cash and cash equivalents at the end of the year	**5,216,237**	**1,761,439**	**5,489,417**	**2,066,781**

Management's explanatory notes are an integral part of individual and consolidated financial statements.

STATEMENT OF VALUE ADDED

Lojas Renner S.A. and subsidiaries
For the years ended on December 31, 2021 and 2020
(In thousands of Brazilian Reais)

	Parent Company		Consolidated	
	2021	2020	2021	2020
(+) Revenues	**11,084,919**	**8,569,043**	**13,225,462**	**9,995,026**
Sales of goods, net of cancellations and returns	10,871,089	7,605,783	12,366,079	8,641,516
Revenue from services	47,025	39,278	1,098,262	933,234
Estimated credit losses, net	82,456	98,296	(339,801)	(412,636)
Other revenues	84,349	825,686	100,922	832,912
(-) Inputs purchased from third parties	**(6,136,749)**	**(4,565,232)**	**(7,208,344)**	**(5,406,310)**
Cost of goods sold and services rendered (incluing taxes)	(4,390,241)	(3,239,976)	(4,955,850)	(3,658,781)
Electricity, outsourced services and other expenses	(1,654,185)	(1,258,188)	(2,145,737)	(1,668,259)
Loss/recovery of other assets, net	(92,323)	(67,068)	(106,757)	(79,270)
(=) Gross value added	**4,948,170**	**4,003,811**	**6,017,118**	**4,588,716**
(-) Retentions	**(746,086)**	**(647,843)**	**(916,070)**	**(791,036)**
Depreciation and amortization	(746,086)	(647,843)	(916,070)	(791,036)
(=) Net value added	**4,202,084**	**3,355,968**	**5,101,048**	**3,797,680**
(+) Value added received through transfer	**302,667**	**583,793**	**394,430**	**742,096**
Equity on profit/loss of subsidiaries	68,094	(63,663)	-	-
Financial revenues, gross of taxes	234,573	647,456	394,430	742,096
(=) Total value added	**4,504,751**	**3,939,761**	**5,495,478**	**4,539,776**
(=) Distribution of value added	**4,504,751**	**3,939,761**	**5,495,478**	**4,539,776**
Personnel	**1,318,271**	**878,827**	**1,617,548**	**1,099,119**
Direct remuneration	1,018,054	639,632	1,275,941	830,946
Benefits	162,779	125,994	190,513	144,900
FGTS	75,507	59,022	87,360	67,778
Others	61,931	54,179	63,734	55,495
Stock option plan and Restricted share plan	*33,535*	*32,857*	*33,535*	*32,857*
Management remuneration	*28,396*	*21,322*	*30,199*	*22,638*
Taxes, fees and contributions	**1,990,588**	**1,597,204**	**2,408,070**	**1,808,080**
Federal taxes	472,203	522,573	686,892	596,508
State taxes	1,456,001	1,020,090	1,631,534	1,137,003
Municipal taxes	62,384	54,541	89,644	74,569
Return on third parties' capital	**562,780**	**367,461**	**836,748**	**536,308**
Financial expenses	380,960	252,665	573,272	381,343
Occupancy expenses	181,820	114,796	263,476	154,965
Return on equity	**633,112**	**1,096,269**	**633,112**	**1,096,269**
Interest on equity and proposed dividends	387,876	271,516	387,876	271,516
Retained earnings/losses	245,236	824,753	245,236	824,753

Management's explanatory notes are an integral part of individual and consolidated financial statements.

Note 19 – LEASES PAYABLE

Note 15 – RIGHTSOF -USE

LEASE

IFRS 16

Note 6 – RISK MANAGEMENT

Note 24 – FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS / RISK

Note 8 - TRADE ACCOUNTS RECEIVABLE

Note 9 - INVENTORIES

TRADES/ INVENTORIES / SUPPLIERS

Note 20 – SUPPLIERS

KEY EXPLANATORY NOTES

This interactive tool offers a thematic overview of the key explanatory notes and can guide your readind by theme.

To return to this page, click on the "BACK TO MAP" button in the lower left corner.

Note 10 – RECOVERABLE TAXES

TAX

Nota 12 - INCOME AND SOCIAL CONTRIBUTION

Note 17 – LOANS, FINANCING AND DEBENTURES

CASH AND EQUIVALENTS / DEBTS / LOANS

Note 18 – FINANCING – FINANCIAL SERVICE OPERATIONS AND GUARANTEES

Note 7.2 – BREAKDOWN OF CASH AND CASH EQUIVALENTS

Note 7.3 – BREAKDOWN OF INTEREST - EARNING

Nota 3.7 – BUSINESS COMBINATION AND GOODWILL – REPASSA

Note 2 - HIGHLIGHTS

BUSINESS

Note 16 – IMPAIRMENT

Nota 3.10 - COVID-19 IMPACTS

Note 26 – RELATED PARTIES

Note 34 – EXPENSES BY NATURE

Note 38 – EVENTS AFTER THE REPORTING

Note 32 – SEGMENT INFORMATION

1 OPERATIONS

Lojas Renner S.A. ("Parent Company") - corporation with headquarter 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; and
ii) **Financial services:** Personal loans, purchase financing, insurance and active or passive operations inherent to credit companies, revenue from sales commissions through the Marketplace between the Company and partner companies, commissions from sales intermediation and intercompany services, among others.

2 HIGHLIGHTS

Below, management emphasizes important matters in the disclosure of the financial statements:

Impact of covid- 19
Memorandum Circulars No. 02/2020 and No. 03/2020 issued by Brazilian SEC ("CVM"), the risks and uncertainties, outcomes and actions adopted. Note 3.10.

Issue of Debentures
2Q21 the 12th issuance of debentures by Parent Company took place in the amount of R$ 1,000,000. Note 17.2.

Restricted Offer of Shares (*Follow on*)
2Q21 Settlement of restricted offer of shares in amount of R$ 3,978,000. Note 21.1.2

ICMS in PIS/COFINS basis – Camicado
3Q21 The claim filed by Camicado was awarded in a final unappealable decision. Note 10.

Acquisition of Repassa
3Q21 Repassa Intermediação de Negócios Ltda was acquired. Note 3.7.

Share Bonus
4Q21 EGM approved a 10% share bonus, corresponding to the issuance of 89,858 new common shares. Note 27.1.

Cyber Attack
3Q21 The Company's IT environment suffered a cyber attack which rendered systems and operation partially unavailable and activated the Company's security control protocols to block the attack and minimize potential impacts. Note 3.11.

3 BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

3.1 Statement of compliance

These financial statements were approved by Company's management on March 17, 2022, and were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil (BR GAAP), considering pronouncements, guidance and interpretations issued by the Brazilian Financial Accounting Standards Board (*CPC*), approved by the Brazilian Securities and Exchange Commission (*CVM*) and the provisions of Corporation Law.

3.2 Statement of relevance

The Company affirms that they applied technical guideline *OCPC* 7 and CVM Resolution 727/2014 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 financial statements were measured considering the historical cost as the basis of value, except for the measurement of NDF and Swap financial instruments (Note No. 24.3), for the stock option plan (Note No. 30.4) and for the initial recognition of a business combination (note No. 3.7) that are measured at their fair values.

3.4 Functional and presentation currency

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

For foreign subsidiaries operating in a stable economic environment and with a different functional currency from the Parent Company, the statements of income are translated into Brazilian Reais at the average monthly exchange rate, and assets and liabilities are translated at the closing rate. For subsidiaries operating in a hyperinflationary environment, the balances of assets, liabilities and retained earnings/(accumulated losses) are translated at the closing rate. Equity items are maintained at the historical rate in all scenarios.

3.5 Significant accounting judgments, estimates and assumptions

Since the preparation of financial statements requires management's assumptions and estimates related to the probability of future events, that affect the balances of assets and liabilities and other transactions, previous 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:

Estimates	**Note**
Calculation of fair value and goodwill in business combinations	3.7
Estimated credit losses	8.3
Estimated inventory losses	9.2.2
Discount rate applied to adjustments to present value	8.1, 9.2 , 10, 19.1 and 20
Realization of deferred income and social contribution taxes	12.4
Definition of the useful life of fixed and intangible assets	14
Evaluation of impairment of intangible assets with an indefinite useful life	16.1
Provisions for tax, civil and labor risks	23
Determination of fair values of derivative financial instruments and stock option plans	24.3 and 30.4

3.6 Accounting policies

The main accounting policies used in the preparation of these financial statements are presented and summarized in respective notes and have been consistently applied in the periods.

3.7 Business combination and goodwill – Repassa

3.7.1 Accounting policy

Business combinations are accounted for applying the acquisition method when the set of activities and assets acquired meet the definition of a business and the management is transferred to the Company. The consideration transferred is measured at fair value, as well as the identifiable net assets acquired. Goodwill measured corresponds to the excess of the consideration transferred in relation to the net assets acquired at the date of acquisition.

3.7.2 Acquisition of interests - Repassa intermediação de negócios ltda.

On August 31, 2021, the parent company concluded the acquisition of 100% of the units of interest issued by Repassa Intermediação de Negócios Ltda. ("Repassa"), which is characterized as a business combination in accordance with *CPC* 15 (R1)/IFRS 3. The acquiree is an online platform for resale of highly recurring fashion items that has three business pillars, to wit digital, innovation and sustainability. This acquisition represents one more step towards consolidation of the fashion and lifestyle ecosystem, and strongly complies with the Company's ESG (Environmental, Social and Governance) strategy.

Conclusion of the appraisal report on fair value of the assets acquired and liabilities assumed on August 31, 2021 ("acquisition date"), and goodwill calculation are as follows:

Assets	Fair value
Cash and cash equivalents	345
Accounts receivable	587
Recoverable taxes	14
Other assets	1,225
PP&E	2,258
Rights-of-use	3,813
Intangible assets (i)	23,310
Total - Assets	**31,552**
Liabilities	
Suppliers	2,411
Loans and financing	65
Payroll and related charges payable	1,732
Tax obligations	556
Leases payable	3,927
Other	145
Total - Liabilities	**8,836**
Total – Identifiable net assets	**22,716**
Consideration transferred (ii)	130,000
Goodwill generated (iii)	**107,284**

Cash flow upon acquisition	Fair value
Net cash acquired from subsidiary	345
Cash paid	(96,616)
Net cash flow upon acquisition	**(96,271)**

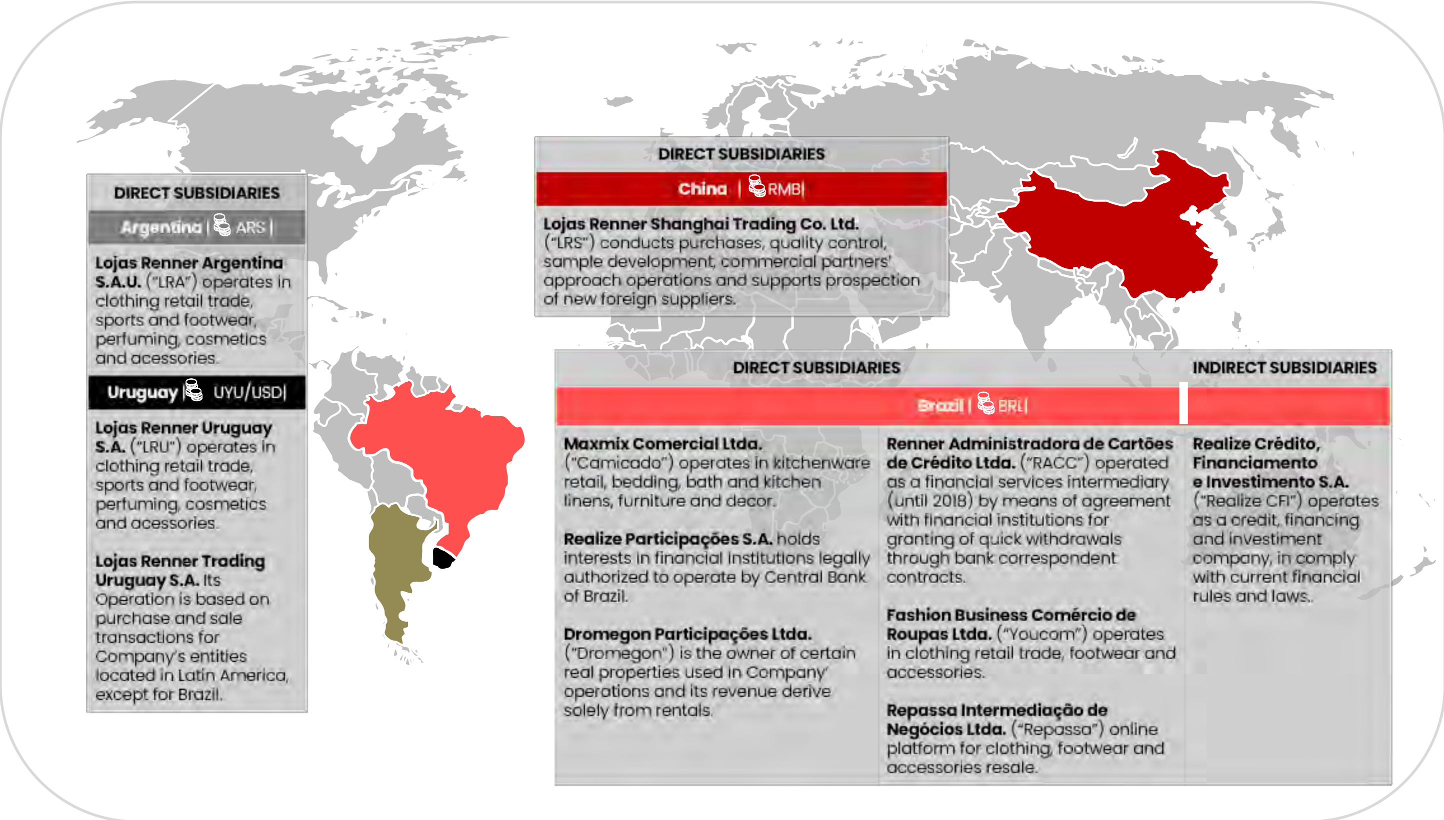
(i) **Measurement of intangible assets – Brand:** The brand's fair value of R$ 21,214 was measured using the Relief-from-Royalty method, which is based on present value of the cash flows that the measured assets will generate in the future. The royalty rate and discount rates were obtained through estimates based on experience and data base of the advisory firm engaged to prepare the report. In management's assessment, the brand "Repassa" has attributable value and market significance in obtaining customers and suppliers.

(ii) **Acquisition price (consideration):** On acquisition date ("closing date"), the Company paid in cash R$ 96,616 and the remaining amount of R$ 33,384 will be paid in three annual installments as from the acquisition date and adjusted monthly based on the Extended Consumer Price Index (IPCA), recorded under Other accounts payable (Note 25).

(iii) **Goodwill:** Goodwill allocated, amounting to R$ 107,284, refers to the large synergy potential to be explored by the companies and is also in line with the ESG strategy. In case of a future corporate restructuring operation that complies with the requirements of article 7 of Law No. 9532/97, goodwill may be amortized for tax purposes.

3.8 Basis of consolidation

In the preparation of these statements, financial statements of subsidiaries closed on the same reporting date were used. Investments are recorded under the equity method. The Company's consolidated financial statements include the companies below, where the direct and indirect interest represents **100.0%** as of December 31, 2021 and 2020:



3.9 *CPC* 42/IAS 29 Financial reporting in hyperinflationary economies

Pursuant to *CPC* 42/IAS 29, non-monetary assets and liabilities, equity and statements of income of companies operating in highly inflationary economies must be adjusted 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), as amended by Resolution No. 553/2019.

LRA statements are restated in accordance with *CPC* 42/IAS 29. As such, in 2021, the Company recorded in equity, under other comprehensive income, the amount of R$ 40,998 in gains (R$ 44,813 in 2020) and in finance income (costs) revenues amounting to R$ R$ 34,924 (R$ 21,284 in 2020) deriving from hyperinflation in LRA, composing the asset and liability monetary correction (Note 35) .

3.10 Covid-19 impacts

3.10.1 Context

The Company remained attentive to all Covid-19 developments, acting both in prevention through adoption of strict security protocols, as well as in the support of its supply chain and acceleration of its digital channels, as a way to enable the services to its customers even in periods of restricted mobility. In the first months of 2021, as a result of the worsening of the 2nd wave of Covid-19 in Brazil, stores were temporarily closed and the circulation of customers in malls and main shopping centers in Brazil decreased, with a significant impact on product sales in this period. However, since the last weeks of April, as vaccination advanced and the effects of the pandemic slowed down, restrictive measures were relaxed, promoting greater population mobility, as well as the reopening of stores, which reflected positively in the operation.

Since then, the Company has maintained consistent growth, exceeding the sales levels recorded in the pre-pandemic period (comparable months of 2019) and reaching a stage close to normality in its operation.

3.10.2 Impact of COVID-19 on accounting estimates and financial statements

In accordance with Memorandum Circulars No. 02/20 and No. 03/20 issued by the Brazilian SEC ("CVM"), and taking into consideration the economic scenario and the risks and uncertainties arising from Covid-19 impacts, we summarize below the major impacts on the financial statements and review of estimates by function of Covid-19 consequences.

3.10.2.1 *Sales revenue*

Due to the temporary closing of stores and lower flow of customers, sales revenue was significantly affected in the first quarter and presented a decrease of 17.4% as compared with 2019. As stores reopened, as from the 2nd half of April and digital operations increased, sales resumed significantly, and the consolidated performance of net revenue from products sold referring to 2021 reached R$ 9,547,440, a significant increase of 43.5% as compared with 2020 and of 12.7% as compared with 2019.

3.10.2.2 *Review of other accounting estimates*

In addition to sales revenue mentioned above, in the year, we analyzed significant accounts and sensitive accounting estimates in order to identify any impacts that could arise from the pandemic, as follows:

- i) Capital management, liquidity risk and covenants
- ii) Trade account receivables and estimated losses
- iii) Inventories and estimated losses
- iv) Impairment assessment
- v) Payment of dividends

After analyzing these items, considering the sales resumption above historical levels and the performance of credit operations in line with the levels observed in the pre-pandemic period, we concluded that there were no elements that justified the recording of additional losses or the need to change the estimates, derived from the impacts of Covid-19. Likewise, all the measures taken within the scope of capital management proved to be quite correct, guaranteeing optimum conditions for the operation continuity and execution of the investment plan. Management remains alert, monitoring the economic scenario and assessing any future impacts that may affect operation performance, and Company investment and expansion plan.

3.11 Cyber attack

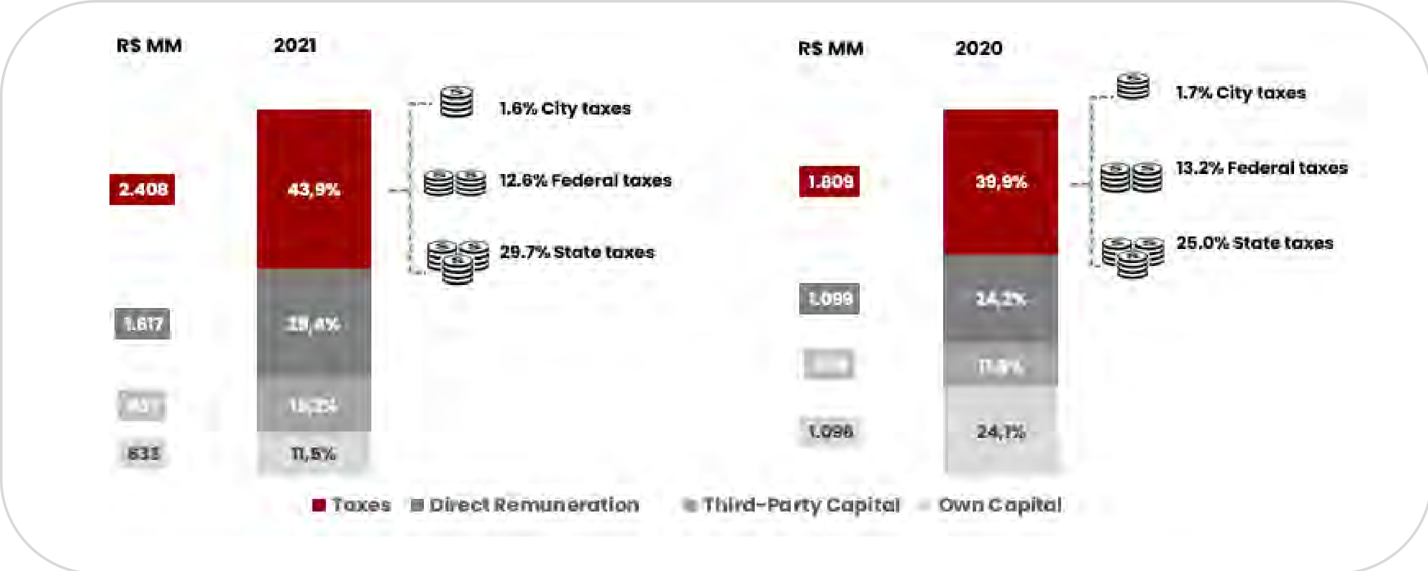
On August 19, 2021, the Company's IT environment was subject to a cyber-attack, which rendered systems and operation partially unavailable and readily activated the Company's security control protocols in order to block the attach and minimize potential impacts. Worth mentioning, Renner physical store activities weren't interrupted. E-commerce operations and the applications were reestablished as of August 21 (Saturday). The Company acted diligently and focused on mitigating the impacts caused and highlights that the production data banks remained intact during the entire process and there was no evidence of leak of information. The Company uses strict security standards and technologies, and will continue improving its infrastructure to increasingly incorporate data and system protection protocols and reinforces that the Company had no contact with these attackers nor did it negotiate or pay any ransom of any nature.

4 STATEMENT OF VALUE ADDED (SVA)

The purpose of this statement to evidence the wealth generated by the Company and its distribution during a certain year and is presented by the Company, as required by Brazilian Corporation Law for Publicly-Held Companies, as part of its individual financial statements and as supplemental information to the consolidated financial statements, since it is not a statement required by IFRS.

The Statement of value added was prepared based on information obtained in the accounting records that serve as basis for the preparation of financial statements and in accordance with the provisions of *CPC* 09 - Statement of Value Added.

Set out below is the distribution of wealth generated by the Company, in the Consolidated view, in the added value amount of R$ 5,495,478 (R$ 4,539,776 at December 31, 2020):



5 STANDARDS AND INTERPRETATIONS NOT IN FORCE

5.1 Amendment to IFRS 3 – Reference to the conceptual framework

This amendment to IFRS 3 – Business combinations comes into effect on January 01, 2022, and is aimed at clarifying certain changes referring to the conceptual framework, with no significant changes. The Company is of the understand that there are no impacts.

5.2 Amendment to IAS 16 – Property, plant and equipment (PP&E): Revenues before the intended use

This amendment comes into effect on January 01, 2022, and forbids deduction of cost of a PPE item from any revenue from sale of items produced internally while the Company is preparing this asset for its intended use. The Company recognizes such sales revenues and related costs in P&L. The Company is of the understand that there are no impacts.

5.3 Amendment to 25/ IAS 37 – Onerous contracts: Costs of fulfilling a contract

The amendment to *CPC* 25/ IAS 37 comes into effect on January 01, 2022, to specify that the "costs of fulfilling" a contract comprise the "costs that are directly related with the contract". Costs directly related with the contract may be incremental costs for complying with this contract or an allocation of other costs directly relating with contract fulfillment. The Company is assessing potential impacts of this amendment.

5.4 Amendment to IAS 1 – Classification of liabilities into current and noncurrent

This amendment comes into effect on January 01, 2023, and is aimed at promoting consistency in application of the standard requirements, and assisting the companies in determining if, in the balance sheet, loans and financing, and other liabilities whose settlement date is uncertain should be classified as current or noncurrent. The Company is assessing potential impacts of this amendment.

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

This amendment comes into effect on January 01, 2023 with changes requiring that an entity must disclose its material accounting policies rather than its significant accounting policies. The Company is assessing potential impacts of this amendment.

5.6 Amendment to IAS 8 – Definition of accounting estimates

This amendment will come into effect on January 01, 2023 and clarifies that a change in an accounting estimate that results from new information or new developments is not correction of an error. The Company is assessing potential impacts of this amendment.

5.7 Amendment to IAS 12 – Deferred taxes related to assets and liabilities deriving from a single transaction

This amendment will come into effect on January 01, 2023 and clarifies that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise upon initial recognition. The Company is assessing potential impacts of this amendment.

6 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, which 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 7.4, 8.5 and 24.5);
iii) Liquidity risk; and
iv) Capital management.

The Company applied the requirements of *CPC* 40 (R1)/IFRS 7 and considered the guidance of CVM SNC/SEP Official Letter No. 01/2022, observing qualitative and quantitative aspects of risk management.

A description of main risks involved is provided below.

6.1 Market risks

6.1.1 Currency risk

Risk mainly deriving from import of goods. The policy defined by the Company for currency risk management is to hedge up to 100% of imports through hedging transactions – comprised of currency forwards purchase contracts such as Non-Deliverable Forwards (NDF) and Swap operations related to contracted amount of loans in foreign currency (Bacen [Central Bank of Brazil] Law No. 4131).

In addition, net exposure to currency risk refers to the estimate of future cash flows and installment payments for goods imported. Subsequently to their recording in inventories, the Company adjusts the composition of prices in retail to offset the impact of a possible appreciation of the USD on costs. To mitigate the net exposure of imported product requests, the management, in compliance with its currency risk management policy, monitors the projections and expected scenarios for the exchange rates of foreign currencies and, therefore analyzes the best timing for engaging in hedging transactions.

Net exposure and sensitivity analysis regarding goods import orders, property and equipment and loans in foreign currency as of December 31, 2021, taking into consideration the US dollar and Euro quotation in each scenario based on future market projections B3 S.A. – Brasil, Bolsa, Balcão, for the next base date of disclosure are presented below.

		Consolidated				
		Notional amount (Payable) Receivable	Quotation - next quarter	Probable scenario	Currency appreciation Possible +25%	Currency appreciation Remote +50%
Derivatives for hedge accounting						
Projected orders (item)	US$	(220,365)	R$5,7043	R$ 8,979	R$ (295,293)	R$ (599,564)
NDF (instrument)	US$	79,446	R$5,7043	R$ (3,237)	R$ 106,459	R$ 216,155
Net exposure	**US$**	**(140,919)**		**R$ 5,742**	**R$ (188,834)**	**R$ (383,409)**
Property and equipment purchase contract (item)	€	(20,293)	R$6,4620	R$ 2,672	R$ (28,662)	R$ 59,996
NDF (instrument)	€	16,911	R$6,4620	R$ (2,227)	R$ 23,885	R$ 49,997
Net exposure	**€**	**(3,382)**		**R$ 445**	**R$ (4,777)**	**R$ (9,999)**
Not designated for hedge accounting						
Loans 4,131 (item)	€	(9,390)	R$6,4620	R$ 9,110	R$ (3,719)	R$ (16,548)
Swap - (Instrument)	€	9,390	R$6,4620	R$ (9,110)	R$ 3,719	R$ 16,548
Net exposure	**€**	**-**		**R$ -**	**R$ -**	**R$ -**
Total net exposure/effect				**R$ 6,187**	**R$ (193,611)**	**R$ (393,408)**
Total exposure, net of income tax/social contribution of 34.00%				**R$ 4,083**	**R$ (127,783)**	**R$ (259,649)**

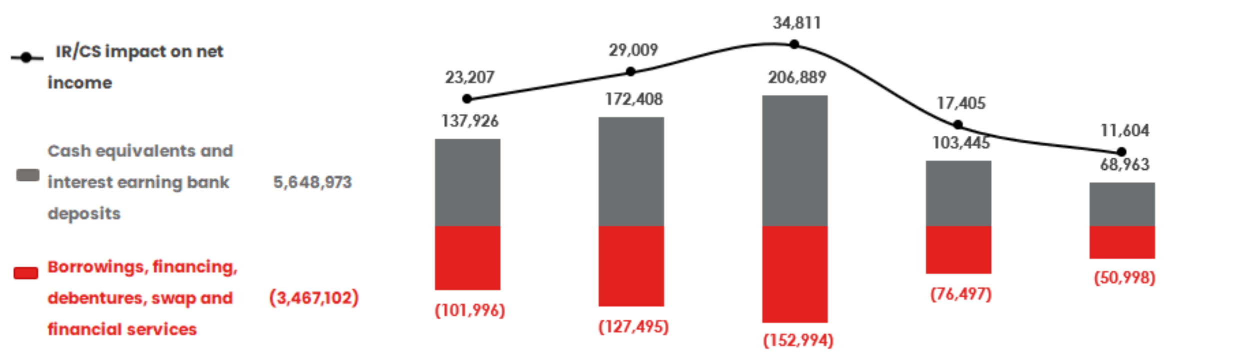
6.1.2 Interest rate risk

This risk arises from transactions of cash equivalents, interest-earning bank deposits, financing of financial services operations, debentures, loans and swap. The Company's policy is to keep 100% of its loans in the fixed rate market, with funding repayment at fixed rates, and adjusted for Interbank Deposit Certificates (CDI) and Central Bank Benchmark Rate (Selic). Since the financial assets are indexed to the CDI and the receivables are realizable in the short term and adjusted at fixed interest rates, the risk level associated with interest rates fluctuation is relatively low.

The management continuously analyzes interest risk exposure, by comparing the rates contracted to market rates, simulating refinancing, position renewal and natural hedge scenarios, defining a reasonable change in the interest rate and calculating the impact on P&L.

As at December 31, 2021, the Company conducted sensitivity tests for adverse scenarios of interest, which are presented below, considering the expected scenario for the next CDI and Selic interest rate disclosure of 10.25% p.a., based on B3 futures market projections. Yield from cash equivalents and short-term investments are net of PIS and COFINS.

	Consolidated					
	12/31/2021	Probable scenario	Interest increase Possible + 25%	Interest increase Remote - 50%	Interest Reduction Possible + 25%	Interest Reduction Remote - 50%



Since the Company recorded a cash position above its debts (negative net debt), both increase and decrease in interest rates would result in a positive impact in Company P&L.

6.2 Liquidity risk

The Company generates cash and cash equivalents by establishing a minimum strategic cash amount, based on the cash cycle of retail operations, as well as on the minimum capital required to guarantee the credit operations, ensuring sufficient cash to meet Company requirements and business plans, which aim at:

OBJECTIVES OF CASH AND CASH EQUIVALENTS MANAGEMENT

- Prevention for times of economic uncertainty
- Ensure the execution of the investment and expansion strategy
- Ensure the maintenance of the dividend distribution policy
- Ensure debt amortization and servicing
- Ensure the maintenance/expansion of financial product operations in times of credit restriction

The management continuously monitors the forecasts of liquidity requirements considering the debt finance plans, and monitor, on a quarterly basis, the financial and non-financial indicators required by the loan agreements. Management confirms that the Company is compliant with the contractual assumptions established. The indicators are as follows:

Financials

Instrument	Issue Date	Due Date	1st Indicator: $\frac{\textit{Consolidated Net Debt}}{\text{EBITDA}}$	2nd Indicator: $\frac{\text{EBITDA}}{\textit{Financial Income (Loss)}}$
9th Debenture Issue	04/12/2019	10/10/2022	≤ 3,0	≥ 2,0
11th Debenture Issue	05/08/2020	11/05/2022		
12th Debenture Issue	03/01/2021	02/18/2025	Until Dec 2023 ≤ 4,0 After ≤ 3,5	≥ 2,0
CCB Loan	05/14/2020	05/13/2022	≤ 3,0	≥ 2,0
CCB Loan	09/09/2020	09/09/2022		

Non Financials

- **Present Standardized Financial Statements** – Financial Standard Statements with the independent auditor' opinion up to three months after the end of each fiscal year or five working days after its publication
- **Comply with environment and labor laws** (health and security, no use of child or slave labor and fight against sexual exploitation).
- **Adopt policies and procedures to comply with the Anti-corruption Law**, according to Federal Decree nº 8.420, from March 18th, 2015.

Rating agency Standard & Poors rated the Company credit as brAAA with a stable outlook in the national scale category (Brazil).

Contractual cash flow includes principal plus estimated future interest. The contractual cash flows of financial liabilities in the Consolidated financial statements are as follows:

	Book balance	Contractual cash flow	Within 3 months	4-6 months	7-12 months	1-2 years	3-5 years	More than 5 years
Loans, financing and debentures	2,664,479	**3,101,082**	18,717	362,833	1,404,746	188,142	1,126,644	-
Financing - financial service operations	802,623	**923,570**	-	31,936	485,905	335,821	69,908	-
Leases payable	2,661,036	**3,682,146**	171,820	160,221	304,182	545,962	1,213,905	1,286,056
Suppliers	1,821,225	**1,828,794**	1,663,288	88,224	18,290	58,992	-	-
Obligations with credit card administrators	1,835,143	**1,835,143**	1,366,768	333,007	135,368	-	-	-
Derivative financial instruments	315	**315**	315	-	-	-	-	-
Balance at December 31, 2021	**9,784,821**	**11,371,050**	**3,220,908**	**976,221**	**2,348,491**	**1,128,917**	**2,410,457**	**1,286,056**

	Book balance	Contractual cash flow	Within 3 months	4-6 months	7-12 months	1-2 years	3-5 years	More than 5 years
Loans, financing and debentures	2,623,014	**2,767,421**	556,850	545,206	36,463	1,214,029	414,873	-
Financing - financial service operations	761,965	**797,115**	103,950	168,240	73,120	451,805	-	-
Leases payable	1,862,387	**2,912,858**	132,244	124,036	245,873	462,571	1,011,584	936,550
Suppliers	1,500,355	**1,509,498**	1,329,530	82,316	2,149	26,999	68,504	-
Obligations with credit card administrators	1,193,168	**1,193,168**	871,760	218,051	103,357	-	-	-
Derivative financial instruments	31,428	**31,608**	20,871	10,737	-	-	-	-
Balance at December 31, 2020	**7,972,317**	**9,211,668**	**3,015,205**	**1,148,586**	**460,962**	**2,155,404**	**1,494,961**	**936,550**

6.3 Capital management

In addition to equity, the Company uses third parties to finance its activities, thereby optimizing its capital structure. Net indebtedness levels reflect total exposure of the obligations payable to the financial system and capital market, therefore does not include liabilities relating to leases payable.

Indebtedness levels are monitored in relation to the Company's cash generation capacity and capital structure.

	Consolidated	
	12/31/2021	12/31/2020
Loans, financing and debentures	**(2,664,479)**	**(2,623,014)**
Current	(1,610,452)	(1,077,081)
Noncurrent	(1,054,027)	(1,545,933)
Operating financing	**(802,623)**	**(761,965)**
Current	(475,522)	(341,390)
Noncurrent	(327,101)	(420,575)
Gross indebtedness	**(3,467,102)**	**(3,384,979)**
Cash and cash equivalents, and interest-earning bank deposits	5,947,502	2,672,353
Net indebtedness (i)	**2,480,400**	**(712,626)**
Equity	**9,806,621**	**5,501,316**
Financial leverage ratio (ii)	**-25.29%**	**12.95%**

(i) Due to the funds raised by management, especially the restricted share offer on May 04, 2021, when it raised approximately R$ 3,978,000, the Company recorded cash and cash equivalents and interest-earning bank deposits above gross indebtedness.
(ii) Ratio obtained by dividing net debt by equity.

7 CASH AND CASH EQUIVALENTS, AND INTEREST-EARNING BANK DEPOSITS

7.1 Accounting policy

Cash equivalents are measured at fair value through profit or loss. It includes cash balance, demand deposits, short-term and highly liquid short-term interest-earning bank deposits, recorded at amounts similar to 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, with guarantee only in the secondary market, and measured at fair value through profit or loss.

7.2 Breakdown of cash and cash equivalents

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash and banks						
Domestic currency			105,780	82,419	209,537	95,958
Foreign currency			-	-	88,992	44,345
Cash equivalents						
CDB	CDI	96.0% to 105.25%	5,100,928	1,666,691	5,165,157	1,830,736
Investment funds	CDI	-	-	-	-	77,927
Automatic Investment	CDI	10.0%	9,500	12,301	9,500	12,301
Other cash equivalents	CDI	50.11% to 92.0%	29	28	16,231	5,514
Total			**5,216,237**	**1,761,439**	**5,489,417**	**2,066,781**

7.3 Breakdown of interest-earning bank deposits

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial National Treasury Bills	SELIC	101.0%	-	-	248,370	466,360
Exclusive investment funds (i)						
Financial bills	CDI	102.7%	180,054	115,468	180,054	115,468
Financial National Treasury Bills	SELIC	100.0%	29,661	23,744	29,661	23,744
Total			**209,715**	**139,212**	**458,085**	**605,572**

(i) Exclusive investment fund Brasil Plural Retail FI is fixed-income private credit fund managed and administered by BNY Mellon Serviços Financeiros DTVM S.A., organized for the sole purpose of holding interests of the parent company. So, the fund's financial investment was fully included in these financial statements, pursuant to CVM Ruling 408/04. Other obligations relating to this fund substantially refer to administrative fees for portfolio maintenance. Earnings recognized reflect the daily marking in the fund's position and its assets have liquidity through a secondary market.

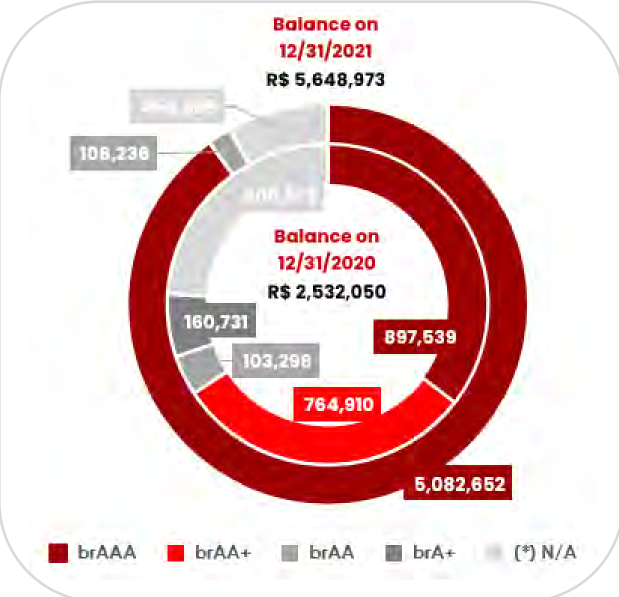
7.4 Credit risk

According to the company's financial policy, cash equivalents and interest-earning bank deposits are invested in financial institutions with long-term rating in domestic scale classified as low credit risk and that are renowned in the market for their soundness.

The ratings of cash equivalents are according to the main risk rating agencies.

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

(*) Not applicable, because there is no classification of risk in the main risk rating agencies for Funds – Brasil Plural Crédito Privado Retail FIRF and National Treasury Bills in national scale. However, these assets are rated AAA in at least one risk rating agency.



8 TRADE ACCOUNTS RECEIVABLE

8.1 Accounting policy

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

Fixed credit sales were brought to present value on transaction dates, based on the average rate informed by the Central Bank of Brazil for advanced receivables which was of 0.97% p.m. (0.63% at December 31, 2020). Present value adjustment is matched against inventories and its realization is recorded as sales revenue over the fruition term.

8.2 Breakdown

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Renner credit card (Private Label)	-	-	1,117,920	1,179,920
Renner credit card (Private Label) – Related parties	730,937	810,639	-	-
Branded c ard (Meu Cartão)	-	-	3,693,744	2,355,916
Branded card (Meu Cartão) – Related parties	703,918	359,772	-	-
Third-party cards	966,397	658,789	1,203,698	846,490
Exports - Related parties	32,025	38,484	-	-
Other receivables (i)	1,783	994	36,211	9,218
(-) Estimated credit losses	-	-	(583,139)	(548,109)
(-) Adjustment to present value	(48,632)	(29,455)	(55,553)	(31,767)
Total	**2,386,428**	**1,839,223**	**5,412,881**	**3,811,668**
Current assets	2,378,330	1,839,223	5,412,881	3,811,668
Noncurrent assets	8,098	-	-	-
Total	**2,386,428**	**1,839,223**	**5,412,881**	**3,811,668**

(i) As of December 31, 2021, receivables include R$ 28,228 referring to working capital transactions performed by Realize CFI and legal entities.

8.3 Estimated credit losses

Estimated credit losses are recorded using the general model of the *CPC* 48/ IFRS 9 methodology. The model adopted by the Company is based on measurement of expected loss, by observing the portfolio's operating efficiency, in recovering and granting credit, taking into consideration the probability of and exposure to default and effective loss in each late-payment bracket over the entire operation term.

Provision for estimated credit losses is the total considered sufficient by management to cover any losses on realization of receivables based on customer portfolio analysis.

This methodology consists in classifying credit operations 'on balance' and limits granted 'off balance', taking into consideration the segregation into portfolios (Renner credit card and Co-branded card ("Meu Cartão")), allocation of operations into three risk stages and sub segmentation in each group (such as customer profile, score or regions), and the calculation components presented below.

The three credit portfolio stages presented below consider the following expected loss calculation components: "PD, EAD and LGD".

Stage 1: Timely operations and with up to 30 days of delay, measurement of expected loss for the next 12 months, and credit limit active until the 8th day of delay;

Stage 2: Operations with 31 to 89 days of delay, measurement of expected loss over the contract lifetime;

Stage 3: Operations with delay of 90 days or more, measured considering only the effective loss given the default.

8.3.1 Changes in estimated credit losses

	Balances at 01/01/2020	Estimated (losses) reversals, net	Write-offs	Balances at 12/31/2020	Estimated (losses) reversals, net	Write-offs	Balances at 12/31/2021
Renner credit card (Private Label)	(25,965)	1,397	24,568	-	-	-	-
Total - Parent Company	**(25,965)**	**1,397**	**24,568**	**-**	**-**	**-**	**-**
Branded card	(287,892)	(372,060)	318,567	(341,385)	(367,903)	304,038	(405,250)
Renner credit card (Private Label)	(106,848)	(216,793)	116,917	(206,724)	(159,659)	188,494	(177,889)
Total - Consolidated	**(420,705)**	**(587,456)**	**460,052**	**(548,109)**	**(527,562)**	**492,532**	**(583,139)**

8.3.2 Changes in adjustment to present value

	Balances at 01/01/2020	Additions	Write-offs	Balances at 12/31/2020	Additions	Write-offs	Balances at 12/31/2021
Total - Parent Company	**(45,309)**	(92,532)	108,386	**(29,455)**	(124,150)	104,973	**(48,632)**
Total - Consolidated	**(48,817)**	(102,474)	119,524	**(31,767)**	(141,157)	117,371	**(55,553)**

8.4 Portfolio per credit product and delay range

	Consolidated					
	12/31/2021			12/31/2020		
Renner credit card (Private Label)	**Not yet due**	**Overdue**	**Balance**	**Not yet due**	**Overdue**	**Balance**
A - from 0 to 14 days	809,546	15,327	824,873	866,763	16,380	883,143
B - from 15 to 30 days	29,111	8,519	37,630	29,085	9,253	38,338
C - from 31 to 60 days	21,853	15,150	37,003	17,408	13,181	30,589
D - from 61 to 90 days	10,649	15,029	25,678	8,962	10,511	19,473
E - from 91 to 120 days	6,003	15,941	21,944	5,861	10,454	16,315
F - from 121 to 150 days	3,684	18,002	21,686	3,997	8,251	12,248
G - from 151 to 180 days	2,293	17,154	19,447	3,152	7,349	10,501
H – more than 180 days	7,481	122,178	129,659	12,273	157,040	169,313
Total	**890,620**	**227,300**	**1,117,920**	**947,501**	**232,419**	**1,179,920**

	Consolidated					
	12/31/2021			12/31/2020		
Branded card (*Meu Cartão*)	**Not yet due**	**Overdue**	**Balance**	**Not yet due**	**Overdue**	**Balance**
A - from 0 to 14 days	2,883,121	57,166	2,940,287	1,800,723	27,865	1,828,588
B - from 15 to 30 days	64,263	36,281	100,544	30,276	17,414	47,690
C - from 31 to 60 days	48,666	66,244	114,910	22,157	18,856	41,013
D - from 61 to 90 days	37,066	73,688	110,754	40,816	20,553	61,369
E - from 91 to 120 days	15,619	58,198	73,817	21,640	17,536	39,176
F - from 121 to 150 days	8,978	53,814	62,792	16,371	15,288	31,659
G - from 151 to 180 days	5,957	41,873	47,830	13,835	14,809	28,644
H – more than 180 days	39,845	202,965	242,810	84,681	193,096	277,777
Total	**3,103,515**	**590,229**	**3,693,744**	**2,030,499**	**325,417**	**2,355,916**

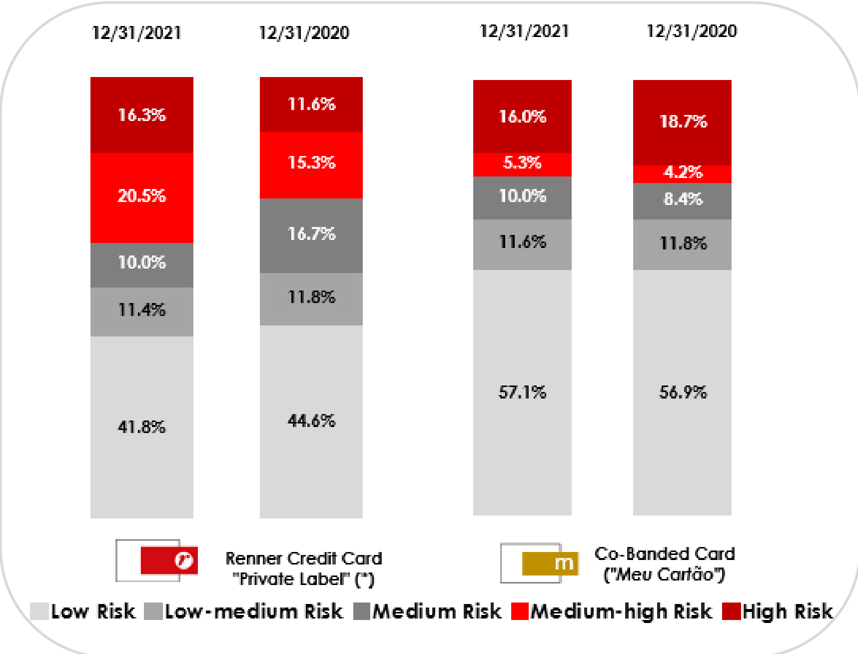
8.4.1 Breakdown of expected loss per on-balance and off-balance product

	Consolidated					
	12/31/2021			12/31/2020		
Renner credit card (Private Label)	**Portfolio**	**ADA**	**% Coverage**	**Portfolio**	**ADA**	**% Coverage**
On balance	1,117,920	172,252	15.4%	1,179,920	188,872	16.0%
Stage 1	*884,720*	*19,949*	*2.3%*	*942,135*	*28,286*	*3.0%*
Stage 2	*63,509*	*7,293*	*11.5%*	*41,020*	*5,311*	*12.9%*
Stage 3	*169,691*	*145,010*	*85.5%*	*196,765*	*155,275*	*78.9%*
Off balance	1,505,275	5,637	0.4%	2,859,347	17,852	0.6%
Grand total	**2,623,195**	**177,889**	**6.8%**	**4,039,267**	**206,724**	**5.1%**
Coverage rate on on-balance credit portfolio			15.9%			17.5%

	Consolidated					
	12/31/2021			12/31/2020		
Branded card (*Meu Cartão*)	**Portfolio**	**ADA**	**% Coverage**	**Portfolio**	**ADA**	**% Coverage**
On balance	3,693,744	388,586	10.5%	2,355,916	330,811	14.0%
Stage 1	*3,042,921*	*59,011*	*1.9%*	*1,878,047*	*38,457*	*2.0%*
Stage 2	*226,237*	*28,683*	*12.7%*	*105,430*	*12,906*	*12.2%*
Stage 3	*424,586*	*300,892*	*70.9%*	*372,439*	*279,448*	*75.0%*
Off balance	4,655,732	16,664	0.4%	2,854,369	10,574	0.4%
Grand total	**8,349,476**	**405,250**	**4.9%**	**5,210,285**	**341,385**	**6.6%**
Coverage rate on on-balance credit portfolio			11.0%			14.5%

8.5 Credit risk

The sales and credit grant policies of the Company aim at minimizing possible problems arising from the default of its customers through a judicious selection of the client balance, which takes into consideration their capacity to pay (credit analysis) and diversification of its operations (risk spread). These policies are subordinated to the credit policies set out by the 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 trade accounts receivable balance is as follows:

i) **Low Risk:** likelihood lower than or equal to 9.3% of being over 60 days past due.
ii) **Medium low risk:** likelihood higher than 9.3% and lower than or equal to 16.8% of being over 60 days past due.
iii) **Medium Risk:** customers with up to four months of Renner Credit Card or 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 over 60 days past due.
v) **High risk:** likelihood higher than 31.3% of being over 60 days past due.

(*) Since 2021 onwards, the Company included in the credit quality valuation base operations overdue up to 360 days rather than up to 180 days as previously recorded in the parent company. For comparability purposes, the 2020 base was updated by the same criteria.

Receivables from sales using third-party credit cards are not included in this analysis since these amounts are subject to a low risk of default by the card issuer, with no historical losses or expected future losses.

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

9 INVENTORIES

9.1 Accounting policy

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 from or losses on 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 at transaction date, when applicable. Present value adjustment is matched against inventories and its realization is recorded as selling expenses upon realization. The discount rate used for adjusting inventory balances to present value is the average discount rate observable in the market informed by the Central Bank of Brazil for trade notes. The rate used was 1.21% p.m. (1.14% p.m. at December 31, 2020).

9.2 Breakdown

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Goods for resale	1,046,576	984,942	1,331,436	1,169,601
Imports in transit	254,413	193,170	288,245	238,994
Advances to suppliers	20,424	18,464	20,438	18,464
Auxiliary materials and warehouse	9,307	5,534	12,740	8,078
Adjustment to present value	(23,251)	(23,256)	(26,179)	(25,999)
Estimated losses	(18,420)	(26,615)	(17,120)	(27,476)
Total	**1,289,049**	**1,152,239**	**1,609,560**	**1,381,662**

The Company has a balance of advances related to confirming agreement with a balance of R$ 20,424 on December 31, 2021 in the Parent Company and Consolidated (R$ 18,464 on December 31, 2020), which will be fully reversed into inventory goods.

9.2.1 Changes in adjustment to present value

	Balances at 01/01/2020	Additions	Write-offs	Balances at 12/31/2020	Additions	Write-offs	Balances at 12/31/2021
Total - Parent Company	**(17,582)**	(63,520)	57,846	**(23,256)**	(75,393)	75,398	**(23,251)**
Total - Consolidated	**(19,285)**	(68,154)	61,440	**(25,999)**	(81,313)	81,133	**(26,179)**

9.2.2 Estimated inventory losses

	Parent Company	Consolidated
Balance at January 1, 2020	**(21,132)**	**(26,311)**
(-) Estimated losses, net	(54,279)	(58,734)
(+) Actual loss	48,796	53,687
(+/-) Translation adjustments	-	3,882
Balance at December 31, 2020	**(26,615)**	**(27,476)**
(-) Estimated losses, net	(84,827)	(97,764)
(+) Actual loss	93,022	107,791
(+/-) Translation adjustments	-	329
Balance at December 31, 2021	**(18,420)**	**(17,120)**

After implementation of the Radio Frequency Product Identification systema (RFID) initially in the parent company, and subsequently in LRU and LRA, it was possible to increase the frequency of inventory counts for most inventories and recognize the effects of these inventories in the year directly in P&L, without recording such amounts in estimated losses.

10 RECOVERABLE TAXES

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
State VAT (ICMS)	186,942	152,239	243,439	199,125
ICMS – PP&E	119,075	41,297	125,148	46,400
Income and social contribution taxes (i)	59,470	43,373	78,229	73,146
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and Social Security Financing (COFINS) (ii)	890,966	1,252,670	905,541	1,254,412
Tax credits from foreign subsidiaries	-	-	31,072	39,130
Other recoverable taxes	19,963	10,465	28,860	10,895
Adjustment to present value (iii)	-	-	(11,657)	-
Total	**1,276,416**	**1,500,044**	**1,400,632**	**1,623,108**
Current assets	766,524	863,933	849,389	961,997
Noncurrent assets	509,892	636,111	551,243	661,111
Total	**1,276,416**	**1,500,044**	**1,400,632**	**1,623,108**

(i) **Non-levy of income and social contribution taxes on adjustments by reference to SELIC of taxes unduly paid:** In September 2021, the Brazilian Supreme Court (STF), on judging the merits of Appeal to the Supreme Court (RE) No. 1.063.187, established its understanding of Matter No. 962 in the sense that "...the levy of Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) on amounts referring to Selic rate received by reason of refund of overpaid taxes is unconstitutional".
The Company recorded claims filed for the Parent Company and Subsidiaries. A preliminary court decision has already been issued in the Parent Company's proceeding, enabling the Company to cease calculating aforementioned taxes on Selic received in connection with the overpaid taxes refunded since 2018, from when the effects are already recorded in P&L.
The proceedings of the Parent Company and of the subsidiaries are still pending a final unappealable decision. There is no way to ensure when the estimated amounts will actually be realized. However, according with *ICPC* 22/IFRIC 23 and *CPC* 32/IAS 12 resolutions, management recorded the tax credits referring to the period from 2010 to 2015, in the restated amount of R$ 8,937 – Parent Company and, in subsidiary Youcom, referring to 2019, in the restated amount of R$ 399, to be offset only after a final unappealable decision is issued on the respective proceedings.
The other amounts refer to credits calculated in the normal course of business.

(ii) **ICMS in PIS/COFINS base:** The lawsuit filed by the parent company claiming recognition of the right to exclude ICMS from the PIS and COFINS base and to offset the unduly-paid amounts was awarded in a final unappealable decision in May 2020 favorable to the parent company and was not affected by the limitation of the effects of the decision in time recognized by STF in RE 574.706.
Management expects that the tax credits, whose restated balance on December 31, 2021 net of amounts already offset totals R$ 866,406 (R$ 1,241,314 at December 31, 2020) – Parent Company, will be offset until the second quarter of 2023.
In addition, in 3Q2021, Camicado was awarded a final unappealable decision on the same matter. The restated amount is of R$ 11,644, net of offsets.

(iii) **Adjustment to present value:** Taking into consideration the hyperinflation scenario in Argentina and that the period for tax recovery is of over a year, the present value adjustment in direct subsidiary LRA was adopted. The discount rate used for adjusting the balances to present value was of 50.57% observed in the market through Banco Nacional da Argentina.

11 OTHER ASSETS

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Prepaid expenses (i)	20,596	6,307	28,366	9,858
Judicial deposits (ii)	49,569	4,701	55,555	4,856
Advances to third parties	16,320	18,257	24,256	28,096
Advance to employees	8,387	7,838	9,347	8,709
Credits from agreements with suppliers (iii)	84,572	4,780	84,572	4,780
Insurance indemnities in progress	18,500	164	18,604	315
Insurance commissions receivable	-	-	4,409	3,740
Other accounts receivable	17,835	12,257	41,713	16,144
Other accounts receivable – related parties	1,732	1,836	-	-
Total	**217,511**	**56,140**	**266,822**	**76,498**
Current assets	101,835	46,093	141,084	63,651
Noncurrent assets	115,676	10,047	125,738	12,847
Total	**217,511**	**56,140**	**266,822**	**76,498**

(i) This refers mainly to system support services.

(ii) This refers mainly to judicial deposits relating to ICMS Rate Difference (EC 87/2015) in remote sales, pursuant to decision issued by STF on Notice of Claim of Unconstitutionality No. 5469 filed before 02/24/2021, and to judicial deposits relating to Withholding Income Tax (IRRF) on installments considered by the tax authorities as of a compensation nature but which, as understood by management and Company legal advisors, are of a commercial nature.

(iii) Balances of agreements with suppliers referring to transfers to the Brazilian Development Bank (BNDES).

12 INCOME AND SOCIAL CONTRIBUTION TAXES

12.1 Accounting policy

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

In calculating current and deferred income tax, the Company takes into consideration the impact of uncertainties relating to the tax positions assumed. Management believes that provision for income tax in liabilities is appropriate based on analysis of various factors including interpretation of the tax laws and opinion of Company legal advisors.

12.2 Breakdown of deferred taxes

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Taxable event	**IRPJ/CSLL**	**IRPJ/CSLL**	**IRPJ/CSLL**	**IRPJ/CSLL**
Estimated losses in assets	8,748	9,049	134,735	104,537
Provisions for tax, civil and labor risks	44,575	36,905	54,587	47,271
Adjustment to present value	22,085	15,308	25,654	18,241
Provision for employee profit sharing	52,986	7,880	55,986	8,713
Restricted share plan	10,966	9,129	10,966	9,129
Income and social contribution tax losses (i)	128,661	55,392	240,928	167,389
Equity valuation adjustments - hedge	-	8,647	-	9,435
Swap from loans	-	-	617	-
Leases payable	64,996	41,225	73,632	50,689
Other provisions	4,169	175	12,126	6,339
Deferred tax assets	**337,186**	**183,710**	**609,231**	**421,743**
Goodwill on acquisition of equity interest	-	-	(39,671)	(35,100)
Appreciation of assets	-	-	(9,704)	(10,361)
Difference between useful life for corporate purposes v. tax purposes	(81,529)	(63,303)	(89,652)	(73,462)
Equity valuation adjustments - hedge	(7,040)	-	(8,176)	-
Swap from loans	-	(16,205)	-	(22,988)
Other provisions	-	(412)	(7,883)	(2,907)
Deferred tax liabilities	**(88,569)**	**(79,920)**	**(155,086)**	**(144,818)**
Net total	**248,617**	**103,790**	**454,145**	**276,925**
Current assets	248,617	103,790	457,537	276,925
Noncurrent assets	-	-	(3,392)	-
Net total	**248,617**	**103,790**	**454,145**	**276,925**

(i) Credits recognized on income and social contribution tax losses of the Parent Company and of subsidiaries Camicado, Youcom and LRS are supported by year-end reviews, to identify the generation of future taxable bases and allow these credits to be recovered. In December 2021, credits were reversed in the Subsidiaries, since the study demonstrated that the recovery of these amounts was unfeasible.

The rates for companies headquartered in Brazil are of 25% Corporate Income Tax (IRPJ) and 9% Social Contribution on Net Profit (CSLL), except for indirect subsidiary Realize CFI, which is subject to 25% IRPJ and 15% CSLL. Foreign companies are subject to income tax from 25% to 30%.

The Company offsets deferred assets against deferred liabilities of the parent company and subsidiaries separately.

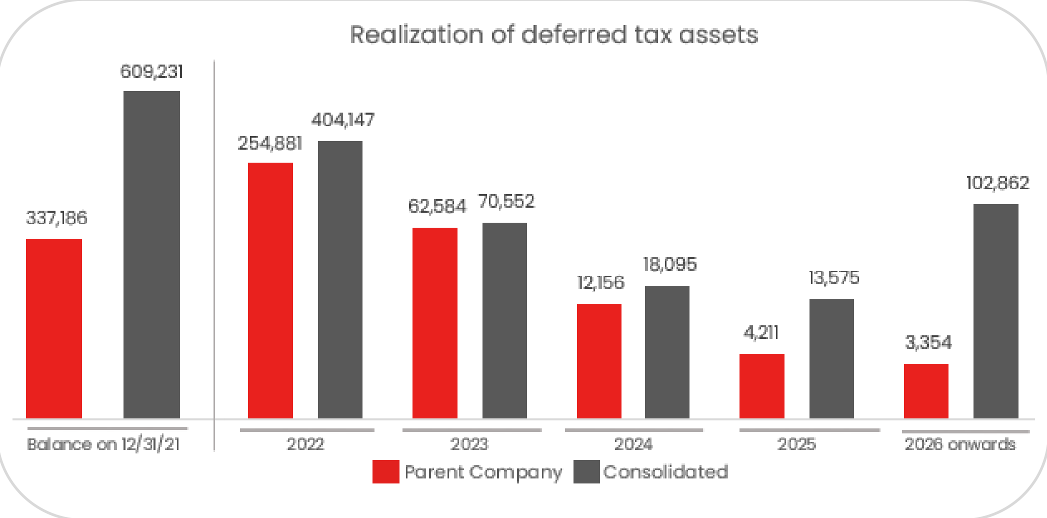
12.3 Changes in deferred taxes, net

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

	Parent Company	Consolidated
Balance at January 1, 2020	**89,469**	**209,218**
Recognized in profit or loss	6,503	58,321
Recognized in other comprehensive income	7,818	7,688
Translation adjustments	-	1,698
Balance at December 31, 2020	**103,790**	**276,925**
Recognized in profit or loss	160,514	188,330
Recognized in other comprehensive income	(15,687)	(17,016)
Translation adjustments	-	5,906
Balance at December 31, 2021	**248,617**	**454,145**

12.4 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 assessment is supported by technical feasibility studies that demonstrate projected future taxable profits and allow such credits to be recovered within a period not above 10 years. Also, estimated deferred tax realization involves uncertainties of other estimates. In December 2021, credits were reversed in the Subsidiaries, since the study demonstrated that the recovery of these amounts was unfeasible.



12.5 Analysis of effective rate for income and social contribution taxes

Reconciliation between the tax expense as calculated by the combined statutory rates and income and social contribution tax expenses charged to profit or loss is as follows:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Profit or loss before income and social contribution taxes	**560,022**	**1,230,394**	**639,853**	**1,200,761**
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	**(190,407)**	**(418,334)**	**(217,550)**	**(408,259)**
Permanent (additions) exclusions:				
Stock option plan expense	(5,219)	(7,763)	(5,219)	(7,763)
Profit or loss from ownership interest	23,152	(21,645)	-	-
Interest on equity	131,878	81,878	131,878	81,878
Management fees	(1,688)	(341)	(1,688)	(341)
Tax benefits (PAT)	2,058	4,341	2,730	4,468
Investment grant (i)	94,023	22,193	95,654	22,977
Incentive for technological innovation (Law No. 11196/2005)	5,289	5,129	11,073	7,623
Income and social contribution tax differences of subsidiaries	-	-	(19,163)	(3,769)
Recovery – loan transactions	-	-	266	12,051
Reversal of non-recoverable deferred taxes	-	-	(17,301)	-
Monetary adjustments	-	-	(2,919)	(11,691)
Other exclusions (ii)	13,986	200,405	15,404	198,280
Portion exempt from 10% surtax	18	12	94	54
Income and social contribution taxes in P&L	**73,090**	**(134,125)**	**(6,741)**	**(104,492)**
Current	(87,424)	(140,628)	(195,071)	(162,813)
Deferred	160,514	6,503	188,330	58,321
Effective tax rate	**-13.05%**	**10.90%**	**1.05%**	**8.70%**

(i) The Company enjoys benefits and tax incentives relating to ICMS in certain states where it operates. These incentives are considered investment grants under the terms of Supplementary Law No. 160/2017 and, when computed, are allocated to the Tax incentive reserve (Note 27.4.3). The incentive-related funds are not distributed as dividends and may be transferred to capital. According to *ICPC* 22 (IFRIC 23), the management carried out with the suport of its legal advisors, an analysis of the acceptability of the tax assessment described, concluding that it is probable that the tax authority will accept it.

(ii) These amounts refer mostly to exclusion of Selic interest in the refund of overpaid tax amounts under the terms of legal decisions in proceedings of which the Company is party and by decision on merit in connection with RE No. 1.063.187 with general resonance by the Brazilian Supreme Court (Note 10).

13 INVESTMENTS

13.1 Breakdown of investments

In the Parent Company financial statements, Company investments are recorded under the equity method.

	Parent Company	
	12/31/2021	12/31/2020
Investments in subsidiaries	2,016,898	1,593,965
Goodwill on asset appreciation	1,290	1,290
Total	**2,018,188**	**1,595,255**

13.2 Changes in investments in subsidiaries

Subsidiaries	Balance at 12/31/2020	Capital contribution	Business combination (i)	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Balance at 12/31/2021
RACC	**1,985**	-	-	2,555	-	(3,057)	**1,483**
Dromegon	**11,331**	-	-	4,618	-	(5,114)	**10,835**
Camicado	**514,722**	159,222	-	(31,704)	1,921	-	**644,161**
Youcom	**170,527**	-	-	(141)	654	-	**171,040**
LRS	**9,287**	-	-	(6,598)	2,704	-	**5,393**
Realize Participações S.A.	**580,808**	-	-	123,925	-	-	**704,733**
LRU	**165,251**	-	-	19,792	2,314	-	**187,357**
LRA	**138,758**	8,017	-	(33,407)	46,152	-	**159,520**
Realize CFI	**3**	-	-	1	-	-	**4**
Lojas Renner Trading Uruguay	**1,293**	4,132	-	(3,923)	(76)	-	**1,426**
Repassa	**-**	7,970	130,000	(7,024)	-	-	**130,946**
Total	**1,593,965**	**179,341**	**130,000**	**68,094**	**53,669**	**(8,171)**	**2,016,898**

(i) This refers to identifiable net assets acquired, goodwill on trademark and goodwill.

Subsidiaries	Balance at 01/01/2020	Capital contribution	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Balance at 12/31/2020
RACC	**1,647**	-	3,423	-	(3,085)	**1,985**
Dromegon	**11,443**	-	3,729	-	(3,841)	**11,331**
Camicado	**406,766**	128,778	(21,149)	327	-	**514,722**
Youcom	**142,244**	44,211	(15,854)	(74)	-	**170,527**
LRS	**9,750**	313	(2,589)	1,813	-	**9,287**
Realize Participações S.A.	**550,744**	-	30,064	-	-	**580,808**
LRU	**142,631**	16,900	(15,083)	20,803	-	**165,251**
LRA	**114,820**	37,095	(45,040)	31,883	-	**138,758**
Realize CFI	**3**	-	-	-	-	**3**
Lojas Renner Trading Uruguay	**1,938**	-	(1,164)	519	-	**1,293**
Total	**1,381,986**	**227,297**	**(63,663)**	**55,271**	**(6,926)**	**1,593,965**

13.3 Supplementary information on subsidiaries

Information on investments in subsidiaries. Direct and indirect interests held by the Company represent 100%.

Subsidiaries 2021	Control	Interests	Total Assets	Total Liabilities	Equity	Net income (loss)
RACC	Direct	99.9%	2,750	1,267	1,483	2,555
Dromegon	Direct	99.9%	11,092	257	10,835	4,618
Camicado	Direct	100.0%	976,909	332,748	644,161	(31,704)
Youcom	Direct	100.0%	335,588	164,548	171,040	(141)
LRS	Direct	100.0%	20,136	14,743	5,393	(6,598)
Realize Participações S.A.	Direct	99.9%	704,789	4	704,785	123,934
LRU (i)	Direct	100.0%	292,604	103,743	188,861	19,292
LRA (i)	Direct	100.0%	296,337	136,391	159,946	(33,396)
Realize CFI	Indirect	0.1%	5,032,417	4,327,932	704,485	123,944
Lojas Renner Trading Uruguay	Direct	100.0%	16,725	15,299	1,426	(3,923)
Repassa	Direct	100.0%	11,020	8,571	2,449	(7,024)

Subsidiaries 2020	Control	Interests	Total Assets	Total Liabilities	Equity	Net income (loss)
RACC	Direct	99.9%	5,085	3,100	1,985	3,423
Dromegon	Direct	99.9%	11,535	204	11,331	3,729
Camicado	Direct	100.0%	817,354	302,632	514,722	(21,149)
Youcom	Direct	100.0%	277,586	107,059	170,527	(15,854)
LRS	Direct	100.0%	18,543	9,256	9,287	(2,589)
Realize Participações S.A.	Direct	99.9%	580,855	5	580,850	30,066
LRU (i)	Direct	100.0%	261,888	94,635	167,253	(14,605)
LRA (i)	Direct	100.0%	281,946	142,773	139,173	(43,731)
Realize CFI	Indirect	0.1%	3,902,709	3,322,170	580,539	30,069
Lojas Renner Trading Uruguay	Direct	100.0%	15,564	14,271	1,293	(1,164)

(i) Amounts relating to subsidiaries' P&L, not affected by unrealized profits in inventories.

14 PP&E AND INTANGIBLE ASSETS

14.1 Accounting policy

PP&E and intangible assets are recorded at the cost of acquisition, formation or installation of stores, less accumulated depreciation or amortization. Calculation is based on the linear method at rates that consider the estimated useful lives of assets, as follows:

Fixed Assets. Annual Rates | Useful Life

FIXED ASSETS

- **Buildings** 1.66% | 60 years
- **Facilities** 5 a 10% | 10 a 20 years
- **Machinery and equipment** 5 a 10% | 10 a 20 years
- **Leasehold improvements** 10% | 10 years
- **Furniture and utensils** 10 a 25% | 4 a 10 years
- **Vehicles** 20% | 5 years
- **Computers and peripherals** 10 a 33.3% | 3 a 10 years

INTANGIBLE ASSETS

- **IT systems** 12.5 a 20% | 5 a 8 years
- **Real property rights-of-use** 10% | 10 years

As a procedure, the Company annually reviews the fixed and intangible assets based on technical assessments from specialized employees and aiming at:

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.

As at December 31, 2021, the management reviewed the future projections of its cash-generating units (UGC), using WACC discount rate over 10 years, and didn't identified factors indicating significant impairment losses. In addition, the management did not reassess or identify slow-moving property and equipment items.

14.2 Breakdown of PP&E

	Parent Company					
	12/31/2021			12/31/2020		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	**288**	288	-	**288**
Properties	61,898	(4,264)	**57,634**	61,898	(3,439)	**58,459**
Furniture and fixtures	459,504	(258,414)	**201,090**	422,727	(222,699)	**200,028**
Facilities	564,515	(297,599)	**266,916**	524,433	(266,896)	**257,537**
Machinery and equipment	288,855	(156,752)	**132,103**	269,507	(143,610)	**125,897**
Leasehold improvements	1,890,393	(1,175,900)	**714,493**	1,760,527	(1,021,820)	**738,707**
Vehicles	1,524	(653)	**871**	1,424	(562)	**862**
Computers and peripherals	304,493	(175,021)	**129,472**	259,715	(148,114)	**111,601**
PP&E in progress	755,582	-	**755,582**	293,017	-	**293,017**
Total	**4,327,052**	**(2,068,603)**	**2,258,449**	**3,593,536**	**(1,807,140)**	**1,786,396**

	Consolidated					
	12/31/2021			12/31/2020		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	**288**	288	-	**288**
Properties	76,965	(10,144)	**66,821**	76,965	(9,319)	**67,646**
Furniture and fixtures	549,563	(299,809)	**249,754**	505,892	(255,515)	**250,377**
Facilities	625,398	(327,318)	**298,080**	583,571	(292,648)	**290,923**
Machinery and equipment	314,027	(162,421)	**151,606**	291,093	(147,367)	**143,726**
Leasehold improvements	2,258,884	(1,305,942)	**952,942**	2,089,477	(1,113,903)	**975,574**
Vehicles	1,525	(653)	**872**	1,424	(562)	**862**
Computers and peripherals	343,457	(192,908)	**150,549**	287,350	(160,366)	**126,984**
PP&E in progress	779,947	-	**779,947**	297,880	-	**297,880**
Total	**4,950,054**	**(2,299,195)**	**2,650,859**	**4,133,940**	**(1,979,680)**	**2,154,260**

14.3 Reconciliation of net book value of PP&E

14.3.1 Parent Company

Book value	Balance at 01/01/2020	Additions	Transfers	Write-offs	Reversal of estimated losses	Depreciation	Balance at 12/31/2020	Additions (i)	Transfers	Write-offs	Estimated losses	Depreciation	Balance at 12/31/2021
Land	**288**	-	-	-	-	-	**288**	-	-	-	-	-	**288**
Properties	**59,285**	-	-	-	-	(826)	**58,459**	-	-	-	-	(825)	**57,634**
Furniture and fixtures	**231,866**	6,378	17,393	(11,174)	8,204	(52,639)	**200,028**	14,709	22,530	(179)	-	(35,998)	**201,090**
Facilities	**266,353**	6,347	9,570	(1,566)	256	(23,423)	**257,537**	15,713	25,527	(26)	(1,027)	(30,808)	**266,916**
Machinery and equipment	**127,920**	5,919	3,279	(1,607)	206	(9,820)	**125,897**	7,935	12,563	(67)	(947)	(13,278)	**132,103**
Leasehold improvements	**826,467**	25,861	37,756	(2,936)	1,795	(150,236)	**738,707**	42,105	92,833	(89)	(4,925)	(154,138)	**714,493**
Vehicles	**1,164**	-	-	(101)	-	(201)	**862**	264	-	(82)	-	(173)	**871**
Computers	**112,195**	3,913	20,810	(7,281)	5,502	(23,538)	**111,601**	12,393	33,693	(191)	(342)	(27,682)	**129,472**
PP&E in progress	**188,715**	193,146	(88,808)	(36)	-	-	**293,017**	649,712	(187,146)	(1)	-	-	**755,582**
Total	**1,814,253**	**241,564**	**-**	**(24,701)**	**15,963**	**(260,683)**	**1,786,396**	**742,831**	**-**	**(635)**	**(7,241)**	**(262,902)**	**2,258,449**

14.3.2 Consolidated

Book value	Balance at 01/01/2020	Additions	Transfers	Write-offs	Reversal of estimated losses	Deprec.	Translation adjustment/ Monetary adjustment	Balance at 12/31/2020	Additions (i)	Additions due to acquisition of subsidiary	Transfers	Write-offs	Estimated losses	Deprec.	Translation adjustment/ Monetary adjustment	Balance at 12/31/2021
Land	**288**	-	-	-	-	-	-	**288**	-	-	-	-	-	-	-	**288**
Properties	**68,472**	-	-	-	-	(826)	-	**67,646**	-	-	-	-	-	(825)	-	**66,821**
Furniture and fixtures	**277,831**	10,076	25,416	(13,945)	8,608	(60,242)	2,633	**250,377**	16,144	272	25,123	(179)	(233)	(44,007)	2,257	**249,754**
Facilities	**301,118**	8,802	11,283	(3,169)	480	(28,386)	795	**290,923**	17,125	-	25,930	(99)	(1,335)	(34,790)	326	**298,080**
Machinery and equipment	**142,822**	5,821	4,627	(1,810)	264	(11,118)	3,120	**143,726**	8,153	-	12,963	(204)	(970)	(14,829)	2,767	**151,606**
Leasehold improvements	**1,058,341**	35,892	54,382	(8,322)	3,708	(182,430)	14,003	**975,574**	50,980	1,541	101,712	(570)	(5,667)	(191,148)	20,520	**952,942**
Vehicles	**1,165**	-	-	(102)	-	(201)	-	**862**	265	-	-	(82)	-	(173)	-	**872**
Computers	**124,343**	6,673	27,218	(8,689)	5,566	(29,086)	959	**126,984**	14,193	445	41,220	(186)	(475)	(32,802)	1,170	**150,549**
PP&E in progress	**199,330**	216,535	(122,926)	(786)	-	-	5,727	**297,880**	689,047	-	(206,948)	(45)	-	-	13	**779,947**
Total	**2,173,710**	**283,799**	**-**	**(36,823)**	**18,626**	**(312,289)**	**27,237**	**2,154,260**	**795,907**	**2,258**	**-**	**(1,365)**	**(8,680)**	**(318,574)**	**27,053**	**2,650,859**

(i) Out of total acquisitions in the year – Parent Company and Consolidated, R$ 132,216 will be paid in 2022 and 2023.

The main natures that make up the group of PP&E in progress refer to the opening of the Company's new stores and distribution centers.

14.4 Breakdown of intangible assets

	Parent Company					
	12/31/2021			12/31/2020		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	1,085,770	(634,048)	**451,722**	1,004,211	(532,676)	**471,535**
Right-of-use properties	77,590	(55,656)	**21,934**	69,077	(51,904)	**17,173**
Trademarks and patents	6,978	(83)	**6,895**	6,755	(83)	**6,672**
Intangible assets in progress	175,520	-	**175,520**	92,333	-	**92,333**
Total	**1,345,858**	**(689,787)**	**656,071**	**1,172,376**	**(584,663)**	**587,713**

	Consolidated					
	12/31/2021			12/31/2020		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	1,378,755	(716,398)	**662,357**	1,219,527	(584,533)	**634,994**
Right-of-use properties	121,056	(73,768)	**47,288**	103,764	(65,639)	**38,125**
Trademarks and patents	56,944	(83)	**56,861**	35,508	(83)	**35,425**
Intangible assets - other	3,500	(3,500)	**-**	3,836	(3,500)	**336**
Intangible assets in progress	217,171	-	**217,171**	115,077	-	**115,077**
Goodwill	223,963	-	**223,963**	116,679	-	**116,679**
Total	**2,001,389**	**(793,749)**	**1,207,640**	**1,594,391**	**(653,755)**	**940,636**

14.5 Reconciliation of net book value of intangible assets

14.5.1 Parent Company

Book value	Balance at 12/31/2020	Additions	Transfers	Write-offs	Estimated losses	Amortization	Balance at 12/31/2021
IT systems	**471,535**	2,740	78,872	(20)	(35)	(101,370)	**451,722**
Right-of-use properties	**17,173**	1,662	6,885	-	(33)	(3,753)	**21,934**
Trademarks and patents	**6,672**	223	-	-	-	-	**6,895**
Intangible assets in progress	**92,333**	168,952	(85,757)	(8)	-	-	**175,520**
Total	**587,713**	**173,577**	**-**	**(28)**	**(68)**	**(105,123)**	**656,071**

Book value	Balance at 01/01/2020	Additions	Transfers	Write-offs	Estimated losses	Amortization	Balance at 12/31/2020
IT systems	**314,472**	91,907	146,358	(10)	10	(81,202)	**471,535**
Right-of-use properties	**20,610**	-	(223)	(872)	872	(3,214)	**17,173**
Trademarks and patents	**6,436**	236	-	-	-	-	**6,672**
Intangible assets in progress	**128,193**	110,275	(146,135)	-	-	-	**92,333**
Total	**469,711**	**202,418**	**-**	**(882)**	**882**	**(84,416)**	**587,713**

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.

14.5.2 Consolidated

Book value	Balance at 12/31/2020	Additions	Additions due to acquisition of subsidiary	Transfers	Write-offs	Estimated losses	Amortization	Translation adjustments	Balance at 12/31/2021
IT systems	**634,994**	59,424	-	95,604	(20)	(37)	(131,340)	3,732	**662,357**
Right-of-use properties	**38,125**	3,449	-	12,047	-	(316)	(7,656)	1,639	**47,288**
Trademarks and patents	**35,425**	222	21,214	-	-	-	-	-	**56,861**
Intangible assets - other	**336**	-	-	(336)	-	-	-	-	**-**
Intangible assets in progress	**115,077**	207,177	2,096	(107,315)	(8)	-	-	144	**217,171**
Goodwill	**116,679**	-	107,284	-	-	-	-	-	**223,963**
Total	**940,636**	**270,272**	**130,594**	**-**	**(28)**	**(353)**	**(138,996)**	**5,515**	**1,207,640**

Book value	Balance at 01/01/2020	Additions	Transfers	Write-offs	Estimated losses	Amortization	Translation adjustments	Balance at 12/31/2020
IT systems	**452,273**	124,675	160,810	(769)	11	(105,794)	3,788	**634,994**
Right-of-use properties	**39,096**	198	3,366	(1,460)	1,460	(6,544)	2,009	**38,125**
Trademarks and patents	**34,768**	657	-	-	-	-	-	**35,425**
Intangible assets - other	**-**	-	336	-	-	-	-	**336**
Intangible assets in progress	**141,419**	134,647	(164,512)	-	-	-	3,523	**115,077**
Goodwill	**116,679**	-	-	-	-	-	-	**116,679**
Total	**784,235**	**260,177**	**-**	**(2,229)**	**1,471**	**(112,338)**	**9,320**	**940,636**

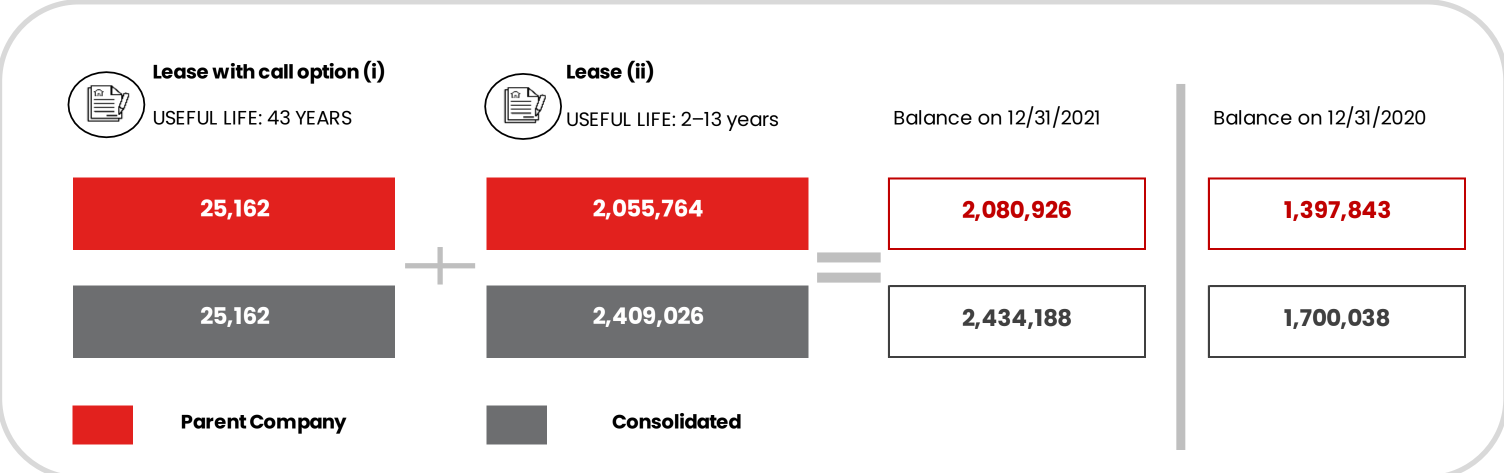
15 RIGHTS-OF-USE

CPC 06 (R2)/IFRS 16 requires for all lease contracts within the scope of the standard - unless they are covered by exemption - that lessees recognize assumed liabilities against respective right-of-use assets.

15.1 Accounting policy

The Company chose to use the practical expedient for transition and don't consider initial costs for measurement of right-of-use assets that correspond to initial lease liability value plus initial direct costs incurred, thus maintaining the initial lease liability value. Depreciation is calculated on a linear basis over the remaining term of the contracts.

15.2 Breakdown of rights-of-use



(i) This corresponds to the headquarter building.

(ii) This corresponds to lease of commercial spaces, distribution centers and other administrative offices.

15.3 Changes in rights-of-use

	Parent Company	Consolidated
Balance at January 1, 2020	**1,344,150**	**1,634,690**
(+) Remeasurement	153,053	209,038
(+/-) New contracts / Ended contracts	203,384	218,887
(-) Depreciation	(302,744)	(366,409)
(+/-) Translation adjustment/ Monetary adjustment	-	3,832
Balance at December 31, 2020	**1,397,843**	**1,700,038**
(+) Remeasurement	335,422	409,135
(+) Acquisition – business combination (i)	-	3,813
(+/-) New contracts / Ended contracts	725,722	770,323
(-) Depreciation	(378,061)	(458,500)
(+/-) Translation adjustment/ Monetary adjustment	-	9,379
Balance at December 31, 2021	**2,080,926**	**2,434,188**

(i) Opening balance refers to Repassa acquisition – business combination (Note 3.7).

16 IMPAIRMENT TEST OF GOODWILL AND INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE

16.1 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), according to management's views. Non-financial assets, except goodwill, that have been impaired, are subsequently reviewed for possible reversal of the impairment at each reporting date.

16.2 Camicado

16.2.1 Evaluation of the recoverable amount

Book value of goodwill and trademark allocated in Camicado is R$ 144,741 (R$ 144,741 on December 31, 2020).

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 10-year period considering the following assumptions:

i) Revenues: projected from 2022 to 2031, considering historical growth in sales, and an increase in sales through the plan to open new stores and digital initiatives;
ii) Costs and expenses: projected in the same year according to store dynamics and seeking synergy of expenses through the Parent Company;
iii) Discount rate: prepared taking into consideration information on the retail segment, in which Camicado operates. The discount rate used was 13.3% p.a. (13.0% p.a. on December 31, 2020); and
iv) Growth rate in perpetuity: 6.5% p.a. (6,5% p.a. on December 31, 2020).

As at December 31, 2021, the Company tested these assets for impairment and concluded that there are no factors indicating losses due to impairment, given that the recoverable amount exceeded book value.

On August 31, 2021, as part of Repassa acquisition process, goodwill and appreciation of the brand (Note 3.7) were identified. The carrying amount of goodwill and brand is of R$ 128,498, according to appraisal report issued by a specialized advisory firm, in the period of acquisition. Since this occurred close to presentation of these financial statements, management is of the understanding that the assumptions that support these amounts remain valid and, therefore, concluded that the amounts invested may be recovered.

16.2.2 Sensitivity analysis

The Company conducted a sensitivity analysis on the discount and growth rates of Camicado. An increase or decrease of 1% in the discount rate and of 0.5% in the growth rate in perpetuity were considered, as demonstrated in the table below.

	Discount rate			Perpetuity rate		
	Probable scenario	1% increase	1% decrease	Probable scenario	0.5% increase	0.5% decrease
Change in discounted cash flow	13.3%	(130,149)	177,470	6.5%	49,086	(42,362)

17 LOANS, FINANCING AND DEBENTURES

17.1 Accounting policy

The balances of loans, financing and debentures are initially recognized at fair value upon receipt and are subsequently measured at amortized cost as provided for by contract (plus charges, interest calculated at effective rate, inflation and currency fluctuation adjustments, and amortization charges incurred up to statement of financial position dates).

The balance of loan for working capital (Law No. 4.131/Bacen) is measured at fair value, which reflects current market expectations according to future values, using the discounted cash flow valuation technique (conversion of future cash flows into single value).

17.2 Breakdown of loans, financing and debentures

			Parent Company		Consolidated	
Description	**Charges (p.a.)**	**Maturity**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
In domestic currency						
Debentures 9th issuance - single series (i)	103.9% of CDI	10/10/2022	406,955	401,649	406,955	401,649
Debentures 10th issuance - single series	-	-	-	518,855	-	518,855
Debentures 11th issuance – 1st series (i)	CDI + 3.00%	05/05/2022	305,101	302,255	305,101	302,255
Debentures 11th issuance – 2nd series (i)	CDI + 3.04%	11/05/2022	203,413	201,515	203,413	201,515
Debentures 12th issuance - single series (i)	CDI + 1.60%	02/18/2025	1,030,736	-	1,030,736	-
Debentures - Structuring costs	-	-	(3,992)	(5,177)	(3,992)	(5,177)
Working capital – Law No. 4131	-	-	-	313,740	-	313,740
Working capital – CCB (ii)	CDI + 2.65%	07/07/2022	156,506	153,376	156,506	153,376
Working capital – CCB (ii)	148.0% of CDI	11/16/2022	100,412	100,033	100,412	100,033
Working capital – CCB (ii)	140.0% of CDI	11/25/2022	404,779	401,005	404,779	401,005
Working capital – CCB (ii)	3.80%	06/04/2023	-	-	53	-
Working capital - Structuring costs	-	-	(1,729)	(3,607)	(1,729)	(3,607)
In foreign currency						
Working capital – Law No. 4131	-	-	-	247,577	-	302,698
Working capital – Law 4131 (iii)	€ + 1.05%	10/16/2023	-	-	60,431	-
(+/-) Swap – working capital	-	-	-	(47,662)	-	(63,328)
(+/-) Swap – working capital (iii)	CDI + 1.15%	10/16/2023	-	-	1,814	-
Total			**2,602,181**	**2,583,559**	**2,664,479**	**2,623,014**
Current liabilities			1,603,751	1,037,626	1,610,452	1,077,081
Noncurrent liabilities			998,430	1,545,933	1,054,027	1,545,933
Total			**2,602,181**	**2,583,559**	**2,664,479**	**2,623,014**

(i) **Debentures:** These refer to funds raised through debentures issued in April 2019 (9th issue) and May 2020 (11th issue), amounting to R$400,000 and R$500,000, respectively, all of which through a placement agreement with restricted efforts, of junior unsecured debentures not convertible into shares, subject to payment of semi-annual interest and amortization of principal upon maturity.

In March 2021, the Company conducted its 12th issue of debentures in a single series, amounting to R$ 1,000,000, through a placement agreement with restricted efforts, of junior unsecured debentures not convertible into shares, subject to payment of semi-annual interest and amortization of principal in the 3rd and 4th year of respective maturity.

(ii) **Bank Credit Notes (CCB):** These refer to funds from Banco Safra amounting to R$ 100,000 in November 2020, subject to monthly payment of interest and to R$ 150,000 in July 2020, subject to semi-annual payment of interest, and from Banco Itaú in November 2020, amounting to R$ 400,000 and subject to semi-annual payment of interest and amortization of principal upon respective maturity.

(iii) **Working capital – Law No. 4131:** These refer to a loan raised in foreign currency, under Law No. 4131, from Banco Itaú S.A amounting to EUR 9,390, equivalent to R$ 60,000. These funds will be allocated to maintenance of the Company's minimum cash. The swap transaction in foreign currency (Law 4131) is hedging against exchange rate fluctuations.

Note 37 presents changes in Parent Company and consolidated loans.

The covenants and settlement schedule in accordance with the contractual cash flow (principal plus estimated future interest) are shown in Note 6.2.

18 FINANCING – FINANCIAL SERVICE OPERATIONS AND GUARANTEES

18.1 Financing - financial service operations

Financing	Charges (p.a.)	Maturity	Consolidated 12/31/2021	Consolidated 12/31/2020
In domestic currency				
Interbank Deposit Certificates	-	-	-	268,880
Interbank Deposit Certificates (i)	116.0% of CDI	06/12/2023	207,412	-
Interbank Deposit Certificates (i)	131.0% of CDI	02/21/2024	52,671	-
Financial bills (ii)	104.1% of CDI	08/12/2022	329,637	315,203
Bank Credit Notes (iii)	CDI + 3.5%	05/13/2022	30,448	31,083
Bank Credit Notes (iii)	160.00% of CDI	09/09/2022	21,616	20,187
Interbank Deposit Certificates (iv)	132.7% of CDI	01/2022 - 12/2022	93,821	72,095
Interbank Deposit Certificates (iv)	130.0% of CDI	01/2023 - 12/2023	67,018	54,517
Total			**802,623**	**761,965**
Current liabilities			475,522	341,390
Noncurrent liabilities			327,101	420,575
Total			**802,623**	**761,965**

(i) **Interbank Deposit Certificates (CDI):** These refer to issues of R$ 50,000 in March 2021 from Banco Itaú and R$ 200,000 in June 2021 from Banco Bradesco, all of which subject to interest payment at the end of the contract and aimed at reinforcing minimum cash and supporting the ordinary course of business.

(ii) **Financial Bills:** These refer to issue of R$ 300,000 in August 2019 for private distribution and to finance the operations and the ordinary course of business.

(iii) **Bank Credit Notes (CCB):** These refer to amounts raised from Banco de BOCOM BBM amounting to R$ 30,000 in May 2020, with payment of interest at the end of the first year, followed by payment of interest on a quarterly basis, and R$ 20,000 in September 2020, with payment of interest at the end of the agreement and aimed at financing the operations and ordinary course of business, guaranteed by the parent company.

(iv) **Bank Deposit Certificates (CDB):** These refer to short and long-term issues from XP Investimentos, Easynvest, Genial Investimentos e Órama Investimentos, amounting to R$ 88,690 and R$ 64,282, respectively, aimed at financing the operations and ordinary course of business.

18.2 Guarantees

The Parent Company figures as guarantor and is jointly liable for all (main and accessory) obligations deriving from Financial Bill and Bank Credit Note operations, as well as from an Interbank Deposit Certificate operation (Note 26.1.9).

19 LEASES PAYABLE

19.1 Accounting policy

Concerning the contracts that were within the scope of *CPC* 06 (R2)/IFRS 16, only minimum fixed rent amount was considered to be a lease component for liability evaluation purposes. Measurement of lease liabilities corresponds to total future fixed rent payments (gross of taxes), discounted at an incremental interest rate. The nominal discount rate corresponds to reference market rates plus risk spread for fund-raising at amounts that represent total investments for opening new stores.

19.2 Breakdown of leases payable

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Rentals subject to purchase option (i)	40,302	38,335	40,302	38,335
Rentals	2,246,929	1,493,312	2,620,734	1,824,052
Total	**2,287,231**	**1,531,647**	**2,661,036**	**1,862,387**
Current liabilities	567,416	410,998	666,100	496,583
Noncurrent liabilities	1,719,815	1,120,649	1,994,936	1,365,804
Total	**2,287,231**	**1,531,647**	**2,661,036**	**1,862,387**

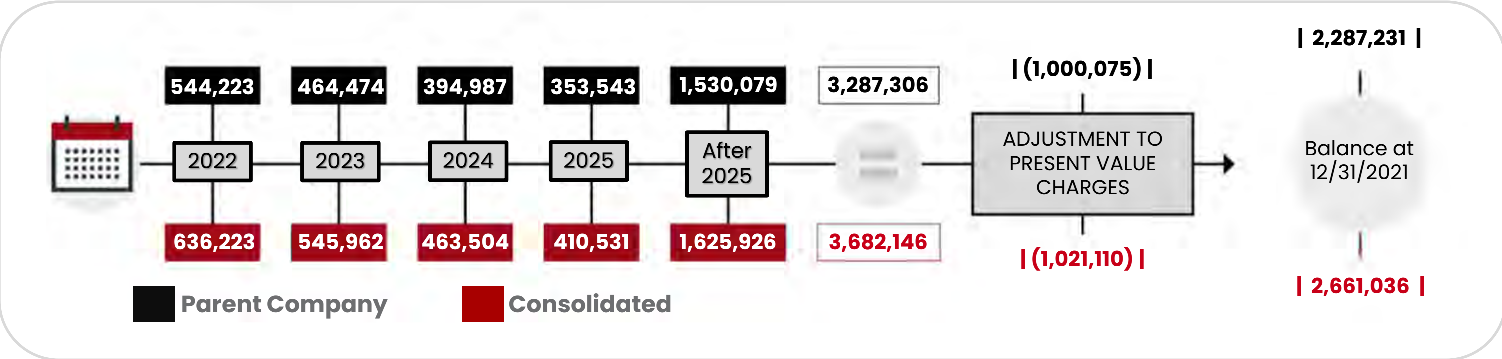
(i) The discount rate for rentals subject to a purchase option is in compliance with the rental agreement referring to the headquarter building, entered into in July 2012 and adjusted based on the accumulated variation of annual Brazil's National Consumer Price Index (INPC).

19.3 Changes in leases payable

	Parent Company	Consolidated
Balance at January 1, 2020	**1,434,424**	**1,739,361**
(+) Remeasurement	153,053	209,038
(+/-) New contracts / Ended contracts	203,384	218,887
(+) Charges	124,291	148,099
(-) Lease payments (i)	(383,505)	(463,838)
(+/-) Translation adjustments	-	10,840
Balance at December 31, 2020	**1,531,647**	**1,862,387**
(+) Remeasurement	335,422	409,135
(+) Additions due to acquisition of subsidiary	-	3,927
(+/-) New contracts / Ended contracts	725,722	770,323
(+) Charges	188,306	217,671
(-) Lease payments (i)	(493,866)	(589,540)
(+/-) Translation adjustments	-	(12,867)
Balance at December 31, 2021	**2,287,231**	**2,661,036**

(i) In May 2020, IASB approved an amendment to IFRS 16, which grants lessees benefits in P&L in the period affected by Covid-19 pandemic, not being treated as a change in contract. On July 07, 2020, CVM published Resolution No. 859/2020, which approves the revision of *CPC* 06 (R2)/IFRS 16 that came into effect on January 1, 2020. The Company chose the practical expedient and recognized consideration paid in P&L as at December 31, 2021 amounting to R$ 97,473 – Parent Company and R$ 117,622 - Consolidated (Notes 34.1 and 34.2). On December 31, 2020, discounts amounted to R$ 104,852 – Parent Company and R$ 129,486 – Consolidated.

19.4 Future commitments



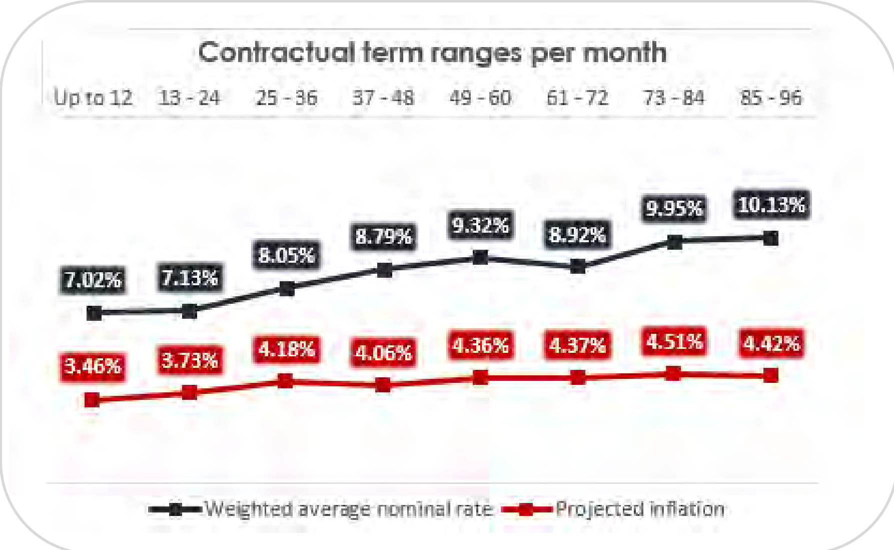
19.4.1 Additional information

In order to comply with CVM SNC/SEP Memorandum No. 02/2019, we disclosed the minimum inputs for projecting the nominal rate and nominal cash flow model recommended by the CVM.

The nominal discount rate corresponds to future market quotations obtained at B3 S.A. - Brasil, Bolsa, Balcão - reference in DI vs. Pre + risk spread for funding at amounts that represent total investments for the opening of new stores.

Projected inflation quotations use the same discount rate criterion and are stated from cash flow calculation purposes, as shown in this graph.

See below the payment flow in accordance with the weighted average term, which corresponds to the respective rates presented in the graph above.



Weighted average period (months) (i)	Consolidated					
	Contractual flow	2022	2023	2024	2025	2025 onwards
Up to 12	**1,791**	1,732	59	-	-	-
13-24	**83,976**	70,909	13,067	-	-	-
25-36	**501,002**	188,913	156,364	86,659	47,661	21,405
37-48	**356,107**	84,146	84,652	84,705	70,605	31,999
49-60	**824,995**	117,853	117,890	117,890	117,890	353,472
61-72	**902,447**	111,469	111,604	111,788	111,913	455,673
73-84	**67,948**	5,733	5,733	5,733	5,733	45,016
85-96	**736,064**	51,560	51,561	51,562	51,562	529,819
>97 months (ii)	**207,816**	3,908	5,032	5,167	5,167	188,542
Total	**3,682,146**	**636,223**	**545,962**	**463,504**	**410,531**	**1,625,926**

(i) The Company calculated the weighted average term of contractual flows for rate quotation purposes, because the contracts are amortized monthly, which reduces the average operation period and risk for the creditor.

(ii) This refers to future contractual flows from rental including a purchase option, subject to a discount rate of 8.81% p.a. implicit in the contract entered into in July 2012 to be used as the headquarter office.

On December 31, 2021, the potential credit of PIS and COFINS about the contractual gross flow is R$ 340,599 and if adjusted to present value using the weighted average term is R$ 229,423.

20 SUPPLIERS

20.1 Accounting policy

Installment purchase transactions were adjusted to present value at transaction date. The discount rate used to adjust supplier balances to their present value corresponds to the average market rate of discount used by the Central Bank of Brazil. The rate used was 1.21% p.m. (1.14% p.m. at December 31, 2020) for suppliers and suppliers - confirming. The adjustment to present value is recorded in suppliers and its reversal is matched against cost of sales, due to fruition term in suppliers' case. The balance of suppliers is measured at amortized cost, using the effective interest rate method.

20.2 Breakdown

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Suppliers (i)	1,561,850	1,218,139	1,722,381	1,408,895
Domestic suppliers	1,294,855	1,093,882	1,415,040	1,225,578
Foreign suppliers	266,995	124,257	307,341	183,317
Suppliers - Confirming (ii)	34,045	58,960	54,983	58,960
Suppliers - *Confirming* – related parties (ii)	26,299	-	-	-
Adjustment to present value	(6,929)	(7,688)	(7,571)	(9,143)
Rents payable	42,067	33,219	51,432	41,643
Rents payable – related parties	1,228	1,210	-	-
Total	**1,658,560**	**1,303,840**	**1,821,225**	**1,500,355**
Current liabilities	1,599,786	1,208,337	1,762,233	1,404,852
Noncurrent liabilities	58,774	95,503	58,992	95,503
Total	**1,658,560**	**1,303,840**	**1,821,225**	**1,500,355**

(i) **Suppliers:** Domestic and foreign suppliers comprise commercial suppliers amounting to R$ 970,500 (R$ 825,445 in 2020) – parent company and R$ 1,037,816 (R$953,505 in 2020) – consolidated and suppliers for use and consumption amounting to R$ 591,350 (R$ 392,694 in 2020) – parent company and R$ 684,565 (R$ 455,390 in 2020) - consolidated.

(ii) **Suppliers – Confirming:** The Company entered into a confirming agreement with financial institutions to manage the Company's commitments to strategic suppliers, which remain as "Trade payables" until such obligation becomes extinct. In this operation, the suppliers transfer the right to receive notes to the financial institution and receive these funds in advance from the financial institution, which becomes the operation creditor and maintains the same periods and amounts agreed in the sale transaction. The Company reviewed the portfolio breakdown and concluded that the periods, prices and conditions were not changed and, since no impacts derived from the charges practiced by the financial institution, management records this operation under "Suppliers - Confirming". Additionally, Company management considered the guidance set out in CVM SMC/SEP Ruling No. 01/21, observing the qualitative aspects on this matter and concluded that such ruling does not have any significant impact on the Company or compromise the Company's financial leverage.

As at December 31, 2021, prepayments made to suppliers totaled R$ 259,859 (R$ 209,288 as of December 31, 2020). The discounts obtained from these prepayments, for being related to supply of goods, are recorded as a reduction of cost of sales.

20.3 Changes in adjustment to present value of suppliers

	Balances at 01/01/2020	Additions	Write-offs	Balances at 12/31/2020	Additions	Write-offs	Balances at 12/31/2021
Total - Parent Company	**(4,805)**	(63,520)	60,637	**(7,688)**	(75,393)	76,152	**(6,929)**
Total - Consolidated	**(5,212)**	(68,723)	64,792	**(9,143)**	(81,600)	83,172	**(7,571)**

21 TAX OBLIGATIONS

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income and social contribution taxes	38,822	91,895	86,912	93,983
ICMS payable	264,867	198,906	287,146	214,857
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and Social Security Financing (COFINS)	87,808	57,772	101,611	64,658
Taxes payable - Foreign subsidiaries	-	-	7,474	4,900
Other taxes	23,242	17,747	33,535	24,532
Total	**414,739**	**366,320**	**516,678**	**402,930**

22 SOCIAL AND LABOR OBLIGATIONS

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Salaries payable	52,057	39,816	62,252	47,944
Employee profit sharing	205,816	23,175	220,252	24,203
Provision for vacation pay and bonus	83,558	66,186	102,055	80,224
Social charges	63,461	64,226	75,814	74,445
Total	**404,892**	**193,403**	**460,373**	**226,816**

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

23.1 Accounting policy

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

Contingent assets arise from the possibility of economic benefits gains for the Company and aren't recognized in the accountability. They are periodically evaluated and disclosed when there is a probable inflow of economic benefits.

23.1.1 Tax provisions

These provisions take into consideration individuality of each process, classification of loss, and internal and external legal advisors' evaluation. For proceedings classified as possible loss, management records a 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 rated as probable loss, provisions are recorded in the full amount of the risk measured.

23.1.2 Civil and labor provisions

Civil and labor provisions are periodically reviewed, considering the development of lawsuits, and the history of effectively settled amounts since an outflow of funds is likely in order to comply with these obligations.

23.2 Balances and changes in the provision for tax, civil and labor risks

	Parent Company				
	Civil	Labor	Tax	Judicial deposits	Total
Balance at December 31, 2020	**28,202**	**56,752**	**26,091**	**(5,690)**	**105,355**
Provisions/reversals	(5,404)	22,692	7,180	(3)	24,465
Restatement	-	-	512	-	512
Balance at December 31, 2021	**22,798**	**79,444**	**33,783**	**(5,693)**	**130,332**
Current liabilities	19,378	28,257	-	-	47,635
Noncurrent liabilities	3,420	51,187	33,783	(5,693)	82,697
Total	**22,798**	**79,444**	**33,783**	**(5,693)**	**130,332**

	Consolidated				
	Civil	Labor	Tax	Judicial deposits	Total
Balance at December 31, 2020	**40,905**	**59,004**	**32,813**	**(10,426)**	**122,296**
Provisions/reversals	(2,498)	23,810	8,559	(9)	29,862
Restatement	-	-	577	-	577
Balance at December 31, 2021	**38,407**	**82,814**	**41,949**	**(10,435)**	**152,735**
Current liabilities	34,987	31,626	-	-	66,613
Noncurrent liabilities	3,420	51,188	41,949	(10,435)	86,122
Total	**38,407**	**82,814**	**41,949**	**(10,435)**	**152,735**

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.

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

23.3 Contingent tax liabilities

According to Company legal advisors, contingent liabilities (possible losses) plus interest and inflation adjustment are as follows:

	Parent Company		Consolidated	
Nature	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Federal VAT (IPI) - resale (i)	225,327	-	225,327	-
ICMS - disreputable suppliers (ii)	168,186	168,572	171,025	171,245
PIS/COFINS - credits (iii)	162,508	-	162,508	-
Withholding Income Tax (IRPF) – of a compensation nature (iv)	87,651	-	87,651	-
Social Security (INSS)/Withholding Income Tax (IRPF) - non-wage installments (v)	39,101	38,143	39,101	38,143
Corporate Income Tax (IRPJ)/Social Contribution on Net Profit (CSLL) – Interest on equity (IOE) of prior years (vi)	28,965	28,252	28,965	28,252
ICMS – inventory breakage (vii)	24,223	24,251	26,197	25,762
IRPJ - compensation (viii)	-	-	25,296	-
ICMS – disallowance of third-party credits (ix)	19,660	19,375	19,660	19,375
ICMS - centralization (x)	-	-	19,569	19,054
Other contingent liabilities (xi)	71,209	44,294	93,263	53,718
Total	**826,830**	**322,887**	**898,562**	**355,549**

The main significant lawsuits related to contingent liabilities on December 31, 2021 and December 31, 2020 are as follows:

(i) Tax delinquency notices drafted relating to collection of Federal VAT (IPI) Resale, allegedly paid but lacking compliance with the Minimum Taxable Amount, upon shipping from the distribution centers to the stores.

(ii) Proceedings related to supposed undue credit-taking of ICMS related to the acquisition of goods from suppliers considered disreputable by the tax authorities.

(iii) Tax delinquency notices referring to disallowance of PIS/COFINS credits on costs and expenses deemed essential by management and significant for Company activities.

(iv) Delinquency notices issued relating to collection of IRRF on installments considered of a compensation nature by the tax authorities, which are believed to be of a commercial nature by the Company and its legal advisors.

(v) 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 INSS-related notice ended in the administrative phase and is subject to an action seeking to annul these debts.

(vi) Tax collection claim referring to IRPJ/CSLL, on disallowance of expenses with payment of interest on equity calculated based on prior year's equity.

(vii) Tax assessment notices and tax enforcements for collection of ICMS deriving from alleged differences in inventories calculated by tax authorities.

(viii) Denied offset of IRPJ credits against other federal tax debts.

(ix) Disallowance of ICMS credits acquired from third parties.

(x) ICMS delinquency notices deriving from alleged errors in centralization of debt balances of establishments centralized in a centralizing establishment.

(xi) These refer to various matters in the federal, state and municipal spheres.

23.4 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 a consumer civil nature and of diverse labor natures, whose proceeding amounts frequently do not reflect contingency value. Thus, management is of the understand that the provision is the information that best reflects the exposure to this kind of risk.

Out of the total civil proceedings classified as possible loss, the proceedings below stand out as an exception to the concept of massified lawsuits.

i) proceeding that challenges application of fine due to alleged contract rescission amounting to R$ 11,618 (R$ 8,875 on December 31, 2020);

ii) indemnification proceeding filed by a former supplier amounting to R$ 8,442 (R$ 45,377 on December 31, 2020);

iii) proceeding referring to execution of fines relating to a lease contract amounting to R$ 7,611; and

iv) collection claim filed by a former supplier relating to amounts supposedly payable in connection with contract rescission, amounting to R$ 3,194 (R$ 2,381 on December 31, 2020).

23.5 Contingent assets – ICMS selectivity

In November 2019, the Brazilian Supreme Court (STF) concluded judgment of Matter No. 745 with general resonance, and declared unconstitutional to apply rates above those of operations in general for electric power operations and telecommunication services. This Court analyzed the limitation of the effects of such decision in time and defined that the decision will have effects starting from financial year 2024, except for actions filed before the date on which the judgment on merit began, i.e. February 05, 2021. The decision on the limitation of the effects was published only on January 10, 2022. The Company filed actions before referred to cut date in the states of Goiás, Paraná, Rio de Janeiro, Rio Grande do Sul and Santa Catarina. Based on a preliminary calculation prepared using the information available on December 31, 2021, the Company estimates the potential amount of credits at approximately R$ 42,409 – parent company, considering only the Brazilian IRS Registries of Legal Entities (CNPJ) held by the Company at these actions' filing date, i.e. July 15, 2016, whose effects retroact to July 15, 2011.

The proceedings of the Parent Company are still pending a final unappealable decision. These actions expressly request recognition of the right to record credits on ICMS overpaid in the invoice amounts, recorded in accounting for tax purposes. However, STF decided that the requirements for refund and tax offset must be defined based on the Constitution.

There is no way to ensure when or if the estimated amounts will actually be realized. Management assessed the status of the Company's proceedings and concluded that, on December 31, 2021, the requirements set out by *CPC* 25 for accounting of credits were not complied with, reason why no amount was activated.

23.6 CVM/SNC/SEP Memorandum Circular 01/2021 - PIS and COFINS tax credits on inputs

Based on the High Court of Justice (STJ) decision on Appeal to the High Court REsp 1.221.170/PR, which defined the concept of input for PIS and COFINS credit calculation purposes, taking into consideration the criteria relating to the essential nature or significance of the expense for the development of the taxpayer's economic activity, and prior decisions issued by the Board of Tax Appeals (CARF), through its Higher Board, subsequently to STJ decision, ensuring the right to PIS and COFINS credits on inputs for taxpayers primarily engaged in distribution and resale of goods (Decision 9303007.702), the Company recorded PIS and COFINS credits relating to expenses considered essential or significant for its activity on December 31, 2021, amounting to R$ 20,884 (R$ 22,113 on December 31, 2020). Given the opinion of Company legal advisors, in the sense that the likelihood of an outflow of funds due to recording of such credits is possible or remote, no provision was set up, under the terms of *CPC* 25/IAS 37.

24 FINANCIAL INSTRUMENTS

Pursuant to internal policy approved by the management, derivative financial instruments are entered into in order to hedge the currency risk taken in import orders, and property and equipment items. The classification of its non-derivative financial assets and liabilities is determined upon initial recognition, pursuant to the business model in which the asset is managed and its contractual cash flow characteristics under *CPC* 48/IFRS 9. Financial liabilities are measured according to their nature and purpose.

24.1 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.

24.1.1 *Cash flow hedge*

The Company applies cash flow hedge accounting to protect itself against currency 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 (loss). 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.

24.2 Financial instruments by category

24.2.1 Parent Company

	Amortized cost	Fair value	Fair value through other comprehensive income (i)	Total
Financial assets				
Cash and cash equivalents	-	5,216,237	-	**5,216,237**
Short-term investments	-	209,715	-	**209,715**
Trade accounts receivable	2,386,428	-	-	**2,386,428**
Derivative financial instruments (hedge)	-	-	21,022	**21,022**
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(315)	**(315)**
Loans, financing and debentures	(2,602,181)	-	-	**(2,602,181)**
Leases payable	(2,287,231)	-	-	**(2,287,231)**
Suppliers	(1,658,560)	-	-	**(1,658,560)**
Obligations with credit card administrators	(19,295)	-	-	**(19,295)**
Balance at December 31, 2021	**(4,180,839)**	**5,425,952**	**20,707**	**1,265,820**

	Amortized cost	Fair value	Fair value through other comprehensive income (i)	Total
Financial assets				
Cash and cash equivalents	-	1,761,439	-	**1,761,439**
Short-term investments	-	139,212	-	**139,212**
Trade accounts receivable	1,839,223	-	-	**1,839,223**
Derivative financial instruments (hedge)	-	-	4,896	**4,896**
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(30,327)	**(30,327)**
Loans, financing and debentures	(2,383,644)	(199,915)	-	**(2,583,559)**
Leases payable	(1,531,647)	-	-	**(1,531,647)**
Suppliers	(1,303,840)	-	-	**(1,303,840)**
Obligations with credit card administrators	(15,711)	-	-	**(15,711)**
Total at December 31, 2020	**(3,395,619)**	**1,700,736**	**(25,431)**	**(1,720,314)**

24.2.2 Consolidated

	Amortized cost	Fair value	Fair value through other comprehensive income (i)	Total
Financial assets				
Cash and cash equivalents	-	5,489,417	-	**5,489,417**
Short-term investments	-	458,085	-	**458,085**
Trade accounts receivable	5,412,881	-	-	**5,412,881**
Derivative financial instruments (hedge)	-	-	24,364	**24,364**
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(315)	**(315)**
Loans, financing and debentures	(2,602,234)	(62,245)	-	**(2,664,479)**
Financing - financial service operations	(802,623)	-	-	**(802,623)**
Leases payable	(2,661,036)	-	-	**(2,661,036)**
Suppliers	(1,821,225)	-	-	**(1,821,225)**
Obligations with credit card administrators	(1,835,143)	-	-	**(1,835,143)**
Balance at December 31, 2021	**(4,309,380)**	**5,885,257**	**24,049**	**1,599,926**

	Amortized cost	Fair value	Fair value through other comprehensive income (i)	Total
Financial assets				
Cash and cash equivalents	-	2,066,781	-	**2,066,781**
Short-term investments	-	605,572	-	**605,572**
Trade accounts receivable	3,811,668	-	-	**3,811,668**
Derivative financial instruments (hedge)	-	-	5,435	**5,435**
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(31,428)	**(31,428)**
Loans, financing and debentures	(2,383,644)	(239,370)	-	**(2,623,014)**
Financing - financial service operations	(761,965)	-	-	**(761,965)**
Leases payable	(1,862,387)	-	-	**(1,862,387)**
Suppliers	(1,500,355)	-	-	**(1,500,355)**
Obligations with credit card administrators	(1,193,168)	-	-	**(1,193,168)**
Total at December 31, 2020	**(3,889,851)**	**2,432,983**	**(25,993)**	**(1,482,861)**

(i) Fair value through other comprehensive income, pursuant to *CPC* 48/ IFRS 9 classification.

24.3 Fair value measurement and hierarchy

The discounted cash flow method is used to measure fair value of financial assets and liabilities, whose assumption is present value of estimated cash flows based on future market quotations. For 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.

The Company measures fair value of loans, debentures and financing – financial service operations - for disclosure purposes.

24.3.1 Parent Company

	12/31/2021		12/31/2020	
Financial liabilities	**Fair value**	**Book balance**	**Fair value**	**Book balance**
Debentures	(1,931,316)	(1,942,213)	(1,410,113)	(1,419,097)
Working capital – Law No. 4131 Bacen – in Reais	-	-	(313,300)	(313,740)
Working capital – Bank Credit Notes	(659,008)	(659,968)	(659,539)	(650,807)
Total	**(2,590,324)**	**(2,602,181)**	**(2,382,952)**	**(2,383,644)**

24.3.2 Consolidated

	12/31/2021		12/31/2020	
Financial liabilities	**Fair value**	**Book balance**	**Fair value**	**Book balance**
Debentures	(1,931,316)	(1,942,213)	(1,410,113)	(1,419,097)
Working capital – Law No. 4131 Bacen – in Reais	-	-	(313,300)	(313,740)
Working capital – Bank Credit Notes	(658,946)	(660,021)	(659,539)	(650,807)
Financing - financial service operations	(808,325)	(802,623)	(745,768)	(761,965)
Total	**(3,398,587)**	**(3,404,857)**	**(3,128,720)**	**(3,145,609)**

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 or liabilities to which the Company may have access on the measurement date.

24.4 Derivative financial instruments

Management of these instruments is based on 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 for speculation purposes. Breakdown of derivatives is segregated between items designated to hedge accounting (cash flow hedge) and not designated to hedge accounting:

	Parent Company		Consolidated	
Description of derivatives	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Designated for hedge				
NDF (Import orders)	20,707	(25,431)	24,049	(25,993)
Not designated for hedge				
Exchange rate swap	-	47,662	(1,814)	63,328
Total	**20,707**	**22,231**	**22,235**	**37,335**

24.4.1 Derivatives for hedge accounting

24.4.1.1 NDF (Non-Deliverable Forward)

Hedge Instrument				Hedged item	
Maturities	**Currency**	**Notional amount**	**Fair value – R$ (i)**	**Operation**	**Estimated maturity**
From 02/25/2022 to 05/31/2022	USD	70,620	19,386	Goods import order	From 02/25/2022 to 05/31/2022
From 03/31/2022 to 08/31/2022	EUR	16,911	1,321	Contract for import of PP&E	From 03/31/2022 to 08/31/2022
Total – Parent Company			**20,707**		
From 01/31/2022 to 05/31/2022	USD	8,826	3,342	Goods import order	From 01/31/2022 to 05/31/2022
Total - Consolidated	USD	**79,446**	**24,049**		
	EUR	**16,911**			

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

In the year, NDF transactions used to hedge the cash flow risk of import orders were effective and complied with the levels established by *CPC* 48/IFRS 9.

24.4.1.2 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 a cost of goods sold.

Cash flow from the import orders of future operations exposed to foreign currency hedged by derivatives is as follows:

	Consolidated		
	Up to 3 months	4-6 months	Total
Resale goods import orders – R$	139,413	313,771	453,184
Notional amount - US$	**24,440**	**55,006**	**79,446**

Expected dollar rate for the next disclosure: R$ 5.7043

	Consolidated			
	Up to 3 months	4-6 months	7-12 months	Total
Contract for import of PP&E – R$	21,854	65,570	21,855	109,279
Notional amount - EUR	**3,382**	**10,147**	**3,382**	**16,911**

Expected Euro rate for the next disclosure: R$ 6.4620

24.4.2 Derivatives not for hedge accounting

24.4.2.1 Swaps

					Amount receivable (payable)	
Instrument	Maturity	Receivables	Payables	Notional amount	12/31/2021	12/31/2020
Exchange rate swap						
Working capital – Law No. 4131	-	-	-	-	-	47,662
Total – Parent Company					**-**	**47,662**
Exchange rate swap						
Working capital – Law No. 4131	-	-	-	-	-	15,666
Working capital – Law No. 4131	10/2023	€ + 1.05%	CDI + 1.15%	€ 9,390	(1,814)	-
Total - Consolidated					**(1,814)**	**63,328**

24.4.2.2 Changes in swaps

	Parent Company	Consolidated
Balance at January 1, 2020	**(2,115)**	**(2,955)**
Swap adjustment payment	3,555	3,715
Swap adjustment receipt	(122,289)	(288,794)
Change in fair value	168,511	351,362
Balance at December 31, 2020	**47,662**	**63,328**
Swap adjustment payment	-	-
Swap adjustment receipt	(44,651)	(59,085)
Change in fair value	(3,011)	(6,057)
Balance at December 31, 2021	**-**	**(1,814)**

24.5 Credit risk

Rating - National Scale	Consolidated 12/31/2021	Consolidated 12/31/2020
brAAA	17,817	40,283
brA+	-	5,435
brAA-	6,547	-
brA-	-	23,045
Total - Derivative financial instrument (assets)	**24,364**	**68,763**

The frame on the left shows the credit risk ratings of asset derivative financial instruments, according to the main risk rating agencies.

25 OTHER OBLIGATIONS

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Prepaid revenues (i)	24,335	247	51,985	27,278
Obligations with customers (ii)	39,097	31,952	102,983	98,639
Obligations related to transactions w/ insurance (iii)	7	7	12,759	6,080
Transfer of operation of financial products – related parties (iv)	5,165	7,980	-	-
Acquisition of ICMS credits (v)	13,788	13,999	13,826	14,083
Marketplace partners (vi)	10,150	-	19,748	4,694
Suppliers' agreements (vii)	84,791	4,780	84,791	4,780
Obligations with investments (viii)	34,732	-	34,732	-
Other obligations (ix)	4,446	5,606	13,019	15,085
Total	**216,511**	**64,571**	**333,843**	**170,639**
Current liabilities	114,247	64,571	207,149	145,835
Noncurrent liabilities	102,264	-	126,694	24,804
Total	**216,511**	**64,571**	**333,843**	**170,639**

(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, and credit balances in Realize CFI credit cards.
(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.
(v) Balances payable corresponding to the acquisition of ICMS credits.
(vi) Transfers to sales people for marketplace in services.
(vii) Balances of agreements with suppliers referring to transfers to the Brazilian Development Bank (BNDES).
(viii) Restated balance refers to Repassa acquisition – business combination (Note 3.7).
(ix) Balances payable corresponding to royalties, payroll advance loans, among others.

26 RELATED PARTIES

The Parent Company, subsidiaries and related persons perform transactions among themselves, related to the financial, business and operational aspects of the Company. Most significant transactions are as follows:

26.1 Parent company's context

26.1.1 Lease agreements

In August 2018, rent agreements were updated through an addendum with subsidiary Dromegon referring to the buildings of the stores located in downtown Porto Alegre, Santa Maria and Pelotas, effective for ten years, which may be renewed. Amounts were set at approximately 4% and 4.29% on gross monthly sales of stores.

26.1.2 Quick withdrawal extension service agreement

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

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

One of the main synergy drivers in the Camicado is the acceptance of Renner Card (CCR) and Co-branded card ("Meu Cartão"). In December 2021, three Youcom stores began testing the acceptance of Renner Card (CCR).

26.1.4 Renner Credit Card Operations - Realize

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

26.1.5 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 structures. For foreign subsidiaries, the sharing of corporate expenses is charged by the parent company in the form of service exports.

26.1.6 Import intermediation

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

26.1.7 Export of goods

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

26.1.8 Purchase of ICMS credits

On May 29, 2019, a pledge agreement was granted for the assignment of ICMS credits in the amount of R$ 9,446 on behalf of subsidiary Camicado to the Parent Company, which 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.

26.1.9 Guarantees

The parent company figures as guarantor and is jointly liable for certain financial transactions performed by subsidiaries. On December 31, 2021 and December 31, 2020, these balances were as follows:

	12/31/2021	12/31/2020
Camicado		
Financing in foreign currency – Law 4131	60,431	39,455
Realize CFI		
Financial bills	329,637	315,203
Bank Credit Notes	52,064	51,270
Interbank Deposit Certificates	-	103,850
Total	**442,132**	**509,778**

26.2 Consolidated context

26.2.1 Agreements or other significant obligations between the Company and its management members

According to Chapter IV, art. 13 of the Company's Bylaws, Company 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 may be removed 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.

26.2.2 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, 2021 approved for 2021 the Lojas Renner S.A. management members' overall compensation limit up to R$ 39,920. This amount consists of fixed and variable compensation, and the cost of the share plan and the restricted share plan. At this meeting, the shareholders also approved the overall compensation of the Supervisory Board members for 2021 of up to R$ 669, corresponding to the amount practiced in 2020, restated by reference to INPC.

These amounts are summarized as follows:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Key management personnel compensation	(21,642)	(19,959)	(23,445)	(21,275)
Management fees	(6,754)	(1,363)	(6,754)	(1,363)
Stock option plan	(6,068)	(11,101)	(6,068)	(11,101)
Restricted share plan	(4,693)	(2,528)	(4,693)	(2,528)
Total	**(39,157)**	**(34,951)**	**(40,960)**	**(36,267)**

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

During 2021, the Company made judicial deposits relating to Withholding Income Tax (IRRF) on amounts referring to its stock option plan, considered compensation by the tax authorities whereas for the Company and its legal advisors, this plan is of a commercial nature, amounting to R$ 2,614, of which R$ 850 refers to Company officers and directors (Notes 11 and 23.3). The Company filed claims on this matter requesting that the installments be declared as of a commercial nature, contractually assuming the cost of claim sponsoring and the liabilities deriving from any difference between the Company's and the Court's understanding on the nature of the installments.

26.3 Balances and transactions with related parties

26.3.1 Accounting policy

Intercompany transactions including balances, and unrealized gains and losses deriving from such transactions, are eliminated. The accounting policies of the subsidiaries are consistent with the practices adopted by the parent company. The main balances in the statement of financial position and P&L relating to transactions with related parties arise from transactions under usual market and contractual conditions.

26.3.2 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	-	-	-	-	-	-	19,393	12,632	-	**32,025**
Co-branded card ("*Meu Cartão*") operations	-	-	-	-	-	-	-	-	703,918	**703,918**
Renner credit card (New Private Label)	-	-	-	-	-	-	-	-	730,937	**730,937**
Other assets										
Renner credit card	-	-	-	-	-	-	-	-	1,732	**1,732**
Credit with related parties										
Sharing of expenses/provision of services	-	-	733	1,172	1,872	4	625	7,467	5,160	**17,033**
Accounts payable										
Suppliers - Confirming – related parties	-	-	-	-	-	-	-	-	(26,299)	**(26,299)**
Debits with related parties										
Sharing of expenses	-	-	-	-	(235)	-	-	-	-	**(235)**
Rents payable	-	(956)	-	-	(272)	-	-	-	-	**(1,228)**
Obligations with credit card administrators										
Co-branded card ("*Meu Cartão*") operations	(143)	-	-	-	-	-	-	-	(19,152)	**(19,295)**
Other obligations										
Renner credit card operations (Private Label)	-	-	-	-	-	-	-	-	(5,165)	**(5,165)**
Total at December 31, 2021	**(143)**	**(956)**	**733**	**1,172**	**1,365**	**4**	**20,018**	**20,099**	**1,391,131**	**1,433,423**

Operations - Assets (liabilities)	RACC	Dromegon	Camicado	Youcom	LRS	Realize Participações S.A.	LRU	LRA	Realize CFI	Total
Accounts receivable										
Export of goods for resale	-	-	-	-	-	-	22,748	15,736	-	**38,484**
Co-branded card ("Meu Cartão") operations	-	-	-	-	-	-	-	-	359,772	**359,772**
Renner credit card (New Private Label)	-	-	-	-	-	-	-	-	810,639	**810,639**
Other assets										
Renner credit card	-	-	-	-	-	-	-	-	1,836	**1,836**
Credit with related parties										
Sharing of expenses/provision of services	170	6	692	570	1,358	4	415	7,466	8,892	**19,573**
Debits with related parties										
Sharing of expenses	-	-	-	-	(235)	-	-	-	-	**(235)**
Rents payable	-	(874)	(23)	-	(313)	-	-	-	-	**(1,210)**
Obligations with credit card administrators										
Co-branded card ("Meu Cartão") operations	(1,377)	-	-	-	-	-	-	-	(14,334)	**(15,711)**
Other obligations										
Renner credit card operations (Private Label)	-	-	-	-	-	-	-	-	(7,980)	**(7,980)**
Total at December 31, 2020	**(1,207)**	**(868)**	**669**	**570**	**810**	**4**	**23,163**	**23,202**	**1,158,825**	**1,205,168**

26.3.3 Transactions with related companies

Type of revenue (expense)	Dromegon	Camicado	Youcom	LRS	LRU	LRA	Realize CFI	Total
Apportionment of corporate expenses	81	7,329	10,027	(1,853)	-	-	35,430	**51,014**
Intermediation commission	-	-	-	(23,847)	-	-	-	**(23,847)**
Property rent expenses	(5,355)	-	-	-	-	-	-	**(5,355)**
Revenue from rendering of services	-	-	-	-	9,008	-	78,265	**87,273**
Export of goods	-	-	-	-	64,275	12,613	-	**76,888**
Total – 2021	**(5,274)**	**7,329**	**10,027**	**(25,700)**	**73,283**	**12,613**	**113,695**	**185,973**
Apportionment of corporate expenses	77	7,302	7,249	(3,460)	-	845	39,917	**51,930**
Intermediation commission	-	-	-	(17,205)	-	-	-	**(17,205)**
Property rent expenses	(4,343)	-	-	-	-	-	-	**(4,343)**
Revenue from rendering of services	-	-	-	-	5,585	-	55,946	**61,531**
Export of goods	-	-	-	-	54,406	17,768	-	**72,174**
Total – 2020	**(4,266)**	**7,302**	**7,249**	**(20,665)**	**59,991**	**18,613**	**95,863**	**164,087**

27 EQUITY

27.1 Capital

The Company's authorized capital limit is 1,497,375,000 (one billion, four hundred and ninety-seven million, three hundred and seventy-five thousand) common shares, all without par value. Within the limits authorized in the by-law and by decision of the Board of Directors, 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's 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. On December 31, 2021, no shareholder individually holds ownership interest greater than or equal to 20%.

In November 2021, the Extraordinary General Meeting (EGM) approved a capital increase of R$ 1,230,759, of which R$ 30,759 through allocation of capital reserves and R$ 1,200,000 through allocation of income reserves.

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 minimum mandatory dividend of 25% of adjusted net income.

27.1.1 Changes in capital and paid-up shares are shown below:

	Number of shares (in thousands)	Total
Balance at January 1, 2020	**795,558**	**3,795,634**
Capital increase, RCA on 05/21/2020, 08/20/2020 and 11/19/2020	612	9,692
Balance at December 31, 2020	**796,170**	**3,805,326**
Restricted offer of shares – 05/04/2021	102,000	3,978,000
Share issue costs, net of taxes	-	(49,564)
Capital increase, RCA on 05/20/2021, 08/19/2021 and 11/18/2021	751	13,828
Allocation of income reserves, SGM of 11/04/2021	-	1,230,759
Bonuses, SGM of 11/04/2021 (i)	89,858	-
Balance at December 31, 2021	**988,779**	**8,978,349**

(i) On November 04, 2021, the Company's Special General Meeting approved shares bonuses, at the ratio of 10% (ten per cent), which corresponded to issue of 89,858,402 new common shares, i.e. one (1) new common share for each ten (10) common shares held at such date, at unit cost of R$ 13.35.

27.1.2 Restricted offer of shares

On April 19, 2021, the Company published in a material fact the approval, in a Board of Directors' meeting, of the public offer of primary distribution of common shares, with restricted placement efforts.

This restricted offer consisted in issue of 102,000,000 (one hundred and two million) new Company shares at unit price of R$ 39.00, thus generating an effective capital increase of R$ 3,978,000. The costs of this issue of shares were matched against capital, net of taxes, amounting to R$ 49,564. However, at the EGM of November 04, 2021, this amount was absorbed by capital, and stated net of share issue costs.

The shares subject to this restricted offer began to be traded on B3 S.A. – Brasil, Bolsa, Balcão on May 03, 2021, and the shares were physically and financially settled on May 04, 2021.

The net funds from this operation will be allocated to:

i) Developing and strengthening the Company's fashion and lifestyle ecosystem through organic and/or inorganic initiatives;
ii) Continuing with Company's core processes' digitalization and omnichannel development;
iii) Building a new distribution center;
iv) Expanding the physical stores (omni hubs);

v) Expanding the financial services offered through Realize CFI; and

vi) Flexibility in (organic and/or inorganic) investments.

Any remaining net resources will be used for strengthening the Company's cash position for business management purposes.

27.2 Treasury shares

In a Board of Directors' Meeting held on March 10, 2020, the Repurchase Program relating to shares issued by the Company was approved by unanimous vote and without restriction, subject to no capital decrease. Up to 8,000,000 (eight million) common shares may be acquired, this program ended on September 10, 2021. On January 10, 2022 a new Repurchase Program was approved (Note 38.1).

On December 31, 2020, treasury shares balance is R$ 108,620 (R$ 119,461 on December 31, 2020), 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$ 34.38 (R$ 37.82 on December 31, 2020). Transfers refer to compliance with the Company's restricted share plan. Changes are as shown:

	Number of shares (in thousands)	Amount	Average price
Balance at January 1, 2020	**1,831**	**35,549**	**19.42**
Disposal of shares	(672)	(13,052)	19.42
Repurchase of shares	2,000	96,964	48.48
Balance at December 31, 2020	**3,159**	**119,461**	**37.82**
Disposal of shares	(287)	(10,841)	37.82
Bonuses (i)	287	-	-
Balance at December 31, 2021	**3,159**	**108,620**	**34.38**

(i) On November 04, 2021, the share bonuses was approved in the Company's EGM (Note 27.1.1).

27.3 Capital reserves

27.3.1 Stock option plan reserve and restricted share plan

These reserves are matched against expenses with the stock option plan and restricted shares (Notes (i) and), the allocation of which depends on resolution at the EGM. On December 31, 2021, this balance is R$ 85,966 (R$ 94,031 on December 31, 2020).

27.4 Income reserves

27.4.1 Legal reserve

In compliance with art. 193 of Law 6404/76 and art. 34, item (a) of the Company's Bylaws, the legal reserve is set up at amount equivalent to 5% of net income for each year, after reducing the portion destined to the tax incentive reserve. On December 31, 2021, this balance is R$ 17,757 (R$ 109,768 on December 31, 2020).

27.4.2 Reserve for investment and expansion

This reserve is recorded as decided by the management bodies to cover the Company's expansion plan investments, as provided for in article 34, item (c) of the By-laws. On December 31, 2021, this balance is R$ 443,832 (R$ 1,421,744 on December 31, 2020).

27.4.3 Tax incentive reserve

The Company uses ICMS tax incentives, with its impacts on profit or loss. Management, in view of the publication of Supplementary Law 160/17 and in compliance with Law 6404/76, allocated these amounts as tax incentive reserve. On December 31, 2021, this balance is R$ 277,971 (R$ 162,812 on December 31, 2020).

27.4.4 Proposed additional dividends

On December 31, 2021, no dividends were proposed in addition to mandatory minimum dividends amounting to R$ 341 (R$ 191 on December 31, 2020).

27.5 Other comprehensive income

This refers to cumulative translation adjustments, hyperinflation adjustments and unrealized profit or loss on derivative financial instruments as equity valuation adjustments. This amount represents accumulated gains, net of taxes, of 111,025 on December 31, 2021 (R$ 26,905 of gains, net of taxes on December 31, 2020).

28 DIVIDENDS AND INTEREST ON EQUITY

28.1 Accounting policy

The bylaws and corporate law establish a distribution of dividends of a minimum of 25% of the adjusted annual net income. If such limit was not attained by remunerations, management records a provision at the end of year in the amount of the mandatory minimum dividend that has not yet been distributed. Dividends exceeding this limit are segregated in a specific equity account 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 the statement of income (Note 12.5).

28.2 Distribution of interest on equity and dividends – year 2021

The sum of interest on equity, net of withholding income tax, plus dividends, complies with the provisions of articles 201 and 202 of Law No. 6404/76 and article 36 of the Company's by-law.

28.2.1 Adjusted calculation basis

	2021	2020
Net income for the year	633,112	1,096,269
(-) Legal reserve	(17,757)	(54,813)
(-) Tax incentive reserve	(277,971)	(65,273)
Adjusted net income for the year	**337,384**	**976,183**
Proposed dividend + IOE	387,876	271,516
(+) Withholding Income Tax (IRRF) on IOE	(41,310)	(27,470)
Total distributed to shareholders, net of income tax	**346,566**	**244,046**

In order to support the total IOE deliberated for 2021 amounting to R$ 387,876, the amount of R$ 50,492 was reversed from the Investment and expansion reserve.

28.2.2 Breakdown of distribution

	2021	2020
Distributed as Interest on equity	387,876	240,818
(_) Withholding Income Tax (IRRF) on IOE	(41,310)	(27,470)
Supplementation (surplus) of mandatory minimum dividend	-	30,698
Total dividends and IOE	**346,566**	**244,046**
(+) Withholding Income Tax (IRRF) on IOE	41,310	27,470
Total distributed to shareholders	**387,876**	**271,516**

28.3 Distribution of interest on equity

28.3.1 Statement of distribution proposal

Period	Nature	Payment	(i) Outstanding shares (thousand)	R$/share	12/31/2021	R$/share	12/31/2020
1Q21	IOE – RCA 03/15/2021	April/2022	793,250	0.073498	58,302	0.073638	58,351
2Q21	IOE – RCA 06/17/2021	April/2022	895,636	0.098314	88,054	0.070596	55,942
3Q21	IOE – RCA 09/16/2021	April/2022	895,712	0.127800	114,472	0.083344	66,049
4Q21	IOE – RCA 12/16/2021	April/2022	985,620	0.128901	127,048	0.076261	60,476
4Q21	Dividends - RCA	April/2022	-	-	-	0.038711	30,698
-	Dividends prescribed	-	-	-	-	0.000241	191
Total				**0.428513**	**387,876**	**0.342791**	**271,707**

(i) 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 for 2021 were approximately R$ 131,878, respectively (R$ 81,878 on December 31, 2020).

29 EARNINGS PER SHARE

Basic and diluted earnings per share are as follows:

	Parent Company and Consolidated	
Basic/Diluted numerator	**2021**	**2020**
Net income for the year	633,112	1,096,269
Weighted average of common shares, net of treasury shares	952,449	882,351
Potential increase in common shares because of the option and restricted share plan	2,820	2,991
Basic earnings per share - R$ (i)	**0.6647**	**1.2424**
Diluted earnings per share - R$ (*)	**0.6628**	**1.2382**

(i) On November 04, 2021, the share bonuses were approved in the Company's EGM at the ratio of 10% (ten per cent). As such, for compliance with *CPC* 41/ *IAS* 33 – Earnings per share, the amount of earnings per share of the comparative periods was recalculated.

30 STOCK OPTION PLAN

30.1 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 grant using the Black&Scholes model. Expense is recorded at on a pro rata 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 one stock option plan, totaling four programs and two ongoing contract grants. Details of the 2nd stock option plan are as follows:

30.2 2nd stock option plan - characteristics

On September 23, 2015, at the EGM a new stock option plan was approved. Each program will have four tranches, with 25% being exercisable after one year and successively. On February 09, 2017 and February 07, 2019, new contractual options grants were approved by the Chief Executive Officer, which provide for the same conditions as the 2nd Stock option plan.

The plan is supervised by the Committee of Persons ("Committee"), created according to the Company's Bylaws, which is composed of 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 from such option grant date. The plan also provides for the right to exercise the option 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 Art. 39, 40, 41 and 42 of the Bylaws, or in the event of success of the tender offer of the Company, if a Plan participant is terminated (within 12 months concerning the plan approved in 2015) without cause of by initiative of the Company, all options granted to the respective participant and that are not yet vested shall automatically become vested.

30.3 Position of stock option plan

Fair value (i)	Strike price (i)	Date of grant (ii)	Grants	Balance at 12/31/2021 (Amount/mil) (i)	Avaliable for exercise	Vesting period (iii) 2nd tranche	3rd tranche	4th tranche	Balance at 12/31/2020 (Amount/mil)
8,54	12,73	04/02/2016	1st GRANT	-	-	-	-	-	410
9,23	17,95	09/02/2017	2nd GRANT	555	555	-	-	-	680
9,23	17,95	09/02/2017	CONTRACTUAL GRANT	1.893	1.893	-	-	-	1.721
13,96	29,93	08/02/2018	3rd GRANT	766	575	-	-	191	827
17,46	35,28	07/02/2019	CONTRACTUAL GRANT	146	73	-	33	40	133
17,46	35,28	07/02/2019	4th GRANT	875	438	-	219	218	864
22,23	52,45	05/02/2020	5th GRANT	1.070	268	268	268	266	1.118
TOTAL				**5.305**	**3.802**	**268**	**520**	**715**	**5.753**

(i) On November 04, 2021, the EGM approved share bonuses at the ratio of 10%, i.e. a new common share for each ten common shares held at such date. As a consequence of these bonuses and to maintain the original bases agreed at grant date, the number of options not exercised and the strike price and the fair value were adjusted.

(ii) Limit of 6 years to exercise the options as from grant date.

(iii) The options will be available for exercise after the vesting requirements per tranche are complied with. The vesting period of the 1st tranche ends one year after grant date, the 2nd tranche two years after grant date and so forth.

The closing share price of the Company on December 31, 2021 is R$ 24.44 (R$ 43.54 on December 31, 2020).

Each option corresponds to the right to subscribe one share of the Company. On December 31, 2021, there were 2,448 thousand options in the Money (4,635 thousand options in the Money on December 31, 2020). We show next the effects in the net equity per share and the respective percentage of reduction in the ownership interests of the current shareholders:

	NET SHAREHOLDER' EQUITY ÷		SHARES AMOUNT (THOUSANDS) =		BOOK VALUE PER SHARE (R$)	
	12/2021	12/2020	12/2021	12/2020	12/2021	12/2020
WITHOUT EXERCISE IN-THE-MONEY OPTIONS	9,806,621	5,501,316	988,779	796,170	9.92	6.91
EXERCISING IN-THE-MONEY OPTIONS	9,850,562	5,620,148	991,227	800,805	9.94	7.02
DECREASE IN THE EQUITY INTEREST OF CURRENT SHAREHOLDERS CONSIDERING THE EXERCISE OF IN-THE-MONEY OPTIONS (%)			0.25%	0.58%		

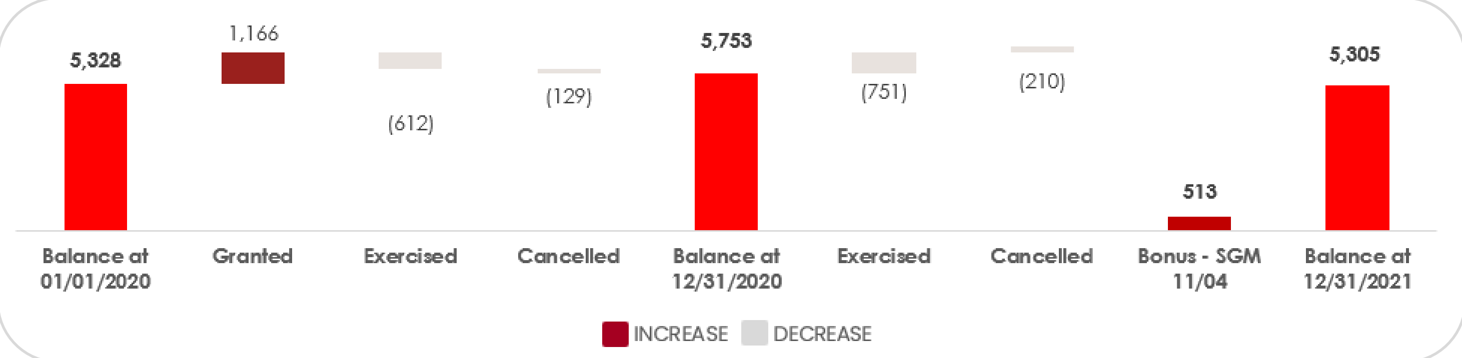
■ 12/2021 ■ 12/2020

30.4 Assumptions for fair value measurement of stock option plan

Fair value of granted stock option plans is calculated at the date of grant using Black&Scholes model. For determining such value, the Company adopted assumptions such 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 Interbank Deposit Certificate (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.

30.5Changes in stock option plan



On December 31, 2021, expense with stock option plan totaled R$ 15,351 (R$ 22,832 on December 31, 2020) - Parent Company and Consolidated.

31 RESTRICTED SHARE PLAN

31.1 Accounting policy

The Company approved a restricted share plan for selected management members and executives whose expense is recorded on a pro rata basis (from grant date to 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 grant date. Provision for 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 EGM, 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.

31.2 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 an employment agreement with the Company; otherwise, the grants shall be cancelled. 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.

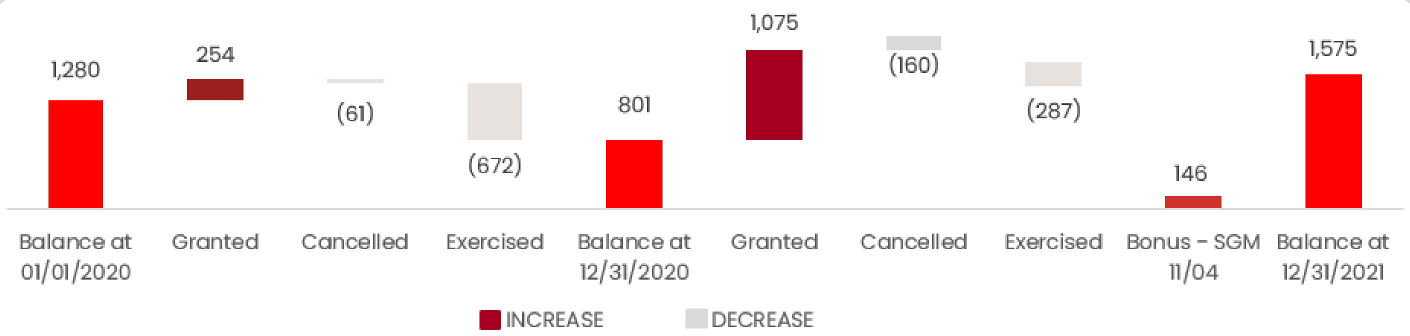
In case public offer is mandatory pursuant to the terms of Art. 39, 40, 41 and 42 of the Bylaws, or in the hypothesis public offer is successful for acquisition of the Company's control, if any of these cases result in termination without cause of a Plan member at the Company's initiative, all restricted 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 grants have the same conditions of exercise and grace period of the other existing grants.

31.3 Position of restricted share plan

Date of Grant	Grants	Balance at 12/31/2021 (Amount/mil) (i)	Vesting Period 2022	Vesting Period 2023	Vesting Period 2024	Balance at 12/31/2020 (Quant./mil
2/8/2018	3rd Grant	-	-	-	-	238
2/7/2019	CONTRATUAL GRANT	44	44	-	-	40
2/7/2019	4th Grant	261	261	-	-	280
2/5/2020	5th Grant	225	-	225	-	243
2/11/2021	6th Grant	1,045	-	-	1,045	-
TOTAL		**1,575**	**305**	**225**	**1,045**	**801**

31.4 Changes in restricted share plan



Expenses with the restricted share plan in 2021 amounted to R$ 18,184 (R$ 10,024 in 2020) and social charges amounted to R$ 4,180 (R$ 2,992 in 2020), totaling R$ 22,364 (R$ 13,016 in 2020).

32 SEGMENT INFORMATION

32.1 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, Repassa, Ashua and operations in Uruguay and Argentina.
ii) **Financial products:** granting of quick withdrawals to individuals and legal entities, financing of purchases and insurance, and the practice of asset and liability operations inherent to credit companies, financing and investments.

	Retail		Financial Products		Consolidated	
	2021	2020	2021	2020	2021	2020
Net operating revenue	9,555,528	6,660,571	1,016,028	876,609	10,571,556	7,537,180
Costs of sales and services	(4,376,770)	(3,201,309)	(22,408)	(22,261)	(4,399,178)	(3,223,570)
Gross profit	**5,178,758**	**3,459,262**	**993,620**	**854,348**	**6,172,378**	**4,313,610**
Sales	(3,066,397)	(2,302,953)	-	-	(3,066,397)	(2,302,953)
General and administrative expenses	(1,073,944)	(774,391)	-	-	(1,073,944)	(774,391)
Losses on receivables, net	-	-	(339,801)	(412,636)	(339,801)	(412,636)
Other operating income (expenses)	(176,280)	726,605	(407,605)	(359,798)	(583,885)	366,807
Income from (loss on) segments	**862,137**	**1,108,523**	**246,214**	**81,914**	**1,108,351**	**1,190,437**
Depreciation and amortization	(443,606)	(409,913)	(20,223)	(14,714)	(463,829)	(424,627)
Stock option plan					(15,351)	(22,832)
Income/loss from write-off and estimated losses on PP&E					(8,994)	(20,533)
Management fees					(6,754)	(1,363)
Finance income (costs), net					26,430	479,679
Income and social contribution taxes					(6,741)	(104,492)
Net income for the year					**633,112**	**1,096,269**

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

33 REVENUES

33.1 Accounting policy

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

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

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

Gross revenue is presented less rebates, discounts and eliminations of revenues between related parties and adjustment to present value, as per Note 8.1.

Sale of goods – retail: the Company operates both in e-commerce and at points of sale, and revenue is recognized in profit or loss when the product 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 indirect subsidiary Realize CFI.

Services: the Company carries out own credit transactions and offers quick withdrawals to individuals and legal entities, and sales financing through indirect subsidiary Realize CFI. Operating income, net is recognized considering effective interest rate, throughout contract validity. This includes revenues from sales commissions through marketplace between the Company and partner companies, sale intermediation commissions and intercompany services

33.2 Breakdown

	Parent Company		Consolidated	
	2021	2020	2021	2020
Gross operating revenue	**11,766,690**	**8,347,343**	**14,395,708**	**10,341,605**
Sales of goods	11,719,665	8,308,065	13,297,446	9,408,371
Service revenues	47,025	39,278	1,098,262	933,234
Deductions	**(3,401,288)**	**(2,493,948)**	**(3,824,152)**	**(2,804,425)**
Returns and cancellations	(848,576)	(702,282)	(931,367)	(766,855)
Taxes on sales	(2,541,273)	(1,783,781)	(2,818,639)	(1,980,945)
Taxes on service revenues	(11,439)	(7,885)	(74,146)	(56,625)
Net operating revenue	**8,365,402**	**5,853,395**	**10,571,556**	**7,537,180**

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

34 EXPENSES BY NATURE

The Company's statements of income are shown per function. Expenditures are shown per nature.

34.1 Selling expenses

	Parent Company		Consolidated	
	2021	2020	2021	2020
Personnel	(863,787)	(684,686)	(1,033,509)	(823,460)
Occupancy	(291,508)	(234,214)	(377,482)	(291,806)
Depreciation – rights-of-use, net of taxes	(303,051)	(247,638)	(374,035)	(304,350)
Discounts - leases payable	62,388	104,488	82,425	128,927
Third-party services	(67,052)	(32,677)	(94,687)	(52,791)
Freight	(125,659)	(82,738)	(145,843)	(103,752)
Utilities and services	(240,736)	(190,880)	(272,779)	(217,213)
Advertising and promotion	(392,118)	(303,125)	(453,531)	(343,884)
Depreciation and amortization	(230,988)	(224,916)	(285,568)	(278,040)
Other	(200,747)	(144,784)	(249,706)	(181,649)
Total	**(2,653,258)**	**(2,041,170)**	**(3,204,715)**	**(2,468,018)**

34.2 General and administrative expenses

	Parent Company		Consolidated	
	2021	2020	2021	2020
Personnel	(477,001)	(342,407)	(539,198)	(381,063)
Occupancy	(4,165)	(4,605)	(14,372)	(10,578)
Depreciation – rights-of-use, net of taxes	(34,441)	(27,184)	(38,375)	(30,077)
Discounts - leases payable	35,085	364	35,197	559
Third-party services	(161,339)	(115,963)	(196,673)	(142,317)
Freight	(126,122)	(87,713)	(140,680)	(96,488)
Utilities and services	(62,491)	(44,436)	(69,531)	(52,652)
Depreciation and amortization	(139,907)	(116,344)	(158,038)	(131,873)
Other	(35,459)	(25,140)	(59,403)	(40,744)
Total	**(1,005,840)**	**(763,428)**	**(1,181,073)**	**(885,233)**

34.3 Other operating income (expenses)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Expenses with financial products and services	(87,242)	(85,479)	(404,443)	(357,414)
Depreciation and amortization	(3,388)	(3,839)	(20,223)	(14,714)
Depreciation – rights-of-use, net of taxes	-	-	(777)	(587)
Income (expenses) from write-off of PP&E	(7,496)	(12,788)	(8,994)	(20,533)
Stock option plan	(15,351)	(22,832)	(15,351)	(22,832)
Management fees	(6,754)	(1,363)	(6,754)	(1,363)
Other operating income (expenses)	(30,068)	(56,308)	(38,070)	(65,995)
Recovery of tax credits (i)	65,053	811,870	79,100	815,120
Employee profit sharing	(206,211)	(21,087)	(217,333)	(22,526)
Total	**(291,457)**	**608,174**	**(632,845)**	**309,156**

(i) In 2021, this refers mainly to favorable unappealable court decisions recognizing: a) non-levy of IRRF on foreign shipping (countries with which Brazil has agreements to prevent double taxation) for payment of product purchase services in the foreign market, as well as the right to recover amounts unduly paid in the 5 (five) years prior to action filing; b) the right to PIS/Cofins credits on depreciation of PP&E acquired until April 30, 2004 (Subject matter No. 244 of STF), rejecting the limitations set forth in article 31 of Law No. 10865/04; and c) to other revenues relating to the proceeding that excludes ICMS form Camicado PIS/COFINS base.

In 2020, this refers mostly to other revenues relating to the proceeding that excludes ICMS from the PIS/COFINS calculation base of the Parent company.

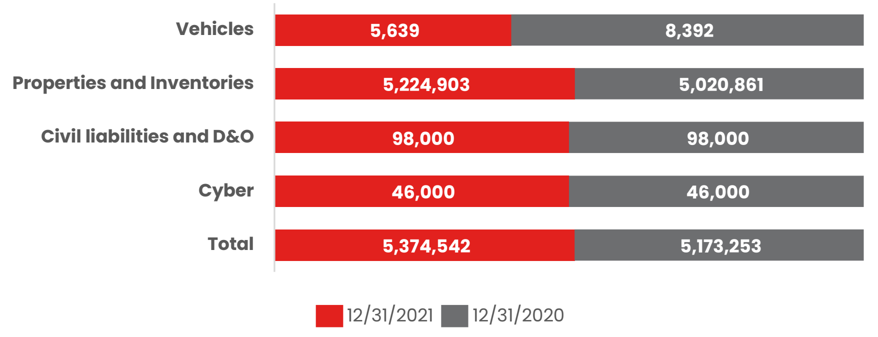
35 FINANCE INCOME/(COSTS)

	Parent Company		Consolidated	
	2021	2020	2021	2020
Finance income	**223,795**	**618,347**	**383,304**	**712,925**
Gains from cash equivalents	195,475	34,515	196,041	35,250
Exchange gains	2,454	21,235	14,767	44,035
Inflation adjustment	472	-	139,456	70,262
SELIC interest on tax credits (i)	21,707	560,384	27,049	560,384
Other finance income	3,687	2,213	5,991	2,994
Finance costs	**(366,517)**	**(242,451)**	**(557,395)**	**(369,043)**
Interest on loans, financing and swap	(166,345)	(85,510)	(168,600)	(87,534)
Interest on leases	(173,863)	(113,604)	(201,794)	(135,798)
Exchange losses	(16,208)	(32,622)	(53,684)	(81,422)
Inflation adjustment	(1,348)	-	(105,574)	(48,723)
Other finance costs	(8,753)	(10,715)	(27,743)	(15,566)
Finance income (costs), net	**(142,722)**	**375,896**	**(174,091)**	**343,882**

(i) In 2020, this refers mostly to monetary adjustment relating to the proceeding that requests exclusion of ICMS from the PIS/COFINS base.

36 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. On December 31, 2021, the Company and its subsidiaries had insurance coverage for civil liability and property insurance (basic coverage: against fire, lightning, explosion and other) and for inventories and coverage of cyber risks, as follows:



37 SUPPLEMENTARY INFORMATION TO THE CASH FLOW

37.1 Parent Company

	Capital	Treasury shares	Leases payable	Loans, financing, debentures and operating financing	Statutory payables	Total
Balance at January 1, 2020	**3,795,634**	**(35,549)**	**1,434,424**	**1,000,480**	**243,114**	**6,438,103**
Changes affecting cash	**9,692**	**(96,964)**	**(279,017)**	**1,454,344**	**(249,670)**	**838,385**
Capital increase/Disposal and/or Transfer of treasury shares	9,692	-	-	-	-	**9,692**
Repurchase of shares	-	(96,964)	-	-	-	**(96,964)**
(Amortization) loans raised and lease consideration	-	-	(279,017)	1,512,288	-	**1,233,271**
Interest paid on loans, debentures and operating financing	-	-	-	(57,944)	-	**(57,944)**
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(243,835)	**(243,835)**
Management fees	-	-	-	-	(5,835)	**(5,835)**
Changes not affecting cash	**-**	**13,052**	**376,240**	**128,735**	**252,825**	**770,852**
Remeasurement, new contracts and ended contracts	-	-	356,437	-	-	**356,437**
Discounts - leases payable	-	-	(104,488)	-	-	**(104,488)**
Disposal/transfer of shares	-	13,052	-	-	-	**13,052**
Interest expenses on loans, structuring costs and operating financing	-	-	124,291	90,995	-	**215,286**
Distribution of interest on equity and dividends	-	-	-	-	273,397	**273,397**
Offset of income tax on IOE	-	-	-	-	(20,572)	**(20,572)**
Financing - financial service operations	-	-	-	37,740	-	**37,740**
Balance at December 31, 2020	**3,805,326**	**(119,461)**	**1,531,647**	**2,583,559**	**246,269**	**8,047,340**
Changes affecting cash	**3,916,730**	**-**	**(396,393)**	**(149,043)**	**(245,917)**	**3,125,377**
Capital increase	3,916,730	-	-	-	-	**3,916,730**
(Amortization) loans raised and lease consideration	-	-	(396,393)	(2,102)	-	**(398,495)**
Interest paid on loans, debentures and operating financing	-	-	-	(146,941)	-	**(146,941)**
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(244,037)	**(244,037)**
Management fees	-	-	-	-	(1,880)	**(1,880)**
Changes not affecting cash	**1,256,293**	**10,841**	**1,151,977**	**167,665**	**353,170**	**2,939,946**
Share bonuses and incorporation of income reserves	1,230,759	-	-	-	-	**1,230,759**
Remeasurement, new contracts and ended contracts	-	-	1,061,144	-	-	**1,061,144**
Discounts - leases payable	-	-	(97,473)	-	-	**(97,473)**
Disposal/transfer of shares	-	10,841	-	-	-	**10,841**
Interest expenses on loans, structuring costs and operating financing	-	-	188,306	167,665	-	**355,971**
Distribution of interest on equity and prescribed dividends	-	-	-	-	394,480	**394,480**
Offset of income tax on IOE	-	-	-	-	(41,310)	**(41,310)**
Deferred taxes on share issue costs	25,534	-	-	-	-	**25,534**
Balance at December 31, 2021	**8,978,349**	**(108,620)**	**2,287,231**	**2,602,181**	**353,522**	**14,112,663**

37.2 Consolidated

	Capital	Treasury shares	Leases payable	Loans, financing, debentures and operating financing	Statutory payables	Total
Balance at January 1, 2020	**3,795,634**	**(35,549)**	**1,739,361**	**1,153,663**	**243,114**	**6,896,223**
Changes affecting cash	**9,692**	**(96,964)**	**(334,911)**	**1,619,793**	**(249,670)**	**947,940**
Capital increase	9,692	-	-	-	-	**9,692**
Repurchase of shares	-	(96,964)	-	-	-	**(96,964)**
(Amortization) loans raised and lease consideration	-	-	(334,911)	1,679,318	-	**1,344,407**
Interest paid on loans, debentures and operating financing	-	-	-	(59,525)	-	**(59,525)**
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(243,835)	**(243,835)**
Management fees	-	-	-	-	(5,835)	**(5,835)**
Changes not affecting cash	**-**	**13,052**	**457,937**	**611,523**	**252,825**	**1,335,337**
Remeasurement, new contracts, ended contracts and translation adjustments	-	-	438,765	-	-	**438,765**
Discounts - leases payable	-	-	(128,927)	-	-	**(128,927)**
Disposal/transfer of shares	-	13,052	-	-	-	**13,052**
Interest expenses on loans, structuring costs and operating financing	-	-	148,099	120,157	-	**268,256**
Distribution of interest on equity and dividends	-	-	-	-	273,397	**273,397**
Offset of income tax on IOE	-	-	-	-	(20,572)	**(20,572)**
Financing - financial service operations	-	-	-	491,366	-	**491,366**
Balance at December 31, 2020	**3,805,326**	**(119,461)**	**1,862,387**	**3,384,979**	**246,269**	**9,179,500**
Changes affecting cash	**3,916,730**	**-**	**(471,918)**	**(128,642)**	**(245,917)**	**3,070,253**
Capital increase	3,916,730	-	-	-	-	**3,916,730**
(Amortization) loans raised and lease consideration	-	-	(471,918)	21,736	-	**(450,182)**
Interest paid on loans, debentures and operating financing	-	-	-	(150,378)	-	**(150,378)**
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(244,037)	**(244,037)**
Management fees	-	-	-	-	(1,880)	**(1,880)**
Changes not affecting cash	**1,256,293**	**10,841**	**1,270,567**	**210,765**	**353,170**	**3,101,636**
Share bonuses and incorporation of income reserves	1,230,759	-	-	-	-	**1,230,759**
Remeasurement, new contracts, ended contracts and translation adjustments	-	-	1,166,591	-	-	**1,166,591**
Discounts - leases payable	-	-	(117,622)	-	-	**(117,622)**
Acquisition – business combination	-	-	3,927	65	-	**3,992**
Disposal/transfer of shares	-	10,841	-	-	-	**10,841**
Interest expenses on loans, structuring costs and operating financing	-	-	217,671	210,700	-	**428,371**
Distribution of interest on equity and dividends	-	-	-	-	394,480	**394,480**
Offset of income tax on IOE	-	-	-	-	(41,310)	**(41,310)**
Deferred taxes on share issue costs	25,534	-	-	-	-	**25,534**
Balance at December 31, 2021	**8,978,349**	**(108,620)**	**2,661,036**	**3,467,102**	**353,522**	**15,351,389**

38 EVENTS AFTER THE REPORTING PERIOD

38.1 Repurchase of shares

On January 20, 2022, the Company informed the market of the approval, at a meeting of the Board of Directors, a Repurchase of Shares Program with a duration of up to 18 months, counted from the date of disclosure and ending on July 15, 2023.

Repurchase transactions carried out were as follows:

Date	Number (in thousands)	Amount
01/26/2022	773	20,005
02/08/2022	769	20,011
02/10/2022	122	3,054
02/14/2022	660	16,953
03/02/2022	801	20,023
Total	**3,125**	**80,046**

38.2 RX Ventures

On March 10, 2022, the Company inform to the market the launch of RX Ventures, a Corporate Venture Capital ("CVC") fund with the purpose of investing in the growth of startups focused on innovative solutions for the entire fashion and lifestyle ecosystem. The fund will have contributions in amount up to R$ 155 millions and envisages periods of four years of investment followed by further four years of divestment. The fund will seek to target at least 10 companies. The segments to be prioritized are Fashion & Retail Tech (fashion retail), E-Commerce and Marketplace, MarTech (content, marketing and branding), FinTech (financial solutions) LogTech (logistics, and supply chain).

38.3 interest on Equity

At the Board of Directors' Meeting on March 17, 2022, the payment of R$ 141,438 was deliberated as Interest on Equity to be attributed to the mandatory dividend for the year 2022.

BOARD OF DIRECTORS, BOARD OF EXECUTIVE OFFICERS, FISCAL COUNCIL AND CONTROLLING

BOARD OF DIRECTORS

José Galló
Chairman of the Board of Directors

Osvaldo Burgos Schirmer
Vice Chairman of the Board of Directors

Carlos Fernando Couto de Oliveira Souto
Director

Fábio de Barros Pinheiro
Director

Alexandre Vartuli Gouvea
Director

Christiane Almeida Edington
Director

Thomas Bier Herrmann
Director

Juliana Rozenbaum Munemori
Director

BOARD OF EXECUTIVE OFFICERS

Fabio Adegas Faccio
Chief Executive Officer

Daniel Martins dos Santos
Chief Financial and Administration Officer and Investor Relations Officer

Regina Frederico Durante
Chief People and Sustainability Officer

Fabiana Silva Taccola
Chief Operating Officer

Henry Costa
Chief Product Officer

FISCAL COUNCIL

Joarez José Piccinini
Chairman of the Director Fiscal Council

Roberto Frota Decourt
Director

Estela Maris Vieira De Souza
Director

CONTROLLING

Luciano Teixeira Agliardi
Controller Officer
Accountant CRC – RS 61.106/O-5

Alexandro de Lima Tavares
Senior Accounting Manager
CRC – RS 63.339/O-6

REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

1 INTRODUCTION AND GENERAL INFORMATION

In April 2012, the Company's Board of Directors established the Audit and Risk Management Committee of Lojas Renner S.A., the Committee subsequently being made statutory following approval by the Extraordinary General Meeting of March 2018.

The Committee is an advisory body reporting directly to the Board of Directors, of a statutory nature, with operating autonomy. It has a consultative character and its functioning is disciplined by the provisions of its Internal Charter and the Company's bylaws. The Committee exercises its consultative functions on behalf of the Board of Directors with respect to fulfilling its supervisory responsibilities for monitoring the integrity of the Financial Statements and internal control systems. It also revises and evaluates the independence and performance of the outside auditors as well as the Company's internal auditors. The Committee is also responsible for revising areas of the Company where risks are significant as well as monitoring compliance with legal and regulatory requirements.

Currently, the Committee is made up of 3 (three) independent members of the Board of Directors, elected by their peers, one of whom have recognized experience in matters relating to corporate accounting, pursuant to the Brazilian Securities and Exchange Commission – CVM instruction, and 1 (one) external member nominated by the Board, also with recognized experience in corporate accounting matters, as called for by the Committee's Internal Charter.

2 SUMMARY OF ACTIVITIES IN 2021

During fiscal year 2021, the Audit and Risk Management Committee held five (5) ordinary and four (4) extraordinary meetings, where matters were deliberated and recommendations were made to the Board of Directors. Two of these meetings counted with the presence of the CEO, one of which also had representatives from the Fiscal Council. Furthermore, the Risk Director participated in all meetings held in 2021, the Internal Audit in six (6) and the Independent Audit in three (3) meetings. In the same period, the Audit and Risk Management Committee added items to five (5) meetings of the Board of Directors, where the Committee's work was presented, together with recommendations for approval. The principal matters discussed during the year are as follows:

2.1 FINANCIAL STATEMENTS

- Revision of the quarterly and annual financial statements, and recommendations to the Board of Directors to the deliberation;
- Examination of the criteria adopted to calculate the provisioning for accounting risks and estimates;
- Examination of a proposal for consolidating the raising of resources through debenture issues;
- Evaluation and approval of economic-financial forecasting of Camicado through a plan for the next ten years;
- Evaluation and approval for the economic-financial forecast of Youcom through a plan for the next 10 years;
- Examination and approval of the proposal for approving guarantees of Lojas Renner on behalf of Camicado, Youcom and LRS (Lojas Renner Shanghai);
- Examination of the share bonus proposal and the increase in capital through the incorporation of reserves, recommending approval to the Board of Directors;
- Analysis of the proposal with respect to the WACC rate for 2022, and recommendation to the Board of Directors for its decision;
- Analysis of the proposal for capitalization of subsidiary companies in 2022, being Camicado; Youcom, Uruguay; Argentina; and Realize, and recommendation to the Board of Directors for its decision.

2.2 MANAGEMENT OF RISKS AND INTERNAL CONTROLS

- Examination of the Company's Business Continuity Management Plan (GNC) as well as investments and perspectives for implementation at Camicado and Youcom;
- Evaluation of the proposed action plans related to the results of the tests executed by the independent audit, with respect to the Company's controls on management of accesses;
- Examination and investigation on the Cyber Security theme at the Company, having as principal issues IT security; management of access identity; data security governance and projects; data protection; and the challenges and next steps related to the theme; as well as an overview of the structure of the data security area and proposal for a new structure;
- Examination of the leading indicators of the Company with respect to cyber security risks;
- Examination and investigation on key information with respect to the data security incident in August last at the Company and identified in joint analysis by the Risks Area as well as the status of the hired Computational Forensic consultancy, requesting immediate actions by Management for the timely regularization of all the points raised;
- Examination on information relative to the Fraud Prevention theme with respect to the Renner Card in the Company.

2.3 INTERNAL AUDIT

- Examination of the summary with the main projects executed by the Internal Audit in the year 2020;
- Examination and approval of the projects plan to be executed in 2021;
- Monitoring of the situation and evolution of items in the audit, pending for the year 2020;
- Monitoring of the projects executed in the period and of the Company's risk index;

- Evaluation and approval of the reclassification and evaluation of the principal risks of the Company and its subsidiaries as well as a suggestion as to an analysis of risks related to health in the light of the pandemic, and in addition, environmental risks;
- Examination of the Internal Audit area Policy, revision and monitoring of the implementation of the new methodology's criteria: more rigorous criteria of analysis and monitoring of the action plans as well as a reduction of the possibility of postponing dates of action plans with respect to points raised in the audit, being required the approval by the responsible Officer and, in his absence, by the general manager or area executive;
- Examination of the overview of the Internal Audit area, highlighting the purpose and Mission; form of activity; principal tools and deliveries; journey involving the process of robotization and digital transformation of the area; and the current methodology and future vision of the area;
- Examination of the overview of the issues raised in the internal and external audits related to the Cyber Security theme.

2.4 INDEPENDENT AUDIT

- Examination of the consolidated audit strategy and the principal subjects and results of the work executed in 2020 by EY - Auditoria Independente, as well as areas focused by the audit, general evaluation of systemic controls, recommendations for improvements, and for internal controls and other evaluations of the Company's financial statements;
- Examination of the service team and scope of work for 2021 as well as the audit schedule, work plan and key audit and accounting matters;
- Examination and investigation of the GO Project, in which the Financial Statements for 2019 compared with 2018 had to be rerun, for obtaining a complete audit report.

2.5 ONE-OFF DISCUSSIONS

- Examination of studies and recommendations related to the PIS/COFINS theme with respect to transportation vouchers and food/meal vouchers;
- Examination of studies and recommendations relating to the PIS/COFINS theme with respect to fixed asset depreciation;
- Examination of studies and recommendations related to the ICMS e-commerce rate differential question;
- Examination of studies and recommendations relating to the margin application theme in the Distribution Center 324 transfer operation;
- Examination of the status of infraction notices, processes and legal actions with respect to fiscal matters;
- Analysis and approval of the Annual Report of activities of the Audit and Risk Management Committee for 2020;
- Examination and approval of the hedge contracting proposal for the new distribution center;
- Examination of the studies and principal evaluations of the tax reform proposal relative to Income Tax, highlighting the government's proposal and the substitute text reform bill submitted to the Lower House;
- Examination of the principal information related to civil and labor contingencies as well as action plans in progress;
- Examination of information on the data security incident in August, highlighting the key information on the attack and the type of threat; the information related to the crisis that was faced, with background and impacts of this type of attack; information on handling the crisis experienced by the Company as well as initiatives adopted for resuming and improving safety;
- Examination of the background to the actions and status with respect to labor complaints relative to the POCA, and request for a periodic report on the matter;
- Examination of the status and indicators related to the licenses for functioning of the Company's units as well as their AVCBs - Fire Department Inspection Certificate (Auto de Vistoria do Corpo de Bombeiros).

3 OPINION OF THE AUDIT AND RISKS MANAGEMENT COMMITTEE

Pursuant to the legal provisions, the Audit and Risks Management Committee of Lojas Renner S.A. has reviewed the Management Report and Financial Statements for the fiscal year ending December 31, 2021. On the basis of the aforementioned review and further considering the information and clarifications provided by the Company's Management and by Ernest Young, received during the course of the fiscal year, the Audit and Risks Management Committee recommends that the Board of Directors approve the Management Report and Financial Statements (including explanatory notes) for the fiscal year ending December 31, 2021.

* * *

OPINION OF THE AUDIT AND RISKS MANAGEMENT COMMITTEE

Pursuant to the legal provisions, the Audit and Risks Management Committee of Lojas Renner S.A. has reviewed the Management Report and Financial Statements for the fiscal year ending December 31, 2021. On the basis of the aforementioned review and further considering the information and clarifications provided by the Company's Management and by Ernest Young, received during the course of the fiscal year, the Audit and Risks Management Committee recommends that the Board of Directors approve the Management Report and Financial Statements (including explanatory notes) for the fiscal year ending December 31, 2021.

Porto Alegre, March 17, 2022.

Members:

Fábio de Barros Pinheiro
Chairman of the Committee

Osvaldo Burgos Schirmer

José Carlos Hruby

Carlos Fernando Couto de Oliveira Souto

A free translation from Portuguese into English of Independent Auditor's Report on individual and consolidated financial statements prepared in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

INDEPENDENT AUDITOR'S REPORT ON INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders and Board of Directors
Lojas Renner S.A.
Porto Alegre - RS

Opinion

We have audited the individual and consolidated financial statements of Lojas Renner S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of Lojas Renner S.A. as at December 31, 2021, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Expected credit losses

As disclosed in Note 8, the Company sells to consumers who are mostly individuals and offers credit to such consumers by means of the issuance of credit cards through indirect subsidiary Realize Crédito Financiamento e Investimento S.A. These credits are subject to the analysis of expected losses as defined by NBC TG 48 (IFRS 9) - Financial instruments and are subject to reduction upon recognition of an allowance for expected credit losses.

We consider the allowance for expected credit losses to be a key audit matter, since it is an estimate that requires significant judgment, in addition to a set of factors to be considered by the executive board in determining its amount, such as: default levels, renegotiation policies and the history of portfolio quality. Additionally, we highlight the importance of the estimate due to the significance of the amounts involved, high dilution of operations (low average ticket) and the high volume of transactions, in addition to the possible impacts of COVID-19 on delinquency levels.

How our audit addressed this matter

Our audit procedures included, among others: testing the reconciliation of account balances to the analytical position; analysis of the reasonableness of the policy adopted by the Company and its convergence to accounting practices adopted in Brazil and IFRS; the recalculation of the provision based on the established policy that includes, among other aspects, considerations in relation to the levels of risk and delay of the transactions, including the analysis of samples of clients, for evaluation of the individual levels of risk; quarterly monitoring of the provision and periodic discussions with the executive board; and analysis regarding the adequacy of the respective disclosures in the accompanying notes. As a result of these procedures, we identified an audit adjustment in relation to the measurement of the allowance for expected credit losses, which was not recorded by the Company in view of its immateriality on the overall financial statements.

Based on the result of audit procedures performed on the allowance for expected credit losses, which is consistent with the executive board's assessment, we consider that the policies and assumptions adopted by the executive board in measuring and recording referred to allowance, as well as the respective disclosures in Note 8 are acceptable in regard to the financial statements taken as a whole.

Measurement of lease liability and right-of-use asset, according to NBC TG 06 (R3) (IFRS 16)

As described in Notes 15 and 19, the Company has recorded right-of-use assets and lease liabilities for contracts covered by NBC TG 06 (R3) (IFRS 16). At December 31, 2021, the Company had a balance of right-of-use assets of R$ 2,080,926 thousand (Individual) and R$2,434,188 thousand (Consolidated), in addition to a lease liability of R$2,287,231 thousand (Individual) and R$2,661,036 thousand (Consolidated).

This matter was considered significant for our audit due to the significance of the amounts involved, both in relation to the asset and liability balances and equity for the year, as well as the uncertainties inherent to this type of calculation and the necessary degree of judgment that must be exercised by the executive board in determining the relevant assumptions, which include, among others, the discount rate used.

How our audit addressed this matter

Our audit procedures included, among others: assessment of the main assumptions used regarding the lease term, discount rate and consideration amounts, in addition to the calculation methodology adopted by the Company to measure the accounting impacts; analysis of the inventory of the Company's lease contracts, in addition to verifying the adherence of these contracts to the scope of the standard. We also tested the reasonableness of the criteria adopted by the Company for a sample of randomly selected contracts, considering the information in the contracts and amendments thereto, and we recalculated the amounts measured by the Company for these transactions. Lastly, we examined the adequacy of the disclosures made by the Company on the matter in the accompanying notes, including the requirements of NBC TG 06 (R3) (IFRS 16) and guidance provided by the Brazilian Securities and Exchange Commission (CVM).

Based on the result of the audit procedures performed, which are consistent with the executive board's assessment, we consider the accounting records prepared by referred to board to measure the impacts of NBC TG 06 (R3) (IFRS 16) on the lease contracts acceptable, as well as the respective disclosures in Notes 15 and 19, in the context of the individual and consolidated financial statements taken as a whole.

Information technology environment

Because of the volume of transactions diluted across a significant number of stores, in addition to the fact that the nature of the Company's transactions are dependent on the operation of the information technology structure and its systems, we consider the information technology environment to be a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others, the involvement of our information technology professionals to assist us in understanding and assessing the Information Technology General Controls environment ("ITGCs") related to the processes of logical access management, change management and management of information technology operations, for systems considered relevant for the generation of information directly related to the financial statements.

As a result of these procedures, we identified control deficiencies related to the logical access management and change management processes, which altered our assessment of the nature, timing and extent of our planned substantive procedures to obtain sufficient and appropriate audit evidence. Our additional procedures included testing of Company's countervailing controls and substantive procedures on the integrity of reports produced by related systems and used in our audit.

Based on the results of the above procedures, we consider the information extracted from the Company's systems to be acceptable for the planning and execution of our tests in the context of the individual and consolidated financial statements taken as a whole.

Others matters

Statements of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2021, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement and are consistent in relation to the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.

Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Porto Alegre, March 17, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/F-7

Guilherme Ghidini Neto
Contador CRC-RS 067795/O-5

OPINION OF THE FISCAL COUNCIL

Subject to compliance with the legal and statutory provisions, in accordance with Article 163 of Law 6404/76 and its subsequent amendments, the Fiscal Council of Lojas Renner has examined the Management Report, the Financial Statements and the Earnings Dividends Distribution Proposal for the fiscal year ending December 31, 2021. Based on the examination carried out and further considering the report without qualification of the independent auditors – Ernest & Young Auditores Independentes dated February 17, 2022, as well as the information and clarifications received during the course of the fiscal year, the Council is of the unanimous opinion that the said documents are suitable for submission to the Annual General Meeting of Shareholders.

Porto Alegre, March 17, 2022.

Joarez José Piccinini

Roberto Frota Decourt

Estela Maris Vieira De Souza

MANAGEMENT PROPOSAL FOR CAPITAL EXPENDITURES BUDGET

The following table presents the Company's capital expenditures budget for year 2022, pursuant to Normative Instruction 480/09, published by the CVM – Brazilian Securities and Exchange Commission on December 7, 2009.

Given that the budget consists of forecasts and business prospects, such involve risks, uncertainties and assumptions, the application of resources depends on circumstances that may or may not occur. General economic conditions, prevailing industrial conditions and other operational factors may affect the amounts forecasted for allocation in fixed assets and working capital.

In order to support the investments, forecast in the Company's expansion plan, the Management has a reserve for investments and expansion on December 31, 2021 of R$ 443.8 million and a relevant balance of capital resources available in Cash and cash Equivalents and Interest-earning bank deposits.

Financing Sources	R$ Million
Remaining balance profit reserves for investment and expansion - after EGM de 04/29/2021	**1,421.7**
Capital Increase by absorbing the Reserve for Investment and Expansion	(927.4)
Reversal of the reserve for Investment and Expansion	(50.5)
Balance of Reserve for Investment and Expansion 12/31/2021	**443.8**
Capital Expenditure Budget – Investment of Resources	**Forecast 2022**
Investments in Fixed Assets	**(1,000.0)**
New Stores	(257.7)
Remodeling and Upgrading	(198.4)
IT Systems and Equipment	(393.3)
Logistics	(111.8)
Others	(38.8)
Investments in Working Capital	**(593.7)**
Total Investment of Resources - Forecast 2022	**(1,593.7)**

The Company's Management believes as necessary the conservation of the Earnings Reserve for Investment and Expansion at current levels, which will be added to operating cash generation for the year 2022 to support the expansion plan to be implemented in the current year.

Porto Alegre, March 17, 2022.

BOARD OF DIRECTORS

José Galló
Chairman

Osvaldo Burgos Schirmer
Vice Chairman

Carlos Fernando Couto de Oliveira Souto
Director

Fábio de Barros Pinheiro
Director

Alexandre Vartuli Gouvea
Director

Christiane Almeida Edington
Director

Juliana Rozenbaum Munemori
Director

Thomas Bier Herrmann
Director

EXECUTIVE OFFICERS

Fabio Adegas Faccio
Chief Executive Officer

Daniel Martins dos Santos
Chief Financial and Administrative Officer
and Investor Relations Officer

Henry Costa
Chief Product Officer

Fabiana Silva Taccola
Chief Operating Officer

Regina Frederico Durante
Chief People and Sustainability Officer

STATEMENT FROM THE BOARD OF EXECUTIVE OFFICERS ON THE 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 Financial Statements for the fiscal year 2021, authorizing their conclusion as of this date.

Porto Alegre, March 17, 2022.

BOARD OF EXECUTIVE OFFICERS

FABIO ADEGAS FACCIO
Chief Executive Officer

DANIEL MARTINS DOS SANTOS
Chief Financial and Administrative Officer and Investor Relations Officer

FABIANA SILVA TACCOLA
Chief Operating Officer

REGINA FREDERICO DURANTE
Chief People and Sustainability Officer

HENRY COSTA
Chief Product 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 Financial Statements for year 2021, 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 Financial Statements.

Porto Alegre, March 17, 2022.

BOARD OF EXECUTIVE OFFICERS

FABIO ADEGAS FACCIO
Chief Executive Officer

DANIEL MARTINS DOS SANTOS
Chief Financial and Administrative Officer and Investor Relations Officer

FABIANA SILVA TACCOLA
Chief Operating Officer

REGINA FREDERICO DURANTE
Chief People and Sustainability Officer

HENRY COSTA
Chief Product Officer