Lojas Quero-Quero S.A.

Management Proposal

Annual General Meeting
Held exclusively by digital means

April 28, 2022

Index

1. Invitation

The shareholders are hereby invited to attend the Annual and Extraordinary General Meeting of Lojas Quero-Quero S.A. ("LQQ" or "Company") to be held at 2:00 pm on April 28, 2022 ("Meeting”), held exclusively by digital means.

The Call Notice, contained in item 3 hereof, expressly lists, in the agenda, all the matters to be discussed.

The documents referred to in Article 133 of Law No. 6.404/76 (“Brazilian Corporations Law”), related to the fiscal year ended on December 31, 2021, are listed below:

I. Management Report on the business and the main administrative facts for the fiscal year ended.

II. Accounting Statements.

III. Independent Auditors' Report

IV. Audit Committee Opinion.

Such documents were made available to the Company's shareholders on March 10, 2022, at its headquarters, on its Investor Relations website (https://ri.quero-quero.com.br/), as well as on the websites of B3 S.A. - Brasil, Bolsa, Balcão ("B3") (www.b3.com.br) and of the Brazilian Securities Commission ("CVM") (www.cvm.gov.br). Such documents were also published on March 17, 2022, in the Jornal do Comércio. All other documents related to the Meeting that are part of this proposal are available to shareholders at the Company's Investor Relations Department, at Avenida General Flores da Cunha, nº 1.943, Cachoeirinha/RS, as well as on the Company's Investor Relations, B3's and CVM's websites, as indicated above.

2. Information on the Meeting

Quorum to Install the Meeting

In view of the matters on the agenda, the Meeting shall be installed, on first call, with the presence of shareholders representing at least 1/4 (one quarter) of the Company's voting capital stock, pursuant to article 125, main section, of the Brazilian Corporations Law.

We clarify that if the above installation quorum is not reached on first call, a new call will be made by means of a notice to be published at least eight (8) days in advance, pursuant to article 124, paragraph 1, II, of the Brazilian Corporations Law. On second call, the Meeting shall be convened with the presence of any number of shareholders.

Resolution Quorum

Pursuant to Article 129 of the Brazilian Corporations Law, resolutions will be taken by an absolute majority of votes, and blank votes shall not be computed.

Call Notice

The Call of Notice, in item 3 of this manual, will be published on March 21, 22 and 23, 2022 in the newspaper "Jornal do Comércio", as well as made available on the Company's Investor Relations website (https://ri.quero-quero.com.br/).

Shareholders Represented by Attorneys

The Company's Management suggests that, upon impossibility of direct attendance, you grant powers for an attorney to attend and vote on your behalf in relation to the matters that are the object of the Meeting.

When the shareholder is represented by an attorney, the regularity and conformity of the power of attorney, as well as proof of ownership of the Company's shares, will be previously examined at the Meeting.

Exceptionally, given the current situation of the COVID-19 pandemic, it shall not be required that corporate documents and representation of legal entities and investment funds drawn up in a foreign language be translated into Portuguese or registered in the Registry of Titles and Documents. In addition, the Company informs that shall not be required to have signature, notorization or consularization/apostille.

Remote Voting Ballot

In addition to the electronic system of remote attendance and voting, the Company will also adopt the remote voting system by means of the remote voting ballot, in accordance with the provisions of CVM Instruction No. 481/09, as amended, whose template for filling in was made available on the Company's Investor Relations website (https://ri.quero-quero.com.br/).

In this sense, shareholders who wish to vote by means of the remote voting ballot may deliver their voting instructions in relation to the matter of the Meeting through one of the options described below:

I. Through voting instructions transmitted by the shareholders to their respective custodian agents

This option is intended exclusively for shareholders holding shares placed at B3. In this case, the vote through the remote voting ballot will be exercised by the shareholders in accordance with the procedures adopted by the institutions and/or responsible brokers for the custody of said shares.

The shareholder holding shares placed at B3 that chooses to exercise its voting rights through the remote voting ballot must do so by transmitting its voting instructions to the institution and/or broker (custodian) that maintains its shares in custody, observing the rules determined by the latter, who will then forward such voting manifestations to the B3 Depositary Central.

As the provision of the collection and transmission of instructions for filling out the remote voting ballot is optional for custodians, we recommend that the shareholder verify that its custodian is qualified to provide such service and which procedures they have established for issuing voting instructions, as well as the documents and information required by them.

The Company informs that if your respective custodian does not provide the aforementioned service, the shareholder will have the option to send his remote voting ballot and applicable documents directly to the Company, as described in item III below.

II. Through voting instructions transmitted by the shareholders to the bookkeeping agent for the shares issued by the Company (Banco Itaú Unibanco S.A.)

This option is intended exclusively for shareholders holding shares placed at Banco Itaú Unibanco S.A., which is the bookkeeping agent for the shares issued by the Company. Itaú created the Digital Shareholder Meeting website, a secure solution where remote voting is possible. To vote on the website, you must register and have a digital certificate. Information on registration and the step by step to issue the digital certificate are described on the website: https://www.itau.com.br/investmentservices/assembleia-digital/.

III. Through delivery of its voting instructions directly to the Company

This option shall be used by all the Company's shareholders. If the shareholder chooses to deliver its voting instructions directly to the Company, the remote voting ballots accompanied by the respective documentation indicated in the table below, shalll only be considered valid if physically received by the Company, in absolute compliance (filled, signed and initialed), until April 21, 2022 at the following address:

Lojas Quero-Quero S.A.
A/C Departamento de Relação com Investidores
Avenida General Flores da Cunha, No. 1.943
Cachoeirinha/RS
E-mail: ri@quero-quero.com.br

In addition, the digitalized copies of the documents may be sent to the email ri@quero-quero.com.br, and the deadline for the measures referred to below (provided for in Article 21-U of ICVM 481/09) shall start exclusively as of the receipt of the physical copy at the address indicated above. Ballots received after the established date will be disregarded by the Company.

The Company will inform the shareholder, within 3 (three) days of receiving the remote voting ballot, if the documents received are sufficient or not for the vote to be considered valid.

Documentation to be sent	Natural Person	Legal Entity	Investment Fund
Identity document with photo of the shareholder or its legal representative(1)	X	X	X
Bylaws or consolidated articles of association and the corporate documents that prove the legal	-	X	X

Documentation to be sent	Natural Person	Legal Entity	Investment Fund
representation of the shareholder (2)			
Fund's consolidated regulation (2)	-	-	X

(1) Accepted identity document: RG, RNE, CNH, passport and officially recognized professional registration card.
(2) For investment funds, documents of the manager and/or administrator, noted the voting policy.

Exceptionally, given the current situation of the COVID-19 pandemic, it shall not be required that corporate documents and representation of legal entities and investment funds drawn up in a foreign language be translated into Portuguese or registered in the Registry of Titles and Documents. In addition, the Company informs that shall not be required to have signature, notarization or consularization/apostille.

If the physical documentation listed in the table above is not received at the Company's head office by April 21, 2022, the Company will inform the shareholder that the votes cast via the remote voting ballot will be disregarded. If the shareholder, after transmitting the voting instruction or sending the remote voting ballot, chooses to participate in the Virtual meeting (in person or by attorney-in-fact), the voting instruction by means of a remote voting ballot may be disregarded, if it requests to exercise voting through the electronic remote voting system.

Finally, the Company emphasizes that shall not be necessary to send physical documents that have already been sent electronically if they have been obtained and signed using the Brazilian Public Key Infrastructure (ICP-Brasil).

3. Call Notice

LOJAS QUERO-QUERO S.A.

Publicly-held Company
CNPJ/ME nº 96.418.264/0218-02
NIRE 4330002898-4

CALL NOTICE

The shareholders of Lojas Quero-Quero S.A. ("Company") are hereby invited to attend the Annual General Meeting ("Meeting"), to be held on April 28, 2022, at 2:00 pm, exclusively by digital means, in order to resolve on the following matters:

(i) Take the accounts of the Company's Management, examine, discuss and vote on the Financial Statements for the fiscal year ended on December 31, 2021, jointly with the management's annual report and the opinions of the Company's independent auditors and Audit Committee;

(ii) Resolve on the proposal to allocate the net profit for the fiscal year ended on December 31, 2021, as well as the reallocation of the entire amount of the retained earnings account to the statutory profit reserve, constituted as a result of the resolutions taken at the 2021 Annual Shareholders' Meeting;

(iii) Establish the number of members on the Board of Directors in 7 (seven) members;

(iv) Elect the members of the Board of Directors; and

(v) Set the limit amount for the management's global annual compensation for the fiscal year of 2022, as proposed by the management.

Details on the proposed resolutions, and the rules and procedures on how shareholders may attend and vote remotely at the Meeting (including instructions for accessing and using the electronic system of attendance and remote voting by shareholders, and general instructions on filling in and delivering the remote voting ballot) can be found in the Management Proposal disclosed on this date by the Company.

General Instructions: Pursuant to article 5, paragraph 3, of CVM Rule No. 481/09, shareholders wishing to attend the Meeting must send an email to the Company's Investor Relations Department (ri@quero-quero.com.br) up to 2 (two) days prior to the Meeting (i.e. until April 26, 2022), requesting your login credentials for the remote attendance and voting system, and delivering the following documents to the Company, as applicable:

Documentation to be sent	Natural Person	Legal Entity	Investment Fund
Identity document with photo of the shareholder or its legal representative (1)	X	X	X
Bylaws or consolidated articles of association and the corporate documents that prove the legal representation of the shareholder (2)	-	X	X
Fund's consolidated regulation (2)	-	-	X

(1) Accepted identity document: RG, RNE, CNH, passport and officially recognized professional registration card.
(2) For investment funds, documents of the manager and/or administrator, noted the voting policy.

Exceptionally, given the current situation of the COVID-19 pandemic, it shall not be required that corporate documents and representation of legal entities and investment funds drawn up in a foreign language be translated into Portuguese or registered in the Registry of Titles and Documents. In addition, the Company informs that shall not be required to have signature, notarization or consularization/apostille.

The Company emphasizes that shall not be necessary to send physical documents that have already been sent electronically if they have been obtained and signed using the Brazilian Public Key Infrastructure (ICP-Brasil).

Pursuant to CVM Rule No. 481/09, the Company shall also adopt the remote voting system by means of the delivery of the respective remote voting ballots directly to the Company, to custody agents or to the depositary financial institution responsible for rendering book-entry share services to the Company, Banco Itaú Unibanco S.A., in accordance with the instructions contained in the Management Proposal, based on the remote voting ballots templates made available by the Company and subject to the guidelines contained in item 12.2 of the Company's Reference Form.

The Company informs that this Call Notice and the Management Proposal, which contains the information required by CVM Rule 481/09 regarding the matters to be examined and discussed at the Meeting are available to the Shareholders at the Company's head office, on its Investor Relations website (https://ri.quero-quero.com.br/), as well as on the websites of B3 S.A. - Brasil, Bolsa, Balcão (www.b3.com.br) and of the Brazilian Securities and Exchange Commission (www.cvm.gov.br).

Any documents or proposals, voting declarations, protests or objections to the matter to be resolved shall be presented on the day of the Meeting, in writing, to the Board of the Meeting, that, for this purpose, will be represented by the Meeting's Secretary.

Multiple Voting: In compliance with the provisions of Article 141 of Law 6,404/76, CVM Instruction 165/91, and Article 4, Item I of CVM Instruction 481/09, we inform you that the minimum percentage of voting capital interest in the Company required to request multiple voting for the election of members of the Board of Directors is 5% (five percent).

4. Management Proposal

The Company's Board of Directors presents to the Meeting its proposals below on the matters included in the agenda.

4.1. Annual General Meeting

(i) take the accounts of the Company's Management, examine, discuss and vote on the Financial Statements for the fiscal year ended on December 31, 2021, jointly with the management's annual report and the opinions of the Company's independent auditors and Audit Committee

The Company's Financial Statements were audited by Deloitte Touche Tohmatsu Auditores Independentes, who issued an opinion without reservations.

Accordingly, we propose that the management's accounts for the fiscal year ended on December 31, 2021, the Management Report, as well as the Financial Statements for the fiscal year ended on December 31, 2021 be approved, without reservations or caveats, and the Opinions of the Independent Auditors, who obtained favorable opinions from the Company's Audit Committee, according to the opinion published on March 10, 2021 on the websites of CVM and B3.

Under the terms of subsection III of Article 9 of CVM Instruction 481, item 10 of the Reference Form is provided as **Annex I** hereto, which contains the management's comments on the Company's financial situation.

(ii) resolve on the proposal for allocation of net profit for the fiscal year ended on December 31, 2021, as well as the reallocation, to the statutory profit reserve, of the total balance of the retained earnings account, constituted as a result of resolutions taken at the 2021 Annual General Meeting.

We propose that the net profit for the year ended on December 31, 2021 be allocated as set forth below, which is detailed in **Annex II** to this proposal, which contains the information in Annex 9-1-II of CVM Instruction 481/09.

The Company's net profit for the fiscal year ended on December 31, 2021 was BRL 68,227,438.51 (sixty-eight million, two hundred and twenty-seven thousand, four hundred and thirty-eight reais and fifty-one cents). Thus, the Company proposes the following destination for the net profit for the year:

- BRL 3,411,371.93 for the constitution of the legal reserve;
- BRL 4,327,308.42 for the constitution of the reserve for tax incentives;
- BRL 16,871,697.04 as mandatory dividend (considering the amount of interest on equity declared at the Board of Directors meeting held on December 15, 2021);
- BRL 6,127,741.59 as additional interest on equity (considering the amount of interest on equity declared at the meeting of the Board of Directors held on December 15, 2021); and
- BRL 37,489,319.53 for the constitution of the statutory profit reserve called "Investment and Expansion Reserve".

As authorized by the Company's Bylaws, the net amount of interest on own capital (i.e. BRL 21,249,931.11), in the gross amount of BRL 22,999,438.63 (twenty-two million, nine hundred and ninety-nine thousand, four hundred and thirty-eight reais and sixty-three cents), declared at the meeting of the Board of Directors held on December 15, 2021, was imputed to the amount of the mandatory dividend.

In addition to the proposed distribution of net profit, as indicated above, management proposes to reallocate, to the statutory profit reserve called "Investment and Expansion Reserve", the entire balance of the retained earnings account, constituted as a result of the resolutions taken at the 2021 Annual Shareholders' Meeting, in the amount of BRL 44,406,933.39.

(iii) Establish the number of members on the Board of Directors in 7 (seven) members

Under the terms of the Company's Bylaws, the Board of Directors is composed of at least five (5) effective members and at most seven (7) effective members, with a unified term of office of two (2) years. The Chairman of the Board of Directors will be chosen from among the directors by simple majority at a meeting of the Board of Directors held after the members of the Board have taken office.

Of the members of the Board of Directors, at least two (2) or twenty percent (20%), whichever is greater, must be independent directors, as defined in the New Market Regulation, and the characterization of the nominees to the Board of Directors as independent directors must be deliberated at the General Meeting that elects them.

We propose that the Board of Directors be composed of seven (7) effective members, for a term of two (2) years, until the Annual Shareholders' Meeting of 2024.

(iv) Elect the members of the Board of Directors

We propose the reelection of the five (5) current members, in addition to the entrance of two new members, and, consequently, the following slate for the composition of the Board of Directors:

Name	Position
Christiano Antoniazzi Galló	Effective Member (Independent)
Eduardo Campozana Gouveia	Effective Member (Independent)
Flávio Benicio Jansen Ferreira	Effective Member (Independent)
José Zitelmann Falcão Vieira	Effective Member (Independent)
Leila Harumi Nakashima	Effective Member (Independent)
Luiz Antonio de Moraes Carvalho	Effective Member (Independent)
Peter Takaharu Furukawa	Effective Member

The Directors indicated above who are listed as candidates for the vacancies of independent member of the Board of Directors meet all the requirements of the Novo Mercado Regulation related to the topic and shall be confirmed by the Meeting as such.

The document containing the information contained in items 12.5 to 12.10 of the Reference Form attached to CVM Instruction 480/09, of each of the members of the Board of Directors indicated, is included in this Manual in its **Annex III**.

The shareholders or group of shareholders that wish to propose another slate or candidates to run for positions on the Company's Board of Directors must send to the Company, in the same act, the documents and information required by Article 3 of CVM Instruction No. 367/02.

The full qualification of the nominee must meet the minimum requirements determined by the Department of Company Registration and Integration ("DREI") for the registration of the minutes of the Meeting by the Board of Trade: (i) civil name in full; (ii) nationality; (iii) marital status; (iv) profession; (v) identity number and issuing body; (vi) CPF/ME; and (vii) residence with complete address.

Once the nomination of a candidate for a member of the Board of Directors is received, containing the minimum information required by CVM Instruction 367/02, the Company will disclose a "Notice to Shareholders" informing about the nomination presented. This disclosure will be made through the Empresas.NET system, in the category "Notice to Shareholders", type "Other Notices", including in the subject matter that it is about the nomination of candidates to the Board of Directors presented by minority shareholders.

Shareholders who meet the percentages indicated in Annex 21-L-I of CVM Instruction No. 481/09 may request the Company to include candidates to the Company's Board of Directors in the remote voting form, provided that they send such request in writing, following the guidelines provided for in item 12.2 of the Reference Form, which must be received by April 3, 2022. It is worth noting that the nomination of a candidate may also be made at the Meeting itself by the shareholder or group of shareholders, personally or through a proxy, who must submit the documents and information mentioned above.

In compliance with the provisions of article 141 of the Brazilian Corporations Law and CVM Instruction 165/91, we inform that the minimum percentage of interest in the Company's voting capital required to request multiple voting for the election of members of the Board of Directors is 5% (five percent). In case of request for adoption of the multiple vote process, each share will be attributed as many votes as there are members of the Board of Directors to be elected, and shareholders are allowed to accumulate votes for a single candidate, or distribute them among several candidates, pursuant to article 141, of the Brazilian Corporations Law.

Once the request for adopting the multiple vote process has been received and verified that it complies with the provisions of article 141, of the Brazilian Corporations Law, the Company will disclose, through the IPE System, that the election of the Board of Directors may take place through this process. It is important to mention that those shareholders who exercise their vote by means of the remote voting form may, if they wish, anticipate their votes in the form of multiple voting in case an eventual request is submitted within the legal term.

(v) Set the limit of the global annual compensation of the directors for the fiscal year 2022, as proposed by the management

The Company's Board of Directors proposes to the General Meeting that the limit of the overall compensation of the Board of Directors and the Statutory Executive Officers for the fiscal year 2022 be the amount of BRL 27,051,066.28 (twenty-seven million, fifty-one thousand, sixty-six reais and twenty-eight cents), which will be distributed by resolution of the Board of Directors. The proposed amount corresponds to the amount approved by the shareholders for the year 2021, in the amount of BRL 24,578,472.00 (twenty-four million, five hundred seventy-eight thousand, four hundred seventy-two reais), adjusted by the National Extended Consumer Price Index ("IPCA") calculated for the year 2021, i.e. 10.06%.

In accordance to Article 12 of CVM Instruction 481/09, item 13 of the Reference Form is available in **Annex IV** to this proposal.

Annex I
Management's Comments on the Company's Financial Situation
(item 10 of the Reference Form)

10. Officers' comments

10.1 - General financial and equity conditions

Introduction

The financial information contained in items 10.1 to 10.9, should be read jointly with our audited consolidated financial statements for the years ended on December 31, 2020, 2019 and 2018, which were prepared in accordance with IFRS, issued by the IASB, and the accounting practices adopted in Brazil. The accounting practices adopted in Brazil include those provided in Brazilian corporate law and in the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC") and approved by the CVM.

The analysis of the Officers clarifying the results obtained and the reasons for the fluctuation in the values of the Company's equity accounts constitute an opinion on the impacts or effects of the data presented in the financial statements on the Company's financial situation. The Company's management cannot guarantee that the financial situation and results obtained in the past will be reproduced in the future.

The information presented below have been evaluated and commended by our Officers. Thus, the evaluations, opinions and comments of our Officers, presented herein, reflect the vision and perception of our Executive Officers on our activities, business and performance, as well as aim to provide investors with information that will help them to compare our financial statements to: (i) the fiscal years ended on December 31, 2021, 2020 and 2019; (ii) changes in the main lines of these financial statements from year to year; and (iii) the main factors that explain such changes.

The terms "AH" and "AV" in the columns of certain tables below mean "Horizontal Analysis" and "Vertical Analysis", respectively. Horizontal Analysis compares indices or line items in our financial statements over a period of time. Vertical Analysis represents the percentage or line item in relation to net revenues for the periods applicable to the results of our operations, or in relation to the total assets on the applicable dates for the statement of our balance sheet.

For information regarding the effects of the coronavirus pandemic (COVID-19) on the Company's activities and its financial condition, see item 10.9 hereof.

(a) General Financial and Equity Conditions

We understand that the Company's financial and equity conditions are sufficient to implement its business plan and comply with its short- and medium-term obligations. We believe that the Company's cash generation, together with the available credit lines, is sufficient to meet the financing of our activities and cover the need for funds to execute the business plan. Below are some financial information that present, quantitatively and preliminarily, the statements described above:

Select Financial and Operating Information

	On December 31		
(In BRL million, except indexes)	**2021**	**2020**	**2019**
Net Equity	541.5	479.3	145.7
Profit for the year	68.2	67.9	30.1
Adjusted EBITDA (1)	182.2	163.2	124.6
Adjusted EBITDA Margin	9.0%	10,1%	9.3%

Gross debt (2)	267.8	375.7	336.0
Net debt (3)	-73.4	-131.2	65.7
Adjusted net debt (4)	72.7	-91.0	95.6
Cash and cash equivalents	256.4	475.4	240.3
Short-term investments	84.9	31.5	30.0
Cash and financial investments FIDC Verdecard	146.1	40.2	29.9
Adjusted net debt / Net Equity	0.1	-0.2	0.7
Adjusted net debt / Adjusted EBITDA UDM	0.4	-0.6	0.8
Current Liquidity Index (5)	1.6	1.6	1.6
Dry Liquidity Ratio (6)	1.2	1.3	1.3
Same store sales growth (7)	15.1%	18.2%	6.0%

(1) Adjusted EBITDA represents a non-accounting measurement prepared by the Company that corresponds to EBITDA less the Impact of IFRS16/CPC06 (R2) (Technical Pronouncement CPC 06 (R2) - Leases) adopted in 2019, in order to allow comparability with the previous period, plus non-recurring or non-operating items, in this case: plus Taxes under judicial discussion "Lei do Bem" and non-recurring FIDC VerdeCard bonus paid to all Company employees, which under the Company management's point-of-view are not part of normal operations, as they do not have a recurring character and/or impact on the Company's operating cash flow.

(2) Gross Debt corresponds to the sum of current and non-current Loans and Financing balances.

(3) Net Debt is obtained by subtracting the balances of Cash and Cash Equivalents and Short-term investments of Gross Debt.

(4) The Adjusted Net Debt corresponds to the net debt plus the cash and financial investments of the FIDC Verdecard.

(5) The Current Liquidity Index corresponds to the division of Current Assets by Current Liabilities.

(6) The Dry Liquidity index corresponds to the division of Current Assets less the volume of Inventories by Current Liabilities.

(7) Same store sales (SSS) growth is calculated for stores that have been in operation for more than one year compared to same store sales in the previous equivalent period and expressed as a percentage.

Therefore, we believe that the Company's operating results accredit it to generate and/or raise funds in the market for the development of its business plan via organic growth, in addition to fulfilling its short- and long-term obligations. Such cash generation capacity in line with the rationalization of its cost structure allows the Company to proceed with its investments while maintaining high levels of liquidity, which will be presented in item 10.1 (c) below, and a healthy equity position.

(b) Capital Structure

We emphasize that we have a capital structure, which is measured by the ratio between liabilities and equity, balanced between equity and third parties, consistent with the Company's activities. It should be noted that the Company's third party capital is represented by accounts payable from suppliers, loans and financing, obligations with insured parties, among others. The table below presents the main components of our capital structure:

	On December 31		
(in BRL Million, except %)	**2021**	**2020**	**2019**
Third party capital (current liabilities + non-current liabilities)	2,150.6	1,739.4	1,499.1
Own capital (net equity)	541.5	479.3	145.7

Total Capital (third parties + net equity)	2,692.1	2,218.7	1,644.8
Third party capital	79.9%	78.4%	91.1%
Net equity installment	20.1%	21.6%	8.9%

As of December 31, 2021, the Company's shareholders' equity totaled BRL 541.5 million, while third-party capital represented a total of BRL 2,150.6 million, i.e., 79.9% third-party capital and 20.1% of net equity.

As of December 31, 2020, the Company's shareholders' equity totaled BRL 479.3 million, while third-party capital represented a total of BRL 1,739.4 million, i.e., 78.4% of third-party capital and 21.6% of net equity.

As of December 31, 2019, the Company's shareholders' equity totaled BRL 145.7 million, while third-party capital represented a total of BRL 1,499.1 million, i.e., 91.1% of third-party capital and 8.9% of net equity.

(c) Payment capacity in relation to financial commitments assumed

Considering its level of operating cash generation and the Company's ability to access funds from loans and financing in the market, Management believes it is fully able to honor its financial commitments assumed, although the Company cannot guarantee that this situation will remain unchanged. If the Company believes it is necessary to contract additional loans to finance its activities and investments, it believes it has the capacity to do so.

Considering the Company's debt profile on December 31, 2021, of BRL 109.5 million in current liabilities and BRL 158.3 million in non-current liabilities, as well as its cash and cash equivalents position of BRL 256.4 million and financial investments of BRL 84.9 million on the same date, or BRL 189.3 million in cash and cash equivalents and BRL 5.8 million in short-term investments, without considering the consolidation of FIDC Verdecard, the Company presents full capacity to pay all its financial obligations and continue operating.

Additionally, we believe that the Company has sufficient cash flow and capital resources to cover investments, expenses and other debts to be paid in the coming years, although we cannot guarantee that this situation will remain unchanged. Should the Company find it necessary to take out loans to finance its operational activity, we believe it has the capacity to do so.

The following is a statement of the Company's position on the dates indicated:

	Fiscal year ended on December 31		
(in BRL Million, except %)	**2021**	**2020**	**2019**
Gross Debt (1)	267.8	375.7	336.0
Gross Debt - current (short term)	*40.9%*	*44.7%*	*20.6%*
Gross Debt - non-current (long term)	*59.1%*	*55.3%*	*79.4%*
Net Debt (2)	-73.4	-131.2	65.7
Adjusted Net Debt (3)	72.7	-91.0	95.6
Adjusted EBITDA	182.2	163.2	124.6
Adjusted Net Debt / Adjusted EBITDA	**0.4x**	**-0.6x**	**0.8x**
Current Asset (a)	1,823.1	1,602.4	1,153.9
Current Liabilities (b)	1,126.5	977.1	707.5
Current Liquidity Index (a)/(b)	1.6	1.6	1.6

(1) Gross Debt represents the sum of loans and financing from current and non-current liabilities.

(2) Net Debt is obtained by subtracting the balances of Cash and Cash Equivalents and Short-term Investments of Gross Debt.

(3) The Adjusted Net Debt corresponds to the Net Debt plus the Cash and Financial Investments of the FIDC Verdecard.

(d) Financing sources for working capital and for investments in non-current assets used

In the last fiscal years ended on December 31, 2019, 2020 and 2021, the Company's main financing sources were: (i) cash flow generated by its operating activities; (ii) short and long-term bank debt; and (iii) shareholder cash flow; and (iv) specifically with respect to 2020, proceeds from the Company's initial public offering. These financings are used by the Company primarily to cover costs, expenses and investments related to: (i) business operation, (ii) capital outlay, and (iii) payment requirements of its indebtedness.

We believe that the sources of financing used by the Company are adequate to its indebtedness profile, meeting its working capital and investment needs, always preserving the long-term profile of its financial debt and, consequently, the Company's ability to pay.

(e) Financing sources for working capital and for investment in non-current assets that it intends to use for coverage of liquidity deficiencies

As of the date hereof, Management does not envisage resource needs that cannot be supported with current or future resources that the Company may have. If additional funds are needed to cover liquidity deficiency in the short term, the Company intends to raise funds from the Brazilian capital market and/or financial institutions.
Item 10.1 (f) hereof describes the main lines of financing contracted by the Company and the characteristics of each one.

(f) Indebtedness levels and characteristics of such debts

On December 31, 2021, the Company had relevant financial contracts entered into with Banco do Brasil S.A., Banco Votorantim S.A., Banco Santander (Brasil) S.A., Caixa Econômica Federal, Banco BTG Pactual, and Banco Bradesco. As of December 31, 2021, the total outstanding balance of consolidated loans and financing was BRL 267.8 million.
The table below summarizes the main conditions of the loan and financing agreements entered into by the Company:

For the fiscal years ended on December 31, 2021, 2020 and 2019:

In local currency			Parent and Consolidated		
	Interest rate	Final maturity	12/31/2021	12/31/2020	12/31/2019
Working Capital	Interest from 1,85% to 2,35% p.a. + CDI	2021	-	8,704	34,661
Working Capital	Interest from 1,85% to 2,67% p.a. + CDI	2021 to 2024	150,470	184,964	182,283
Working Capital	Interest from 4,28% to 4,84% p.a. + CDI	2021 to 2024	15,439	58,677	-
Debentures	Interest of 1,50% p.a. + CDI	2024	101,641	123,042	117,426
Consortium		2024	0,258	0,356	0,269
Subtotal			267,808	375,743	0,335

In foreign currency			Parent and Consolidated		
	Interest rate	Final maturity	12/31/2021	12/31/2020	12/31/2019
Working Capital (b)	Interest of 4,77% p.a. + dollar	2020	-	-	1,733
Swap Contract	Interest of 4,05% p.a. + CDI	2020	-	-	(0,373)
Subotal			-	-	0,001
Total			**267,808**	**375,743**	**335,999**
Short-Term			109,494	167,908	69,235
Long-Term			158,314	207,835	266,764

CDI - Interbank Deposit Certificate

Index	2021	2020	2019
CDI (12 months)	4,39%	2,75%	5,94%

(a) Represents the balance of the 1st issue of simple, non-convertible debentures, in a single series, unsecured, with additional guarantee in the form of collateral. The issue occurred on December

16, 2019 in the registered and book-entry form, without the issuance of sureties and certificates, corresponding to 120,000 debentures. A rate of 1.50% p.a. + CDI is applicable on the unit par value.
(b) Represents the balance of the loan operation in U.S. dollars, with swap linked, with the objective of exchanging the exchange rate risks for an interest rate of 4.05% p.a. + CDI.

(i) Relevant loan and financing agreements

Below are the main characteristics of the relevant loan and financing contracts of the Company, in force on December 31, 2021:

Bank Credit Note (Banco do Brasil S.A.) issued on June 26, 2019 in the amount of BRL 80.0 million and maturing on May 23, 2024 with collateral and personal security. The compensation is 100% of the CDI, plus 1.85% yearly. As of December 31, 2021, the outstanding balance (principal balance plus interest minus prepaid expenses) on this note was BRL 54.6 million.

Bank Credit Note (Banco do Brasil S.A.) issued on June 26, 2019 in the amount of BRL 40.0 million and maturing on May 23, 2024 with collateral and personal security. The compensation is 100% of CDI, plus 1.90% yearly. As of December 31, 2021, the outstanding balance (principal balance plus interest minus prepaid expenses) of this note was BRL 27.4 million.

Bank Credit Note (Banco Votorantim S.A.) issued on May 8, 2019 in the amount of BRL 40.0 million and maturing on May 9, 2022 with unsecured and personal guarantee. The compensation is 100% of the CDI (Interbank Deposit Certificate) plus 2.00% yearly. As of December 31, 2021, the outstanding balance (principal balance plus interest minus prepaid expenses) on this note was BRL 8.2 million.

Bank Credit Note (Banco BTG Pactual S.A.) issued on March 11, 2019 in the amount of BRL 30.0 million and maturing on March 11, 2021 with unsecured and personal security. The compensation is 100% of CDI, plus 2.45% yearly. As of December 31, 2021, the outstanding balance (principal balance plus interest minus prepaid expenses) of this note was BRL 2.9 million.

Debentures (Banco Bradesco S.A.) issued through a public offering with restricted efforts on December 16, 2019 in the amount of BRL 120.0 million and maturing on December 16, 2024 with unsecured guarantee with additional collateral and personal guarantee. The compensation is 100% of CDI, plus 1.50% yearly. On December 31, 2021, the outstanding balance (principal balance plus interest minus prepaid expenses) of this note was BRL 101.6 million.

Bank Credit Note (Banco Santander (Brasil) S.A.) issued on April 6, 2021 in the amount of BRL 30 million and maturing on April 9, 2024 with unsecured guarantee. The compensation is 100% of CDI, plus 2.50% yearly. On December 31, 2021 the outstanding balance (principal balance plus interest minus prepaid expenses) of this note was BRL 25.6 million.

Bank Credit Note (Banco Votorantim S.A.) issued on March 20, 2020 in the amount of BRL 15 million and maturing on March 20, 2023 with unsecured and personal guarantee . The compensation is 100% of CDI, plus 4.84% yearly. As of December 31, 2021 the outstanding balance (principal balance plus interest minus prepaid expenses) of this note was BRL 9.3 million.

Bank Credit Note (Caixa Econômica Federal) issued on March 31, 2020 in the amount of BRL 15 million and maturing on October 3, 2022 with unsecured and personal guarantee. The compensation is 100% of CDI, plus 0.35% monthly. As of December 31, 2021 the outstanding balance (principal balance plus interest minus prepaid expenses) of this note was BRL 6.2 million.

Bank Credit Note (Banco Bradesco) issued on April 7, 2020 in the amount of BRL 30 million and maturing on March 20, 2024 with unsecured guarantee. The compensation is 100% of CDI, plus 2.60% yearly. On December 31, 2021, the outstanding balance (principal balance plus interest minus prepaid expenses) of this note was BRL 31.8 million.

(ii) Other long-term relationships with financial institutions

The Company does not have other relevant long-term relationships with financial institutions. We believe that we have a close and balanced relationship with the main financial institutions in the Brazilian market, aiming at prompt access to credit lines for financing of investments and possible additional demands and working capital strengthening.

(iii) Subordination degree between debts

Neither of the Company's debts existing on December 31, 2021 has a specific subordination clause, so there is no relationship of preference between them. The subordination degree between the Company's debts is determined according to the provisions of current legislation. However, some debts have linked guarantees.

(iv) Possible restrictions imposed to the issuer, especially in relation to indebtedness limits and contracting of new debts, to the distribution of dividends, to the disposal of assets, issuance of new securities and the disposal of corporate control

The covenants and other restrictive clauses linked to the Company are exposed below:

The bank credit notes executed with Banco do Brasil in June 2019 have the following financial covenants:

Financial Covenant 1: Net Financial Debt/EBITDA equal to or lower than 2.0 times;
Financial Covenant 2: EBITDA/Financial Result of at least 2.0 times.

Such covenants are calculated annually by the Company based on the consolidated financial statements, closed at the end of each fiscal year. Such financial statements are audited by an independent audit company registered at CVM. It is understood as:

- EBITDA: the Operating Profit (Loss) obtained before the Net Financial Result added to the Depreciations and Amortizations occurred in the last 12 months;
- and Net Financial Debt: it is composed by the short- and long-term loans and financings, minus the cash availabilities (cash sum and cash equivalent and short-term investments) excluding the liabilities regarding FIDC Verdecard and the liabilities resulting from real estate loan agreements;

The table below presents the measurements of such covenants performed in the last fiscal year:

Indicators under the terms hereof	
(in BRL Million, except x)	**Fiscal year ended on 12/31/2021**
Financial Covenant 1: Net Financial Debt/EBITDA equal to or lower than 2.0 times;	**-0.3x**
"Net Financial Debt"*	-73.4
"EBITDA"	246.3
Financial Covenant 2: EBITDA/Financial Result of at least 2.0 times.	**3.4x**
"EBITDA"	246.3
"Financial Result"	71.7

** corresponding to the "Net Debt" described in item 3.2 hereof*

The bank credit notes executed with Banco Votorantim in May 2019 have the following financial covenant:

Financial Covenant 1: Net Financial Debt/EBITDA equal to or lower than 2.0 times;

Such covenants are calculated annually by the Company based on the consolidated financial statements, closed at the end of each fiscal year. Such financial statements are audited by an independent audit company registered at CVM. It is understood as:

- EBITDA: the Operating Profit (Loss) obtained before the Net Financial Result added to the Depreciations and Amortizations occurred in the last 12 months; and
- Net Debt: it is composed by the short- and long-term loans and financings, excluding the liabilities regarding FIDC Verdecard and the liabilities resulting from real estate loan agreements, minus the cash availability (cash sum and cash equivalent and short-term investments); and

The table below presents the measurements of such covenants performed in the last fiscal year:

Indicators under the terms hereof	
(in BRL Million, except x)	**Fiscal year ended on 12/31/2021**
Financial Covenant 1: Net Debt/EBITDA equal to or lower than 2.0 times;	**-0.3x**
"Net Debt"	-73.4
"EBITDA"	246.3

The bank credit notes executed with Banco BTG Pactual in May 2019 have the following financial covenants:
Financial Covenant 1: Net Debt/EBITDA is (a) in the measurement regarding June equal to or lower than 2.5 times and (b) in the measurement regarding December equal to or lower than 2.0 times; Financial Covenant 2: EBITDA/Net Financial Expense of at least 2.0 times.

Such covenants are calculated semiannually based on the consolidated financial statements, closed at the end of each fiscal year and quarterly financial information, it is understood as:

- EBITDA: profit before interest, taxes, depreciation, amortization and non-operation and non-recurrent revenue/expenses, in the last 12 months;
- Net Financial Debt: it is the sum of all onerous debts, contracted with financial institutions or otherwise, excluding: (a) debts contracted with FIDC Verdecard; (b) the liabilities indicated as Suppliers - Covenant in its financial statements and (c) liabilities resulting from real estate property loan agreements, subtracted from the availabilities (cash sum and short-term short-term investments), excluding cash and financial applications belonging to FIDC Verdecard;
- Net Financial Expense: Difference between financial expenses and financial revenue, in the last 12 months.

The table below presents the measurements of such covenants performed in the last fiscal year:

Indicators under the terms hereof	
(in BRL Million, except x)	**Fiscal year ended on 12/31/2021**
Financial Covenant 1: Net Debt/EBITDA is (a) in the measurement regarding June equal to or lower than 2.5 times and (b) in the measurement regarding December equal to or lower than 2.0 times;	**0.3x**
"Net Financial Debt"*	72.7
"EBITDA"	246.3

Financial Covenant 2: EBITDA/Net Financial Expense of at least 2.0 times.	**3.4x**
"EBITDA"	246.3
"Net Financial Expense"	71.7

** corresponding to the "Adjusted Net Debt" described in item 3.2 hereof*

The debentures issued by the Company and distributed by Banco Bradesco in December 2019 have the financial covenant observed below:

Financial Covenant 1: Net Financial Debt/EBITDA equal to or lower than 3.0 times;

Such covenants are calculated annually by the Company based on the consolidated financial statements, closed at the end of each fiscal year. Such financial statements are audited by an independent audit company registered at CVM. It is understood as:

- EBITDA: operating profit before depreciation, amortization and non-operation and nonrecurrent revenue/expenses, financial result and taxes in the last 12 (twelve) months; I.e., "EBITDA": "Operating profit before Net Operating Result" - "Depreciation and amortization" -, "non-operation and non-recurrent revenue/expenses";
- Net Debt: Short- and long-term loans and financings, minus the cash availability (Cash sum and Cash Equivalents, and Short-term investments); are not considered liabilities and cash regarding the Investment Fund in Credit Rights VerdeCard and the liabilities arising from real estate loan agreements. I.e., "Net Debt" = "Loans and financings" (Outstanding) + "Loans and financings" (Non-current) - "Cash and cash equivalents" - "Short-term investments" + "Cash and financial applications FIDC VerdeCard".

The table below presents the measurements of such covenants performed in the last fiscal year:

Indicators under the terms hereof	
(in BRL Million, except x)	**Fiscal year ended on 12/31/2021**
Financial Covenant 1: Net Debt/EBITDA equal to or lower than 2.0 times;	**0.3x**
"Net Debt"*	72.7
"EBITDA"	246.3

** corresponding to the "Adjusted Net Debt" described in item 3.2 hereof*

The bank credit notes executed with Caixa Econômica Federal in March 2020 have the financial covenants observed below:

Financial Covenant 1: Net Financial Debt/EBITDA equal to or lower than 2.0 times;
Financial Covenant 2: EBITDA/Financial Result of at least 2.0 times.
Financial Covenant 3: Net Financial Debt/EBITDA equal to or lower than 2.0 times;

Such covenants are calculated annually by the Company based on the consolidated financial statements, closed at the end of each fiscal year. Such financial statements are audited by an independent audit company registered at CVM. It is understood as:

- EBITDA: the Operating Profit (Loss) obtained before the Net Financial Result added to the Depreciations and Amortizations occurred in the last 12 months;
- Net Financial Debt: it is composed by the short- and long-term loans and financings, minus the cash availabilities (cash sum and cash equivalent and short-term investments) excluding the liabilities regarding FIDC Verdecard and the liabilities resulting from real estate loan agreements;

- Net Debt: Short- and long-term loans and financings, minus the cash availability (Cash sum and Cash Equivalents, and Short-term investments); are not considered liabilities and cash regarding the Investment Fund in Credit Rights VerdeCard and the liabilities arising from real estate loan agreements. I.e., "Net Debt" = "Loans and financings" (Outstanding) + "Loans and financings" (Non-current) - "Cash and cash equivalents" - "Short-term investments" + "Cash and financial applications FIDC VerdeCard".

The table below presents the measurements made for such covenant in the last fiscal year:

Indicators under the terms hereof	
(in BRL Million, except x)	**Fiscal year ended on 12/31/2021**
Financial Covenant 1: Financial Net Debt/EBITDA equal to or lower than 2.0 times	**-0.3x**
"Financial Net Debt"*	-73.4
"EBITDA"	246.3
Financial Covenant 2: EBITDA/Financial Result of, at least, 2.0 times	**3.4x**
"EBITDA"	246.3
Financial Result	71.7
Financial Covenant 3: Net Debt/EBITDA equal to or lower than 2.0 times	**0.3x**
"Net Debt"**	72.7
"EBITDA"	246.3

** corresponding to "Net Debt" described in item 3.2 of the Reference Form*
*** corresponding to "Adjusted Net Debt" described in item 3.2 of the Reference Form*

Such covenants are calculated annually based on the consolidated financial statements closed at the end of each year, and are considered as:

- EBITDA: means the sum of (i) the profit/loss, with respect to the accumulated period of the previous twelve (12) months, before deducting taxes, tributes, contributions and minority interests; (ii) depreciation and amortization expenses; (iii) financial expenses deducted from financial revenues considering net exchange rate variations; (iv) non-operating and/or non-recurring expenses deducted from non-operating and/or non-recurring revenues in the same period. In other words, 'EBITDA' = "Operating Income before Net Financial Result" - "Depreciation and Amortization" - "Non-operating and non-recurring income/expenses".
- Net Financial Debt: means the sum of all bank loans and financing, whether short or long term, and from this amount should be deducted cash and net financial investments; liabilities and cash related to the GreenCard Credit Rights Investment Fund and liabilities arising from real estate lease contracts are not considered
- Net Financial Expenses: corresponds to the total Financial Expenses minus the total Financial Revenues.

The following table shows the measurements taken of these covenants in the last fiscal year:

Indicators under the terms hereof	
(in BRL Million, except x)	**Fiscal year ended on 12/31/2021**
Financial Covenant 1: Net Debt/EBITDA is (a) in the measurement referring to June equal or less than 2.5 times and (b) in the measurement referring to December equal or less than 2.0 times	**0.3x**
"Financial Net Debt"*	72.7
"EBITDA"	246.3

Financial Covenant 2: EBITDA/Net Financial Expenses of, at least, 2.0 times	**3.4x**
"EBITDA"	246.3
"Net Financial Expenses"	71.7

** corresponding to "Net Debt" described in item 3.2 of the Reference Form*

In addition to the restrictions described above, the loans and financing signed by the Company or its subsidiaries have other restrictive clauses in accordance with market standards, such as clauses related to the change in corporate control, considered usual for this type of operation.

Furthermore, the Company has entered into bank credit bills with Itaú Unibanco S.A. (Bank Credit Note No. 100118030015800; Bank Credit Note No. 100118030015700; Bank Credit Note No. 044.493981-5; Bank Credit Note No. 100118030015900; Bank Credit Note - Covenant No. 100111040001900, as added on 29. 03.03.2018; Bank Credit Note - Agreement No. 1538553944, as added on 29.03.2018), and the Bank Credit Note – Working Capital No. 18.4265.767.0000004-86" with Caixa Econômica Federal, which have restrictive clauses related to the change of control of the Company, which could lead to the early expiration of such contracts. For these instruments, the Company obtained a waiver from creditors confirming their waiver in declaring early maturity as a result of the Company's initial public offering of shares ("Offer").

Additionally, as mentioned in item 10.1 of hereof, the Company has concluded with Banco Bradesco S.A. the Bank Credit Note - Loan – Working Capital No.13056128 and with Banco Santander (Brasil) S.A. the Bank Credit Note No. 1035954, which also has a restrictive clause related to the change of control of the Company (except if as a result of the Offering, according to the amendment of note No. 1035954 executed by the parties on July 16, 2020). The Company monitors compliance with the established covenants and understands that it has met all restrictive covenants and financial covenants mentioned above for the fiscal years ended on December 31, 2021, 2020 and 2019. We cannot predict the impacts arising from the COVID-19 pandemic on our financial condition. The Company may face difficulties in obtaining new financing from financial institutions or other cash flow restrictions, which may compromise and/or hinder compliance with the financial covenants to which it is subject in connection with its obligations.

(g) Limits for utilization of already contracted financings

As of December 31, 2021, the Company had no limits available on contracted financing.

On January 10, 2022, the Company issued the 2nd simple debentures not convertible into shares, in a single series, unsecured, with additional personal guarantee, in registered and book-entry form, in the amount of BRL 150 million, equivalent to 150,000 (one hundred and fifty thousand) debentures. The unit par value is subject to a rate of CDI + 1.75% yearly.

(h) Significant alterations in each item of the financial statements

For the purposes of presenting this section, all the figures presented reflect the Company's consolidated statements, i.e., all assets, liabilities, shareholders' equity, income, expenses, and cash flows of the parent company and its subsidiaries are presented as if they were a single economic entity.

INCOME STATEMENT

Fiscal year ended on December 31, 2021 compared to the fiscal year ended on December 31, 2020

(in BRL millions, except %)	On December 31, 2021	AV	On December 31, 2020	AV	AH
Net operating revenue					

Goods sold	1,482.4	72.9%	1,182.7	73.0%	25.3%
Services provided	551.2	27.1%	438.4	27.0%	25.7%
Total net operating revenue	**2,033.6**	**100.0%**	**1,621.2**	**100.0%**	**25.4%**
Costs of sales and services	**(1,239.7)**	**(61.0)%**	**(951.4)**	**(58.7)%**	**30.3%**
Gross profit	**793.9**	**39.0%**	**669.8**	**41.3%**	**18.5%**
Operating income (expenses)					
Selling expenses	(429.2)	(21.1)%	(346.4)	(21.4)%	23.9%
General and administrative expenses	(188.4)	(9.3)%	(151.8)	(9.4)%	24.1%
Other operating expenses, net	(12.4)	(0.6)%	(18.0)	(1.1)%	(31.1)%
Total operating income (expenses)	**(630.0)**	**(31.0)%**	**(516.2)**	**(31.8)%**	**22.0%**
Operating profit before net financial income (costs)	**163.9**	**8.1%**	**153.6**	**9.5%**	**6.8%**
Net financial income (costs)					
Financial costs	(115.0)	(5.7)%	(74.1)	(4.6)%	55.1%
Financial income	43.3	2.1%	19.0	1.2%	127.6%
Total net financial income (costs)	**(71.7)**	**(3.5)%**	**(55.1)**	**(3.4)%**	30.1%
Profit before income tax and social contribution	**92.2**	**4.5%**	**98.4**	**6.1%**	**(6.3)%**
Current income tax and social contribution	(16.9)	(0.8)%	(29.9)	(1.8)%	(43.3)%
Deferred income tax and social contribution	(7.1)	(0.3)%	(0.7)	(0.0)%	889.3%
Total income tax and social contribution	**(24.0)**	**(1.2)%**	**(30.6)**	**(1.9)%**	**(21.4)%**
Profit of the fiscal year	**68.2**	**3.4%**	**67.9**	**4.2%**	**0.5%**

Net operating revenue

Net operating revenue in the fiscal year ended on December 31, 2021 was BRL 2,033.6 million compared to BRL 1,621.2 million earned in the fiscal year ended on December 31, 2020, which represented a change of BRL 412.4 million or 25.4%. This increase is substantially attributable to the factors listed below.

Goods sold: Net goods sold revenue for the fiscal year ended on December 31, 2021 was BRL 1,482.4 million compared to the fiscal year ended on December 31, 2020, which was BRL 1,182.7 million, representing a change of BRL 299.7 million or 25.3%. This increase is attributed to the 15.1% growth in same store sales (SSS) and the sales increase resulting from expansion with the maturation of stores opened in the last 12 months (17.7% growth in store base compared to the end of 2020). The strong sales pace observed in the 2nd half of 2020, after relaxation of restrictions on operations, was maintained in the 1st half of 2021. In the second half of 2021, we observed a more challenging scenario, because we had a strong comparison base, and some of the variables were inverted with the resurgence of the COVID-19 pandemic, and the population returning to spend on activities not done in previous months, such as travel and entertainment, leaving less disposable income for spending in our stores, besides these, we had the additional negative effect of the worsening of the Brazilian macroeconomic scenario.

Even so, we were able to maintain the sales level throughout the second half of the year, reaching an accumulated growth of 23.8% in the year in Gross Revenues, Net of Returns and Rebates ("RBLD") from the Retail activity.

Services Provided: Net revenue from services provided in the fiscal year ended on December 31, 2021 was BRL 551.2 million, compared to the fiscal year ended on December 31, 2020, which was BRL 438.4 million, representing a change of BRL 112.8 million or 25.7%. This increase is substantially attributable to a 27.9% growth in RBLD from Financial Services activity and 8.2% from Credit Card activity. The Financial Services RBLD totaled BRL 501.3 million in 2021, with a growth of 27.9% over the previous year. The net portfolio with interest (originated by VerdeCard credit card) at the end of the period was BRL 633.2 million, compared to BRL 546.2 million at the end of 2020, representing a growth of 15.9%. The portfolio at the end of 2021 reflects the increase in receivables originating from the use of the card inside and outside our stores. The Credit Card activity presented a revenue growth of 8.2% in 2021, thus representing 2.8% of the Company's revenues. The volume transacted with the VerdeCard credit card in our stores was driven by merchandise sales, showing a growth of 17.9% in 2021, while the volume transacted with the credit card outside the store, was harmed in the previous year mainly by the drop of purchases in the fuel, apparel and footwear, and bars and restaurants segments, started to grow again in 2021 with the trend towards normalization of the economic and social scenario, which represents a propensity for growth in the origination of receivables. The volume transacted in the year through VerdeCard credit card grew 19.4% and was BRL 1,994.2 million, of which BRL 1,036.4 million at accredited establishments and BRL 957.8 million in our stores, growth of 20.8% and 17.9%, respectively, over the previous year.

Cost of sales and services
Cost of sales and services for the fiscal year ended on December 31, 2021 was BRL (1,239.7) million in comparison with the fiscal year ended on December 31, 2020, which was BRL (951.4) million, representing a change of BRL (288.3) million or 30.3%. This increase is attributed to a 26.5% increase in cost of sales, due to (i) a 25.3% increase in goods sold net revenue and (ii) a more promotional retail scenario compared to 2020, given the normalization of product offerings and consequent greater aggressiveness of local competitors; and a 52.2% increase in the cost of services provided, reflecting (i) the gradual return of loan portfolio default to historical levels; and (ii) the increase in the cost of funding the loan portfolio, a consequence of the increase in the Brazilian basic interest rate (Selic) compared to the previous year.

Gross profit
Gross profit for the fiscal year ended on December 31, 2021 was BRL 793.9 million in comparison with the fiscal year ended on December 31, 2020, which was BRL 669.8 million, representing a change of BRL 124.1 million or 18.5 %. This increase is attributable to the factors mentioned above.

Operating income (expenses)
Selling expenses
Selling expenses for the fiscal year ended on December 31, 2021 was BRL (429.2) million in comparison with the fiscal year ended on December 31, 2020, which was BRL (346.1) million, representing a change of BRL (82.8) million or 23.9%. This increase is substantially attributable to (i) the Company's increased sales (23.8% revenue growth from Retail activity) and (ii) the additional expenses arising from organic expansion, with the first full year of operations of the 50 stores opened in 2020 and the opening of 70 new stores in 2021.

General and administrative expenses
General and administrative expenses in the fiscal year ended on December 31, 2021 were BRL (188.4) million, or BRL (151.8) million higher than in the fiscal year ended on December 31, 2020, which was BRL (36.6) million or 24.1%. This increase is substantially attributable to (i) investments in personnel, (ii) expenses with the logistics network to support the company's organic expansion, due to the inauguration of a new distribution center in Corbélia-PR and the inauguration of the new DC in Sapiranga - RS, which replaced an existing DC in the same city, (iii) the initial expenses of the Phygital project (Infinity Store).

Other operating expenses, net
Other operating expenses, net for the year ended on December 31, 2021 were BRL (12.4) million in comparison to the year ended on December 31, 2020, which were BRL (18.0) million, representing a reduction of BRL (5.6) million or 31.1%. This reduction is attributed to the constitution of a provision made in 2020 related to a lawsuit concerning the social contribution on one third of vacation time in the

amount of BRL10.9 million.

Total operating income (expenses)

Total operating income (expenses) for the fiscal year ended on December 31, 2021 was BRL (630.0) million in comparison to the fiscal year ended on December 31, 2020, which was BRL (516.2) million, representing a change of BRL (113.8) million or 22.0 %. This increase is substantially attributable to the sum of the changes in Selling, Administrative and general expenses, and other net operating expenses, as mentioned above.

Operating profit before net financial income (costs)

Operating income before net financial costs for the fiscal year ended on December 31, 2021 was BRL 163.9 million in comparison to the fiscal year ended on December 31, 2020, which was BRL 153.6 million, representing a change of BRL 10.4 million or 6.8%. This increase is attributed to the factors mentioned above.

Net financial income (costs)

Net financial costs for the fiscal year ended on December 31, 2021 was BRL (71.7) million in comparison to the fiscal year ended on December 31, 2020, which was BRL (55.1) million, representing a change of BRL (16.6) million or 30.1%. This increase is substantially attributed to the increase in the basic interest rate and the increase in interest on lease liabilities as a result of the acceleration of store openings.

Earnings before income tax and social contribution

Earnings before income tax and social contribution for the fiscal year ended on December 31, 2021 were BRL 92.2 million, compared to the fiscal year ended on December 31, 2020, which was BRL 98.4 million, representing a decrease of BRL 6.2 million or 6.3%.

Total income tax and social contribution

Total income tax and social contribution for the year ended on December 31, 2021 was BRL (24.0) million compared to the year ended on December 31, 2020 which was BRL (30.6) million, representing a decrease of BRL 6.6 million or 21.4 %. This reduction comes from (i) the increase in the distribution of interest on equity where the effect was BRL 7.7 million in 2021, with BRL 23.0 million distributed, against BRL 4.3 million in 2020, with BRL 12.6 million distributed, and (ii) the reduction in profit before income tax and social contribution;

Profit for the year

Profit for the fiscal year ended on December 31, 2021 was BRL 68.2 million, compared to the fiscal year ended on December 31, 2020, which was BRL 67.9 million, representing a change of BRL 0.4 million or 0.5%. This increase is attributed to the factors mentioned above.

Fiscal year ended on December 31, 2020 compared to the fiscal year ended on December 31, 2019.

(in BRL Million, except %)	On December 31, 2020	AV	On December 31, 2019	AV	AH
Net operating revenue					
Goods sold	1,182.7	73.0%	934.9	69.6%	26.5%
Services provided	438.4	27.0%	409.1	30.4%	7.2%
Total net operating revenue	**1,621.2**	**100.0%**	**1,344.0**	**100.0%**	20.6%
Costs of sales and services	**(951.4)**	**(58.7)%**	**(802.0)**	**(59.7)%**	18.6%
Gross profit	**669.8**	**41.3%**	**542.0**	**40.3%**	23.6%
Operating income (expenses)					
Selling expenses	(346.4)	(21.4)%	(287.7)	(21.4)%	20.4%

(in BRL Million, except %)	On December 31, 2020	AV	On December 31, 2019	AV	AH
General and administrative expenses	(151.8)	(9.4)%	(125.6)	(9.3)%	20.8%
Other operating expenses, net	(18.0)	(1.1)%	(14.8)	(1.1)%	22.1%
Total operating income (expenses)	**(516.2)**	**(31.8)%**	**(428.1)**	**(31.8)%**	20.6%
Operating profit before net financial income (costs)	**153.6**	**9.5%**	**114.0**	**8.5%**	34.7%
Net financial income (costs)					
Financial costs	(74.1)	(4.6)%	(82.5)	(6.1)%	(10.1)%
Financial income	19.0	1.2%	16.0	1.2%	18.7%
Total net financial income (costs)	**(55.1)**	**(3.4)%**	**(66.5)**	**(4.9)%**	(17.1)%
Profit before income tax and social contribution	**98.4**	**6.1%**	**47.5**	**3.5%**	107.1%
Current income tax and social contribution	(29.9)	(1.8)%	(15.3)	(1.1)%	95.0%
Deferred income tax and social contribution	(0.7)	(0.0)%	(2.1)	(0.2)%	(65.7)%
Total income tax and social contribution	**(30.6)**	**(1.9)%**	**(17.4)**	**(1.3)%**	75.7%
Profit of the fiscal year	**67.9**	**4.2%**	**30.1**	**2.2%**	125.3%

Net operating revenue in the fiscal year ended on December 31, 2020 was BRL1,621.2 million compared to BRL1,344.0 million earned in the fiscal year ended on December 31, 2019, representing a change of BRL277.1 million or 20.6%. This increase is substantially attributable to the factors listed below.

Goods sold. Net revenue from goods sold for the fiscal year ended on December 31, 2020 was BRL1,182.7 million compared to the fiscal year ended on December 31, 2019, which was BRL934.9 million, representing a change of BRL247.8 million or 26.5%. This increase is attributed to 18.2% growth in same store sales (SSS) and the increase due to expansion with the maturation of stores opened over the past 12 months (14.2% growth in store base compared to the end of 2019). The strong sales resumption started after the period of relaxation of restrictions on operations, still in the second quarter of 2020, was maintained in the 4th quarter of 2020, at a higher growth rate than the one presented this year before the pandemic, allowing to offset the impacts suffered by the interruption and restrictions on operations occurred in the first half of 2020, and to reach an accumulated growth of 27.9% in the year in Gross Revenue, Net of Returns and Rebates ("RBLD") of the Retail activity.

Services Provided. Net revenue from services provided for the fiscal year ended on December 31, 2020 was BRL438.4 million, compared to the fiscal year ended on December 31, 2019, which was BRL409.1 million, representing a change of BRL29.3 million or 7.2%. This increase is substantially attributable to an 8.9% growth in RBLD from Financial Services activity and 0.9% from Credit Card activity. RBLD from Financial Services totaled BRL391.8 million in 2020, up 8.9% year-over-year. The net portfolio with interest (originated by VerdeCard) at the end of the period was BRL546.0 million, compared to BRL499.6 million at the end of 2019, representing growth of 9.3%. The portfolio at the end of 2020 still reflects the impact of the drop in sales in March and April (due to the interruption in store operations), and the more conservative positioning in granting credit adopted at the beginning of the pandemic, and which became more flexible throughout the year. The Credit Card activity showed a growth of 0.9% in revenue in 2020, thus representing 3.2% of the Company's revenues. The volume transacted with the VerdeCard in our stores was impacted by store closings and operating restrictions in the first months of the pandemic, but returned to growth from the third quarter of 2020, returning to a level higher than before the pandemic, while the volume transacted on the card outside the store, also impacted by the effects of the pandemic, returned to growth in the third quarter of 2020, after falling in the second quarter of 2020, hampered mainly by the decline in purchases in the fuel, apparel and footwear, and bars and restaurants segments. The volume transacted in the year through the VerdeCard grew 5.1% and was BRL1,670.5 million, of which BRL857.8 million at partner establishments and BRL812.7 million in our stores, increases of 3.3% and 7.1%, respectively, over the previous year.

Cost of sales and services

Cost of sales and services for the fiscal year ended on December 31, 2020 was BRL(951.4) million, compared to the fiscal year ended on December 31, 2019, which was BRL(802.0) million, representing a change of BRL(149.4) million or 18.6%. This increase is substantially attributable to a 26.4% increase in cost of sales due to a 26.5% increase in net revenue from the sale of goods and a 12.5% reduction in the cost of services provided, reflecting (i) a historically low level of defaults, due to a conservative position in the concession of credit adopted at the beginning of the pandemic, the strengthening and increased efficiency in the collection operation, and also the economic situation of our clients, less impacted by the pandemic than had been anticipated in the first semester; and (ii) the reduction in the cost of funding the credit portfolio, a consequence of the reduction in the basic interest rate (Selic) in comparison to the previous year.

Gross Profit

Gross profit for the fiscal year ended on December 31, 2020 was BRL669.8 million, compared to the fiscal year ended on December 31, 2019, which was BRL542.0 million, representing a change of BRL127.8 million or 23.6%. This increase is attributed to the factors mentioned above.

Operating income (expenses)

Selling Expenses

Selling expenses for the fiscal year ended on December 31, 2020 was BRL(346.4) million, compared to the fiscal year ended on December 31, 2019, which was BRL(287.7) million, representing a change of BRL(58.8) million or 20.4%. This increase is substantially attributable to the Company's increased sales (27.9% revenue growth from Retail activity) and the additional expenses arising from organic expansion, with the first full year of operations of the 50 stores opened in 2019 and the opening of 50 new stores in 2020.

General and administrative expenses

General and administrative expenses in the fiscal year ended on December 31, 2020 were BRL(151.8) million, or BRL(26.2) million higher than in the fiscal year ended on December 31, 2019, which was BRL(125.6) million. This increase is substantially attributable to investments in personnel and in the new structure of the distribution center in Santo Cristo - RS, to support the Company's organic expansion.

Other operating expenses, net

Other operating expenses, net in the fiscal year ended on December 31, 2020 were BRL(18.0) million, compared to the fiscal year ended on December 31, 2019, which were BRL(14.8) million in the same period of 2018, representing a variation of BRL(3.3) million or 22.1%. This variation is attributed to (i) a positive impact in 2020 by the recognition of BRL8.5 million related to the success in a lawsuit for the exclusion of ICMS from the calculation basis of PIS and Cofins (principal amount, net of legal fees), and negative impacts (ii) by the constitution of a provision related to a lawsuit concerning the social contribution on one-third vacation pay in the amount of BRL10.9 million and (iii) by the expense of BRL2.6 million related to the Stock Option Plan implemented in the third quarter of 2020.

Total operating revenues (expenses)

Total operating revenue (expenses) for the fiscal year ended on December 31, 2020 was BRL(516.2) million, compared to the fiscal year ended on December 31, 2019, which was BRL(428.1) million, representing a change of BRL(88.2) million or 20.6%. This increase is substantially attributable to the sum of the changes in Selling, Administrative and general expenses, and Other net operating expenses, as mentioned above.

Operating Income before Finance income (costs), net

Operating income before net financial result for the fiscal year ended on December 31, 2020 was BRL153.6 million, compared to the fiscal year ended on December 31, 2019, which was BRL114.0 million, representing a change of BRL39.6 million or 34.7%. This increase is attributed to the factors mentioned above.

Finance income (costs), net

Net finance costs for the fiscal year ended on December 31, 2020 was BRL(55.1) million, compared to the fiscal year ended on December 31, 2019, which was BRL(66.5) million, representing a change of BRL(11.3) million or 17.1%. This improvement is attributed substantially to lower finance costs, benefited by a lower interest rate debt, both due to the reduction of the Selic rate and a lower interest spread; and also by higher cash after the receipt of funds as a result of the Company's initial public offering, which benefited Finance Income.

Earnings before income tax and social contribution

Earnings before income tax and social contribution for the fiscal year ended on December 31, 2020 was BRL98.4 million, compared to the fiscal year ended on December 31, 2019, which was BRL47.5 million, representing a change of BRL50.9 million or 107.1%. This increase is attributed to the factors mentioned above.

Total income tax and social contribution

Total income tax and social contribution for the fiscal year ended on December 31, 2020 was BRL(30.6) million compared to the fiscal year ended on December 31, 2019, which was BRL(17.4) million, representing a change of BRL(13.2) million or 75.7%. This increase comes mostly from the increase in earnings before income tax and social contribution.

Profit for the year

Profit for the fiscal year ended on December 31, 2020 was BRL67.9 million, compared to the fiscal year ended on December 31, 2019, which was BRL30.1 million, representing a change of BRL37.7 million or 125.3%. This increase is attributed to the factors mentioned above.

BALANCE SHEETS

Fiscal year ended on December 31, 2021 compared to the fiscal year ended on December 31, 2020

(in BRL thousands, except%)	on December 31, 2021	AV	on December 31, 2020	AV	AH
ASSET					
Current					
Cash and cash equivalents	256.4	9.5%	475.4	21.4%	(46.1)%
Short-term investments	84.9	3.2%	31.5	1.4%	169.2%
Trade Receivables	833.1	30.9%	646.3	29.1%	28.9%
Inventories	458.0	17.0%	318.9	14.4%	43.6%
Recoverable taxes	143.5	5.3%	70.3	3.2%	104.1%
Prepaid Expenses	3.4	0.1%	2.4	0.1%	46.3%
Other Credits	43.7	1.6%	57.5	2.6%	(23.9)%
Total current assets	**1,823.1**	**67.7%**	**1,602.4**	**72.2%**	**13.8%**
Non-current					
Trade receivables	34.7	1.3%	18.2	0.8%	90.6%
Related parties - Other receivables	-	-	-	-	-
Deferred income tax and social contribution	133.5	5.0%	140.5	0.0%	(5.0)%
Recoverable taxes	49.4	1.8%	0.0	6.3%	0.0%
Escrow deposits	13.9	0.5%	14.2	0.6%	(2.3)%
Prepaid expenses	0.0	0.0%	0.0	0.0%	(77.8)%
Other receivables	0.5	0.0%	0.2	0.0%	130.0%
FIDC Verdecard	-	-	-	-	-
Investments	-	-	-	-	-
Property, plant and equipment	587.6	21.8%	399.6	18.0%	47.1%
Intangible assets	49.4	1.8%	43.5	2.0%	13.6%
Total non-current assets	**869.0**	**32.3%**	**616.3**	**27.8%**	**41.0%**
Total asset	**2,692.1**	**100.0%**	**2,218.7**	**100.0%**	**21.3%**
Liabilities and equities					
Current					
Trade payables	434.5	16.1%	357.3	16.1%	21.6%
Trade payables - agreement	41.3	1.5%	12.1	0.5%	241.4%
Borrowings and financing	109.5	4.1%	167.9	7.6%	(34.8)%
Senior units - FIDC Verdecard	132.1	4.9%	81.4	3.7%	62.3%
Lease liabilities	58.0	2.2%	45.8	2.1%	26.5%
Payables to accredited establishments	147.7	5.5%	120.7	5.4%	22.4%
Taxes and contributions payable	20.2	0.7%	17.6	0.8%	14.8%
Payroll and vacation pay	75.5	2.8%	70.8	3.2%	6.7%
Deferred revenue	0.0	0.0%	1.5	0.1%	(100.0)%
Dividends payable	15.1	0.6%	15.1	0.7%	(0.0)%

Onlendings	16.5	0.6%	16.7	0.8%	(0.9)%
Other payables	76.1	2.8%	70.3	3.2%	**8.3%**
Total current liabilities	**1,126.6**	**41.8%**	**977.1**	**44.0%**	**15.3%**
Noncurrent liabilities					
Borrowings and financing	158.3	5.9%	207.8	9.4%	(23.8)%
Senior units - FIDC Verdecard	378.3	14.1%	214.9	9.7%	76.1%
Payables for investment acquisition	18.5	0.7%	47.8	2.2%	(61.3)%
Deferred revenue	0.2	0.0%	0.2	-	0.0%
Lease liabilities	395.5	14.7%	262.2	0.0%	50.8%
Other payables	48.2	1.8%	0.0	11.8%	0.0%
Provision for tax, labor and civil risks	25.1	0.9%	29.4	1.3%	(14.8)%
Total noncurrent liabilities	**1,024.0**	**38.0%**	**762.3**	**34.4%**	**34.3%**
Equity					
Capital	450.6	16.7%	450.6	20.3%	0.0%
Capital reserve	(15.5)	(0.6)%	(26.4)	(1.2)%	(41.1)%
Legal reserve	7.2	0.3%	3.8	0.2%	89.4%
Tax incentive reserve	11.2	0.4%	6.9	0.3%	62.6%
Earnings reserve	88.0	3.3%	44.4	2.0%	98.2%
Total equity	**541.5**	**20.1%**	**479.3**	**21.6%**	**13.0%**
Total liabilities and equity	**2,692.1**	**100.0%**	**2,218.7**	**100.0%**	**21.3%**

Current assets

As of December 31, 2021, current assets were BRL 1,823.1 million, compared to the fiscal year ended on December 31, 2020, which was with BRL 1,602.4 million. This increase of BRL 220.7 million, or 13.8% is substantially attributable to five factors: (i) increase of BRL 186.8 million in Trade receivables due mainly to the increase in the receivables portfolio of FIDC Verdecard; (ii) increase of BRL 139.1 million in Inventories, due mainly to the increase in sales and the expansion of stores; (iii) the increase of BRL 73.2 million in taxes recoverable referring mainly to the Tax on Circulation of Merchandise (ICMS) on goods subject to the tax substitution regime in the state of Rio Grande do Sul, as per Decree RS No. 55.521/2020; (iv) increase of BRL 53.4 million in Short-term Investments aiming at increasing the profitability of Cash and cash equivalents; and (v) partially offset by the consumption of BRL 219.1 million of Cash and cash equivalents.

Noncurrent assets

As of December 31, 2021, non-current assets were BRL 869.0 million, compared to the fiscal year ended on December 31, 2020, which was BRL 616.3 million. This increase of BRL 252.7 million, or 41.0% is substantially attributable to an increase in Property, plant and equipment of BRL 188.0 million, of which (i) BRL 135.8 million refer to the right of use (lease) corresponding to the lease of Company's stores and distribution centers and BRL 38.8 million refer to the acquisition of equipment, furniture and improvements in properties owned by third parties; and (ii) BRL 49.4 million of recoverable taxes related to a lawsuit for the exclusion of ICMS from the calculation basis of PIS and COFINS comprising the periods from 01/2002 to 08/2008. These amounts will be recovered by the Company through an offsetting claim before the Brazilian IRS, and will be passed on as per the agreement signed between the parties to the former controlling shareholders.

Current liabilities

As of December 31, 2021, current liabilities were BRL 1,126.6 million, compared to the fiscal year ended on December 31, 2020, which was BRL 977.1 million. This increase of BRL 149.5 million, or 15.3% is substantially attributable to: (i) the increase of BRL 77.2 million in the Trade Payables account due to the increase in purchase volume to support the Company's sales expansion; (ii) the increase of BRL 50.7 million in the short-term position of the Verdecard FIDC senior quotas, due to the new issuance of senior quotas in the amount of BRL 300.0 million; and (iii) the increase of BRL 27.0 million in Payables to accredited establishments account related to the increased usage of the VerdeCard credit card outside our stores.

Non-current liabilities
As of December 31, 2021, non-current liabilities were BRL 1,024.0 million, compared to the fiscal year ended on December 31, 2020, which was BRL 762.3 million. This increase of BRL 261.7 million, or 34.3% is substantially attributable to four factors: (i) increase of BRL 163.5 million related to the Senior Quotas of FIDC Verdecard, due to the new issuance of senior quotas in the amount of BRL 300.0 million; (ii) increase of BRL 133.3 million in Lease Liabilities, due to the new contracts and renewals of lease contracts of stores and distribution centers; (iii) increase of BRL 48.2 million in the Other Liabilities account, referring to the amounts to be transferred to the former controlling shareholders in connection with the action for the exclusion of the ICMS from the PIS and COFINS calculation basis, comprising the periods from 01/2002 to 08/2008 and (iv) reduction of BRL 49.5 million in Loans and Financing due to the Company's debt maturity schedule.

Equity
As of December 31, 2021, the equity was BRL 541.5 million, compared to the fiscal year ended on December 31, 2020, which was BRL 479.3 million. This increase of BRL 62.2 million, or 13.0% is attributed to (i) an increase of BRL 68.2 million due to the profit from the result for the Fiscal Year ended on December 31, 2021; (ii) 11.0 million from the provision for the Stock Option Plan; and (iii) a reduction of BRL(16.9) million relating to the mandatory minimum dividend in the amount of 25% of adjusted net profit.

Fiscal year ended on December 31, 2020 compared to the fiscal year ended on December 31, 2019

(in BRL thousands, except%)	**on December 31, 2020**	**AV**	**on December 31, 2019**	**AV**	**AH**
Asset					
Current					
Cash and cash equivalents	475.4	21.4%	240.3	14.6%	97.9%
Short-term Investments	31.5	1.4%	30.0	1.8%	5.0%
Trade Receivables	646.3	29.1%	570.9	34.7%	13.2%
Inventories	318.9	14.4%	224.3	13.6%	42.2%
Recoverable taxes	70.3	3.2%	53.0	3.2%	32.8%
Prepaid Expenses	2.4	0.1%	6.6	0.4%	(64.4)%
Other Credits	57.5	2.6%	28.8	1.8%	99.7%
Total current assets	**1,602.4**	**72.2%**	**1,153.9**	**70.2%**	**38.9%**
Non-current					
Trade receivables	18.2	0.8%	16.3	1.0%	11.5%
Related parties - Other receivables	-	-	11.3	0.7%	(100.0)%
Deferred income tax and social contribution	140.5	6.3%	141.3	8.6%	(0.5)%
Escrow deposits	14.2	0.6%	14.9	0.9%	(4.4)%
Prepaid expenses	0.0	0.0%	0.0	0.0%	80.0%

(in BRL thousands, except%)	on December 31, 2020	AV	on December 31, 2019	AV	AH
Other Receivables	0.2	0.0%	0.2	0.0%	27.5%
Investments	399.6	18.0%	268.6	16.3%	48.8%
Property, plant and equipment	43.5	2.0%	38.4	2.3%	13.3%
Total non-current assets	**616.3**	**27.8%**	**490.9**	**29.8%**	**25.5%**
Total asset	**2,218.7**	**100.0%**	**1,644.8**	**100.0%**	**34.9%**
Liabilities and equities					
Current					
Trade payables	357.3	16.1%	267.5	16.3%	33.6%
Trade payables - agreement	12.1	0.5%	46.6	2.8%	(74.0)%
Borrowings and financing	167.9	7.6%	69.2	4.2%	142.5%
Senior units - FIDC Verdecard	81.4	3.7%	63.3	3.8%	28.7%
Lease liabilities	45.8	2.1%	37.3	2.3%	22.9%
Payables to accredited establishments	120.7	5.4%	105.9	6.4%	13.9%
Taxes and contributions payable	17.6	0.8%	13.1	0.8%	34.2%
Payroll and vacation pay	70.8	3.2%	54.1	3.3%	30.8%
Deferred revenue	1.5	0.1%	1.6	0.1%	(8.3)%
Dividends payable	15.1	0.7%	5.1	0.3%	197.6%
Onlendings	16.7	0.8%	18.1	1.1%	(7.8)%
Other payables	70.3	3.2%	25.8	1.6%	172.8%
Total current liabilities	**977.1**	**44.0%**	**707.5**	**43.0%**	**38.1%**
Noncurrent liabilities					
Borrowings and financing	207.8	9.4%	266.8	16.2%	(22.1)%
Senior units - FIDC Verdecard	214.9	9.7%	296.1	18.0%	(27.4)%
Payables for investment acquisition	47.8	2.2%	46.5	2.8%	2.8%
Deferred revenue	0.2	0.0%	1.5	0.1%	(83.9)%
Lease liabilities	262.2	11.8%	170.3	-	53.9%
Provision for tax, labor and civil risks	29.4	1.3%	10.6	0.6%	178.4%
Total noncurrent liabilities	**762.3**	**34.4%**	**791.7**	**48.1%**	**(3.7)%**
Equity					
Capital	450.6	20.3%	139.8	8.5%	222.2%
Capital reserve	(26.4)	(1.2)%	2.5	0.2%	(1.163.5)%
Legal reserve	3.8	0.2%	0.4	0.0%	802.1%
Tax incentive reserve	6.9	0.3%	2.9	0.2%	135.6%
Earnings reserve	44.4	2.0%	-	-	-
Total equity	**479.3**	**21.6%**	**145.666**	**8.9%**	**229.1%**
Total liabilities and equity	**2,218.7**	**100.0%**	**1,644.802**	**100.0%**	**34.9%**

Current assets

As of December 31, 2020, current assets were BRL1,602.4 million, compared to the fiscal year ended on December 31, 2019, which was with BRL1,153.9 million. This increase of BRL448.5 million, or 38.9% is substantially attributable to three factors: (i) an increase of BRL235.2 million in Cash and cash equivalents due primarily to the initial primary offering of distribution of shares, which resulted in a cash injection of BRL264.6 million to the Company; (ii) an increase of BRL75.4 million in Trade receivables due primarily to the increase in the portfolio of interest bearing receivables in the Verdecard FIDC; and (iii) an increase of BRL94.6 million in Inventories, due primarily to the significant increase in sales in the second half of 2020, and store expansion.

Noncurrent assets

As of December 31, 2020, non-current assets were BRL616.3 million, compared to the fiscal year ended on December 31, 2019, which was BRL490.9 million. This increase of BRL125.4 million, or 25.5% is substantially attributable to an increase in Property, Plant and Equipment by BRL131.0 million, of which BRL95.1 million is related to right of use (lease) corresponding to the lease of properties of the Company's stores and distribution centers.

Current liabilities

As of December 31, 2020, current liabilities were BRL977.1 million, compared to the fiscal year ended on December 31, 2019, which was BRL707.5 million. This increase of BRL269.6 million, or 38.1% is substantially attributable to three factors: (i) an increase of BRL89.8 million in the Suppliers account due to increased purchase volumes to support the Company's sales expansion; (ii) an increase of BRL98.7 million in the Loans and Financing account, primarily due to BRL90.0 million of additional borrowings made by the Company at the beginning of the pandemic to increase available cash as a strategy to address the uncertainty of the initial pandemic period; (iii) increase of BRL18.1 million in the short-term position of the senior quotas of FIDC Verdecard, following the amortization schedule defined at the time of the issuances of each series; and (iv) increase of BRL44.5 million in Other liabilities due mainly to the increase in the balances of customer advances and sale with future delivery.

Non-current liabilities

As of December 31, 2020, non-current liabilities were BRL762.3 million, compared to the fiscal year ended on December 31, 2019, which was BRL791.7 million. This decrease of BRL29.4 million, or (3.7)% is substantially attributable to three factors: (i) decrease of BRL58.9 million in Loans and Financing due to the Company's debt maturity schedule; (ii) decrease of BRL81.2 million related to the Senior Quotas of FIDC Verdecard, due to the amortization schedule of the quotas; and (iii) increase of BRL91.8 million in Lease Liabilities, due to the new contracts and renewals of leases of properties of the stores and distribution centers.

Equity

As of December 31, 2020, shareholders' equity was BRL479.3 million, compared to the fiscal year ended on December 31, 2019, which was BRL145.7 million. This increase of BRL333.7 million, or 229.1% is substantially attributable to (i) BRL67.9 million increase due to profit from the result for the Fiscal Year ended on December 31, 2020; (ii) BRL279.3 million related to capital increase (initial public offering and stock option exercises); and (iii) BRL(16.1) million due to dividends and interest on equity capital.

CASH FLOW

Fiscal year ended on December 31, 2021 compared to the fiscal year ended on December 31, 2020

(in BRL thousands, except%)	On December 31, 2021	On December 31, 2020	AH
Cash flow			
Net cash flow generated from (used) in operating activities	139.9	43.2	223.7%
Net cash flow generated from (used) in investing activities	(131.1)	(58.1)	125.9%
Net cash flow generated from (used) in financing activities	(227.8)	250.0	(191.1)%
Net increase (Decrease) in cash and cash equivalents	**(219.1)**	**235.2**	**(193.2)%**

Net cash flow generated from (used) in operating activities

Net cash generated from operating activities in the fiscal year ended on December 31, 2021 was BRL 139.9 million, compared to net cash generated in the fiscal year ended on December 31, 2020, which was BRL 43.2 million. This increase of BRL 96.6 million is substantially attributed to (i) the increase of BRL 277.2 million in FIDC VerdeCard senior quotas referring to the new issue of senior quotas in the amount of BRL 300.0 million in 2021; and (ii) the consumption of BRL 192.2 million in Accounts receivable from clients through, mainly, the financing of sales by FIDC VerdeCard.

Net cash flow generated from (used) in investment activities

Net cash used in investing activities in the fiscal year ended on December 31, 2021 was BRL (131.1) million, compared to net cash used in the fiscal year ended on December 31, 2020, which was BRL (58.1) million. This BRL 73.1 million increase in cash used is substantially attributable to (i) BRL 51.9 million invested in financial investments to monetize cash; (ii) an additional BRL 23.7 million in the acquisition of property, plant and equipment.

Net cash flow generated from (used) in financing activities

Net cash generated from financing activities in the fiscal year ended on December 31, 2021 was BRL (227.8) million, compared to net cash generated in the fiscal year ended on December 31, 2020, which was BRL 250.0 million. This BRL 477.8 million change in cash used is substantially attributable to (i) BRL284.0 million of paid-in capital that occurred , due to the Company's initial public offering and stock option exercises in 2020;; (ii) the payment of BRL 90.9 million of interest and principal on indebtedness; and (iii) the BRL 62.2 million reduction in funding.

Fiscal year ended on December 31, 2020 compared to the fiscal year ended on December 31, 2019.

(in BRL thousands, except%)	On December 31, 2020	On December 31, 2019	AH
Cash flow			
Net cash flow generated from (used) in operating activities	43.2	121.6	(64.5)%
Net cash flow generated from (used) in investing activities	(58.1)	(42.5)	36.6%
Net cash flow generated from (used) in financing activities	(250.0)	11.2	2.124.1%
Net increase (Decrease) in cash and cash equivalents	**235.2**	**90.3**	**160.4%**

Net cash flow generated from (used) in operating activities

Net cash generated from operating activities in the fiscal year ended on December 31, 2020 was BRL43.2 million, compared to net cash generated in the fiscal year ended on December 31, 2019, which was

BRL121.6 million. This decrease of BRL78.4 million, or (64.5)% is substantially attributable to a cash consumption in the amount of BRL132.7 million in Senior Quotas FIDC Verdecard, due to the schedule of amortization of quotas and no new issue of quotas in the year 2020, as well as a cash generation BRL35.7 million from Other liabilities and accounts payable.

Net cash flow generated from (used) in investment activities

Net cash used in investing activities in the fiscal year ended on December 31, 2020 was BRL (58.1) million, compared to net cash used in the fiscal year ended on December 31, 2019, which was BRL (42.5) million. This BRL15.6 million increase in cash used is substantially attributable to an increase of BRL12.3 million in cash consumption by acquisition of property, plant and equipment due primarily to the opening of new stores, and investment in new distribution center structures and implementation of datacenter improvements.

Net cash flow generated from (used) in financing activities

Net cash generated from financing activities in the fiscal year ended on December 31, 2020 was BRL250.0 million, compared to net cash generated in the fiscal year ended on December 31, 2019, which was BRL11.2 million. This change of BRL238.8 million, or 2,124.1% is substantially attributable to (i) BRL 284.0 million for paid-in capital due to the Company's initial public offering and stock option exercises; and (ii) BRL (51.0) million for takings, net of principal and interest payments, from loan and financing facilities.

10.2 - Operating and financial results

The Company has only one operating segment.
The Company's net operating revenue was BRL 2,033.6 million, BRL 1,621.2 million and BRL 1,344.0 million, respectively, for the fiscal years ended 2021, 2020 and 2019.

(a) Results of the issuer's operations
(i) Description of any important revenue components

The Company's operations are organized into three major business activities: (i) Retail, (ii) Financial Services and (iii) Credit Card.

- **Retail:** Lojas Quero-Quero is a construction material retailer, which is the Company's main source of revenue. The Retail business is complemented by the resale of goods in the home appliance and furniture category, in addition to the provision of services, such as freight and cell phone activation.
- **Financial Services:** through a partnership with insurance companies, the Company offers its clients the intermediation service in the sale of insurance, such as Extended Guarantee, Home Insurance, Hospitalization Insurance, among others. The Company acts as an intermediary, not retaining the risks linked to the claims incurred and is not primarily responsible for meeting the obligations of the policies sold. Through a partnership with financial institutions, the Company also offers its customers financial products such as Direct Consumer Credit (CDC), Personal Loans, Revolving Credit, Invoice Installment Plan, among others. The Company acts both as a correspondent for partner financial institutions, with which it maintains a profit sharing agreement ("Profit-Sharing"), and through the FIDC Verdecard.
- **Credit Card:** the Company, through its Subsidiary Verde, offers its customers a proprietary credit card, under the VerdeCard trademark, with which it is possible to make purchases at Lojas Quero-Quero and at more than 250 thousand accredited establishments by Verde itself or by members of a commercial partner network, such as Banrisul Vero, Cielo and Stone. The main revenues provided by the Credit Card business are the card's annual fee and management fee (Merchant Discount Rate, or "MDR"), both as an accredited party and as a payment arrangement provider.

(ii) Factors that materially affect operating results

In addition to the factors mentioned in item 10.1(h) hereof, our operations are affected by macroeconomic conditions, where the main factors are (i) consumer purchasing power, (ii) unemployment rate, (iii) GDP growth, (iv) credit availability, (v) inflation rate, (vi) interest rate, (vii) exchange rate and (viii) degree of consumer confidence.

According to the IBGE's Monthly Trade Survey, the retail revenue of construction material in the state of Rio Grande do Sul grew 3% in 2019, 13% in 2020 and 27% in 2021, while the Company's sales of construction material grew 16% in 2019, 27% in 2020 and 37% in 2021.

Even in a very challenging macroeconomic scenario, the Company managed to grow above the average of the construction material market in the 3 years analyzed here, consolidating its position in the market by gaining market share, according to IBGE data as mentioned in the previous paragraph. This sequence of growth upon growth, even in a scenario of recession in Brazil, gives us more confidence in our ability to grow and continue to expand our market share, organically, in addition to improving our operational efficiency, as we have been doing in recent years.

In the long term, we see the macroeconomic factors we listed above in a positive light, and believe that they will contribute significantly to the growth of the purchasing power of the current C and D classes, which represent a significant part of our customers.

(b) Changes in revenue attributable to changes in prices, exchange rates, inflation, changes in volumes and introduction of new products and services

The Company's goods sales revenue is not directly related to, or indexed to, exchange rates, inflation rates and interest rates, the variations in this revenue resulting from (i) variations in product prices and (ii) variations of the quantities of goods sold:

i. Price changes, although they are made at the discretion of the Company, were motivated, in recent years, by the need to offset the effects of (a) changes in tax legislation and (b) changes in the cost of goods. Such variations in the cost of goods were directly or indirectly related to factors such as: (i) variations in exchange rates (the Company imports a very small quantity of products in relation to purchases of domestic products, this factor being mainly related to costs of suppliers that import components for the manufacture of their products), (ii) changes in inflation rates, or (iii) changes in interest rates, which affect our suppliers' results. Historically, the Company has been able to pass on such impacts to its customers. The price variation has not been a relevant component in the revenue variation.
ii. In relation to variations in the quantities of goods sold, the main factors that have contributed to these variations are (a) the opening of new stores, which allows to serve a population hitherto not served by the Company, which increases the quantity of products sold and (b) the acquisition of new customers in existing stores. In recent years, variations in the quantities of goods sold were the main factor in the variation in revenue from the sale of products, mainly due to the expansion in the number of Company stores and the expansion in the customer base of the VerdeCard credit card.

(c) Impact of inflation, changes in the prices of the main inputs and products, exchange rates and interest rates on the issuer's operating and financial results

<u>Interest rate variation:</u> the reduction in interest rates that occurred in recent years had a positive impact on the Company's operating result and net financial result, (i) reducing the cost of raising funds in partnership with financial institutions and the FIDC Verdecard, which finance the credit operation with

interest from the VerdeCard credit card and (ii) reducing the cost of the Company's debt, linked to the CDI.

Impact of inflation: variations in inflation rates directly impacted our operating result, mainly (i) in property rental expenses, whose contracts, for the most part, are periodically adjusted by indexes linked to inflation, and (ii) in the cost of fundraising from FIDC Verdecard, which has a series (Series 3) with compensation linked to the IPCA inflation index.

Exchange rate: the volume of products imported by the Company in recent years, when compared with the goods acquired in the domestic market, is not relevant, representing less than 1% of purchases. Therefore, variations in the exchange rate did not directly impact the Company's operating and financial results. However, such variations affected the costs of some of our suppliers. Small variations passed on to the Company by the Suppliers were passed on to the final consumer price.

10.3 - Events with relevant effects, occurred and expected, in the financial statements

(a) Introduction or sale of operating segment

Not applicable, since in the fiscal years ended on December 31, 2021, 2020 and 2019, there was no introduction or sale of any operating segment of the Company that is characterized as sale or introduction of a cash-generating unit.

(b) Constitution, acquisition or sale of equity interest

Not applicable, since in the fiscal years ended on December 31, 2021, 2020 and 2019, there was no incorporation, acquisition or sale of equity interest.

(c) Unusual events or operations

Except for what is described in item 10.9 in relation to the COVID-19 pandemic and its effects on the Company's activities and financial condition, in the fiscal years ended on December 31, 2021, 2020 and 2019, there were no unusual events or operations.

10.4 - Significant changes in accounting practices - Provisions and emphasis on the auditor's report

(a) Significant changes in accounting practices

IFRS 16 – CPC 06 (R2) Leases
IFRS 16/CPC 06 (R2), applied as of January 1, 2019, changed the lease accounting model by requiring lessees to recognize liabilities assumed in exchange for the respective right-of-use assets. Lease liabilities correspond to future payment flows adjusted to present value, discounted by incremental interest rates on loans, and rights of use assets are presented at amortized cost. Before their adoption, leases were classified as financial whenever the terms of the lease contract substantially transfer all the risks and rewards of ownership of the asset to the lessee, and all other leases were classified by the Company as "operational".

Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture
IFRS 10/IAS 28 has undergone changes and has an indefinite date to take effect. In case of sale or contribution of assets between investor and associate or joint venture, the effect of the transaction would only be recognized in the result to the extent that the transaction is with an unrelated third party. The CPC has not yet issued a pronouncement equivalent to that IFRS, but there is an expectation that it will do so before the required date of its entry into force. The adoption of IFRS is subject to prior approval by the Federal Accounting Council and CVM normative act.

IFRS 17 – Insurance Agreements
IFRS 17 is expected to be effective for annual periods beginning on or after January 1, 2022. Comprehensive accounting standard for insurance contracts that deals with their recognition, measurement, presentation and disclosure. The general objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Compared with the requirements of IFRS 4, which are largely based on local accounting previously in force, IFRS 17 provides a comprehensive model for insurance contracts, addressing all relevant accounting aspects.

Amendment to IAS 1 - Classification of liabilities as current or non-current
IAS 1 suffered changes and is expected to be effective for annual periods beginning on or after January 1, 2023. It clarifies aspects to be considered for the classification of liabilities as current liabilities or non-current liabilities.

Amendment to IAS 16 - Property, Plant and Equipment
IAS 16 has been amended and is effective for annual periods beginning on or after January 1, 2022. It prohibits the deduction from the cost of property, plant and equipment of any sale of internally produced items while the company is preparing the asset for its intended use. Consequently, the company recognizes these proceeds from the sale and related costs in profit or loss.

Alteration to IAS 8 - Accounting Policies, Changes in Estimates and Correction of Errors - Definition of Accounting Estimates.
IAS 8 was altered and should be in force for annual periods beginning on or after January 1, 2023. It clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error.

(b) Significant effects of changes in accounting practices

IFRS 16 - CPC 06 (R2) Leases
On January 1, 2019, the Company transitioned from IFRS 16/CPC 06 (R2) using the modified retrospective approach, i.e., it did not restate information and balances on a comparative basis. Through the evaluation carried out by Management, it was concluded that the adoption of this standard produced a temporal effect on profit for the year due to the change in methodology in the recognition of the amounts paid in exchange for the lease of commercial properties. The impacts on the Company's financial statements as of January 1, 2019 are shown in the tables below:

Impacts related to the fiscal years ended on December 31, 2021, 2020 e 2019:

Consolidated Income Statements (R$ million)	2021	2020	% 2021 vs 2020	2019	% 2021 vs 2019	2021 Pró-forma	2020 Pró-forma	% 2021 vs 2020	2019 Pró-forma	% 2021 vs 2019
Gross Revenue, net of returns and rebates	**2,518.4**	**2,029.2**	**24.1%**	**1,653.3**	**52.3%**	**2,518.4**	**2,029.2**	**24.1%**	**1,653.3**	**52.3%**
Taxes	**(484.8)**	**(408.1)**	**(18.8%)**	**(309.2)**	**(56.8%)**	**(484.8)**	**(408.1)**	**(18.8%)**	**(309.2)**	**(56.8%)**
Net operating revenue	**2,033.6**	**1,621.2**	**25.4%**	**1,344.0**	**51.3%**	**2,033.6**	**1,621.2**	**25.4%**	**1,344.0**	**51.3%**
Goods sold	1,482.4	1,182.7	25.3%	934.9	58.6%	1,482.4	1,182.7	25.3%	934.9	58.6%
Services provided	551.2	438.4	25.7%	409.1	34.7%	551.2	438.4	25.7%	409.1	34.7%
Cost of sales and services	**(1,239.7)**	**(951.4)**	**(30.3%)**	**(802.0)**	**(54.6%)**	**(1,239.7)**	**(951.4)**	**(30.3%)**	**(802.0)**	**(54.6%)**
Gross profit	**793.9**	**669.8**	**18.5%**	**542.0**	**46.5%**	**793.9**	**669.8**	**18.5%**	**542.0**	**46.5%**
Operating income (expenses)	**(630.0)**	**(516.2)**	**(22.0%)**	**(428.1)**	**(47.2%)**	**(649.7)**	**(529.1)**	**(22.8%)**	**(439.7)**	**(47.8%)**
Selling expenses	(429.2)	(346.4)	(23.9%)	(287.7)	(49.2%)	(445.6)	(358.1)	(24.4%)	(298.5)	(49.3%)
General and administrative expenses	(188.4)	(151.8)	(24.1%)	(125.6)	(50.0%)	(191.7)	(153.0)	(25.3%)	(126.4)	(51.6%)
Other operating expenses, net	(12.4)	(18.0)	31.1%	(14.8)	15.8%	(12.4)	(18.0)	31.1%	(14.8)	15.8%
Operating profit (loss) before finance income (costs), net	**163.9**	**153.6**	**6.8%**	**114.0**	**43.8%**	**144.2**	**140.7**	**2.5%**	**102.3**	**40.9%**
Finance income (costs), net	**(71.7)**	**(55.1)**	**(30.1%)**	**(66.5)**	**(7.9%)**	**(41.3)**	**(36.0)**	**(14.5%)**	**(51.7)**	**20.2%**
Finance costs	(115.0)	(74.1)	(55.1%)	(82.5)	(39.4%)	(84.6)	(55.1)	(53.6%)	(67.7)	(24.9%)
Finance income	43.3	19.0	127.6%	16.0	170.2%	43.3	19.0	127.6%	16.0	170.2%
Profit before income tax and social contribution	**92.2**	**98.4**	**(6.3%)**	**47.5**	**94.1%**	**102.9**	**104.7**	**(1.6%)**	**50.6**	**103.3%**
Current and deferred income tax and social contribution	(24.0)	(30.6)	21.4%	(17.4)	(38.0%)	(27.7)	(32.7)	15.4%	(18.5)	(49.8%)
Profit for the period	**68.2**	**67.9**	**0.5%**	**30.1**	**126.5%**	**75.3**	**72.0**	**4.6%**	**32.2**	**133.9%**

ICPC 22 / IFRIC 23 - Uncertainty about income tax treatment

In the assessment of the Company's management the application of this interpretation did not bring significant impacts on the Company's financial statements, once the main income tax and social contribution calculation treatments are evaluated by the Company's management, supported by its legal advisors, as likely to be accepted by the tax authorities.

(c) Qualified opinions and emphases of matter present in the auditor's report

Not applicable, in view of the fact that there were no qualifications and emphases in the independent auditor's report on the financial statements for the fiscal years ended on December 31, 2021, 2020, and 2019.

10.5 - Critical accounting policies

Management understands that the items below are considered to be critical accounting policies because they contain estimates or subjective judgments considering situations that sometimes involve calculations that may result in changes due to future circumstances.

Management continuously evaluates critical accounting policies and understands that they are essential for the best possible information on the results and equity conditions of each year. Even though the projection exercise sometimes carries uncertainties about the assertiveness of future values, the assumptions used are conservative, periodically reviewed, and based on Management's knowledge and experience, on the Company's information history, on references available in the market, and the assistance of specialists.

Determination of the result

Income and expenses are allocated to income in accordance with the accrual basis.

Revenue from goods sold is recognized in profit or loss at fair value and when the control inherent in the goods is transferred to the purchaser. Revenue from services provided is recognized in the income statement in accordance with the effective provision of services. A revenue is not recognized when there is significant uncertainty on its realization. Income from interest on financial assets is recognized when it is probable that future economic benefits will flow to the Company and the amount of income can be measured reliably, using the straight-line method based on time and the effective interest rate on the outstanding principal amount of the loan, the effective interest rate being that which exactly discounts estimated future cash receipts during the estimated life of the financial asset to the net book value on the date of the initial recognition of that asset.

Inventories

Inventories are assessed at average acquisition cost, less a provision to adjust them to probable realizable values. Provisions for losses on inventories consist of the provision for realization of inventories, which corresponds to the estimated selling price of inventories, less all costs necessary to carry out the sale.

Acquired inventories are recorded at average cost, including storage and handling costs, to the extent that such costs are necessary to bring inventories to their sales condition in stores, deducting bonuses for reaching growth targets received from suppliers.

Provisions for inventory losses are applied to goods with low inventory turnover. Changes in these estimates may affect our results.

Fixed Assets

Recorded at acquisition, formation or construction cost, less accumulated depreciation. Expenses related to repairs and maintenance are recognized directly in the result for the year when incurred.

Depreciation is calculated by the straight-line method based on the rates mentioned in explanatory note 16, which take into consideration the estimated useful economic life of the assets and rights.

The balances of fixed assets are submitted to tests for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable, or whenever there is an indication that its book value may not be recovered. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The latter is the higher of an asset's fair value less costs to sell and value in use.

An item of property, plant and equipment is written off after disposal or when there are no future economic benefits from the continued use of the asset. Any gains or losses on the sale or retirement of an item of property, plant and equipment are determined by the difference between the amounts received on the sale and the book value of the asset, and are recognized in income.

Intangible

Recorded at cost of acquisition, formation or construction, less accumulated amortization.

The amortization of intangible assets with a defined useful life is calculated on a straight-line basis at the rates mentioned in Note 17, which take into consideration the estimated useful economic life of the goods and rights.

Intangible assets related to software development and implementation of management systems are capitalized when it is probable that their future economic benefits will exceed the cost, considering their economic and technological feasibility, and are amortized by the straight-line method over their estimated useful life. Expenses related to software maintenance are recognized directly in the result for the year when incurred.

The intangible balances are submitted to impairment tests whenever events or changes in circumstances indicate that the book value may not be recoverable, or whenever there is an indication that its book value may not be recovered.
An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The latter is the higher of an asset's fair value less costs to sell and value in use.

For intangible assets with a finite useful life, the impairment loss is subsequently reversed if there is no indication that the carrying amount may not be recoverable.

Gains or losses, when applicable, arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in income for the year when the asset is derecognized.

Provisions
A provision is recognized when the Company has a real legal obligation or constituted as a result of a past event, it is probable that an economic resource is required to settle the obligation. The provisions are recorded having as basis the best estimates of the risk involved. When there is an expectation of recovering funds used to settle a provision, an asset is recognized if, and only if, the reimbursement is virtually certain and the amount can be measured reliably.

Provisions for contingencies generated from civil and labor claims
The civil and labor provisions made by the Company are reviewed monthly considering the updated position of all civil and labor proceedings and the evolution and history of amounts effectively settled, since there is a probability of outflow of funds as a way to terminate such obligations. Therefore, the estimates of the financial effect are based on similar transactions and supported by reports from legal advisors.

Management Comments: The Company's management adopted this criterion, as the analysis of the historical series shows that such estimates perform well in measuring the disbursement required to settle such obligations.

Income tax and social contribution
Income tax and social contribution are calculated based on the statutory rates in force, and consider the offsetting of tax losses and negative social contribution base, limited to 30% of the taxable income as permitted by law.

Deferred taxes on temporary differences, tax losses and negative social contribution base are recognized, to the extent their realization is probable.

Deferred taxes recognized on tax losses and negative social contribution bases are supported by taxable income projections, based on technical feasibility studies, submitted annually to the Company's

Management bodies. The other credits, which are based on temporary differences, were recognized according to the expectation of their realization.

Management Comments: The Company's management constantly conducts analyzes of future operational feasibility, which have pointed to the probable occurrence of future taxable profit, thus making it possible to offset past losses. Management, based on past assessments, believes that assumptions used to assess the likelihood of future taxable profits, which involve internal management measures, are more concrete or better manageable evidence, than assumptions that involve third parties or projections of market that do not reflect the particularities of the business in which the Company operates.

10.6 - Relevant items not shown in the financial statements

(a) The assets and liabilities held by the issuer, directly or indirectly, off-balance sheet items, such as:

(i) Receivables portfolios written off over which the entity maintains risks and responsibilities, indicating the respective liabilities

There are no written-off receivables portfolios on which the Company maintains risks and responsibilities not evidenced in the Company's balance sheet for the fiscal year ended on December 31, 2021.

(ii) Contracts for the future purchase and sale of products or services

There are no contracts for the future purchase and sale of products or services not shown in the Company's balance sheet for the fiscal year ended on December 31, 2021.

(iii) Unfinished construction contracts

There are no unfinished construction contracts not shown in the Company's balance sheet for the fiscal year ended on December 31, 2021.

(iv) Contracts for future financing receipts

There are no future financing receipt contracts not shown in the Company's balance sheet for the fiscal year ended on December on 31, 2021.

(b) Other items not shown in the financial statements

There are no other items not shown in the Company's financial statements for the fiscal year ended on December 31, 2021.

10.7 Comments on items not shown in the financial statements

(a) How such items change or may change the revenues, expenses, operating income, financial expenses or other items in the issuer's financial statements

Not applicable, taking into account that there are no items not shown in the Company's financial statements for the fiscal year ended on December 31, 2021.

(b) Nature and purpose of the operation

Not applicable, taking into account that there are no items not shown in the Company's financial statements for the fiscal year ended on December 31, 2021.

(c) Nature and amount of obligations assumed and rights generated in favor of the issuer as a result of the transaction

Not applicable, taking into account that there are no items not shown in the Company's financial statements for the fiscal year ended on December 31, 2021.

10.8 – Business Plan

(a) Investments

(i) Quantitative and qualitative description of investments in progress of planned investments

Our capital expenditure (capex) for the fiscal year ended on December 31, 2021 was BRL 85.1 million. This amount mainly included capital expenditures related to (i) geographic expansion, including the opening of 70 new stores (BRL 25.6 million); (ii) store remodeling and revitalization, totaling 55 remodeled stores, including stores converted to the "Mais Construção", "Mais Construção II" and "Mais Construção III" formats, and also operational improvement projects (BRL 15.0 million); (iii) investments in logistics and distribution centers, information technology and others (BRL43.4 million).

(ii) Investments financing sources

The main sources of financing of our investments in the last years were (i) cash flow generated by our operating activities; (ii) credit lines with major banks (bank indebtedness); and (iii) funds from the initial public offering of the Company's shares. In addition, the Company may evaluate the possibility of obtaining financing through access to the capital market, should it deem it necessary.

(iii) Relevant divestments in progress and expected divestments

As of the date of this Reference Form, the Company informs that it has no ongoing or expected divestments.

(b) Since already disclosed, indicate the acquisition of plants, equipment, patents or other assets that may materially influence the issuer's production capacity

There is no already disclosed acquisition of plants, equipment, patents or other assets that should materially influence the Company's production capacity. It is worth emphasizing that, as mentioned in item 7.1 of this Reference Form, our business model consists in operating our stores in leased properties, and not by means of acquisition of the same.

(c) New products and services

(i) Description of ongoing research already disclosed

Not applicable.

(ii) Total amounts spent by the issuer on research for development of new products or services

Not applicable.

(iii) Projects under development already released

Not applicable.

(iv) Total amounts spent by the issuer on research for development of new products or services

Not applicable.

10.9 - Other factors with relevant influence

<u>COVID-19 PANDEMIC IMPACTS FOR COMPANY ACTIVITIES</u>

<u>Impacts on the Company's financial conditions</u>

The years of 2020 and 2021 were marked by the Covid-19 pandemic and the impact on different sectors of the Brazilian economy. Our operations, as well as the operations of companies directly or indirectly controlled by us have suffered and continue to suffer a material impact due to measures, including restriction of the movement of persons, adopted from March throughout the national territory as a consequence of the pandemic of COVID-19, which caused a significant decrease in the circulation of people on roads, shopping malls, airports, universities, hospitals, commercial buildings, among other public places. In addition, we believe that the extent of the impacts of the pandemic on our results for the coming quarters will depend on future developments, which are highly uncertain, unpredictable and often out of our control.

In the first quarter of 2020, these adverse events impacted our operations in the month of March 2020 to a greater extent, when our management interrupted the operation of all our stores from the 23rd, which had a direct and relevant impact on our operations and financial results.

For operating in a sector considered as essential by several authorities and due to the fact that we are mainly located in small- and medium-sized cities (on December 31, 2020, 80% of our stores were located in cities with less than 100,000 inhabitants) of the country side in the southern region of the country, where we understand that, so far, the impact of the pandemic was less than in large centers and other regions of Brazil, from the end of March 2020, after careful and detailed re-evaluation, we began the gradual reopening of the stores, and initially, they only started to operate for the receipt of payments from clients for the service of banking correspondent and, posteriorly, the retail activities were also resumed.

After a first quarter of 2021 in which we saw the pandemic situation worsen in the regions where we operate, leading to an increase in trade operation restrictions, the second, third, and fourth quarters brought a better scenario, with a reduction in the number of cases and a significant advance in vaccination, and, therefore, fewer restrictions for our operation. Throughout the pandemic period, our main focus was, and continues to be, on preserving the health of our employees and customers, allied to the operational viability of the company in a period of many uncertainties that we have been through. Our operations in sectors considered essential, such as retail construction materials and correspondent banking, mitigated the negative impacts during periods of greater restrictions, while the use of digital tools and telephone sales contributed to reduce the impact on sales of appliances and furniture.

Considering the emergence of new variants of the virus causing COVID-19, the Company understands that the effects of the pandemic may adversely affect the Company's operations and consequently its sales. In addition, we cannot predict whether any new restrictive measures will affect the operation of our stores.

For this reason, notwithstanding the fact that the Company's main activity is the retail of construction materials, which has shown resilience due to the essentiality of the products sold, and that we have offered facilities to our customers and new alternatives for interaction with our sales and support teams through the strengthening of our telesales alternatives, sales by message apps and e-commerce, the impacts that have been assessed and recognized in the financial statements for the fiscal year ended on December 31, 2021 and mentioned in this Reference Form may change in future periods. Accordingly, as of the date of this Reference Form, no assurance can be given as to the extent of the impacts of COVID-19, nor can it be assured that there will be no material impacts on the Company's ability to continue to operate our business.

In addition, the impacts from the outbreak of COVID-19 are ongoing and, therefore, we will continue to evaluate the evolving effects of the current pandemic on our revenues, assets, results of operations, business and prospects, including any possible change in our ability to continue to operate our business. Our analyses are being conducted in line with CVM/SNC/SEP Circular Letter No. 02/2020, issued by the Securities and Exchange Commission on March 10, 2020, which directs management and independent auditors of publicly-held companies to carefully consider the impacts of COVID-19 on their business and report in the financial statements the principal risks and uncertainties arising from this analysis, consistent with applicable accounting standards.

We are monitoring the unfolding of the pandemic due to the global spread of COVID-19, in order to preserve the safety of ourselves, our employees, suppliers and customers, as well as mapping the effects of the pandemic on our business. We also continuously monitor the revenues from our operations, which allows us to anticipate, to a certain extent, the impact of the COVID-19 pandemic on our activities.

As stated in the financial statements for the fiscal year ended on December 31, 2021, since the beginning of the pandemic in 2020, the Company performs and updates on a quarterly basis, an analysis on the assets and liabilities subject to accounting estimates such as impairment provision, allowance for doubtful accounts, allowance for realizable value of inventories, deferred income tax, provision for civil, tax and labor risks and fair value measurement of financial instruments, in addition to renewing the analyses on the continuity of the Company's operations. According to Management's estimates and with the monitoring of the impacts of the pandemic, there are no effects that should be recorded in the individual and consolidated financial statements of the Company and neither are there effects on continuity and/or estimates of the Company that would justify changes in the conclusions of these individual and consolidated financial statements.

As of the date of this Reference Form, the Company's management believes that the Company is able to honor its financial commitments. The Company expects to continue to use the following sources of financing: (i) cash flow generated by our operating activities; and (ii) credit lines with major banks (bank indebtedness), having been able to access credit with financial institutions in this period.

Measures adopted by the Company

Our main concerns in this period are the preservation of the integrity of our collaborators, clients, suppliers and the communities in which we operate, as well as the continuity of the company's operations safely.

For that reason, we decided to adopt the remote work in the administrative area still in the first fortnight of March. In addition to having interrupted the operation of some stores in the third week of March, following local regulations, and all our stores between March 23 and 31, given the virus dissemination.

The following were the main axes of performance of the Company as a result of the pandemic:

- **Quick reaction to the pandemic**: the initial concern about the COVID-19 impacts on our activities was concentrated in the possible impact in the chain of supply due to the interruption of industrial activities, mainly in China. Although imports represent less than 1% of the Company's sales, as verified in the last fiscal year, the global interruption of the chain of supply could affect local industries, and at that moment we took measures to prevent the shortage of product lines that could be more impacted, such as advance of purchase of products for resale;
- **Health and safety of our employees, clients and partners**: in addition to the interruption of operation of our stores and distribution centers during the aforementioned period, and the adoption of remote work in administrative areas, we also promote the leave to employees in the groups of risk to minimize the risk of contagion. We adopted the health safety protocols established by the health agencies, such as the use of masks, constant cleaning of workplaces, provision of alcohol gel to employees and clients, and limitation of access to avoid crowding;
- **Preservation of the Company's cash**: we have adopted measures to preserve the Company's cash, as for example, taking new credit lines (BRL 60 million in the first quarter of 2020 and BRL 30 million during the second quarter of 2020), postponement of non-essential investments and expenses and extension of deadlines with suppliers;
- **Adequacy of operational level**: we have promoted the adequacy of our inventories for all sale levels and new industry production scenario, in addition to having promoted the adequacy of logistics operation and IT systems, through the implementation of new tools to enable the remote work of our employees;

- **Customer service and communication:** we reinforce the client communication informing about alternatives to face-to-face service, such as tele sales, sales through message and ecommerce apps, payment of invoices through digital means or at alternative locations;
- **Credit and collection**: we constantly re-evaluate the credit policies monitoring the closing of operations in stores in the end of March and the evolution of the credit portfolio to enable decision-making upon resumption of operations. We restrict the granting of credit, observing more conservative limits; and
- **Community:** understanding the impact of the scenario in the life of millions of Brazilians, we believe that we must contribute to help, to the extent possible, the communities where we operate. With this idea, we release the campaign "Desafio do Bem", with the purpose of donating basic food baskets to family that are in need. This initiative initially relied on the donation from the Company, its employees and Advent International, and then with the participation of clients, exceeding BRL 1.2 million in donations. As a result, we are using our operational capacity to donate more than 26,000 basic food baskets to the more than 280 cities where we operate in the three states in the Southern region, with the support and experience from the Rio Grande do Sul State Food Banks network, thus, distributing, more than 350 tons of donations to feed those who need it most.

In our management's understanding the measures taken so far - which are under constant re-evaluation - aim at maintaining the service level and operational quality that we value in our operations, in addition to caring for the health and well-being of our employees, suppliers and clients and the community as a whole, support the fulfillment of the measures determined by public authorities. We will continue acting in order to preserve everyone's health, always attentive and ready to make path corrections according to the evolution of the situation.

Finally, despite being at a moment of uncertainties, in which it is not possible to determine its impacts, as well as its duration, un our management's understanding, such measures aims at supporting the Company's evolution in this period. For more information related to risks related to COVID-19 and possible impacts on the Company, see item 4.1 hereof.

Annex II
Proposal for The Allocation of Net Profit for the Fiscal Year
(Annex 9-1-II to CVM Instruction No. 481/09)

1. Report the net profit for the fiscal year

Net profit for the fiscal year ended on December 31, 2021 was BRL 68,227,438.51, 0.5% higher than the BRL 67,866,136.36 shown in 2020.

2. Report the overall amount and value per share of dividends, including advance dividends and interest on own equity already declared

The total amount of proceeds is BRL 22,999,438.63 (twenty-two million, nine hundred and ninety-nine thousand, four hundred and thirty-eight reais and sixty-three cents) (BRL 0.1228010337 per share), and the net amount of taxes is BRL 21,249,932.11. This amount corresponds to the gross amount of interest on equity declared at the meeting of the Board of Directors held on December 15, 2021, and the net amount of BRL 16,871,697.04 was imputed to the amount of the mandatory dividend.

The basis of total shares used was 187,290,269 shares, already excluding treasury shares.

3. Report the percentage of net profit distributed for the fiscal year

Considering the total gross proceeds indicated herein, in the amount of BRL 22,999,438.63 (twenty-two million, nine hundred and ninety-nine thousand, four hundred and thirty-eight reais and sixty-three cents), such amount is equivalent to 33.7% of the total net profit for fiscal year 2021.

Considering the total net proceeds indicated herein, in the amount of BRL 21,249,931.11, this amount is equivalent to 31.1% of the total net profit for fiscal year 2021.

4. Report the overall amount and value per share of dividends distributed based on profit from previous years

In 2021, the Company did not distribute dividends based on profits from previous years.

5. Report, deducted the anticipated dividends and interest on own equity already declared
a. The gross amount of dividend and interest on own equity, in a segregated manner, per share of each species and class

The Board of Directors, in a meeting held on December 15, 2021, declared interest on equity in the gross amount of BRL 22,999,438.63 (twenty-two million, nine hundred and ninety-nine thousand, four hundred and thirty-eight reais and sixty-three cents) (BRL 0.1228010337 per share), a portion of which was attributed to the mandatory dividend and the remainder will be distributed as additional interest on equity.

b. Dividends and interest on own equity payment method and deadline

Both for the interest on equity imputed on the mandatory dividend, and for the complementary interest on equity, the form will be in bank credit, and the payment term will be up to 10 days from the holding of the 2021 Annual General Meeting, which is expected to take place on April 28, 2022.

c. Eventual incidence of updating and interest on dividends and interest on equity capital

Not applicable.

d. Date of the declaration of payment of dividends and interest on equity considered for identification of the shareholders who will be entitled to receive them

Shareholders who were holders of shares on December 22, 2021, as informed in the Company's Notice to Shareholders published on December 15, 2021, will be entitled to the payment of interest on equity attributed to the mandatory dividend and interest on supplementary capital.

6. In case there has been a declaration of dividends or interest on equity based on profits calculated in half-yearly balance sheets or in shorter periods a. Inform the amount of dividends or interest on equity already declared b. Inform the date of the respective payments

The interest on equity declared at the meeting of the Board of Directors held on December 15, 2021, in the gross amount of BRL 22,999,438.63 (twenty-two million, nine hundred and ninety-nine thousand, four hundred and thirty-eight reais and sixty-three cents), will be paid within 10 days of the Annual General Meeting of 2022, which is scheduled to take place on April 28, 2022.

7. Provide a comparative table indicating the following amounts per share of each type and class:

a. Net profit for the year and the 3 (three) previous fiscal years

2021	2020	2019	2018
BRL 0.3642	BRL 0.4116	BRL 0.1883	BRL 0.1209

b. Dividend and interest on own equity (IOC) distributed in the 3 (three) previous years

Description	Resolution Date	Payment Date	Gross Amount per Share	Total Gross Amount
Total Regarding the Fiscal Year 2020				
Dividends	04/28/2021	05/07/2021	BRL 0.0186	BRL 3,492,925.81
IOC	12/17/2020	05/07/2021	BRL 0.0672	BRL 12,592,625.46
Total Regarding the Fiscal Year 2019				
Dividends	N/A	N/A	N/A	N/A
IOC	07/14/2020	07/17/2020	BRL 0.0320	BRL 5,102,000.00
Total Regarding the Fiscal Year 2018				
Dividends	N/A	N/A	N/A	N/A
IOC	N/A	N/A	N/A	N/A

8. Upon allocation of profit to the legal reserve

a. Identify the amount allocated to legal reserve

Of the total net profit, the amount of BRL 3,411,371.93 will be allocated to the legal reserve.

b. Detail the calculation method of the legal reserve

The amount allocated to the legal reserve corresponds to 5% of the net profit for the fiscal year ended on December 31, 2021, under the terms of article 193 of the Brazilian Corporate Law and article 32, (i), of the Company's Bylaws.

9. If the Company has preferred shares with right to fixed or minimum dividends

Not applicable.

10. Regarding the mandatory dividend

a. Describe the calculation method provided in the Bylaws

Under the terms of article 32(ii), of the Company's Bylaws, the minimum dividend will correspond to 25% of the net profit adjusted in accordance with article 202, item I, of the Brazilian Corporations Law.

b. Inform if it is being paid in full

Yes, it is being paid in full.

c. Inform the amount potentially withheld

Not applicable.

11. If there is retention of the mandatory dividend due to the company's financial situation

Not applicable.

12. In case of allocation of result for contingencies reserve

Not applicable.

13. In case of allocation of result to the unrealized profit reserve

Not applicable.

14. In case of allocation of result for statutory reserves

a. Describe the statutory clauses that establish the reserve

Under the terms of article 32, item (iii) of the Company's Bylaws, up to 100% of the remaining net profit balance after the deduction of the amounts intended for the establishment of the legal reserve and the payment of the mandatory dividend will be allocated to the statutory profit reserve called "Investment and Expansion Reserve", whose purpose is to finance the expansion of the activities of the Company and/or its subsidiaries, and the balance of such reserve, considered together with the balance of the legal reserve, may not exceed an amount equivalent to the Company's capital stock.

b. Identify the amount allocated to the reserve

BRL 37,489,319.53 that will be destined to cover part of the investments programmed in the Company's expansion plan to be executed during the course of fiscal year 2022.

c. Describe how the amount was calculated

From the Company's net profit for the fiscal year ended on December 31, 2021 in the amount of BRL 68,227,438.51, it is proposed that 5% be allocated to the legal reserve, 34% be allocated to the payment of dividends (above the mandatory 25%), 6% be allocated to the tax incentive reserve, 55% be allocated to the statutory profit reserve called "Investment and Expansion Reserve".

15. In case of retention of profits foreseen in the capital budget

a. Identify the withholding amount

Not applicable.

b. Provide a copy of the capital budget

Not applicable.

16. In case of result allocation to the tax incentive reserve

a. Inform the amount destined to the reserve

Of the total net profit calculated, the amount of BRL 4,327,308.42 will be allocated to the tax incentive reserve.

b. Explain the nature of the destination

The Company benefits from ICMS tax incentives in the form of presumed credit, with its impacts on the result. Management, in view of the publication of Complementary Law 160/17 and in compliance with the Corporations Act, has allocated them as tax incentive reserve.

* * *

Annex III
Information contained in items 12.5 to 12.10 of the Reference Form

The Company proposes that the Board of Directors be composed of seven (7) sitting members, for a term of two (2) years, until the 2024 Annual Shareholders' Meeting.

The information indicated in items 12.5 to 12.10 of the Reference Form, pursuant to CVM Instruction 480/2009, regarding the reelected members is indicated below.

12.5/6 - Composition and professional experience of the management and fiscal council

Name	Date of Birth	Administration Body	Expected election date	Term of mandate	Number of Consecutive Terms
CPF	**Occupation**	**Elective position currently held**	**Expected Induction Date**	**Indicated by the controller**	**Percentage of participation in meetings**
Other positions and functions held in the issuer		**Description of other position / function**			
Peter Takaharu Furukawa	03/17/1962	Belongs to the Executive Board and the Board of Directors	04/28/2022	AGM of 2024	1
031.741.678-25 Not applicable	Business Administrator	Board Member (effective) and CEO	04/28/2022	No	100%
Flavio Benicio Jansen Ferreira	07/28/1966	Belongs only to the Board of Directors	04/28/2022	AGM of 2024	6
921.962.337-49 Audit Committee and Finance Committee Member	Engineer	Chairman of the Board of Directors	04/28/2022	No	100%
Luiz Antonio de Moraes Carvalho	04/19/1946	Belongs only to the Board of Directors	04/28/2022	AGM of 2024	1
276.931.558-72 Finance Committee Member	Engineer	Board Member (effective)	04/28/2022	No	100%
Leila Harumi Nakashima	06/19/1972	Belongs only to the Board of Directors	04/28/2022	AGM of 2024	0
157.545.428-95	Business Administrator	Board Member (independent)	04/28/2022	No	N/A
José Zitelmann Falcão Vieira	12/06/1975	Belongs only to the Board of Directors	04/28/2022	AGM of 2024	0
926.140.435-91	Business Administrator	Board Member (independent)	04/28/2022	No	N/A
Christiano Antoniazzi Galló	02/05/1978	Belongs only to the Board of Directors	04/28/2022	AGM of 2024	1
937.807.100-72 Audit Committee and Finance Committee Member	Business Administrator	Board Member (independent)	04/28/2022	No	100%
Eduardo Campozana Gouveia	06/18/1964	Belongs only to the Board of Directors	04/28/2022	AGM of 2024	1
398.091.104/72 Member of the Finance Committee and the Human Resources Committee	Computer Scientist	Board Member (independent)	04/28/2022	No	100%

Name	Date of Birth	Administration Body	Expected election date	Term of mandate	Number of Consecutive Terms
CPF	**Occupation**	**Elective position currently held**	**Expected Induction Date**	**Indicated by the controller**	**Percentage of participation in meetings**
Other positions and functions held in the issuer		**Description of other position / function**			

Professional experience / Declaration of any convictions / Independence Criteria

Peter Takaharu Furukawa - 031.741.678-25
Mr. Peter Furukawa joined the Company in 2009. Since then he has held the position of Chief Executive Officer. Mr. Peter is also a member of the board of directors of Fortbras and C&A Modas S.A.. Before joining the Company, Mr. Peter served as CEO of IMC, COO of Pernambucanas, CEO of Submarino, CFO at PepsiCo Foods and Senior Engagement Manager at McKinsey & Co. He holds a degree in Computer Science and an MBA from Brigham Young University - USA. On 08/03/2020, Mr. Peter was elected as member of the Company's Board of Directors and on 02/05/2020 he was elected as Chief Executive Officer.
He declares that: (i) has not been subject, in the last five years, to criminal conviction, conviction in a CVM administrative proceeding and final and unappealable conviction, in the judicial or administrative sphere, that has suspended or disqualified him for the practice of professional or commercial activity; and (ii) is not considered a politically exposed person, pursuant to ICVM 617/19.

Flávio Jansen Ferreira - 921.962.337-49
Mr. Flávio Jansen Ferreira has served as a member of the Board of Directors of Lojas Quero-Quero since 2009. He is also a member of the Board of Directors of Locaweb Internet S.A., Allied Tecnologia S.A., YDUQS Participações S.A. and Digipix S.A. Flávio is an investor in start-up companies, with investments today in Laqus S.A., OQVestir, DressAndGo and advisor of the company Flyers 24 Horas S.A. - Advertisement and Disclosure. He is a board member of the Brazilian Chamber of Digital Economy, Câmara E-Net. He was responsible for starting the Submarino.com website, where he served as Chief Technology Officer, rising to the position of CEO. In the past, he was President of Submarino.com, during the company's IPO at Bovespa, and its merger with Americanas.com resulted in the company B2W. He was a member of the Board of Directors of Fleury S.A., CETIP-SA, International Meal Company S.A. and the IBMEC Educacional SA Group. He holds a degree in Electrical Engineering from Universidade Católica do Rio de Janeiro (PUC-Rio). Mr. Flávio is considered an independent member, in accordance with the concept and requirements of the New Market Regulation.
He declares that: (i) has not been subject, in the last five years, to criminal conviction, conviction in a CVM administrative proceeding and final and unappealable conviction, in the judicial or administrative sphere, that has suspended or disqualified him for the practice of professional or commercial activity; and (ii) is not considered a politically exposed person, pursuant to ICVM 617/19.
Mr. Flávio was elected on February 5, 2020 as a member of the Board of Directors, however, he was appointed Chairman of the Board of Directors on December 17, 2020, due to the resignation of the former member.

Luiz Antonio de Moraes Carvalho - 276.931.558-72
Mr. Luiz Antonio de Moraes Carvalho graduated in Production Engineering from Escola Politécnica da USP in 1969. He has solid professional experience of over 45 years, 30 of which in the COFRA Group, acting in the General Management of Retail, Consumer Credit and Real Estate Operations. He has excellent knowledge of Planning, Finance, Technology, Human Resources, Consumer Behavior, and Marketing. In the last 5 years as an Executive he held the position of Executive Chairman of the Latin American Division of the COFRA Group, where he was responsible for its operations in Brazil, Argentina and Mexico. As of September 1, 2006, Luiz Antonio moved to non-executive positions as Board and Committee Member, serving on different corporate governance bodies in Latin America, Europe and China. He is currently an independent member of the Board of Directors of Cogna Educação S.A. and Chairman of the Board of Directors of C&A Modas S.A.
Mr. Luiz Antonio de Moraes Carvalho is considered an independent member in accordance with the concept and requirements of the Novo Mercado Regulations.
Declares that: (i) has not been subject, in the last five years, to criminal conviction, conviction in a CVM administrative proceeding and final and unappealable conviction, in the judicial or administrative sphere, that has suspended or disqualified him for the practice of professional or commercial activity; and (ii) is not considered a politically exposed person, pursuant to ICVM 617/19.

Leila Harumi Nakashima - 157.545.428-95
Ms. Leila Harumi Nakashima is CPO (Chief Product Officer) of La Haus, a company present in Colombia and Mexico, where her mission is to create digital products that make the dream of homeownership possible for millions of families. Previously, she participated for ten years in Magalu's digital transformation, rethinking the physical stores, implementing multichannel and the marketplace platform. She has experience in retail, consumer goods, and strategic consulting. She has a degree in Electrical Engineering from Escola Politécnica da USP and an MBA from Stanford University, USA.

Name	Date of Birth	Administration Body	Expected election date	Term of mandate	Number of Consecutive Terms
CPF	Occupation	Elective position currently held	Expected Induction Date	Indicated by the controller	Percentage of participation in meetings
Other positions and functions held in the issuer		Description of other position / function			

Ms. Leila Nakashima is considered an independent member, according to the concept and requirements of the Novo Mercado Regulation.
She declares that: (i) has not been subject, in the last five years, to criminal conviction, conviction in a CVM administrative proceeding and final and unappealable conviction, in the judicial or administrative sphere, that has suspended or disqualified her to practice professional or commercial activity; and (ii) is not considered a politically exposed person, pursuant to ICVM 617/19.

José Zitelmann Falcão Vieira – 926.140.435-91
Mr. José Zitelmann Falcão Vieira has a degree in Business Administration from FGV-SP. With more than twenty years of experience in the financial and capital markets, he started his career at Banco Pactual S.A., in the mergers and acquisitions area. In 2009, he became head of equities at BTG Pactual Asset Management S.A., where he remained until February 2019, and in parallel he was head of Latam Asset Management, part of the BTG Pactual Group, in 2016. He is currently co-founder and Managing Partner of the company Absoluto Partners Gestao de Recursos Ltda. Mr. José Zitelmann is considered an independent member, in accordance with the concept and requirements of the Novo Mercado Regulation.
He declares that: (i) he has not been subject, in the last five years, to criminal conviction, conviction in an administrative proceeding of CVM and final and unappealable conviction, in the judicial or administrative sphere, that has suspended or disqualified him to practice professional or commercial activity; and (ii) he is not considered a politically exposed person, in the terms of ICVM 617/19.

Christiano Antoniazzi Galló - 937.807.100-72
Mr. Christiano Antoniazzi Galló holds a BA in Business Administration from Southern Methodist University - Cox School of Business (USA), and an MBA from the University of Cambridge - Judge Business School (England). He started his career in the e-commerce planning area at JC Penney (USA). Later, he was an equity investment analyst focused on retail and consumer goods companies at IP Capital Partners (Brazil), Dynamo Capital (UK) and VELT Partners (Brazil). Mr. Christiano Galló is considered an independent member, in accordance with the concept and requirements of the Novo Mercado Regulations.
He declares that: (i) he has not been subject, in the last five years, to criminal conviction, conviction in an administrative proceeding of CVM and final and unappealable conviction, in the judicial or administrative sphere, that has suspended or disqualified him to practice professional or commercial activity; and (ii) he is not considered a politically exposed person, in the terms of ICVM 617/19.

Eduardo Campozana Gouveia - 398.091.104/72
Mr. Eduardo is investor and advisor in startups such as Allya, PinPeople, Hands, AsaaS and VEE. Board member in large companies such as Mapfre insurer, CI&T Software, Grupo Moura, Indústrias Raymundo da Fonte and Abastece AÍ (Ultra Group). Mr. Eduardo was President of Cielo until August 2018, a company of payment means solutions, technology and services for retail. Before taking over Cielo in early 2017, he served as president of Alelo and founded and was CEO of Livelo, a Loyalty company of the banks of Brazil and Bradesco. He was the first CEO of Multiplus Fidelidade. He previously worked at Cielo as Vice-President of Sales and Marketing, a position he held between 2006 and 2010.
He held the Vice Presidency of Marketing at Walmart Brazil and was Marketing Director at Bompreco and General Director at HiperCard. He started his career at Banco Banorte in the Technology area, going through the product, marketing and commercial areas. The executive has a degree in Computer Science from UFPE, a specialization in Finance from IBMEC and an MBA in Marketing from FGV.
Mr. Eduardo Gouveia is considered an independent member, according to the concept and requirements of the Novo Mercado Regulation.
He declares that: (i) he has not been subject, in the last five years, to criminal conviction, conviction in an administrative proceeding of CVM and final and unappealable conviction, in the judicial or administrative sphere, that has suspended or disqualified him to practice professional or commercial activity; and (ii) he is not considered a politically exposed person, in the terms of ICVM 617/19.

12.7/8 - Composition of Committees

Not applicable. No change is being proposed in the composition of the Company's committees.

12.9 - Existence of marital relationship, stable union or kinship up to the 2nd degree related to the issuer's administrators, subsidiaries and controlling shareholders

Not applicable, since the members of the Company's Board of Directors and Executive Board have no family relationship with each other, with the management members of their subsidiaries, with their controlling shareholders, or with the management members of their parent companies.

12.10 - Subordination, service provision, or control relations between administrators and subsidiaries, controlling shareholders, and others

Not applicable, since there are no relations of subordination, provision of services or control between administrators and subsidiaries, controlling shareholders and others.

Annex IV
Information Listed in Item 13 of the Reference Form

13. Managers' compensation

13.1 - Description of compensation policy or practice, including non-Board of Officers

(a) objectives of compensation policy or practice

The Company's compensation policy has as main function to align the interests of the members of the Board of Directors, the Board of Officers, the Fiscal Council and the Committees, including employees and service providers of the Company and its subsidiaries, the Company's purposes ("Key Personnel"), in accordance with the best practices adopted by the market. The Company understands that with this policy it is possible to (i) attract, reward, retain and encourage executives in conducting their business in a sustainable way, meeting the appropriate risk limits, always being aligned with the interests of shareholders; (ii) provide compensation on the basis of criteria that differentiate performance, and also allow for the recognition and appreciation of individual performance; and (iii) ensure the maintenance of internal and external balance standards, compatible with the responsibilities of each position and competitive to the reference labor market, regulating criteria and establishing administrative controls capable of responding to the various needs of the Company. The current policy was approved by the Board of Directors ("Compensation Policy") at a meeting held on February 5, 2020.

The Compensation Policy is available for consultation on CVM's website (http://www.cvm.gov.br/), as well as on the Company's website (www.queroquero.com.br/ri), and physically, at its headquarters, located at Avenida General Flores da Cunha, nº 1.943 - Cachoeirinha/RS.

(b) compensation composition

(i) description of the elements of compensation and the objectives of each of them

The global compensation of the Company's Key Personnel (which are the Members of the Board of Directors, Board of Officers, Fiscal Council and Committees, including the employees and service providers of the Company and its subsidiaries) is constituted by the following components: **(i)** fixed compensation; **(ii)** variable compensation; and **(iii)** other elements that the Company's Board of Directors may determine.

The fixed compensation of the directors is based on the responsibilities of the position and on individual experience, and the Board of Directors has the option to request the advice of a specialized company. The fixed compensation can be reviewed annually, at the discretion of the Board of Directors, so that it keeps in line to the market practices or is monetarily restated.

All managers, especially the members of the Board of Officers, may participate in an annual awards program aimed at promoting the greatest interest and alignment of the managers' objectives with those of the Company. The amounts to be allocated under this program should result from the achievement of annual targets established in a management contract, while the subjective assessment should be carried out by superiors, peers and/or subordinates. Nevertheless, the members of the management may be entitled to profit sharing in the Company, as deliberated in Shareholders' Meeting.

Board of Directors

The fixed compensation of the Board of Directors is composed of salary or pro-labore, and its members are not entitled to variable compensation.

Board of Officers

The Board of Officers' fixed compensation is composed of: (i) salary or pro-labore and (ii) benefits (including health insurance, life insurance and D&O, paid leave, reimbursement of expenses incurred during work activities, among others). The Board of Officers' variable compensation is mainly composed of bonuses. Additionally, the Company's Executive Officers are also entitled to share-based compensation. For more information, see item 13.4 hereof.

Fiscal Council

With regard to the compensation of Fiscal Council members, when initiated, it must be established by the Shareholders' meeting that elects them, respecting the minimum amounts established in law.

Committees

Finally, as provided in the Company's Compensation Policy, the members of the Committees will be remunerated in accordance with what the Company's Board of Directors determines.

(ii) what is the proportion of each element in the total compensation

The tables below show the expected proportion of each element in the composition of the total compensation for the fiscal year ended on December 31, of:

2021

	Fixed Compensation	Variable Compensation	Post-employment	Stock-based compensation	Total
Board of Directors	56%	-	-	44%	100%
Board of Officers	41%	23%	-	36%	100%
Fiscal Council	-	-	-	-	-
Audit Committee	100%	-	-	-	100%

2020

	Fixed Compensation	Variable Compensation	Post-employment	Stock-based compensation	Total
Board of Directors	68%	-	-	32%	100%
Board of Officers	45%	38%	-	17%	100%
Fiscal Council	-	-	-	-	-
Audit Committee	100%	-	-	-	100%

2019

	Fixed Compensation	Variable Compensation	Post-employment	Stock-based compensation	Total
Board of Directors	100%	-	-	-	100%
Board of Officers	65%	35%	-	-	100%
Fiscal Council	-	-	-	-	-
Audit Committee	100%	-	-	-	100%

(iii) calculation and readjustment methodology of each of the compensation elements

The maximum global amount to be paid to the managers as compensation is determined by the Annual Shareholders' Meeting, the maximum global compensation for such public being linked to the limits imposed by Article 152 of the Brazilian Corporations Law, as well as the individual compensation of the members of the Board of Directors and the Fiscal Council.

The total individual target compensation of the Statutory Officers is determined by the Board of Directors, supported by analyses presented by the Human Resources/Compensation department, based on market references, considering: (i) amounts paid for positions of similar complexity in other companies; and (ii) amounts paid by retail, financial services or general market companies, according to the function. The Board of Directors is also responsible for determining, on an annual basis, the adjustment considering the monetary restatement.

The variable compensation in the form of a bonus is calculated as a multiple of the fixed compensation, the above criteria also being applicable to this compensation component.

(iv) reasons that justify the composition of compensation

The composition of the compensation considers the responsibilities of each position and has as a parameter the values practiced in the market for professionals who exercise functions with similar complexity, and aims at aligning the interests between members of the administration and shareholders, contributing to the encouragement and retention of professionals duly qualified to carry out their duties, as well as to attract new professionals whenever necessary.

(v) the existence of unpaid members by the issuer and the reason for this fact

In the last three fiscal years, two members who were members of the Company's Board of Directors were representatives of the then controlling shareholder, having not been remunerated for their duties in the Company, under the global compensation policy of FIP and Advent International Corporation (USA). At the end of the fiscal year 2020, the only unpaid member of the Board of Directors does not receive compensation for being part of the Company's Board of Officers.

(c) key performance indicators taken into consideration in determining each compensation element

The main performance indicators of the Company and managers are: Generation of Operating Cash, this being the determining trigger for the payment of variable compensation in the year, Adjusted EBITDA, Net profit, Result of Operations and Expense Management, in addition to other specific metrics of the various departments and areas of the Company. The compensation of the Board of Directors and Fiscal Council is not impacted by performance indicators.

As of the date hereof, there are no non-financial indicators for determining the elements that make up the compensation.

(d) how compensation is structured to reflect the evolution of performance indicators

A significant portion of the total amount paid to the managers is received in the form of variable compensation, which is considerably impacted by the performance indicators agreed with the Board of Directors, taking into account the historical results and the strategic planning of the Company.

(e) how the compensation policy or practice aligns with the issuer's short-, medium- and long-term interests

The Company's compensation practice aims at encouraging directors (statutory and executive) to seek the best return on investments and projects developed by the Company, in order to align their interests with those of the Company.

For the short term, the Company aims to achieve this alignment through wages and benefits packages compatible with the market. For the medium term, the Company aims to achieve such alignment through the payment of an annual premium to statutory and non-statutory Officers, linked to the Company's goals established by the Board of Directors. Finally, for the long term, the Company aims to retain qualified professionals by granting the option to purchase its shares to members of management, within the scope of the share-based compensation plans described in item 13.4 hereof.

The Company adopts only fixed compensation for the Board of Directors and Fiscal Council (when the latter is installed).

(f) existence of compensation borne by subsidiaries, controlled companies or direct or indirect parent companies:

The Company is responsible for the payment of the total compensation of the members of the Company's Management. There is no compensation borne by subsidiaries, controlled companies or direct or indirect parent companies.

(g) existence of any compensation or benefit linked to the occurrence of a particular corporate event, such as the disposal of the issuer's corporate control

As of the date hereof, there is no compensation or benefit linked to the occurrence of a certain corporate event, other than that provided for in the stock option plan, as described in item 13.4 hereof.

(h) Practices and procedures adopted by the Board of Directors to define the individual compensation of the Board of Directors and Board of Officers

i. the issuer's bodies and committees that participate in the decision-making process, identifying how they participate

Once the global compensation has been determined by the Shareholders' Meeting, the Board of Directors is responsible for deciding on the individual distribution of the compensation of the Board of Directors, the Board of Officers and the Fiscal Council, if installed, as well as for approving the compensation of the Audit Committee and the Company's Risk Management.

ii. criteria and methodology used to determine individual compensation

The studies carried out by the Company to determine the individual compensation of managers are based on market references for positions of similar complexity, which can be used in the comparison with retail, financial services or general market companies, according to the function.

The Company adopts compensation and benefit strategies that vary according to the area of operation and market parameters. Periodically, the Company checks these parameters through:

- Participation in research carried out at the national level; and
- Participation in forums specialized in compensation and benefits.

This strategy aims to ensure alignment with the best market practices and maintain the competitiveness of the Company's compensation structure.

iii. how often and how the Board of Directors assesses the adequacy of the compensation policy

The Board of Directors annually assesses the adequacy of the compensation policy, as part of the process for approving the Company's budget.

13.2 - Total compensation for the Board of Directors, Board of Officers and Fiscal Council

Compensation foreseen for the current Fiscal Year 12/31/2022 - Annual Values				
	Board of Directors	**Board of Officers**	**Fiscal Council**	**Total**
Total number of members	6.50	7.00	-	13.50
Number of paid members	5.50	7.00	-	12.50
Fixed annual compensation				
Salary or pro-labore	2,150,794.30	7,153,971.50	-	9,304,765.80
Direct and Indirect Benefits	-	797,942.98	-	797,942.98
Participation in Committees	396,219.96	-	-	396,219.96
Others	-	-	-	-
Description of other fixed compensations	-	-	-	-
Variable Compensation				
Bonus	-	7,660,930.85	-	7,660,930.85
Profit sharing	-	-	-	-
Participations at Meetings	-	-	-	-
Commissions	-	-	-	-
Others	-	-	-	-
Description of other variable compensations	-	-	-	-
Post-employment	-	-	-	-
Termination of office	-	-	-	-
Stock-based (including options)	**1,702,017.82**	**7,189,188.87**	**-**	**8,891,206.69**
Note	As provided in OFÍCIO CIRCULAR/CVM/SEP/No. 01/2022, the number of members of the Board of Directors, Board of Officers, and Fiscal Council (letter "b") was calculated	As provided in OFÍCIO CIRCULAR/CVM/SEP/No. 01/2022, the number of members of the Board of Directors, Board of Officers, and Fiscal Council (letter "b") was calculated	-	-

	according to the annual average of the number of members of each agency calculated monthly, to two decimal places.	according to the annual average of the number of members of each agency calculated monthly, to two decimal places.		
Total compensation	**4,249,032.08**	**22,802,034.20**	**-**	**27,051,066.28**

Total compensation for the Fiscal Year ended on 12/31/2021 - Annual Values				
	Board of Directors	**Board of Officers**	**Fiscal Council**	**Total**
Total number of members	5.00	6.67	-	11.67
Number of paid members	4.00	6.67	-	10.67
Fixed annual compensation				
Salary or pro-labore	1,080,000.00	5,362,372.84	-	6,442,372.84
Direct and Indirect Benefits	-	580,613.89	-	580,613.89
Participation in Committees	202,666.66	-	-	202,666.66
Others	-		-	-
Description of other fixed compensations	-	-	-	-
Variable Compensation				**-**
Bonus	-	3,325,528.95	-	3,325,528.95
Profit sharing	-	-	-	-
Participations at Meetings	-	-	-	-
Commissions	-	-	-	-
Others	-	-	-	-
Description of other variable compensations	-	-	-	-
Post-employment	-	-	-	-
Termination of office	-	-	-	-
Stock-based (including options)	**1,022,386.64**	**5,281,396.01**	**-**	**6,303,782.65**
Note	As provided in OFÍCIO CIRCULAR/CVM/S	As provided in OFÍCIO CIRCULAR/CVM/S	-	-

	EP/No. 01/2022, the number of members of the Board of Directors, Board of Officers, and Fiscal Council (letter "b") was calculated according to the annual average of the number of members of each agency calculated monthly, to two decimal places.	EP/No. 01/2022, the number of members of the Board of Directors, Board of Officers, and Fiscal Council (letter "b") was calculated according to the annual average of the number of members of each agency calculated monthly, to two decimal places.		
Total compensation	**2,305,053.30**	**14,549,911.69**	**-**	**16,854,964.99**

Total compensation for the Fiscal Year ended on 12/31/2020 – Annual Values				
	Board of Directors	**Board of Officers**	**Fiscal Council**	**Total**
Total number of members	5.17	6.00	-	11.00
Number of paid members	3.42	6.00	-	6.00
Fixed annual compensation				
Salary or pro-labore	864,516.14	5,229,867.88	-	6,094,384.02
Direct and Indirect Benefits	15,605.91	488,586.66	-	504,192.57
Participation in Committees	-	-	-	-
Others	-	-	-	-
Description of other fixed compensations	-	-	-	-
Variable Compensation				
Bonus	-	4,844,938.37	-	4,844,938.37
Profit sharing	-	-	-	-
Participations at Meetings	-	-	-	-
Commissions	-	-	-	-
Others	-	-	-	-
Description of other variable compensations	-	-	-	-
Post-employment	-	-	-	-
Termination of office	-	-	-	-
Stock-based (including options)	418,445.97	2,092,229.31	-	2,510,675.28
Note	As provided in OFÍCIO CIRCULAR/CVM/SEP/No. 01/2022, the number of members of the Board of Directors, Board of Officers, and Fiscal Council (letter "b") was calculated according to the annual average of	As provided in OFÍCIO CIRCULAR/CVM/SEP/No. 01/2022, the number of members of the Board of Directors, Board of Officers, and Fiscal Council (letter "b") was calculated according to the annual average of	-	

	the number of members of each agency calculated monthly, to two decimal places.	the number of members of each agency calculated monthly, to two decimal places.		
Total compensation	**1,298,568.02**	**12,655,622.22**	**-**	**13,954,190.24**

Total compensation for the Fiscal Year ended on 12/31/2019 - Annual Values				
	Board of Directors	**Board of Officers**	**Fiscal Council**	**Total**
Total number of members	3.00	6.67	-	9.67
Number of paid members	1.00	6.67	-	7.67
Fixed annual compensation			-	
Salary or pro-labore	177,300.00	5,309,038.95	-	5,486,338.95
Direct and Indirect Benefits	-	453,531.53	-	453,531.53
Participation in Committees	-	-	-	-
Others	-	-	-	-
Description of other fixed compensations	-	-	-	-
Variable Compensation				
Bonus	-	3,128,554.07	-	3,128,554.07
Profit sharing	-	-	-	-
Participations at Meetings	-	-	-	-
Commissions	-	-	-	-
Others	-	-	-	
Description of other variable compensations	-	-	-	-
Post-employment	-	-	-	-
Termination of office	-	-	-	-
Stock-based (including options)	-	-	-	-
Note	As provided in OFÍCIO CIRCULAR/CVM/SEP/No. 01/2022, the number of members of the Board of Directors, Board of Officers, and Fiscal Council (letter "b") was calculated according to the	As provided in OFÍCIO CIRCULAR/CVM/SEP/No. 01/2022, the number of members of the Board of Directors, Board of Officers, and Fiscal Council (letter "b") was calculated according to the	-	

	annual average of the number of members of each agency calculated monthly, to two decimal places.	annual average of the number of members of each agency calculated monthly, to two decimal places.		
Total compensation	**177,300.00**	**8,891,124.55**	**-**	**9,068,424.55**

13.3 - Variable compensation of the board of directors, Board of Officers and Fiscal Council

Variable compensation foreseen for the current Fiscal Year (12/31/2022)

	Board of Directors	Board of Officers	Fiscal Council	Total
Total number of members	6.50	7.00	-	13.50
Number of paid members	-	7.00	-	12.50
Bonus				
Minimum amount estimated in the compensation plan	-	2,188,837.36	-	2,188,837.36
Maximum amount estimated in the compensation plan	-	7,660,930.85	-	7,660,930.85
Amount provided for in the compensation plan, if the goals are achieved	-	5,472,093.46	-	5,472,093.46
Profit Sharing				
Minimum amount estimated in the compensation plan				
Maximum amount estimated in the compensation plan	-	-	-	-
Amount provided for in the compensation plan, if the goals are achieved	-	-	-	-

Variable compensation - fiscal year ended on (12/31/2021)

	Board of Directors	Board of Officers	Fiscal Council	Total
Total number of members	5.00	6.00	-	11.00
Number of paid members	-	6.00	-	6.00
Bonus				
Minimum amount estimated in the compensation plan	-	2,356,606.63	-	2,356,606.63
Maximum amount estimated in the compensation plan	-	7,364,395.70	-	7,364,395.70
Amount provided for in the compensation plan, if the goals are achieved	-	4,909,597.14	-	4,909,597.14
Amount effectively recognized in the income for the fiscal year	-	3,325,528.95	-	3,325,528.95
Profit Sharing				
Minimum amount estimated in the compensation plan	-	-	-	-
Maximum amount estimated in the compensation plan	-	-	-	-

Amount provided for in the compensation plan, if the goals are achieved	-	-	-	-

Variable compensation - fiscal year ended on 12/31/2020

	Board of Directors	Board of Officers	Fiscal Council	Total
Total number of members	5.17	6.00	-	11.17
Number of paid members	-	6.00	-	6.00
Bonus				
Minimum amount estimated in the compensation plan	-	2,115,167.60	-	2,115,167.60
Maximum amount estimated in the compensation plan	-	6,609,898.74	-	6,609,898.74
Amount provided for in the compensation plan, if the goals are achieved	-	4,406,599.16	-	4,406,599.16
Amount effectively recognized in the income for the fiscal year	-	4,844,938.37	-	4,844,938.37
Profit Sharing				
Minimum amount estimated in the compensation plan	-	-	-	-
Maximum amount estimated in the compensation plan	-	-	-	-
Amount provided for in the compensation plan, if the goals are achieved	-	-	-	-

Variable compensation - fiscal year ended on 12/31/2019

	Board of Directors	Board of Officers	Fiscal Council	Total
Total number of members	3.00	6.67	-	9.67
Number of paid members	-	6.67	-	6.67
Bonus				
Minimum amount estimated in the compensation plan	-	1,950,267.47	-	1,950,267.47
Maximum amount estimated in the compensation plan	-	6,094,585.85	-	6,094,585.85
Amount provided for in the compensation plan, if the goals are achieved	-	4,063,057.23	-	4,063,057.23
Amount effectively recognized in the income for the fiscal year	-	3,128,554.07	-	3,128,554.07
Profit Sharing	-	-	-	-
Minimum amount estimated in the compensation plan	-	-	-	-

Maximum amount estimated in the compensation plan	-	-	-	-
Amount provided for in the compensation plan, if the goals are achieved	-	-	-	-
Amount effectively recognized in the income for the fiscal year	-	-	-	-

13.4 - Compensation plan based on shares of the board of directors and Board of Officers

The Company clarifies that it included the description of the 2017 Plan in this and the following items exclusively to comply with the CVM guidelines. It is worth mentioning that, in the Company's opinion, the 2017 Plan is not characterized as "compensation", for any purpose, since it has the characteristics of a commercial and onerous contract between the parties.

(a) General Terms and Conditions

2020 Plan: At the Special Shareholders' Meeting held on June 16, 2020, the Company's Stock Option Plan was approved ("2020 Plan").

The 2020 Plan establishes the general conditions for granting options to purchase common shares issued by the Company ("Shares"), pursuant to Article 168, Third Paragraph, of the Brazilian Corporations Law.

The managers, executives, employees and service providers of the Company and its subsidiaries and who are selected at the sole discretion of the Board of Directors are eligible to receive a purchase option that entitles the holder to acquire Shares, strictly under the terms and conditions established in the 2020 Plan ("Participants" and "Options", respectively). The Board of Directors will appoint, among those eligible, the Participants (those to whom Options will be offered), as well as approve the distribution of Options between the Participants.

The Board of Directors will have broad powers to manage and interpret the 2020 Plan. Omitted cases will be regulated by the Board of Directors, and the Shareholders' Meeting should be consulted, if required by law or by the Company's Articles of Incorporation, or whenever the Board of Directors deems necessary, in its sole discretion. Among the powers attributed to the Board of Directors for the management of the 2020 Plan are the following: (i) appoint, among the Participants, those to whom each of the Options will be granted; (ii) create and apply general rules related to the granting of Options, under the terms of the 2020 Plan, and settle any doubts regarding the interpretation of the 2020 Plan; (iii) establish parameters for the Participants, in order to establish objective criteria for their election; (iv) establish the quantity, dates and exercise price, as well as the other characteristics of the Options to be granted to the Participants; (v) define the granting of Options, through grant programs, as provided in the 2020 Plan; (vi) establish rules complementary to the 2020 Plan; (vii) to resolve on the issuance of new Shares within the limit of authorized capital, to satisfy the exercise of Options, under the terms of the 2020 Plan; (viii) decide whether, in order to face the exercise of the Option, the Company must issue new Shares in a capital increase approved by the Board of Directors within the limits of the authorized capital or dispose of Shares held in treasury; (ix) impose restrictions on the transfer of the Shares acquired through the exercise of the Options, and may also assign to the Company repurchase options or rights of first refusal in the event of sale of these Shares by a Participant, until the end of the term and/or compliance with the conditions that may be established; and (x) establish requirements for the granting of Options to Participants, as, for example, creation of value for the Company or its Subsidiaries, development potential of the manager, executive or employee, as well as any other characteristics considered strategically relevant by the Board of Directors.

2017 Plan: At the Special Shareholders' Meeting held on December 31, 2017, the Company's Stock Option Plan was approved ("2017 Plan" and jointly with the 2020 Plan, "Plans").

The 2017 Plan establishes the general conditions for granting options to purchase common shares issued by the Company ("Shares"), pursuant to Article 168, Third Paragraph, of the Brazilian Corporations Law.

The managers, executives, employees and service providers of the Company and its subsidiaries and who are selected at the sole discretion of the Board of Directors are eligible to receive a purchase option that entitles the holder to acquire Shares, strictly under the terms and conditions established in the 2017 Plan ("Participants" and "Options", respectively). The Board of Directors will appoint, among those eligible, the Participants (those to whom Options will be offered), as well as approve the distribution of Options between the Participants.

The Board of Directors will have broad powers to manage and interpret the 2017 Plan. Omitted cases will be regulated by the Board of Directors, and the Shareholders' Meeting should be consulted, if required by law or by the Company's Articles of Incorporation, or whenever the Board of Directors deems necessary, in its sole discretion. Among the powers attributed to the Board of Directors for the management of the 2017 Plan are the following: (i) appoint, among the Participants, those to whom each of the Options will be granted; (ii) create and apply general rules related to the granting of Options, under the terms of the 2017 Plan, and settle any doubts regarding the interpretation of the 2017 Plan; (iii) establish parameters for the Participants, in order to establish objective criteria for their election; (iv) establish the quantity, dates and exercise price, as well as the other characteristics of the Options to be granted to the Participants; (v) define the granting of Options, through grant programs, as provided in the 2017 Plan; (vi) establish rules complementary to the 2017 Plan; (vii) to resolve on the issuance of new Shares within the limit of authorized capital, to satisfy the exercise of Options, under the terms of the 2017 Plan; (viii) decide whether, in order to face the exercise of the Option, the Company must issue new Shares in a capital increase approved by the Board of Directors within the limits of the authorized capital or dispose of Shares held in treasury; (ix) impose restrictions on the transfer of the Shares acquired through the exercise of the Options, and may also assign to the Company repurchase options or rights of first refusal in the event of sale of these Shares by a Participant, until the end of the term and/or compliance with the conditions that may be established; and (x) establish requirements for the granting of Options to Participants, as, for example, creation of value for the Company or its Subsidiaries, development potential of the manager, executive or employee, as well as any other characteristics considered strategically relevant by the Board of Directors.

Once the Option is exercised, the Board of Directors will define whether the Company's share capital should be increased by issuing new Shares to be subscribed by the Participants, in accordance with Article 166, subsection III, of the Brazilian Corporations Law or whether the shares held in treasury will be used to settle the exercise of the Options, subject to the applicable regulations. The shareholders, under the terms of Article 171, Third Paragraph, of the Brazilian Corporations Law, will have no preference in the grant, vesting and in the exercise of the Options originating in the Plan.

The Company's Options Plan is of a commercial nature, and the beneficiaries, to participate in the Plan, have to buy the Options by paying the Acquisition Price, defined on the grant date as the fair value of the Options determined according to the "Black & Scholes" methodology.

(b) Main objectives of the plan

2020 Plan: The 2020 Plan has the objective of granting the Managers, Executives, Employees and Service Providers that receive Options the right to become shareholders of the Company. This right may be subject to certain conditions to be imposed by the Company and aims to: (a) encourage the expansion, success and achievement of the corporate purpose of the Company and its Subsidiaries; and (b) align the interests of the Company's shareholders with those of the Participants.

Plano 2017: The 2017 Plan aims to: (a) encourage the expansion, success and achievement of the Company's corporate purpose; (b) align the interests of the Company's shareholders with those of the Company's or Subsidiaries' Participants; and (c) make it possible to the Company or other companies under its control to attract and maintain managers, employees and collaborators.

(c) How the plan contributes to these objectives

Since most of the options become exercisable in the long term, the purpose of the Plans is for the Participants to remain in the Company until the moment of exercise. Once the option is exercised, with the Participant becoming a shareholder, there will be a union of interests intrinsically related to the condition of shareholder.

In addition, the Plans generate earning potential for the executive based on the performance of the Company's shares in the market. Therefore, it makes total compensation competitive for attracting and retaining talent.

(d) How the plan fits the issuer's compensation policy

The Plans are part of the Company's Compensation Policy, since (i) its main function is to align the interests of the managers with the objectives of the Company; and (ii) that aligns the interests of the Participants to the performance of the Company's shares and, consequently, to its operating results, encouraging them to act to achieve the Company's corporate purposes.

(e) How the plan aligns the interests of managers and the issuer in the short-, medium- and long-term

The exercise of Options by the managers, classified as Participants, is a way of encouraging them to successfully conduct the Company's business, aligning their interests with those of the Company's shareholders. The different grace periods of the options provide incentives to the participants to commit to the constant appreciation of the shares in the short- and medium-term, as well as the ownership of shares arising from the exercised options, with or without restrictions as to their transfer, aligns long-term interests.

(f) Maximum number of shares covered

2020 Plan: Each Option will entitle the Participant to acquire 1 (one) Share, subject to the terms and conditions established in the respective Option Agreement. The Options that may be granted under the 2020 Plan shall confer rights on a number of Shares that does not exceed 7% (seven percent) of the total number of Shares representing the Company's total share capital immediately after the initial public offering (IPO) of the Company in B3 S.A. - Brasil, Bolsa, Balcão, on a fully diluted basis and taking into account the new Shares to be issued in the exercise of the Options under the terms of the Plan. Shares linked to the terminated or canceled Options before they are fully exercised will be released again for the future granting of Options.

2017 Plan: The maximum number of shares available to exercise the Options under the 2017 Plan is limited to 18,513,346 Shares (11.5% of the total share capital when the plan was approved and 12.5% of the total share capital on the date of hereof). Once the Option is exercised, the Board of Directors will define whether the Company's share capital should be increased by issuing new Shares to be subscribed by the Participants, in accordance with Article 166, subsection III, of the Brazilian Corporations Law or whether the shares held in treasury will be used to settle the exercise of the Options, subject to the applicable regulations.

(g) Maximum number of options to be granted

2020 Plan: Each Option will entitle the Participant to acquire 1 (one) Share, subject to the terms and conditions established in the respective Option Agreement, subject to the limit described in item "f" above.
2017 Plan: Each Option will entitle the Participant to acquire 1 (one) Share. Therefore, the Options granted under the terms of the 2017 Plan confer rights to acquire or subscribe for up to 18,513,346 shares issued by the Company.

(h) Conditions for the acquisition of shares

2020 Plan: The Board of Directors will define, in each Program and in relation to each class of Option, the term after which the Option granted to Participants will become potentially suitable for exercise. At the Company's Board of Directors' Meeting, held on July 10, 2020, the 1st Program within the scope of 2020 Plan was approved and the allocation of options to certain managers, executives, employees and administrators, under the terms of the document presented at said meeting.

2017 Plan: The Board of Directors will define, in each Program and in relation to each class of Option, the term after which the Option granted to Participants will become potentially suitable for exercise ("Grace Period"). The Board of Directors will also define, in each program, the advance of the Grace Period in the event of a Liquidity Event, as defined below. Options whose Grace Period has already elapsed will be called "Vested Options", while Options whose Grace Period has not elapsed will be called "Non-Vested Options".

Options that are already Vested Options can only be exercised if the occurrence of Liquidity Events is verified, according to the condition defined for each class of Options. Liquidity events are: (i) holding of Company's special shareholders' meeting approving the request for registration of the Company, before CVM, as open-stock corporation in category A, as a preparation act to an initial public offer of Shares ("IPO" and "Liquidity Event I", respectively); (ii) occurrence of a transfer of the totality of Shares held, directly or indirectly, by investment funds managed by Advent ("Sale") or the consummation of the financial liquidation of the Company's IPO ("Liquidity Event II"); (iii) occurrence of a Sale or consummation of financial liquidation of the Company's IPO, provided that, for transaction purposes, the Company is evaluated at an amount equivalent to or greater than a certain implied amount pre-money base ("Liquidity Event III"); (iv) occurrence of a sale or consummation of the financial liquidation of the Company's IPO, as long as, for purposes of such transaction, the Company is evaluated at an amount equal to or greater than the multiple I of the implied amount pre-money base ("Liquidity Event IV"); and (v) occurrence of a Sale or consummation of financial liquidation of the Company's IPO, provided that, for the purposes of such transaction, the Company is assessed at an amount equal to or greater than the multiple II of the implied value pre-money base ("Liquidity Event V" and, jointly with Liquidity Events I, II, III and IV, indistinctly referred as "Liquidity Events").

Conditions for the exercise of the Options: (i) Options 1-a that are already Vested Options can only be exercised if the occurrence of any Liquidity Event occurs; (ii) Options 1-b that are already Vested Options can only be exercised if the occurrence of a Liquidity Event IV occurs (and the Board of Directors may, in the future, determine that Options 1-b that are already Vested Options may be exercised if a Liquidity Event V occurs); (iii) Options 1-c that are already Vested Options can only be exercised upon the occurrence of a Liquidity Event V; (iv) Options 1-d that are already Vested Options may only be exercised if the occurrence of a Liquidity Event III is verified, however, provided that, in case the Participant withdraws prior to a Liquidity Event III, the 1-d Options that are already Vested Options may only be exercised if the occurrence of a Liquidity Event V occurs, except in the case of the Participant's dismissal at the initiative of the Company for cause, as defined in the Plan; and (v) Options 2 that are already Vested Options can only be exercised if the occurrence of a Liquidity Event III is verified, however, provided that, in case the Participant withdraws prior to a Liquidity Event III, the Options 2 that are already Vested Options may only be exercised if the occurrence of a Liquidity Event V is verified, except in case of dismissal of the Participant by initiative from the Company for cause, as defined in the Plan.

(i) Criteria for setting the acquisition or exercise price

2020 Plan: For the exercise of the Options granted, 2020 Plan participants must pay an exercise price per Option, which will correspond to the issue or acquisition price of the Share. The exercise price will be fixed based on (i) the Share price defined on the pricing date of the initial public offering of shares ("IPO") of the Company, for the Options granted up to the 6th (sixth) month of the date on that the IPO occurs; or (ii) the weighted average quotation of the Shares in a given number of trading sessions prior to the grant date to be defined by the Board of Directors ("Exercise Price"). The Board of Directors shall have the attribution to define in each Program and/or Option Agreement whether the Exercise Price will be corrected by a restatement index and/or adjusted by earnings distributed by the Company to shareholders.

2017 Plan: The exercise price is determined by the Board of Directors at the time of the grant, with the objective of aligning the interests of the Participants to those of the shareholders in the long term, aiming at the appreciation of the Company's shares.

(j) Criteria for setting the exercise term

2020 Plan: The Options must be exercised by the Participants within the term defined in each of the Programs.

2017 Plan: The exercise period is determined based on current market practice, with the vesting of the Options occurring over a period of time determined by the Board of Directors.

(k) Liquidation method

2020 Plan: The liquidation method will be established in each program.

2017 Plan: The purchase price of the Options, adjusted by the variation of the Interbank Deposit Certificate - CDI from the grant date until the date of each payment, must be paid in cash by the Participant, in 12 (twelve) monthly, equal and consecutive installments, with the first of them maturing 30 (thirty) days after the date of grant of the Option to the Participant and the others in subsequent months. Notwithstanding the foregoing, the Participant will be entitled to prepay the purchase price at any time.

(l) Restrictions on the transfer of shares

2020 Plan: The Board of Directors may impose restrictions on the transfer of shares acquired through the exercise of the Options, and may also assign repurchase options or preemptive rights to the Company in the event of disposal by the Participant of these same Shares, until the end of the term and/or compliance with the conditions that may be fixed.

2017 Plan: The Board of Directors may eventually establish in the grants, if so determined upon approval of each program, at its sole discretion, that the Participant may only sell, transfer or, in any other way, dispose of the Company's shares acquired under the 2017 Plan as a result of the verification of a Liquidity Event I, provided that a minimum period of unavailability established in each program is met, for each batch of Shares, which will never exceed 12 (twelve) months from the date of exercise of the Options.

(m) Criteria and events that, when verified, will cause the suspension, alteration or extinction of the plan

2020 Plan: Any significant legal change regarding the regulation of corporations and/or the tax effects of a call option plan, may lead to a full review of the Plan.

2017 Plan: The Options will be extinguished automatically, ceasing all their effects by operation of law, in the following cases: (i) upon their full exercise; (ii) after the expiry of the Options exercise period; (iii) if the Company is dissolved, liquidated or has its bankruptcy declared; (iv) termination of the Participant at the initiative of the Company or its Subsidiaries; (v) termination of the Participant on its own initiative; (vi) death or permanent disability of the Participant, according to deliberation by the Board of Directors; (vii) the occurrence of a Sale, provided that, for the purposes of such transaction, the Company is valued at an amount lower than the implied value pre-money base.

(n) Effects of the manager's withdrawal from the issuer's bodies on his rights provided for in the share-based compensation plan

2020 Plan: In the event of Participant's Withdrawal, the rights conferred to him in accordance with the Plan may be extinguished or modified, as defined by the Board of Directors in each Program and/or Option Agreement.

2017 Plan: In the event that the Participant leaves the Company or its Subsidiaries for any reason, all Non-Vested Options will automatically be extinguished, regardless of prior notice or indemnity. Notwithstanding, the Participant will still be entitled to exercise the Vested Options, provided that said Vested Options can only be exercised after the occurrence of a Liquidity Event.

In the event that the Participant leaves the Company or its Subsidiaries for duly proven cause, both Vested Options and Non-Vested Options will automatically be extinguished on the date of dismissal, regardless of prior notice or indemnity.

In the event that the Participant leaves the Company or its Subsidiaries by its own initiative, all Non-Vested Options will automatically be extinguished, regardless of prior notice or indemnity. Notwithstanding, the Participant will still be entitled to exercise the Vested Options, provided that said Vested Options can only be exercised after the occurrence of a Liquidity Event.

13.5 - Compensation based on shares of the board of directors and Board of Officers

Share-based compensation planned for the current fiscal year (2022)

	Board of Directors	**Board of Officers**
	2020 Plan	**2020 Plan**
Total number of members	6.50	7.00
Number of paid members	4.00	7.00
Weighted average price of the exercise:		
(a) Of outstanding options at the beginning of fiscal year	12.65 + IPCA	12.65 + IPCA
(b) Of options lost during fiscal year	N/A	N/A
(c) Of options exercised during fiscal year	N/A	N/A
(d) Of options expired during fiscal year	N/A	N/A
Potential dilution in case of exercise of all options granted	**0.9%**	**4.3%**

Share-based compensation - fiscal year ended on 12/31/2021

	Board of Directors	**Board of Officers**
	2020 Plan	**2020 Plan**
Total number of members	5.00	6.67
Number of paid members	4.00	6.67
Weighted average price of the exercise:		
(a) Of outstanding options at the beginning of fiscal year	12.65 + IPCA	12.65 + IPCA
(b) Of options lost during fiscal year	N/A	N/A
(c) Of options exercised during fiscal year	N/A	N/A
(d) Of options expired during fiscal year	N/A	N/A
Potential dilution in case of exercise of all options granted	**0.9%**	**4.3%**

Share-based compensation - fiscal year ended on 12/31/2020

	Board of Directors		**Board of Officers**	
	2017 Plan	**2020 Plan**	**2017 Plan**	**2020 Plan**
Total number of members	5.17	5.17	6.00	6.00
Number of paid members	2.00	4.00	6.00	6.00
Weighted average price of the exercise:				
(a) Of outstanding options at the beginning of fiscal year*	BRL 2.485 for plan 1-b options	N/A	BRL 1.195 for options of plans 1-a, 1-c, 1-c' and 1-d, BRL	N/A

			2.980 for options of plan 2	
(b) Of options lost during fiscal year	N/A	N/A	N/A	N/A
(c) Of options exercised during fiscal year	BRL 2.485 for plan 1-b options	N/A	BRL 1.195 for options of plans 1-a, 1-c, 1-c' and 1-d, BRL 2.980 for options of plan 2	N/A
(d) Of options expired during fiscal year	N/A	N/A	N/A	N/A
Potential dilution in case of exercise of all options granted**	**N/A**	**0.9%**	**N/A**	**4.1%**

* The options granted under the 2017 Plan described in item 13.4 above were updated due to: (i) recognition of the distribution of dividends, approved at a meeting of the board of directors held on February 5, 2020; and (ii) share redemption approved at special shareholders' meeting held on December 9, 2019. For more information on the redemption of shares, see item 17.5 hereof.
** There is no potential dilution for the 2017 Plan as all options have already been exercised.

Share-based compensation - fiscal year ended on 12/31/2019

	Board of Directors	**Board of Officers**
Total number of members	3.00	6.67
Number of paid members	1.00	6.67
Weighted average price of the exercise:		
(a) Of outstanding options at the beginning of fiscal year*	BRL 2.427 for plan 1-b options	BRL 1.167 for options of plans 1-a, 1-c, 1-c', 1-d and 1-d', BRL 2.840 for options of plan 2
(b) Of options lost during fiscal year	N/A	N/A
(c) Of options exercised during fiscal year	N/A	N/A
(d) Of options expired during fiscal year	N/A	N/A
Potential dilution in case of exercise of all options granted	**1.1%**	**6.6%**

* The options granted under the 2017 Plan described in item 13.4 above were updated due to: (i) recognition of the distribution of dividends, approved at a meeting of the board of directors held on February 5, 2020; and (ii) share redemption approved at special shareholders' meeting held on December 9, 2019. For more information on the redemption of shares, see item 17.5 hereof.

For each grant that is recognized in the result of the last 3 (three) fiscal years and the current fiscal year

	Board of Directors	Board of Officers					
Grant of share purchase options	2017 Plan 1-b	2017 Plan 1-a	2017 Plan 1-c	2017 Plan 1-c'	2017 Plan 1-d	2017 Plan 1-d'	2017 Plan 2
Date of grant	12/31/2017	12/31/2017	12/31/2017	12/31/2017	12/31/2017	12/31/2017	12/31/2017
Number of options granted	3,585,384	8,491,584	173,492	121,444	717,077	717,077	3,943,923
Deadline for options to become exercisable	Grace period (12/31/2018) and occurrence of liquidity event, observing the possibility of advance in case of liquidity event.	Grace period (12/31/2018) and occurrence of liquidity event, observing the possibility of advance in case of liquidity event.	Grace period (12/31/2018) and occurrence of liquidity event, observing the possibility of advance in case of liquidity event.	Grace period (12/31/2022) and occurrence of liquidity event, observing the possibility of advance in case of liquidity event.	Grace period (06/30/2019) and occurrence of liquidity event, observing the possibility of advance in case of liquidity event.	Grace period (12/31/2020) and occurrence of liquidity event, observing the possibility of advance in case of liquidity event.	Grace period (06/30/2019) and occurrence of liquidity event, observing the possibility of advance in case of liquidity event.
Deadline for exercising the options	1 year from vesting	1 year from vesting	1 year from vesting	1 year from vesting	1 year from vesting	1 year from vesting	1 year from vesting
Share transfer restriction deadline	6-month lock-up counted from the exercise for 40% of the shares	6-month lockup counted from the exercise for 40% of the shares	6-month lockup counted from the exercise for 40% of the shares	6-month lockup counted from the exercise for 40% of the shares	6-month lockup counted from the exercise for 40% of the shares	6-month lockup counted from the exercise for 40% of the shares	6-month lock-up counted from the exercise for 40% of the shares
Fair value of options on grant date	BRL 0.000317	BRL 0.1444656	BRL 0.1444656	BRL 0.475029	BRL 0.187615	BRL 0.318506	BRL 0.000548

* *The stock option plan presented herein (granted on 12/31/2017) constituted an onerous business, requiring the participants to pay the acquisition price, resulting in the inflow of funds in the Company's cash and cash equivalents, and in consideration a Capital Reserve was constituted, therefore, there was no impact on the result. For more information, see item 13.16 hereof.*

	Board of Directors	Board of Officers
Grant of share purchase options	2020 Plan	2020 Plan
Date of grant	07/10/2020	07/10/2020
Number of options granted	1,611,100	8,055,498

Deadline for options to become exercisable	08/07/2021 (10%) 08/07/2022 (10%) 08/07/2023 (20%) 08/07/2024 (20%) 08/07/2025 (40%)	08/07/2021 (10%) 08/07/2022 (10%) 08/07/2023 (20%) 08/07/2024 (20%) 08/07/2025 (40%)
Deadline for exercising the options	1 year from vesting	2 years from vesting for shares that become exercisable in 2021, 2022 and 2023; and 1 year from vesting for shares that become exercisable in 2024 and 2025
Share transfer restriction deadline	6-month lock-up counted from the exercise for 40% of the shares	6-month lock-up counted from the exercise for 40% of the shares
Fair value of options on grant date	BRL 1.35024 (vesting 2021) BRL 1.71763 (vesting 2022) BRL 2.15549 (vesting 2023) BRL 2.64243 (vesting 2024) BRL 3.11430 (vesting 2025)	BRL 1.35024 (vesting 2021) BRL 1.71763 (vesting 2022) BRL 2.15549 (vesting 2023) BRL 2.64243 (vesting 2024) BRL 3.11430 (vesting 2025)

Additionally, there was no recognition of grants in the Company's results for the fiscal year ended on 12/31/2019.

13.6 - Information on the outstanding options held by the board of directors and by the Board of Officers

Outstanding options at the end of the fiscal year ended on 12/31/2021

	Board of Directors	Board of Officers
	SOP 2020	**SOP 2020**
Total number of members	5.00	7.00
Number of paid members	5.00	7.00
Options not yet exercisable		
Quantity	1,449,990	7,612,446
Date on which they will become exercisable	08/07/2022 (10%) 08/07/2023 (20%) 08/07/2024 (20%) 08/07/2025 (40%)	08/07/2022 (10%) 08/07/2023 (20%) 08/07/2024 (20%) 08/07/2025 (40%)
Deadline for exercising the options	1 year from vesting	2 years from vesting for shares that become exercisable in 2021, 2022 and 2023; and 1 year from vesting for shares that become exercisable in 2024 and 2025
Share transfer restriction deadline	6-month lock-up counted from the exercise for 40% of the shares	6-month lock-up counted from the exercise for 40% of the shares
Weighted average price of the exercise:	12.65 + IPCA	12.65 + IPCA
Fair value of options on the last day of the fiscal year[1]	BRL 1.71763 (vesting 2022) BRL 2.15549 (vesting 2023) BRL 2.64243 (vesting 2024) BRL 3.11430 (vesting 2025)	BRL 1.71763 (vesting 2022) BRL 2.15549 (vesting 2023) BRL 2.64243 (vesting 2024) BRL 3.11430 (vesting 2025)
Exercisable options		
Quantity	161,110	845,827
Date on which they will become exercisable	08/07/2023	08/07/2023
Deadline for exercising the options	6-month lock-up counted from the exercise for 40% of the shares	6-month lock-up counted from the exercise for 40% of the shares
Share transfer restriction deadline	12.65 + IPCA	12.65 + IPCA
Weighted average price of the exercise:	BRL 1.35024 (vesting 2021)	BRL 1.35024 (vesting 2021)
Fair value of options on the last day of the fiscal year	BRL 1.35024 (vesting 2021) BRL 1.71763 (vesting 2022) BRL 2.15549 (vesting 2023) BRL 2.64243 (vesting 2024) BRL 3.11430 (vesting 2025)	BRL 1.35024 (vesting 2021) BRL 1.71763 (vesting 2022) BRL 2.15549 (vesting 2023) BRL 2.64243 (vesting 2024) BRL 3.11430 (vesting 2025)

(1) The values presented consider the values of the outstanding options of the same plan with maturity on the same date. When, within the same plan, there is more than one maturity date, we present the values for each of the maturity dates of the plan in question.

13.7 - Options exercised and shares delivered related to the share-based compensation of the Board of Directors and Board of Officers

Options exercised - fiscal year ended on 12/31/2021

	Board of Directors	Board of Officers
	2020 Plan	2020 Plan
Total number of members	5.00	6.67
Number of paid members	5.00	6.67
Exercised options		
Number of Shares	0	0
Weighted average price of the exercise:	N/A	N/A
Difference between exercise value and market value* of shares related to exercised options	N/A	N/A
Shares delivered		
Number of delivered shares	0	0
Weighted average acquisition price	N/A	N/A
Difference between acquisition value and market value of acquired shares	N/A	N/A

Options exercised - fiscal year ended on 12/31/2020

	Board of Directors		Board of Officers					
	Plan 2017 1-b	2020 Plan	2017 Plan 1-a	2017 Plan 1-c	2017 Plan 1-c	2017 Plan 1-d	2017 Plan 2	2020 Plan
Total number of members	5.17	5.17	6.00	6.00	6.00	6.00	6.00	6.00
Number of paid members	2.00	4.00	3.00	1.00	1.00	1.00	3.00	6.00
Exercised options								
Number of Shares	3,303,326	0	5,940,667	159,844	111,890	660,666	2,972,995	0
Weighted average price of the exercise:	2.485	N/A	1.195	1.195	1.195	1.195	2.908	N/A
Difference between exercise value and market value* of shares related to exercised options	1.512	N/A	0.222	0.222	0.222	0.222	1.935	N/A
Shares delivered								

Number of delivered shares	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Weighted average acquisition price	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Difference between acquisition value and market value of acquired shares	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*Considering the equity value of the shares on 03/31/2020 (BRL 0.973 per share), given that the Company was a closed Company on the date of exercise of the options, having no defined market value.

There was no exercise of the option to purchase shares by the Company's management in the fiscal years ended on 12/31/2019 and 12/31/2018.

13.8 - Necessary information for understanding disclosed data on items 13.5 to 13.7 - Method of pricing of shares and options value

(a) Pricing model

The fair value for the Plans is calculated, according to the "Black & Scholes" pricing model.

(b) Data and assumptions used in the pricing model, including the weighted average price of shares, weighted shares, exercise price, expected volatility, life of the option, expected dividends and the risk-free interest rate

In determining the fair value of stock options, the following economic assumptions were used, which lead to the fair value of each series of options as shown below:

Option series	Quantity*	Grace Period	Exercise Price (1)	Expected volatility (2)	Expected Dividends (3)	Risk Free Rate (4)	Acquisition Price
2017 Plan 1-a	8,491,584	12/31/2018	1.167	5.9%	0.0%	6.6%	0.144656
2017 Plan 1-b	3,585,385	12/31/2018	2.427	5.9%	0.0%	6.6%	0.000317
2017 Plan 1-c	832,762	12/31/2018	1.167	5.9%	0.0%	6.6%	0.144656
2017 Plan 1-c'	225,539	12/31/2022	1.167	5.9%	0.0%	9.1%	0.475029
2017 Plan 1-d	717,077	06/30/2019	1.167	5.9%	0.0%	6.7%	0.187615
2017 Plan 1-d'	717,077	12/31/2020	1.167	5.9%	0.0%	8.0%	0.318506
2017 Plan 2	3,943,923	06/30/2019	2.840	5.9%	0.0%	6.7%	0.000548
2020 Plan 1-Year 1	1,006,937	08/07/2021	12.65 + IPCA	22.0%	0.0%	2.4%	1.35024
2020 Plan 1-Year 2	1,006,937	08/07/2022	12.65 + IPCA	22.0%	0.0%	3.0%	1.71763
2020 Plan 1-Year 3	2,013,875	08/07/2023	12.65 + IPCA	22.0%	0.0%	3.8%	2.15549
2020 Plan 1-Year 4	2,013,875	08/07/2024	12.65 + IPCA	22.0%	0.0%	4.5%	2.64243
2020 Plan 1-Year 5	4,027,749	08/07/2025	12.65 + IPCA	22.0%	0.0%	5.1%	3.11430

* The options granted under the 2017 Plan described in item 13.4 above were updated due to: (i) recognition of the distribution of dividends, approved at a meeting of the board of directors held on February 5, 2020; and (ii) share redemption approved at special shareholders' meeting held on December 9, 2019. For more information on the redemption of shares, see item 17.5 hereof.

(1) Defined by the Company's Board of Directors.

(2) Average volatility of a group of comparable retail companies listed in Brazil and comparable construction material companies listed abroad.

(3) No dividend distribution was assumed, as the options will have their exercise price adjusted by earnings.

(4) "DI x pre" rate on the base date of 12/29/2017 (last information available before granting the options, which occurred on 12/31/2017) for the 2017 Plan and base date of 8/7/2020 for the 2020 Plan, according to the B3 website, which varies according to the grace period for each option.

The exercise price is the variable within a stock option that allows to link the Company's medium- and long-term objectives with the value of this option. Thus, the exercise price was determined by the Board of Directors in order to establish different growth objectives, and for that reason, different exercise prices were stipulated, based on the Company's performance history and future performance prospects, taking into account, mainly (i) the best estimate of the Company's fair market value when the plan was granted and (ii) estimates of the Company's performance for subsequent years, in order to align the interests of the company's management with the company's long-term performance.

The Company adopted the DI x pre as a risk-free rate, as disclosed by B3. The risk-free rate adopted for calculating the option value of each beneficiary took into account the vesting period for that option - the rate corresponding to the interval (in days) between the grant date and the vesting date was chosen. Thus, as within the 1-c and 1-d plans, there are different vesting terms for different beneficiaries, different rates were adopted to calculate the fair value of their options. Such rate tends to increase with the extension of the term (in days adopted). As an example with the current values of these rates, on July 15, 2020, the DI x pre rate for 362 days was 2.49% and the DI x pre rate for 1801 days was 5.69%.

The definition of the exercise price was determined by the Board of Directors in order to establish different growth objectives, and for that reason, different exercise prices were stipulated, based on the Company's performance history and future performance prospects, taking into account, mainly (i) based on the Company's net equity at the time and (ii) estimates of the Company's performance for subsequent years, in order to align the interests of the Company's management with the company's long-term performance. Accordingly, the exercise prices defined were (a) BRL 1.167 for plans 1-a, 1-c, 1-c', 1-d and 1-d', which is equivalent to 1.7x of the equity value per share in the fiscal year 2016 (BRL 0.687 in 2016, last fiscal year before the options were granted); (b) BRL 2.427 for plan 1-b, which is equivalent to 3.5x of the equity value of the share in the 2016 fiscal year; (c) BRL 2,840 for plan 2, which is equivalent to 4.1x of the equity value of the share in the 2016 fiscal year; and (d) BRL 12.65, corresponding to the share price defined on the pricing date of the initial public offering of shares ("IPO") of the Company, which will be corrected by the variation of the Extended National Consumer Price Index ("IPCA"), for the first grant of the 2020 Plan.

(c) Method used and assumptions made to incorporate the expected effects of early exercise

Not applicable, as early exercise was not considered.

(d) Method for determining the expected volatility

The expected volatility for the Company's shares was calculated based on the average volatility of a group of comparable companies, which includes retail companies in general in Brazil, and global construction material retail companies.

(e) If any other characteristic of the option was incorporated in the measurement of its fair value

Not applicable.

13.9 - Participation in shares, quotas and other convertible securities, held by managers and audit committee members - per body

Fiscal year ended on 12/31/2021				
Lojas Quero-Quero S.A.	**Board of Directors**	**Board of Officers**	**Fiscal Council**	**Total**
Quantity of Shares	6,341,216	1,737,624	-	8,078,840
Percentage of share capital	3.39%	0.93%	-	4.31%

13.10 - Information on pension plans granted to members of the board of directors and statutory officers

Not applicable, since the Company does not grant pension plans to the members of its management.

13.11 - Maximum, minimum and average individual compensation for the board of directors, Board of Officers and Fiscal Council - Annual values

	Board of Officers			Board of Directors			Fiscal Council		
	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/2019	12/31/2021	12/31/2020	12/31/2019
No. of members	6.67	6.00	6.67	5.00	5.17	3.00	-	-	-
Number of paid members	6.67	6.00	6.67	4.00	3.42	1.00	-	-	-
The Highest Compensation Value (Brazilian Reais)	5,247,006.00	5,270,632.74	3,187,146.13	644,686.42	275,000.00	177,300.00	-	-	-
Lower compensation value (Brazilian Reais)	1,425,974.21	1,241,620.19	670,949.48	506,019.75	130,000.00	177,300.00	-	-	-
Average Compensation Value (Brazilian Reais)	2,181,396.06	2,109,270.37	1,333,002.18	576,263.33	379,698.25	177,300.00	-	-	-

Note

Board of Officers	
12/31/2021	The minimum compensation excludes the managers who held the position for less than 12 months. Permanence in the position of the member with the highest compensation: 12 months. The informed compensation amount includes all compensation items included in item 13.2, including the Stock Option Plan.
12/31/2020	The minimum compensation excludes the managers who held the position for less than 12 months. Permanence in the position of the member with the highest compensation: 12 months.
12/31/2019	The minimum compensation excludes the managers who held the position for less than 12 months. Permanence in the position of the member with the highest compensation: 12 months.

Board of Directors	
12/31/2021	The minimum compensation excludes the managers who held the position for less than 12 months. Permanence in the position of the member with the highest compensation: 12 months. The informed compensation amount includes all compensation items included in item 13.2, including the Stock Option Plan.
12/31/2020	The minimum compensation excludes the managers who held the position for less than 12 months. Permanence in the position of the member with the highest compensation: 12 months.
12/31/2019	The minimum compensation excludes the managers who held the position for less than 12 months. Permanence in the position of the member with the highest compensation: 12 months.

Fiscal Council	
12/31/2021	-
12/31/2020	-
12/31/2019	-

13.12 - Compensation or indemnity mechanisms for managers in the event of dismissal from office or retirement

As provided for in the Company's Compensation Policy, the attribution of benefits motivated by the termination of the exercise of the position to its managers may occur in exceptional cases, at the discretion of the Company's Board of Directors.

In addition, the Company's contractual arrangements and insurance policies do not provide mechanisms of compensation or indemnity for cases of dismissal from office or retirement. Finally, the Company does not have an indemnity agreement with its managers.

13.13 - Percentage of total compensation held by managers and members of the Fiscal Council that are parties related to the controllers

Not applicable, taking into account that, in the last three fiscal years, the Company did not have managers or remunerated members of the Fiscal Council that are parties related to the controllers.

13.14 - Compensation of managers and members of the Fiscal Council, ranged by body, received for any reason other than the position held

Not applicable, considering that in the last 3 fiscal years, the Company's managers and Fiscal Council members have not received any compensation due to any reason other than the position they occupy.

13.15 - Compensation of managers and members of the Fiscal Council recognized in the result of direct or indirect controllers of companies under common control and issuer's subsidiaries

Not applicable, taking into account that, in the last 3 fiscal years, the Company's managers have not received compensation from their direct or indirect controllers, companies under common control and their subsidiaries.

13.16 - Other relevant information

Exercise of options within the scope of the 2017 Plan

As described in item 17.2 hereof, on July 10, 2020, 15,405,268 options were exercised, resulting in an increase in the Company's share capital. 1,651,663 options remained open, which were exercised on September 24, 2020. No more options remain open under the 2017 Plan.

Granting of options under the 2020 Plan

On July 10, 2020, 10,069,373 options were granted in the 1st Options Granting Program within the scope of 2020 Plan, subject to a condition suspending the initial public offering of shares of the Company ("IPO"). Part of the options will start to be exercisable after 1 year from the IPO liquidation. On January 26, 2021, the 2nd Options Granting Program was approved under the 2020 Plan, with the allocation of 2,530,000 options, with no member of the Board of Officers or Board of Directors being included in this program. On January 27, 2022, the 3rd Options Granting Program under the 2020 Plan was approved, with the allocation of 1,040,000 options, and no member of the Board of Officers or Board of Directors was contemplated in this program.

Accounting for the 2017 Plan

The 2017 Plan, described in item 13.4 hereof, constitutes a commercial and onerous business, since it stipulates that the stock options will be sold by the Company to the participants upon payment of a price corresponding to the fair value of the options (i.e., the options are not freely granted by the Company to the participants, as is the case with option plans commonly practiced in the market). In addition to the payment of the acquisition price for the purchase of the options, the participant must pay the exercise price of the options, if he/she wants to exercise the options. This means that, within the scope of the 2017 Plan, the participants who decided to participate in the plan purchased the options upon payment of the respective price to the Company, with their own resources. For this reason, the fair value of the Company's options is accounted for in equity, in the capital reserve, with a corresponding entry to the balance sheet cash line (receipt of the price). Unlike what happens in a classic option plan in which the options are granted free of charge, since in this case the fair value of the options is recorded in Equity as a consideration to an expense entry in the income statement. Thus, there is no need to say that the fair value of the stock options granted is configured as compensation, as there is no expense entry in the result, but an inflow of cash due to the sale of the options.