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Dados da Empresa / Composição do Capital

Número de Ações (Unidades)	Último Exercício Social 31/12/2021
Do Capital Integralizado	
Ordinárias	2.209.346.079
Preferenciais	0
Total	2.209.346.079
Em Tesouraria	
Ordinárias	0
Preferenciais	0
Total	0

DFs Individuais / Balanço Patrimonial Ativo**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		31/12/2021	Penúltimo Exercício 31/12/2020	Antepenúltimo Exercício 31/12/2019
1	Ativo Total	6.407.623	5.645.493	1.888.998
1.01	Ativo Circulante	435.263	1.880.403	433
1.01.01	Caixa e Equivalentes de Caixa	434.954	1.879.545	0
1.01.06	Tributos a Recuperar	251	858	0
1.01.06.01	Tributos Correntes a Recuperar	251	858	0
1.01.08	Outros Ativos Circulantes	58	0	433
1.01.08.03	Outros	58	0	433
1.02	Ativo Não Circulante	5.972.360	3.765.090	1.888.565
1.02.01	Ativo Realizável a Longo Prazo	2.000	0	0
1.02.01.09	Créditos com Partes Relacionadas	2.000	0	0
1.02.02	Investimentos	5.970.360	3.765.090	1.888.565
1.02.02.01	Participações Societárias	5.970.360	3.765.090	1.888.565
1.02.02.01.02	Participações em Controladas	5.970.360	3.765.090	1.888.565

DFs Individuais / Balanço Patrimonial Passivo**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício	Penúltimo Exercício	Antepenúltimo Exercício
		31/12/2021	31/12/2020	31/12/2019
2	Passivo Total	6.407.623	5.645.493	1.888.998
2.01	Passivo Circulante	4.086	887	0
2.01.01	Obrigações Sociais e Trabalhistas	581	463	0
2.01.01.02	Obrigações Trabalhistas	581	463	0
2.01.02	Fornecedores	0	185	0
2.01.02.01	Fornecedores Nacionais	0	185	0
2.01.03	Obrigações Fiscais	3.505	239	0
2.02	Passivo Não Circulante	350	350	0
2.02.02	Outras Obrigações	350	350	0
2.02.02.01	Passivos com Partes Relacionadas	350	350	0
2.02.02.01.04	Débitos com Outras Partes Relacionadas	350	350	0
2.03	Patrimônio Líquido	6.403.187	5.644.256	1.888.998
2.03.01	Capital Social Realizado	4.780.929	4.780.929	911.201
2.03.02	Reservas de Capital	44.217	44.217	44.056
2.03.02.06	Adiantamento para Futuro Aumento de Capital	44.217	44.217	44.056
2.03.04	Reservas de Lucros	1.578.041	819.110	933.741
2.03.04.01	Reserva Legal	78.902	40.955	46.688
2.03.04.07	Reserva de Incentivos Fiscais	1.499.139	778.155	887.053

DFs Individuais / Demonstração do Resultado**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019
3.04	Despesas/Receitas Operacionais	721.209	717.037	337.601
3.04.02	Despesas Gerais e Administrativas	-11.336	-11.017	0
3.04.06	Resultado de Equivalência Patrimonial	732.545	728.054	337.601
3.05	Resultado Antes do Resultado Financeiro e dos Tributos	721.209	717.037	337.601
3.06	Resultado Financeiro	50.122	8.771	0
3.06.01	Receitas Financeiras	50.813	8.899	0
3.06.02	Despesas Financeiras	-691	-128	0
3.07	Resultado Antes dos Tributos sobre o Lucro	771.331	725.808	337.601
3.09	Resultado Líquido das Operações Continuadas	771.331	725.808	337.601
3.11	Lucro/Prejuízo do Período	771.331	725.808	337.601
3.99	Lucro por Ação - (Reais / Ação)			
3.99.01	Lucro Básico por Ação			
3.99.01.01	ON	0,16	0,15	0,37
3.99.02	Lucro Diluído por Ação			
3.99.02.01	ON	0,16	0,15	0,37

DFs Individuais / Demonstração do Resultado Abrangente**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício 01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019
4.01	Lucro Líquido do Período	758.931	725.808	337.601
4.03	Resultado Abrangente do Período	758.931	725.808	337.601

DFs Individuais / Demonstração do Fluxo de Caixa (Método Indireto)**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019
6.01	Caixa Líquido Atividades Operacionais	17.734	-1.794	0
6.01.01	Caixa Gerado nas Operações	26.386	-2.246	0
6.01.01.01	Lucro antes do imposto de renda e contribuição social	771.331	725.808	337.601
6.01.01.10	Resultado de equivalência patrimonial	-732.545	-728.054	-337.601
6.01.01.11	Imposto de renda e contribuição social	-12.400	0	0
6.01.02	Variações nos Ativos e Passivos	-8.652	462	0
6.01.02.03	Tributos a recuperar	607	-858	0
6.01.02.05	Outros ativos	-58	433	0
6.01.02.06	Fornecedores	-185	185	0
6.01.02.07	Obrigações trabalhistas e tributárias	3.384	702	0
6.01.02.10	Impostos pagos	-12.400	0	0
6.02.05	Aporte de capital em investidas	-1.472.725	0	0
6.03	Caixa Líquido Atividades de Financiamento	-2.000	-350	0
6.03.02	Partes relacionadas	-2.000	-350	0
6.05	Aumento (Redução) de Caixa e Equivalentes	-1.444.591	1.879.545	0
6.05.01	Saldo Inicial de Caixa e Equivalentes	1.879.545	0	0
6.05.02	Saldo Final de Caixa e Equivalentes	434.954	1.879.545	0

DFs Individuais / Demonstração das Mutações do Patrimônio Líquido / DMPL - 01/01/2021 à 31/12/2021**(Reais Mil)**

Código da Conta	Descrição da Conta	Capital Social Integralizado	Reservas de Capital, Opções Outorgadas e Ações em Tesouraria	Reservas de Lucro	Lucros ou Prejuízos Acumulados	Outros Resultados Abrangentes	Patrimônio Líquido
5.01	Saldo Iniciais	4.780.929	44.217	819.110	0	0	5.644.256
5.03	Saldo Iniciais Ajustados	4.780.929	44.217	819.110	0	0	5.644.256
5.05	Resultado Abrangente Total	0	0	0	758.931	0	758.931
5.05.01	Lucro Líquido do Período	0	0	0	758.931	0	758.931
5.06	Mutações Internas do Patrimônio Líquido	0	0	758.931	-758.931	0	0
5.06.04	Reserva de incentivos fiscais	0	0	720.984	-720.984	0	0
5.06.05	Reserva Legal	0	0	37.947	-37.947	0	0
5.07	Saldo Finais	4.780.929	44.217	1.578.041	0	0	6.403.187

DFs Individuais / Demonstração das Mutações do Patrimônio Líquido / DMPL - 01/01/2020 à 31/12/2020**(Reais Mil)**

Código da Conta	Descrição da Conta	Capital Social Integralizado	Reservas de Capital, Opções Outorgadas e Ações em Tesouraria	Reservas de Lucro	Lucros ou Prejuízos Acumulados	Outros Resultados Abrangentes	Patrimônio Líquido
5.01	Saldo Iniciais	911.201	44.056	933.741	0	0	1.888.998
5.03	Saldo Iniciais Ajustados	911.201	44.056	933.741	0	0	1.888.998
5.04	Transações de Capital com os Sócios	3.869.728	161	-840.439	0	0	3.029.450
5.04.01	Aumentos de Capital	2.571.583	-2.638.106	-840.439	0	0	-906.962
5.04.08	Adiantamento para futuro aumento de capital	0	66.683	0	0	0	66.683
5.04.09	Aumento de capital - Oferta pública de ações (IPO) 12/11/2020	6.370	50.766	0	0	0	57.136
5.04.10	Aumento de capital até setembro/2020	952.628	0	0	0	0	952.628
5.04.11	Aumento de capital - Oferta pública de ações (IPO) 08/10/2020	339.147	2.703.004	0	0	0	3.042.151
5.04.12	Custo de transação (IPO)	0	-182.186	0	0	0	-182.186
5.05	Resultado Abrangente Total	0	0	0	725.808	0	725.808
5.05.01	Lucro Líquido do Período	0	0	0	725.808	0	725.808
5.06	Mutações Internas do Patrimônio Líquido	0	0	725.808	-725.808	0	0
5.06.04	Reserva de incentivos fiscais	0	0	689.518	-689.518	0	0
5.06.05	Reserva legal	0	0	36.290	-36.290	0	0
5.07	Saldo Finais	4.780.929	44.217	819.110	0	0	5.644.256

DFs Individuais / Demonstração das Mutações do Patrimônio Líquido / DMPL - 01/01/2019 à 31/12/2019**(Reais Mil)**

Código da Conta	Descrição da Conta	Capital Social Integralizado	Reservas de Capital, Opções Outorgadas e Ações em Tesouraria	Reservas de Lucro	Lucros ou Prejuízos Acumulados	Outros Resultados Abrangentes	Patrimônio Líquido
5.01	Saldo Iniciais	911.201	63.608	566.332	0	0	1.541.141
5.03	Saldo Iniciais Ajustados	911.201	63.608	566.332	0	0	1.541.141
5.04	Transações de Capital com os Sócios	0	10.256	0	0	0	10.256
5.04.01	Aumentos de Capital	0	0	0	0	0	10.256
5.04.08	Adiantamento para Futuro Aumento de Capital	0	10.256	0	0	0	0
5.05	Resultado Abrangente Total	0	0	0	337.601	0	337.601
5.05.01	Lucro Líquido do Período	0	0	0	337.601	0	337.601
5.06	Mutações Internas do Patrimônio Líquido	0	16.880	320.721	-337.601	0	0
5.06.01	Constituição de Reservas	0	16.880	320.721	-337.601	0	0
5.07	Saldo Finais	911.201	90.744	887.053	0	0	1.888.998

DFs Individuais / Demonstração de Valor Adicionado**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019
7.02	Insunhos Adquiridos de Terceiros	-3.617	-9.398	0
7.02.02	Materiais, Energia, Servs. de Terceiros e Outros	-3.617	-9.398	0
7.03	Valor Adicionado Bruto	-3.617	-9.398	0
7.05	Valor Adicionado Líquido Produzido	-3.617	-9.398	0
7.06	Vlr Adicionado Recebido em Transferência	783.358	736.953	337.601
7.06.01	Resultado de Equivalência Patrimonial	732.545	728.054	337.601
7.06.02	Receitas Financeiras	50.813	8.899	0
7.07	Valor Adicionado Total a Distribuir	779.741	727.555	337.601
7.08	Distribuição do Valor Adicionado	779.741	727.555	337.601
7.08.01	Pessoal	7.006	1.381	0
7.08.01.01	Remuneração Direta	6.926	1.359	0
7.08.01.02	Benefícios	1	0	0
7.08.01.03	F.G.T.S.	79	22	0
7.08.02	Impostos, Taxas e Contribuições	13.474	238	0
7.08.02.01	Federais	13.474	238	0
7.08.03	Remuneração de Capitais de Terceiros	330	128	0
7.08.03.01	Juros	91	128	0
7.08.03.02	Aluguéis	239	0	0
7.08.04	Remuneração de Capitais Próprios	758.931	725.808	337.601
7.08.04.03	Lucros Retidos / Prejuízo do Período	758.931	725.808	337.601

DFs Consolidadas / Balanço Patrimonial Ativo**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		31/12/2021	Penúltimo Exercício 31/12/2020	Antepenúltimo Exercício 31/12/2019
1	Ativo Total	9.954.991	8.198.711	4.121.336
1.01	Ativo Circulante	6.272.157	6.066.016	2.780.285
1.01.01	Caixa e Equivalentes de Caixa	877.255	2.112.385	398.263
1.01.03	Contas a Receber	1.816.264	1.305.458	817.536
1.01.03.01	Clientes	1.816.264	1.305.458	817.536
1.01.04	Estoques	3.498.630	2.617.533	1.497.411
1.01.06	Tributos a Recuperar	67.338	21.882	52.579
1.01.06.01	Tributos Correntes a Recuperar	67.338	21.882	52.579
1.01.08	Outros Ativos Circulantes	12.670	8.758	14.496
1.01.08.03	Outros	12.670	8.758	14.496
1.02	Ativo Não Circulante	3.682.834	2.132.695	1.341.051
1.02.01	Ativo Realizável a Longo Prazo	190.889	193.747	128.466
1.02.01.01	Aplicações Financeiras Avaliadas a Valor Justo através do Resultado	3.071	14.965	14.608
1.02.01.07	Tributos Diferidos	135.289	140.240	26.477
1.02.01.07.02	Tributos a Recuperar	135.289	140.240	26.477
1.02.01.09	Créditos com Partes Relacionadas	7.321	22.166	74.651
1.02.01.09.04	Créditos com Outras Partes Relacionadas	7.321	22.166	74.651
1.02.01.10	Outros Ativos Não Circulantes	45.208	16.376	12.730
1.02.01.10.03	Outros ativos	28.868	1.619	818
1.02.01.10.04	Depósitos Judiciais	16.340	14.757	11.912
1.02.03	Imobilizado	3.489.389	1.938.498	1.212.585
1.02.03.01	Imobilizado em Operação	2.026.995	1.000.408	518.332
1.02.03.02	Direito de Uso em Arrendamento	907.504	597.051	391.809
1.02.03.03	Imobilizado em Andamento	554.890	341.039	302.444
1.02.04	Intangível	2.556	450	0
1.02.04.01	Intangíveis	2.556	450	0
1.02.04.01.02	Intangível	2.556	450	0

DFs Consolidadas / Balanço Patrimonial Passivo**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		31/12/2021	Penúltimo Exercício 31/12/2020	Antepenúltimo Exercício 31/12/2019
2	Passivo Total	9.954.991	8.198.711	4.121.336
2.01	Passivo Circulante	1.650.337	1.361.330	1.010.174
2.01.01	Obrigações Sociais e Trabalhistas	224.680	178.802	127.104
2.01.01.02	Obrigações Trabalhistas	224.680	178.802	127.104
2.01.02	Fornecedores	1.056.585	944.604	549.924
2.01.02.01	Fornecedores Nacionais	1.056.585	944.604	549.924
2.01.03	Obrigações Fiscais	98.616	96.392	60.067
2.01.03.01	Obrigações Fiscais Federais	18.236	27.191	12.970
2.01.03.02	Obrigações Fiscais Estaduais	80.034	68.492	46.821
2.01.03.03	Obrigações Fiscais Municipais	346	709	276
2.01.04	Empréstimos e Financiamentos	233.969	128.352	254.654
2.01.04.01	Em Moeda Nacional	81.740	32.022	159.759
2.01.04.02	Debêntures	81.740	32.022	159.759
2.01.04.03	Financiamento por Arrendamento	91.092	29.146	30.503
2.01.05	Outras Obrigações	61.137	67.184	64.392
2.01.05.02	Outros	36.487	13.180	18.425
2.01.05.02.04	Tributos parcelados	36.487	13.180	18.425
2.01.05.02.10	Outros passivos	30.002	6.392	1.269
2.02	Passivo Não Circulante	6.485	6.788	17.156
2.02.01	Empréstimos e Financiamentos	1.828.073	1.129.841	1.161.875
2.02.01.01	Empréstimos e Financiamentos	1.760.073	1.054.615	1.035.809
2.02.01.01.01	Em Moeda Nacional	548.352	89.296	236.345
2.02.01.01.02	Debêntures	548.352	89.296	236.345
2.02.01.03	Financiamento por Arrendamento	321.185	442.031	473.606
2.02.02	Outras Obrigações	890.536	523.288	325.858
2.02.02.01	Passivos com Partes Relacionadas	20.279	34.665	106.364
2.02.02.01.04	Débitos com Outras Partes Relacionadas	20.279	34.665	106.364
2.02.03	Tributos Diferidos	32.534	23.353	4.614

DFs Consolidadas / Balanço Patrimonial Passivo**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		31/12/2021	Penúltimo Exercício 31/12/2020	Antepenúltimo Exercício 31/12/2019
2.02.04	Provisões	15.187	17.208	15.088
2.02.04.01	Provisões Fiscais Previdenciárias Trabalhistas e Cíveis	15.187	17.208	15.088
2.02.04.01.05	Provisões para riscos	15.187	17.208	15.088
2.03	Patrimônio Líquido Consolidado	6.476.581	5.707.540	1.949.287
2.03.01	Capital Social Realizado	4.780.929	4.780.929	911.201
2.03.02	Reservas de Capital	44.217	44.217	44.056
2.03.02.06	Adiantamento para Futuro Aumento de Capital	44.217	44.217	44.056
2.03.04	Reservas de Lucros	1.578.041	819.110	933.741
2.03.04.01	Reserva Legal	78.902	40.955	46.588
2.03.04.05	Reserva de Retenção de Lucros	0	0	887.053
2.03.04.07	Reserva de Incentivos Fiscais	1.499.139	778.155	0
2.03.09	Participação dos Acionistas Não Controladores	73.394	63.284	60.289

DFs Consolidadas / Demonstração do Resultado**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019
3.01	Receita de Venda de Bens e/ou Serviços	15.876,857	12.397,038	8.035,545
3.02	Custo dos Bens e/ou Serviços Vendidos	-12.174,415	-9.407,628	-5.953,147
3.03	Resultado Bruto	3.702,442	2.989,410	2.082,398
3.04	Despesas/Receitas Operacionais	-2.786,275	-2.119,725	-1.620,974
3.04.02	Despesas Gerais e Administrativas	-2.727,008	-2.116,623	-1.605,526
3.04.05	Outras Despesas Operacionais	-59,267	-3,102	-15,448
3.05	Resultado Antes do Resultado Financeiro e dos Tributos	916,167	869,685	461,424
3.06	Resultado Financeiro	-128,617	-145,146	-111,554
3.06.01	Receitas Financeiras	141,263	83,477	71,602
3.06.02	Despesas Financeiras	-269,880	-228,623	-183,156
3.07	Resultado Antes dos Tributos sobre o Lucro	787,550	724,539	349,870
3.08	Imposto de Renda e Contribuição Social sobre o Lucro	-18,759	1,730	-12,175
3.08.01	Corrente	-18,759	-1,943	-3,229
3.08.02	Diferido	0	3,673	-8,946
3.09	Resultado Líquido das Operações Continuadas	768,791	726,269	337,695
3.11	Lucro/Prejuízo Consolidado do Período	768,791	726,269	337,695
3.11.01	Atribuído a Sócios da Empresa Controladora	758,931	725,808	337,601
3.11.02	Atribuído a Sócios Não Controladores	9,860	461	94
3.99	Lucro por Ação - (Reais / Ação)			
3.99.01	Lucro Básico por Ação			
3.99.01.01	ON	0,16	0,15	0,37
3.99.02	Lucro Diluído por Ação			
3.99.02.01	ON	0,16	0,15	0,37

DFs Consolidadas / Demonstração do Resultado Abrangente**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício 01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019
4.01	Lucro Líquido Consolidado do Período	768.791	726.269	337.695
4.03	Resultado Abrangente Consolidado do Período	768.791	726.269	337.695
4.03.01	Atribuído a Sócios da Empresa Controladora	758.931	725.808	337.601
4.03.02	Atribuído a Sócios Não Controladores	9.860	461	94

DFs Consolidadas / Demonstração do Fluxo de Caixa (Método Indireto)**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019
6.01	Caixa Líquido Atividades Operacionais	-104.260	-234.159	325.750
6.01.01	Caixa Gerado nas Operações	1.188.571	1.016.565	585.928
6.01.01.01	Depreciação e amortização	264.958	192.022	146.087
6.01.01.02	Atualização passivos de arrendamento	57.476	32.804	19.966
6.01.01.03	Provisão para obsolescência e quebras	1.085	-2.813	3.228
6.01.01.04	Atualização monetária de arrendamentos	41.036	0	0
6.01.01.05	Provisão para crédito de liquidação duvidosa	8.337	17.471	860
6.01.01.06	Juros sobre empréstimos, financiamento e debêntures provisionados	38.143	49.441	56.871
6.01.01.07	Baixa de imobilizado	10.123	2.924	109
6.01.01.08	Provisão para riscos	-2.021	2.120	12.166
6.01.01.10	Imposto de renda e contribuição social	-18.759	-1.943	-3.229
6.01.01.11	Lucro Líquido do exercício	787.550	724.539	349.870
6.01.01.12	Outras provisões	643	0	0
6.01.02	Variações nos Ativos e Passivos	-1.282.003	-1.207.479	-224.001
6.01.02.01	Contas a Receber	-519.143	-505.393	7.221
6.01.02.02	Estoques	-882.182	-1.117.309	-97.180
6.01.02.03	Tributos a recuperar	-40.505	-83.066	-14.126
6.01.02.04	Depósitos judiciais	-1.583	-2.845	-1.919
6.01.02.05	Outros ativos	-31.161	4.937	5.198
6.01.02.06	Fornecedores	111.981	394.680	-150.557
6.01.02.07	Obrigações trabalhistas e tributárias	48.102	88.023	30.522
6.01.02.08	Tributos parcelados	32.791	23.862	2.060
6.01.02.09	Outros passivos	-303	-10.368	-5.220
6.01.03	Outros	-10.828	-43.245	-36.177
6.01.03.01	Juros pagos	-10.828	-43.245	-36.177
6.02	Caixa Líquido Atividades de Investimento	-1.423.406	-641.788	-194.333
6.02.01	Aquisição de imobilizado	-1.432.460	-640.981	-200.908
6.02.02	Aquisição de intangível	-2.840	-450	0
6.02.04	Aplicação em títulos e valores mobiliários	11.894	-357	6.575

DFs Consolidadas / Demonstração do Fluxo de Caixa (Método Indireto)**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício			
		01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019	
6.03	Caixa Líquido Atividades de Financiamento	292.536	2.590.069	4.168	
6.03.01	Captação de empréstimos, financiamentos e debêntures	533.326	690.655	361.487	
6.03.02	Partes relacionadas	459	-19.214	-11.271	
6.03.03	Adiantamento para futuro aumento de capital	0	161	10.256	
6.03.04	Amortização de empréstimos, financiamentos e debêntures	-110.767	-1.004.569	-274.456	
6.03.05	Integralização de capital social	0	3.034.214	0	
6.03.06	Participação de não controladores	250	0	0	
6.03.07	Pagamento passivo de arrendamento	-130.732	-111.178	-81.848	
6.05	Aumento (Redução) de Caixa e Equivalentes	-1.235.130	1.714.122	135.585	
6.05.01	Saldo Inicial de Caixa e Equivalentes	2.112.385	398.263	262.678	
6.05.02	Saldo Final de Caixa e Equivalentes	877.255	2.112.385	398.263	

DFs Consolidadas / Demonstração das Mutações do Patrimônio Líquido / DMPL - 01/01/2021 à 31/12/2021**(Reais Mil)**

Código da Conta	Descrição da Conta	Capital Social Integralizado	Reservas de Capital, Opções Outorgadas e Ações em Resolúria	Reservas de Lucro	Lucros ou Prejuízos Acumulados	Outros Resultados Abrangentes	Patrimônio Líquido	Participação dos Não Controladores	Patrimônio Líquido Consolidado
5.01	Saldos Iniciais	4.780.929	44.217	819.110	0	0	5.644.256	63.284	5.707.540
5.03	Saldos Iniciais Ajustados	4.780.929	44.217	819.110	0	0	5.644.256	63.284	5.707.540
5.05	Resultado Abrangente Total	0	0	0	758.931	0	758.931	9.860	768.791
5.05,01	Lucro Líquido do Período	0	0	0	758.931	0	758.931	0	758.931
5.05,03	Reclassificações para o Resultado	0	0	0	0	0	0	9.860	9.860
5.06	Mutações Internas do Patrimônio Líquido	0	0	758.931	-758.931	0	0	0	0
5.06,04	Reserva de Incentivos Fiscais	0	0	720.984	-720.984	0	0	0	0
5.06,05	Reserva Legal	0	0	37.947	-37.947	0	0	0	0
5.07	Saldos Finais	4.780.929	44.217	1.578.041	0	0	6.403.187	73.144	6.476.331

DFs Consolidadas / Demonstração das Mutações do Patrimônio Líquido / DMPL - 01/01/2020 à 31/12/2020

(Reais Mil)

Código da Conta	Descrição da Conta	Capital Social Integralizado	Reservas de Capital, Opções Outorgadas e Ações em Resolução	Reservas de Lucro	Lucros ou Prejuízos Acumulados	Outros Resultados Abrangentes	Patrimônio Líquido	Participação dos Não Controladores	Patrimônio Líquido Consolidado
5.01	Saldos Iniciais	911.201	44.056	933.741	0	0	1.888.998	60.289	1.949.287
5.03	Saldos Iniciais Ajustados	911.201	44.056	933.741	0	0	1.888.998	60.289	1.949.287
5.04	Transações de Capital com os Sócios	3.869.728	161	-840.439	0	0	3.029.450	2.534	3.031.984
5.04.01	Aumentos de Capital	2.571.583	-2.638.106	-840.439	0	0	-906.962	2.534	-904.428
5.04.08	Adiantamento para futuro aumento de capital	0	66.683	0	0	0	66.683	0	66.683
5.04.09	Aumento de capital - Oferta pública de ações (IPO) 12/11/2020	6.370	50.766	0	0	0	57.136	0	57.136
5.04.10	Aumento de capital até setembro/2020	952.628	0	0	0	0	952.628	0	952.628
5.04.11	Aumento de capital - Oferta pública de ações (IPO) 08/10/2020	339.147	2.703.004	0	0	0	3.042.151	0	3.042.151
5.04.12	Custo de transação (IPO)	0	-182.186	0	0	0	-182.186	0	-182.186
5.05	Resultado Abrangente Total	0	0	0	725.808	0	725.808	461	726.269
5.05.01	Lucro Líquido do Período	0	0	0	725.808	0	725.808	461	726.269
5.06	Mutações Internas do Patrimônio Líquido	0	0	725.808	-725.808	0	0	0	0
5.06.04	Reserva de incentivos fiscais	0	0	689.518	-689.518	0	0	0	0
5.06.05	Reserva legal	0	0	36.290	-36.290	0	0	0	0
5.07	Saldos Finais	4.780.929	44.217	819.110	0	0	5.644.256	63.284	5.707.540

DFs Consolidadas / Demonstração das Mutações do Patrimônio Líquido / DMPL - 01/01/2019 à 31/12/2019

(Reais Mil)

Código da Conta	Descrição da Conta	Capital Social Integralizado	Reservas de Capital, Opções Outorgadas e Ações em Resolução	Reservas de Lucro	Lucros ou Prejuízos Acumulados	Outros Resultados Abrangentes	Patrimônio Líquido	Participação dos Não Controladores	Patrimônio Líquido Consolidado
5.01	Saldos Iniciais	911.201	63.608	566.332	0	0	1.541.141	59.279	1.600.420
5.03	Saldos Iniciais Ajustados	911.201	63.608	566.332	0	0	1.541.141	59.279	1.600.420
5.04	Transações de Capital com os Sócios	0	10.256	0	0	0	10.256	0	10.256
5.04.08	Adiantamento para Futuro Aumento de Capital	0	10.256	0	0	0	10.256	0	10.256
5.05	Resultado Abrangente Total	0	0	0	337.601	0	337.601	1.010	338.611
5.05.01	Lucro Líquido do Período	0	0	0	337.601	0	337.601	94	337.695
5.05.03	Reclassificações para o Resultado	0	0	0	0	0	0	916	916
5.05.03.02	Participação dos não controladores	0	0	0	0	0	0	916	916
5.06	Mutações Internas do Patrimônio Líquido	0	16.880	320.721	-337.601	0	0	0	0
5.06.01	Constituição de Reservas	0	16.880	320.721	-337.601	0	0	0	0
5.07	Saldos Finais	911.201	90.744	887.053	0	0	1.888.998	60.289	1.949.287

DFs Consolidadas / Demonstração de Valor Adicionado**(Reais Mil)**

Código da Conta	Descrição da Conta	Último Exercício		
		01/01/2021 à 31/12/2021	Penúltimo Exercício 01/01/2020 à 31/12/2020	Antepenúltimo Exercício 01/01/2019 à 31/12/2019
7.01	Receitas	17.990.703	14.375.547	9.554.136
7.01.01	Vendas de Mercadorias, Produtos e Serviços	17.999.040	14.393.018	9.554.996
7.01.04	Provisão/Reversão de Crédts. Liquidação Duvidosa	-8.337	-17.471	-860
7.02	Insumos Adquiridos de Terceiros	-13.292.244	-10.009.060	-6.560.799
7.02.01	Custos Prods., Mercs. e Servs. Vendidos	-12.174.415	-9.407.628	-5.953.893
7.02.02	Materiais, Energia, Servs. de Terceiros e Outros	-1.117.829	-601.432	-606.906
7.03	Valor Adicionado Bruto	4.698.459	4.366.487	2.993.337
7.04	Retenções	-264.958	-192.022	-143.803
7.04.01	Depreciação, Amortização e Exaustão	-264.958	-192.022	-143.803
7.05	Valor Adicionado Líquido Produzido	4.433.501	4.174.465	2.849.534
7.06	Vlr. Adicionado Recebido em Transferência	141.263	83.477	71.603
7.06.02	Receitas Financeiras	141.263	83.477	71.603
7.07	Valor Adicionado Total a Distribuir	4.574.764	4.257.942	2.921.137
7.08	Distribuição do Valor Adicionado	4.574.764	4.257.942	2.921.137
7.08.01	Pessoal	1.383.286	1.041.656	636.674
7.08.01.01	Remuneração Direta	1.260.420	941.641	551.890
7.08.01.02	Benefícios	40.838	35.139	34.943
7.08.01.03	F.G.T.S.	82.028	64.876	49.841
7.08.02	Impostos, Taxas e Contribuições	2.037.545	2.155.854	1.669.137
7.08.02.01	Federais	662.930	864.739	798.056
7.08.02.02	Estaduais	1.366.980	1.286.542	867.101
7.08.02.03	Municipais	7.635	4.573	3.980
7.08.03	Remuneração de Capitais de Terceiros	385.142	334.163	277.631
7.08.03.01	Juros	269.279	250.417	194.522
7.08.03.02	Aluguéis	115.863	83.746	83.109
7.08.04	Remuneração de Capitais Próprios	768.791	726.269	337.695
7.08.04.03	Lucros Retidos / Prejuízo do Período	758.931	725.808	337.601
7.08.04.04	Part. Não Controladores nos Lucros Retidos	9.860	461	94



4Q 21 RESULTS





**GRUPO MATEUS
RECORDS
HISTORICAL
YEAR, WITH 44
NEW STORES
AND NET
REVENUE UP
BY+28%**

HIGHLIGHTS 4Q 21/2021

Opening of 44 stores in 2021, of which 23 are in 14 new cities;

Net revenue totalled BRL 4.4 billion in the 4Q, an increase of 22%. Net revenue for the year reached BRL 15.9 billion, an increase of 28%;

4Q21 Adjusted EBITDA for reached BRL 309 million, an increase of 7%. In 2021, adjusted EBITDA grew 11.8% to BRL 1.1 billion;

Net income reached BRL 208 million in 4Q 21, an increase of 7.6% compared to 4Q 20. Adjusted net income for the year, excluding the effect of non-recurring expenses, totalled BRL 866 million, with a growth of 11.6%.

4Q 21 Highlights	4Q 21	4Q 20	Var. (%)	2021	2020	Var. (%)
Financial Highlights (BRL million)						
Gross revenue	5,055	4,260	18.7%	17,940	14,353	25.0%
Net revenue	4,441	3,635	22.2%	15,877	12,397	28.1%
SSS (%)	1.4%	21.3%	-19.9p.p.	4.09%	18.2%	-14.1p.p.
Gross profit	1,000	854	17.0%	3,702	2,989	23.9%
<i>Gross margin</i>	22.5%	23.5%	-1.0p.p.	23.5%	24.1%	-6p.p.
Adjusted EBITDA	309	289	6.9%	1,134	1,004	13.0%
<i>Adjusted EBITDA margin</i>	7.0%	7.9%	-1.0p.p.	7.1%	8.1%	-1.0p.p.
Net profit	208	193	7.6%	769	726	5.9%
Operational Highlights						
Number of stores	202	159	43	202	159	43
Openings	13	14	-1	43	39	4
Sales area (,000 m ²)	408	329	24%	408	329	24%
Highlights by Format						
Supermarkets						
Gross revenue (BRL million)	1,465	1,183	23.8%	5,230	3,880	34.8%
SSS (%)	1.5%	18.8%	-17.3p.p.	4.6%	10.6%	-6.0p.p.
Number of stores	61	49	12	61	49	12
Openings	4	5	-1	12	10	2
Sales area (,000 m ²)	106	86	24%	106	86	24%
Cash and Carry						
Gross revenue (BRL million)	2,485	2,076	19.7%	8,697	6,812	27.7%
SSS (%)	0.1%	19.8%	-19.6p.p.	2.7%	16.5%	-13.7p.p.
Number of stores	42	33	9	42	33	9
Openings	2	3	-1	9	10	-1
Sales area (,000 m ²)	204	162	26%	204	162	26%
Furniture and Electronics						
Gross revenue (BRL million)	292	269	8.6%	994	796	24.9%
SSS (%)	-13.5%	34.2%	-47.7p.p.	1.7%	23.1%	-21.5p.p.
Number of stores	99	77	22	99	77	22
Openings	7	6	1	23	19	4
Sales area (,000 m ²)	98	81	21%	98	81	21%
Wholesale						
Gross revenue (BRL million)	813	732	11.0%	3,019	2,866	5.4%
Sales representatives	2,226	2,090	136	2,226	2,090	136
Routes	167	139	28	167	139	28
City zones	1,038	846	192	1,038	846	192
Distribution Centers	12	10	2	12	10	2



“Continuing the work we accelerated after holding our IPO in 2020, 2021 was another historical year for Grupo Mateus. For the second consecutive year, we reached new records in both operational and financial KPIs. Besides the stores, we opened new Distribution Centers to improve our operation and reinforced multiple administrative areas to support the robust expansion plan we have for 2022 onwards.

In May, we arrived in a new state, Ceará, where we already operate 2 stores. In August, we announced the new Northeast Branch, which will allow us to open stores in Bahia, Pernambuco, Alagoas, Paraíba, Rio Grande do Norte and Sergipe. To support this expansion, we hired a

highly skilled team with wide market experience, and I am sure that, together, we will manage to implement our plan in the region and create more value for our employees, shareholders, and suppliers.

We will continue our path firmly, always based on the strategic pillars that brought us here: Logistics, as the central point of the business; Multichannel, with a superior service offer; as well as, of course, the continued focus on training people and bringing opportunities and development to the communities where we enter.

Ilson Mateus, CEO e Founder of Grupo Mateus

OPERATIONAL DATA

EXPANSION PLAN

In 4Q 21, Grupo Mateus opened 13 stores, ending the quarter with 202 operating shops. The openings held in the quarter represented an increase of 22,000 m².

NUMBER OF SHOPS

 34 shops / +2 4Q21 / +5 2021

 42 shops / +2 4Q21 / +9 2021

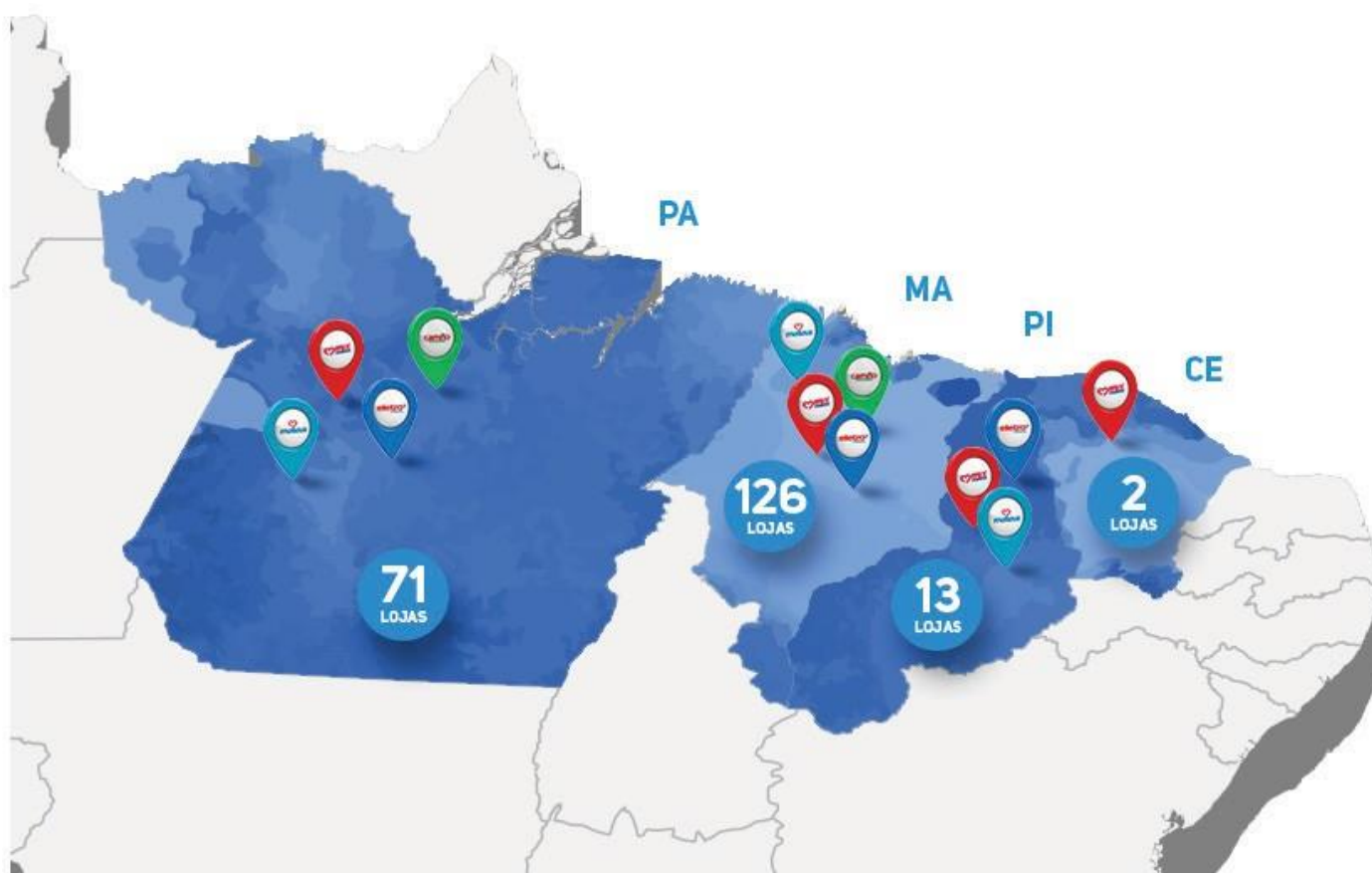
 27 shops / +2 4Q21 / +7 2021

 99 shops / +7 4T21 / +23 2021

In 2021, we opened 44 stores – in line with our target of opening 35-40 stores in the year. These openings accounted for an increase of 79,000 m², up 24% when compared to 2020.

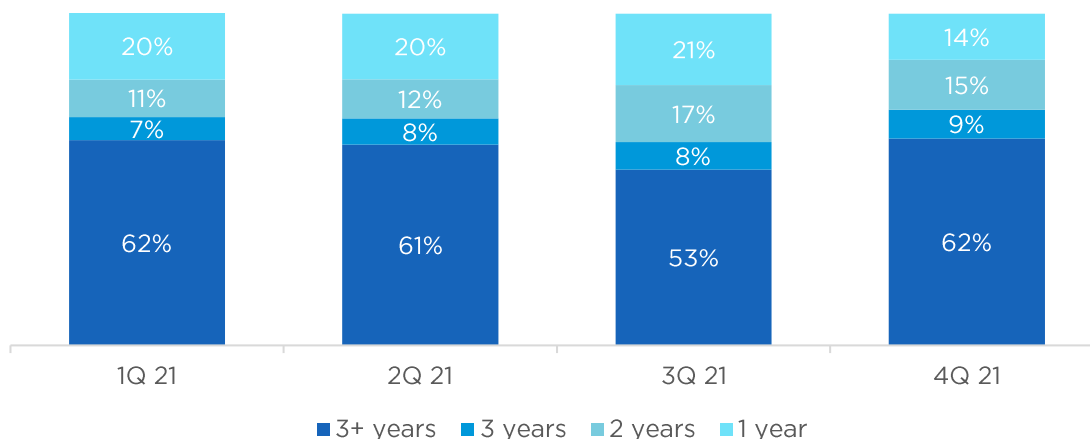
During the quarter, we also inaugurated 3 stores in the states of Maranhão and Pará under the new hybrid retail concept. Besides the area dedicated to B2C costumers, the Camiños from Itinga and Dom Eliseu and Supermarket from Estreito have a separate wholesale area dedicated for B2B customers. This store concept was created based on the opportunity we found to better serve all consumer profiles in regions that would not support cash and carry stores.

Of the 44 store openings in 2021, 23 were in 14 new cities and 6 in cities where we only had Furniture & Electronics stores. Of the store opened in 4Q 21, 7 were in cities where Grupo Mateus was not present, including the cash and carry stores in the cities of Paragominas and Bragança, in the state of Pará.



The stores opened in 2021 accounted for 14% of revenue in the quarter.

Breakdown of sales by store age



EXPANSION – NEW NORTHEAST BRANCH

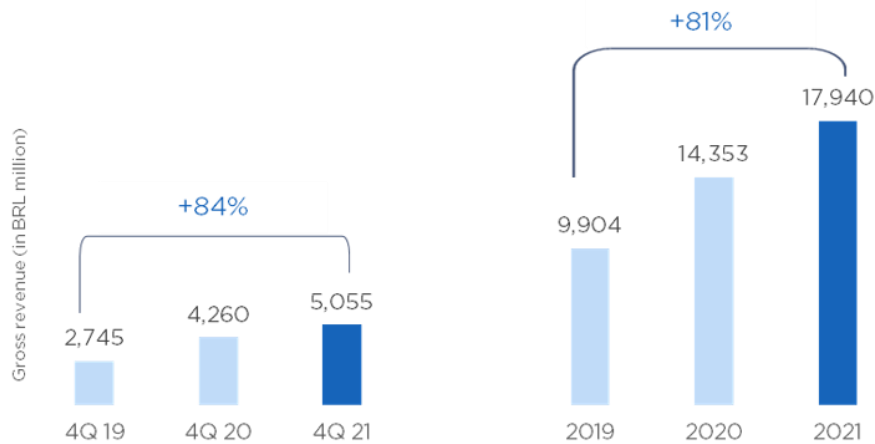
In parallel with the openings in the states where we already operate (Maranhão, Pará, Piauí and Ceará), we are working on the expansion of the new Northeast Branch, which includes the states of Bahia, Pernambuco, Alagoas, Paraíba, Rio Grande do Norte and Sergipe.

In 4Q 21, we inaugurated the first Distribution Center of the new Branch, in Cabo de Santo Agostinho, a city in the state of Pernambuco. In early 2022, we inaugurated another Distribution Center in Feira de Santana, located in the state of Bahia. Both DCs are important for our expansion strategy, as they allowed the start of the wholesale operations in the region, enabling us to know the local consumer profile so we can offer an adequate product and service mix.

February 2022 marked an important milestone for the Group and the Northeast Branch, with the first store openings in Petrolina and Juazeiro, located in Pernambuco and Bahia, respectively, following our estimate of opening 8 stores in the Northeast Branch in the first half of the year. It is important to point out that the expansion of the new Branch is in line with the same strategy the Group has used over its 35 years history – to study the region through wholesale operations, inaugurate cash and carry stores and then, create efficiencies by opening new retail stores.

FINANCIAL DATA

GROSS REVENUE



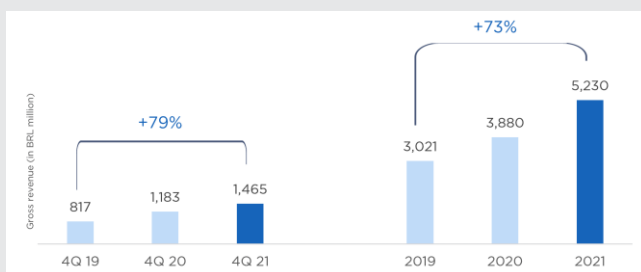
In the fourth quarter of 2021, gross revenue hit an all-time high of BRL 5.1 billion, maintaining its pace of growth despite a strong 4Q 20 comparison basis (55.2% vs. 4Q 19). The performance was mainly due to the 13 stores opened in the quarter and the maturation of the other stores opened during 2021.

In 2021, gross revenue totalled BRL 17.9 billion, up 25.0% over 2020.

Same-store sales was up by 1.4%. Despite the slowdown, this figure was above the company's expectations, given the strong comparison basis (4Q 20 SSS: 21.3%). Same-store growth was 4.1% in 2021.

Compared to 2019, the Group's same-store sales increased by 23.1% in 4Q 21 and by 20.4% in 2021.

SUPERMARKET



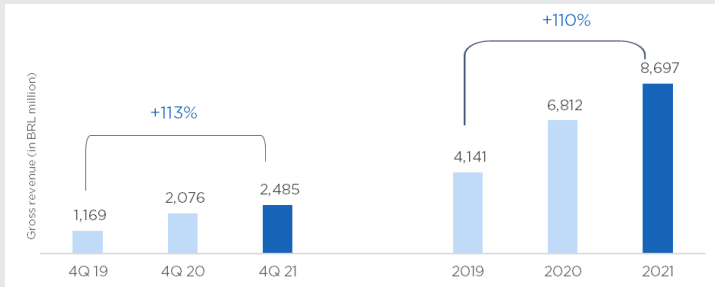
In 4Q 21, the Retail segment, which includes supermarkets, hypermarkets, and neighborhood stores, recorded a gross revenue of BRL 1.5 billion, up by 23.8%. The Hiper/Super and Camiño branches rose by 4.5% and 47.3%, respectively.

Retail accounted for 29% of the gross revenue for the period. In 2021, the retail segment reached a gross revenue of BRL 5.2 billion (+34.8%). Hiper/Super increased by 20.5% and Camiño by 84.3%.

The performance mainly benefited from the opening of 12 stores in 2021. Of these, 5 were supermarkets and 7 Camiño stores.

Existing stores also contributed to the performance, with a growth of 1.5% in 4Q 21 against a comparison base of 18.8% in 4Q 20. Same-store growth was 4.6% in 2021. Compared to 2019, SSS was 19.4% in 4Q and 13.9% in 2021.

CASH AND CARRY

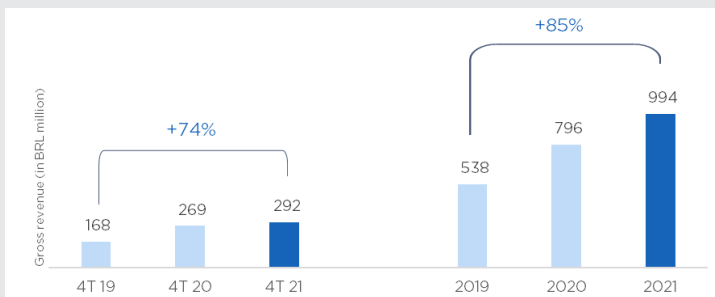


Cash and carry, most representative segment accounting for 49% of revenue in the quarter, continued to see a strong growth in the period, recording a revenue of BRL 2.5 billion. In the year, revenue totalled BRL 8.7 billion, up by 27.7%.

23 stores The performance was driven by the 9 stores opened in 2021. Our unique cash and carry concept, that includes services and a wider range of products to serve different consumer profiles, continues to be well accepted by our new customers.

Same-store sales performance was slightly positive by 0.1% in 4Q 21, a sequential increase over 3Q 21, being mainly affected by the strong comparison base (4Q 20 SSS: 19.8%). Same-store sales growth was 2.7% in 2021. Compared to 2019, SSS was 22.6% in 4Q and 18.2% in 2021.

FURNITURES & ELECTRONICS



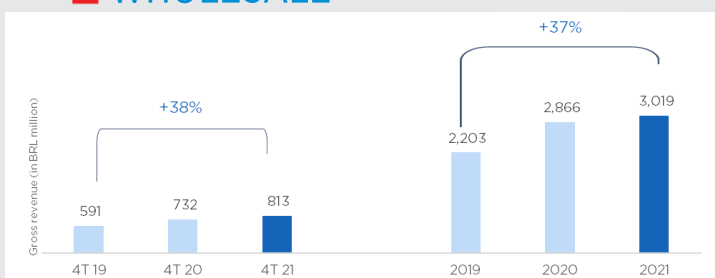
In 4Q 21, Furniture & Electronics gross sales totalled BRL 292 million, up 8.9%. The segment accounted for 6% of the total gross revenue. 2021 sales grew by 24.9%, to BRL 994 million.

The quarterly performance was positively impacted by the opening of

in the year, 7 of which in 4Q 21. Despite higher digital sales from this segment across Brazil, brick-and-mortar stores continue to be important in the regions where the Group operates.

After delivering a solid performance in late 2020 and early 2021, the segment's pace of sales slowed down due to the strong comparison base. This impacted same-store sales performance, which dropped by -13.5% in 4Q 21. However, same-store sales ended 2021 on the positive side, up by 1.7% in 2021. Compared to 2019, same-store sales grew by 14.5% in 4Q 21 and by 22.6% in 2021.

WHOLESALE

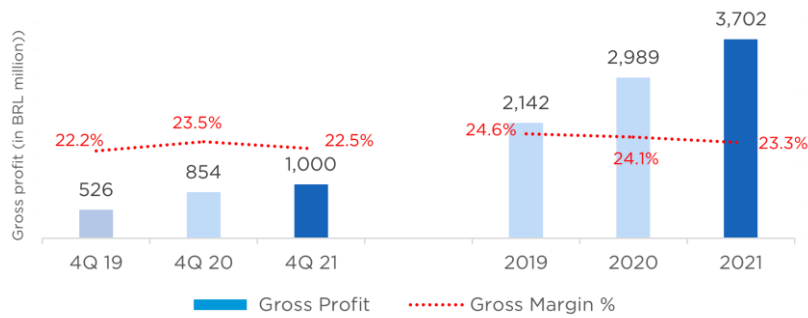


In 4Q 21, the segment grew by 11%, to BRL 813 million. Wholesale accounted for 16% of the Group's gross sales in the

quarter. In 2021, revenue totalled BRL 3 million, a 5.2% increase.

The wholesale performance continues to be benefited by the opening of new distribution routes. In 4Q 21, we inaugurated a Distribution Center in Cabo de Santo Agostinho, in the state of Pernambuco, from which part of the routes of the new Northeast Branch will be drawn. In 4Q, 28 new routes were created in comparison to 4Q 20, which enabled us to serve 1,038 new municipalities.

GROSS PROFIT



In 4Q 21, gross profit totalled BRL 999.8 million, up 17% over 4Q 20. Gross margin was 22.5%, down by 100 bps, compared to the same period of the previous year.

Gross profit for the year reached BRL 3.7 billion, up by 23.9% when compared to 2020. Gross margin stood at 23.3%, down by 80 bps versus 2020.

The performance was mainly impacted by inflation, as the Group adopted the strategy to increase its price competitiveness, aiming to preserve volume growth and the flow of customers in our stores, mainly in target categories, such as those related to services. During the quarter, we also saw an increase on the performance of wholesale counters located in our supermarket stores.

*Considering adjusted gross profit.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In BRL thousands	4Q 21	4Q 20	Var. (%)	2021	2020	Var. (%)
Selling Expenses						
Personnel expenses	(302,482)	(257,350)	17.5%	(1,120,276)	(913,257)	22.7%
Sales comission	(12,079)	(10,343)	16.8%	(42,454)	(30,833)	37.7%
Advertising and marketing	(8,650)	(5,002)	73.0%	(30,673)	(17,525)	75.0%
Rent	(30,015)	(21,924)	36.9%	(108,024)	(81,379)	32.7%
Freight and fuel	(65,534)	(49,251)	33.1%	(236,080)	(170,125)	38.8%
Depreciation	(48,673)	(34,307)	41.9%	(179,463)	(107,063)	67.6%
Leasing depreciation	(37,808)	(25,673)	47.3%	(133,203)	(96,549)	38.0%
Water, eletricity and telephone "	(51,566)	(30,379)	69.7%	(170,330)	(105,775)	61.0%
Rendered services	(83,689)	(85,375)	-2.0%	(350,381)	(306,657)	14.3%
Total	(672,142)	(541,242)	24.2%	(2,483,914)	(1,909,417)	30.1%
Administrative Expenses						
Personnel expenses	(57,288)	(45,141)	26.9%	(218,626)	(108,841)	100.9%
Sales comission	(874)	(393)	122.1%	(2,744)	(2,158)	27.2%
Rent	(1,050)	(1,543)	-32.0%	(5,789)	(5,091)	13.7%
Freight and fuel	(546)	(572)	-4.6%	(1,442)	(2,060)	-30.0%
Depreciation	(462)	(557)	-17.0%	(1,488)	(1,829)	-18.7%
Leasing depreciation	(2,644)	(2,481)	6.5%	(7,998)	(7,327)	9.2%
"Water, eletricity and telephone "	(657)	(555)	18.4%	(1,775)	(1,298)	36.7%
Rendered services	(23,892)	(20,063)	19.1%	(39,324)	(34,833)	12.9%
General expenses	(95,987)	(105,758)	-9.2%	(304,800)	(240,011)	27.0%
Total	(768,130)	(647,000)	18.7%	(2,788,714)	(2,149,428)	29.7%

During 4Q 21, selling expenses represented 15.1% of the net revenue, versus 14.9% in 4Q 20. The increase is mainly due to the opening of 44 openings during the year, with an expressive sales growth. Additionally, expenses were impacted by the high inflation seen in the period.

The administrative expenses accounted for 2.2% of net revenue, versus 2.9% in 4Q 20. The difference is due to de decrease on the Services Rendered, that included IPO related expenses in 4Q 20.

In 2021, the Group's expenses represented 17.6% of net revenue, a slightly increase when compared to the 17.3% level seen in 2020.

IFRS 16 ADJUSTMENTS

The table shown in the previous section considers the IFRS 16 adjustment to Expenses and Financial Results. Lease expenses, which would be recorded in the Financial Results, in accordance with IFRS 16, were recorded in Lease Depreciation under Expenses. At the end of this release, we have a comparative table with the adjustments. Grupo Mateus understand that, by taking this approach, it can better reflect the effects of IFRS 16 on its Income Statement and, at the same time, it reports all amounts recorded in profit/loss in the period.

EBITDA

In BRL thousands	4Q 21	4Q 20	Var. (%)	2021	2020	Var. (%)
Net Profit	208,084	193,423	7.6%	768,791	726,268	5.9%
(+) Income tax	18,759	(2,973)	-731%	18,759	(1,730)	-1184%
(+) Financial result	12,713	14,902	-15%	66,910	112,343	-40%
EBIT	239,556	205,352	16.7%	854,460	836,881	2.1%
(+) Depreciation e Amortization	50,414	35,989	40%	182,634	117,386	56%
EBITDA	289,969	241,341	20.1%	1,037,094	954,267	8.7%
EBITDA margin	6.5%	6.6%	-0.1 p.p.	6.5%	7.7%	-1.2 p.p.
Total non-recurring expenses/non-operational	18,949	47,623	-60.2%	97,247	49,749	95.5%
Federal installments	-	-	-	2,942	-	-
Covid-19 field hospital	-	-	-	1,399	-	-
IFRS	14,881	-	-	35,175	-	-
Loan agreement fine	-	-	-	2,877	-	-
Freights	-	-	-	1,162	-	-
Dismissals	-	-	-	3,062	-	-
ICMS installments	-	-	-	40,587	-	-
New Branch	4,068	-	-	10,043	-	-
Adjusted EBITDA	308,918	288,964	6.9%	1,134,341	1,004,016	13.0%
Adjusted EBITDA margin	7.0%	7.9%	-1.0 p.p.	7.1%	8.1%	-1.0 p.p.

Adjusted EBITDA totalled BRL 309 million in 4Q 21, up 6.9% over the same period of last year. The quarter's adjusted EBITDA margin was down by 90 bps and reached 7.0%, within the ranges expected by the company. In 2021, the adjusted EBITDA totalled BRL 1.1 billion, up by 13%. The EBITDA margin was down by 100 bps and stood at 7.1%.

Non-recurring expenses totalled BRL 18.9 million in 4Q 21, referring to:

- i) IFRS 16 adjustments, regarding the readjustment of contracts. The amount was registered in Other operating revenues (expenses), net;
- ii) BRL 4 million, related to the structuring of the new Northeast Branch's team, whose work on prospecting lands, implementing DCs and strengthening the relationship with investors had already been taking place since 3Q 21.

FINANCIAL RESULTS

Financial Result (in BRL thousands)	4Q 21	4Q 20	Var (%)	2021	2020	Var (%)
Financial Revenue						
Interest received	4,772	3,637	31.2%	18,554	23,388	-20.7%
Interest on investments	14,646	11,185	30.9%	52,206	14,435	261.7%
Financial discounts obtained	2,365	826	186.3%	6,134	3,574	71.6%
Other financial revenues	17,578	13,915	26.3%	64,369	42,080	53.0%
Total financial revenue	39,361	29,563	33.1%	141,263	83,477	69.2%
Financial Expenses						
Tax on financial transactions (IOF)	(20)	-	-	(73)	(2)	4295.9%
Interest on loan and financing	(14,863)	(9,417)	57.8%	(38,526)	(61,519)	-37.4%
Interest paid	(7,619)	(3,432)	122.0%	(21,718)	(10,474)	107.4%
Financing interest	1,496	(417)	-458.7%	(3,066)	(740)	314.3%
Bank expenses	(6,192)	(3,602)	71.9%	(17,562)	(22,721)	-22.7%
Financial loss	(389)	901	-143.2%	(942)	(663)	42.0%
Credit card percentage	(32,861)	(26,297)	25.0%	(115,148)	(87,121)	32.2%
Discounts awarded	(1,784)	(2,203)	-19.0%	(6,686)	(5,768)	15.9%
Financing fine	10,759	-	-	(3,852)	-	-
Other financial expenses	(600)	-	-	(600)	-	-
Monetary variance losses	-	-	-	-	(6,815)	-
Total expenses	(52,073)	(44,466)	17.1%	(208,172)	(195,820)	6.3%
Financial Results	(12,712)	(14,903)	-14.7%	(66,909)	(112,343)	-40.4%

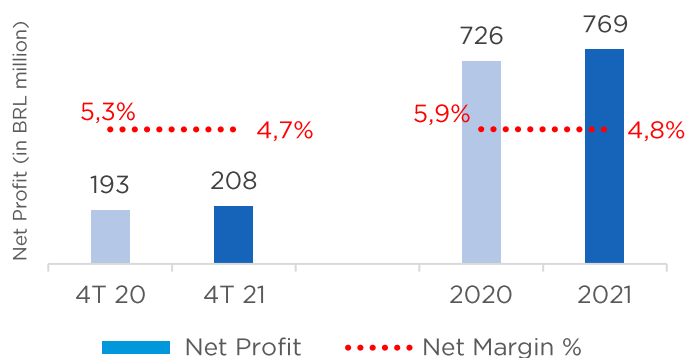
In 4Q 21, the Financial Results totalled BRL 12 million, an improvement of 14.7% and represented 0.9% of net revenue, in line with the 0.8% level seen in 4Q 20.

Financial revenue increased by 33.1% and reached BRL 39 million in 4Q 21. The better performance is mainly due to the increase on the Interest on investments line, positively impacted by the growth of CredNosso activities.

Meanwhile, financial expenses rose by 17.1% in 4Q 21 and totalled BRL 52 million, impacted by the increase of Interest paid and Bank expenses, resulting from the increase on the SELIC rate. On the other hand, Financing interest were positive in the quarter, as a result of the renegotiation of ICMS instalments.

In 2021, the Financial Results had an improvement of 40% and represented 0.4% of net revenue, compared to 0.9% in 2020.

NET PROFIT

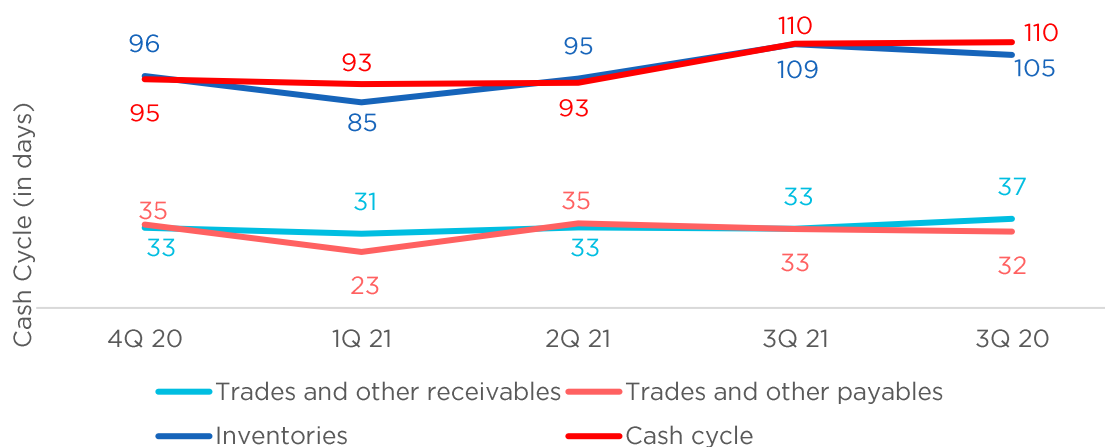


Net income rose 7.6% in 4Q 21 and reached BRL 208 million. The net margin stood at 4.7% in the quarter, down by 60 bps when compared to 4Q 20. In 2021, the net income totalled BRL 769 million, an increase of 5.9%. The net margin was 4.8%, a decrease of 110 bps versus 2020.

In BRL thousands	2021	2020	Var. %
Net profit	768,791	726,270	5.9%
Net margin	4.8%	5.9%	-1.1 p.p.
(+)EBITDA non-recurring expenses	97,247	49,749	95.5%
Adjusted net profit	866,038	776,019	11.6%
Net adjusted margin	5.5%	6.3%	-0.8 p.p.

Excluding the effects of non-recurring expenses recorded during 2021, the year's net revenue reached BRL 866 million, an increase of 11.6% when compared to 2020. The adjusted net margin was 5.5%, down 80 bps.

It is also important to mention that the income tax paid during the 4Q must be considered, from an effective rate point of view, as an amount for the entire year and not just for the last quarter of the year.



In 4Q 21, cash cycle totalled 110 days – a fifteen-day increase versus 4Q 20.

The higher variation was in the inventory line, with a nine-day increase over 4Q 20, due to the higher number of stores and the inauguration of the distribution center in Cabo de Santo Agostinho, in the state of Pernambuco in late 2021. The receivables line recorded a four-day increase due to higher sales using credit cards and slips (to B2B costumers). And finally, the suppliers line decreased by three days.

However, it is worth to mention that, when compared to 3Q 21, inventories saw a four-day reduction, and the cash cycle remained stable, thanks to the work carried out by the Group to optimize its working capital.

INVESTMENTS

In BRL thousands	4Q 21	4Q 20	Var. %	2021	2020	Var. %
New stores	99,818	37,983	162.8%	432,197	325,053	33.0%
Infrastructure (DCs and Industry)	20,156	5,586	260.8%	126,231	25,693	391.3%
Lands	50,878	34,641	46.9%	146,320	35,516	312.0%
Works in progress	191,092	169,390	12.8%	325,346	192,902	68.7%
Improvements to third-party properties	15,741	6,465	143.5%	126,938	34,488	268.1%
Stores infrastructure	3,622	8,004	-54.7%	24,978	27,329	-8.6%
Payment in advance to suppliers	107,979	-	-	250,450	-	-
Total	489,286	262,068	86.7%	1,432,460	640,981	123.5%

*In order to provide a clearer information, we have used in the table above a new distribution between lines, compared to previous periods, considering the totality of the acquisition of property, plant and equipment recorded in our financial statements. Thus, we make the historical data available on our IR website, since 1Q20, considering this opening and its respective lines.

In 2021, the Group's capex totaled BRL 1.4 billion, an increase of 123% versus 2020. This amount considers the reallocation of the "other assets" line in the 9-month period, which is now considered as addition to PP&E. It is important to note that the Capex movement in the year is largely due to the anticipation of investments related to openings to be carried out in 2022 and 2023. Considering "Works in Progress", " Payment in advance to suppliers ", and "Lands " together added more than BRL 719 million (excluding a land of BRL 2.6 million already used in 2021) of investments for the future store park, and not for the one opened in 2021.

Also, part of the amount invested (approximately BRL 300 million) will "return" to the company in the short term through Sale Lease Back and Built to Suit operations.

CASH FLOW

In BRL thousands	Dec/21	Dec/20	Var. (%)
Adjusted EBIT	788	725	8.7%
Depreciation and amortization	265	192	38.0%
Lease liabilities remeasurement	57	33	75.2%
Provision for obsolescence and breakages	1	(3)	-138.6%
Monetary liabilities remeasurement	41	-	-
Allowance for doubtful accounts	8	17	-52.3%
Interest on loans, financing and debentures provisioned for	38	49	-22.9%
Property, plant and equipment disposals	10	3	246.2%
Provision for risks	-2	2	-195.3%
Operations resources	1,207	944	27.9%
Cash cycle	(1,289)	(1,222)	5.5%
Other assets	70	(29)	-337.8%
Operational cash flow			
Net cash used in investment activities	(1,423)	(642)	121.8%
Net cash provided by (used in) financing activities	293	2,590	-88.7%
Net Cash Flow	(1,235)	1,714	-172.1%

Net cash flow was a negative BRL 1.2 billion in 4Q 21. Operational cash flow totalled BRL 1.2 billion, which was consumed by the negative cash cycle of BRL 1.3 billion and BRL 1.4 billion in investments made in the year. Cash used in financing activities fell by 89%.

NET DEBT

In BRL thousands	2021	2020	Var. (%)
Gross Debt	(1,042,369)	(592,495)	75.9%
Cash and cash equivalents	877,255	2,112,385	-58.5%
Financial Investments	3,071	14,965	-79.5%
Net Cash/Net Debt	(162,043)	1,534,855	-110.6%
Net Debt/Adjusted EBITDA	0.14x	-1.5x	

Grupo Mateus ended 2021 with net debt of BRL 162 million compared to net cash of BRL 1.5 billion at the end of 2020. The difference is mainly due to loans taken during 4Q 21. Net Debt/Adjusted EBITDA ended the year at 0.14x, in line with the company's historical levels.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AT GRUPO MATEUS

Grupo Mateus understands its role as an agent for transforming the Community and has been working to contribute to a more just and sustainable society. Below, we highlight the main projects we carried out during 2021:

1) Social Responsibility

The Group works on several social projects, aiming to promote improvements in the communities where it is present. We list below the projects done in 2021:

Mateus Kids: project targeting kids, that focuses on the development of socio-educational skills, through conscious consumption and healthy eating themes, educational and recreational activities, with the increase of social actions.

Donate Blood: awareness and donation campaign carried out in our stores and administrative centers. Overall, 410 blood bags were collected in São Luís.

Strands of Love: project that aims to encourage our employees and customers to donate hair that will be used to make wigs for cancer treatment hospitals. In total, 85 wigs were donated in Maranhão and Pará.

Sing Language: we encourage our employees to learn the Brazilian Sign Language (LIBRAS), through biannual courses, both online and in person. The in-person course lasts 40 hours, with groups of up to 30 students. This project is carried out in partnership with the Support Center for People with Deafness, which aims to guarantee the deaf community of Maranhão favourable conditions to social inclusion.

Embracing Lives: we donate fruits, vegetables and eggs for partner institutions, on a weekly basis.

Project Shoeshine: project carried out with partner institutions, to support young people and adults who are out of the job market and/or in a situation of social vulnerability, through the shoeshine job. In total, 1,440 people participated in the project during the year.

Field hospital: during 1Q 21, Grupo Mateus supported the building of a field hospital in São Luís, to assist the state of Maranhão in the fight against Covid19. The hospital had 80 beds, 10 of which were ICU beds.

Besides the external projects, the Grupo also focuses on the development of its employees, given that "People" is one of the company's strategic pillars. In 2021, we hired 18,500 people, of which 1,079 were apprentices. Additionally, UniMateus, our corporate university (previously known as ULMA), trained approximately 35,000 employees and formed 922 new leaders in 2021.

2) Environment

Regarding the environmental protection, the Group adopts several practices to reduce the impact of its operations. The main one is related to the energy consumption: 88% of the energy used by the stores, administrative buildings and industry comes from renewable sources (versus 85% in 2020), such as biogas, biomass, and wind.

Consumption in MWh	Conventional	Renewable	Total
Maranhão	993	15,835	16,828
Pará	1,024	6,637	7,661
Piauí	508	1,099	1,607
Ceará	614	-	614
Total	3,140	23,571	26,710
%	12%	88%	100%

Our Distribution Centers adopt practices to reuse of resources and materials. The pallets used in the movement of goods are reused to make furniture for the DCs, while the water used to wash the trucks from our fleet is reused for cleaning the external areas of the DCs.

The Group also recycles the waste generated by the stores. Overall, in 2021, a total of 9,215 tons were recycled: 8,000 of which were cardboard, 1,200 plastic and 15 pet.

3) Governance

Grupo Mateus is listed in B3's Novo Mercado segment and, as a result, it adopts higher governance standards. In this sense, besides the Board of Directors (with two independent members) and the Audit Committee, in 2021, we set up the Fiscal Council and the Governance Secretariat, aiming to ensure even more transparency and safety as to comply with legal and statutory duties.

ANNEX:

I – INCOME STATEMENT

In BRL thousands	4Q 21	4Q 20	Var (%)	2021	2020	Var (%)
Net sales revenue	4,441,117	3,635,296	22.2%	15,876,857	12,397,038	28.1%
Cost of services provided and goods sold	(3,441,310)	(2,781,021)	23.7%	(12,174,415)	(9,407,628)	29.4%
Gross profit	999,808	854,275	17.0%	3,702,442	2,989,410	23.9%
Operating income (expenses)						
Selling, administrative and general expenses	(768,131)	(646,998)	18.7%	(2,788,715)	(2,149,425)	29.7%
Other operating income (expenses), net	7,879	(1,923)	-509.7%	(59,267)	(3,102)	1810.9%
	(760,252)	(648,921)	17.2%	(2,847,982)	(2,152,526)	32.3%
Operating income before financial income (loss)	239,556	205,354	16.7%	854,460	836,884	2.1%
Financial income						
Financial revenue	39,361	29,563	33.1%	141,263	83,477	69.2%
Financial loss	(52,074)	(44,465)	17.1%	(208,173)	(195,820)	6.3%
Total	(12,713)	(14,902)	-14.7%	(66,910)	(112,343)	-40.4%
Profit before income and social contribution taxes	226,843	190,452	19.1%	787,550	724,541	8.7%
Current income and social contribution taxes	(18,759)	5,004	-474.8%	(18,759)	(1,944)	865.2%
Deferred income and social contribution taxes	-	(2,031)	-100.0%	-	3,673	-100.0%
Total	(18,759)	2,973	-731.0%	(18,759)	1,729	-1184.9%
Net income for the period	208,084	193,423	7.6%	768,791	726,270	5.9%

II – BALANCE SHEET

Asset (in BRL thousand)	Dec/21	Dec/20
Current Asset		
Cash and cash equivalents	877,255	2,112,385
Trades receivable	1,816,264	1,305,458
Inventories	3,498,630	2,617,533
Recoverable taxes	67,338	21,882
Other assets	12,670	8,758
Total current asset	6,272,157	6,066,016
Non-current asset		
Financial investments	3,071	14,965
Related parties	7,321	22,166
Recoverable taxes	135,289	140,240
Other assets	28,868	1,619
Judicial deposits	16,340	14,757
Right-of-use assets	907,504	597,051
Investments	2,556	450
Intangible	2,581,885	1,341,447
Total non-current asset	3,682,834	2,132,695
Total asset	9,954,991	8,198,711

Liabilities (in R\$ thousands)	Dec/21	Dec/20
Current liabilities		
Trade payables	1.056.585	944.604
Loans and financing	81.740	32.022
Debentures	91.092	29.146
Labor liabilities	224.680	178.802
Tax liabilities	98.616	96.392
Payable taxes in installments	30.002	6.392
Lease liabilities	61.137	67.184
Other liabilities	6.485	6.788
Total current liabilities	1.650.337	1.361.330
Non-current liabilities		
Loans and financing	548.352	89.296
Debentures	321.185	442.031
Payable taxes in installments	32.534	23.353
Provision for risks	15.187	17.208
Lease liabilities	890.536	523.288
Other liabilities	20.279	34.665
Total non-current liabilities	1.828.073	1.129.841
Equity		
Share capital	4,780,929	4,780,929
Tax benefits reserve	1,499,139	778,155
AFAC - Advance for future capital increase	44,217	44,217
Legal reserve	78,902	40,955
Equity attributable to the owners of the Company	6,403,187	5,644,256
Equity attributable to non-controlling shareholders	73,394	63,284
Total equity	6,476,581	5,707,540
Total liabilities and shareholders' equity	9,954,991	8,198,711

III – FLUXO DE CAIXA

Cash Flow (in BRL thousands)	2021	2020
Cash flow from operating activities		
Net income before income tax	787,550	724,539
Adjustments to reconcile the net income before income tax to the net cash:		
Depreciation and amortization	264,958	192,022
Lease liabilities remeasurement	57,476	32,804
Provision for obsolescences and breakages	1,085	(2,813)
Lease monetary remeasurement	41,679	-
Allowance for expected credit losses	8,337	17,471
Interest on loans, financing and debentures provisioned for	38,143	49,441
Property, plant and equipments disposal	10,123	2,924
Provision for risks	(2,021)	2,120
Increase (decrease) in operating assets:		
Trade and other receivables	(519,143)	(505,393)
Inventories	(882,182)	(1,117,309)
Recoverable taxes	(40,505)	(83,066)
Judicial deposits	(1,583)	(2,845)
Other assets	(31,161)	4,937
	(519,143)	
Increase (decrease) in operating liabilities:		
Trade and other payables	111,981	394,680
Labor and tax obligation	48,102	88,023
Tax payables in installments	32,791	23,862
Other liabilities	(303)	(10,368)
Taxes paid	(18,759)	(1,943)
Net cash provided by operations	(93,432)	(190,914)
Interest paid	(10,828)	(43,245)
Net cash provided by operations	(104,260)	(234,159)
Fluxo de caixa das atividades de investimento		
Property, plant and equipment acquisition	(1,432,460)	(640,981)
Property, plant and equipment disposal	(2,840)	-
Intangible assets	-	(450)
Investment in securities	11,894	(357)
Net cash used in investing activities	(1,423,406)	(641,788)
Cash flow from financing activities		
Obtainment of loans, financing and debentures	533,326	690,655
Related parties	459	(19,214)
Advance for future capital increae	-	161
Amortization of loans, financing and debentures	(110,767)	(1,004,569)
Social capital	(99)	3,034,214
Capital contribution to investees	250	-
Lease liability payment	(130,732)	(111,178)
Net cash provided by (used in) financing activities	292,437	2,590,069
Increase in cash and cash equivalents	(1,235,229)	1,714,122
Cash and cash equivalents at the beginning of the period	2,112,385	398,263
Cash and cash equivalents at the end of the period	877,156	2,112,385
Increase in cash and cash equivalents	(1,235,229)	1,714,122

IV IFRS 16 ADJUSTMENTS

Income Statement (in BRL thousands)	4Q 21	IFRS 16	4Q 21 ex-IFRS	2021	IFRS 16	2021 ex-IFRS
Net sales revenue	4,441,117		4,441,117	15,876,857		15,876,857
Cost of services provided and goods sold	(3,441,310)		(3,441,310)	(12,174,415)		(12,174,415)
GROSS PROFIT	999,808		999,808	3,702,442		3,702,442
OPERATING INCOME (EXPENSES)						
Administrative, general and selling expenses	(748,223)	(19,908)	(768,131)	(2,727,008)	(61,707)	(2,788,715)
Other operating income (expenses)	7,879		7,879	(59,267)		(59,267)
OPERATING INCOME BEFORE FINANCIAL INCOME	259,464		239,556	916,167		854,460
FINANCIAL INCOME	(32,622)	19,908	(12,714)	(128,617)	61,707	(66,910)
PROFIT BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	226,842		226,842	787,550		787,550
Income and social contribution taxes	(18,759)		(18,759)	(18,759)		(18,759)
NET PROFIT FOR THE PERIOD	208,083		208,083	768,791		768,791

ABOUT GRUPO MATEUS

Grupo Mateus is the fourth largest food retail company in the country, with operations in supermarket retail, cash and carry, wholesale, furniture and household appliances, e-commerce, the bakery industry and slicing and portioning central

Investor Relations Contacts

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São Luís, March 10, 2022 - This document contains both historical information and forward-looking statements about the business prospects, projections on Mateus Group's operating and financial results, based exclusively on the expectations of the Company's Management. These expectations depend, substantially, on market conditions, the performance of the Brazilian economy, the sector and international markets and, therefore, are subject to change without prior notice. In the face of such uncertainties, Grupo Mateus assumes no obligation to update or review any forward-looking statement in the future.

Finally, in order to better represent the economic scenario of the business, the figures are presented without the effect of IFRS 16 in the Income Statement in the periods in reference.

Explanatory Notes

Explanatory notes to the individual and consolidated financial statements for the year ended December 31, 2021 and 2020

(Amounts expressed in thousands of reais - R\$, unless otherwise indicated)

1. Operational context

Grupo Mateus S.A. ("Company" or "Grupo Mateus") is a holding company whose main activity is the equity interest in the capital of others, which was incorporated on June 13, 2016 under the name of Exitus Holdings S.A., headquartered in the city of São Luís, state of Maranhão. The parent company's main investment is the equity stake in Armazém Mateus S.A. and Mateus Supermercados S.A., which operate in the wholesale and retail, electro, and mix, and industry segments through the subsidiary Indústria de Pães e Massa Mateus Ltda.

Invested	Participation of total capital	
	31/12/2021	31/12/2020
Controlled		
Armazém Mateus S.A. (a)	98,71%	99,99%
Mateus Supermercados S.A. (b)	99,99%	99,99%
Mateus Bread and Pasta Industry (c)	99,99%	99,57%
Rio Balsas Participações e Empreendimentos Ltda. (d)	99,99%	99,99%
Posterus Supermarkets Ltda. (e)	97,05%	96,85%

- (a)** Armazém Mateus S.A. ("Warehouse"), a privately held corporation incorporated on April 26, 1989, headquartered in the city of São Luís, state of Maranhão, which operates the wholesale trade of general merchandise in the North and Northeast regions of the country;
- (b)** Mateus Supermercados S.A. ("Supermercado"), a privately held corporation incorporated on August 18, 2000, headquartered in the city of São Luís, state of Maranhão, which operates the retail trade of general merchandise in the North and Northeast regions of the country through its supermarket chain;

Explanatory Notes

- (c) Indústria de Pães e Massa Mateus Ltda. ("Indústria de Pães") is a limited liability company, which was incorporated on June 19, 2007, headquartered in the City of São Luís, state of Maranhão, which operates in the manufacture and wholesale of biscuits, biscuits, cakes, breads and pasta and whose operations are mostly within the Company itself;
- (d) Rio Balsas Participações e Empreendimentos Ltda. ("Rio Balsas") is a limited liability company, which was incorporated on July 9, 2007, headquartered in the city of São Luís, state of Maranhão, which operates as a holding company for non-financial institutions whose operations are mostly within the Company itself; and
- (e) Posterus Supermercados Ltda. ("Posterus") is a limited liability company, which was incorporated on March 21, 2017, headquartered in the city of São Luís, state of Maranhão, which explores the activity of retail trade of general merchandise, with a predominance of food products – in the North and Northeast regions of the country through a supermarket chain.

1.1. Covid-19 Impacts

Covid-19 was discovered in December 2019 in China and quickly reached several countries, being declared a pandemic on March 11, 2020 by the World Health Organization (WHO).

The impact of the disease was also reflected in economic activity, which suffered and is still suffering significant losses. As a result, the Companies were exposed to a series of strategic and operational risks, such as delays or interruptions in the supply of raw materials, changes in customer demands, increased costs, logistical insufficiencies that lead to delays in deliveries, employee health and safety issues, insufficient workforce and challenges related to the import and export of products.

In view of the scenario presented, the Company is constantly monitoring the evolution of the issue, taking measures as well as those described below, and so far there have been no expectations of impacts on the Company's operations.

- Implementation of safety measures in order to safeguard the health of customers and their employees, following the guidelines of the World Health Organization (WHO) and state decrees;
- Negotiation of deadlines and prices with suppliers aiming at a better relationship in the pandemic scenario in order to contain the increase in prices of products to be passed on to customers; and
- Constant supply of distribution centers and stores, increased efforts to improve the "Mateus APP" with the implementation of the delivery system "Delivery".

The Company evaluated accounting estimates and found that there was no need to adopt new criteria other than those already adopted by the Company, such as provisions for loss of inventory, allowance for doubtful accounts or possible *impairment* impacts.

New measures for the financial sector were evaluated, in particular accounts payable and receivable through the collection sector, where the terms given to customers and interest rates were evaluated.

In all, the Company came to the conclusion that, despite the magnitude of the pandemic and the impacts caused, there was no need to record effects that could significantly affect operations in the year ended December 31, 2021. The Company continues to monitor all impacts arising from the pandemic and disclose new measures if necessary.

Explanatory Notes

2. Presentation of individual and consolidated financial statements and basis for preparation

2.1. Declaration of Conformity and Basis of Preparation

The Company's individual and consolidated financial statements have been prepared in accordance with the accounting practices adopted in Brazil ("BR GAAP") and in accordance with the International Accounting Standards ("IFRS") issued by the *International Accounting Standards Board* (IASB).

In accordance with CPC 07 – Disclosure in the Disclosure of General Purpose Accounting-Financial Reports, the Management declares that all material information of the individual and consolidated financial statements, and only them, is evidenced and corresponds to the practices used in its management.

The accounting practices adopted in Brazil comprise the policies established in the Brazilian corporate law (S.As Law) and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC).

The individual and consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at their fair values, as described in the following accounting practices. The historical cost is usually based on the fair value of the consideration paid in exchange for assets.

The preparation of financial statements requires the use of certain critical accounting estimates and the exercise of judgment by the Company's management in the process of applying the accounting policies. Those areas that require a higher level of judgment and have greater complexity, as well as the areas in which assumptions and estimates are significant for the financial statements, are disclosed in Note 3.

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2.2. Statement of Value Added (DVA)

The Group has prepared Statements of Value Added (DVA) pursuant to the technical pronouncement CPC 09 - Statement of Value Added, which are presented as an integral part of the financial statements in accordance with BR GAAP applicable to publicly-held companies, while for IFRS they represent supplementary financial information.

2.3. Use of Estimates and Judgments

The preparation of the individual and consolidated financial statements involves the use of Management's estimates and assumptions that may affect the reported amounts of certain assets, liabilities, revenues and expenses, as well as the disclosures contained in the notes. The settlement of transactions involving these estimates may result in amounts that differ significantly from those recorded in the financial statements due to the probabilistic treatment inherent in the estimation process. The Group revises its estimates and assumptions at least annually to ensure that they are reasonable in light of past experience and the current economic situation. In addition to the use of estimates,

Group Management is required to exercise judgment in determining the appropriate accounting treatment of certain transactions and activities and how it should be applied.

The main estimates and judgments applied for the preparation of these individual and consolidated financial statements relate to:

- **Explanatory Note No. 6** – Provision for doubtful accounts of customers;
- **Explanatory Note No. 7** – The main assumptions underlying the net realizable value of inventories;
- **Explanatory Note No. 17** – Leases;

Explanatory Notes

- **Explanatory Note No. 20** – Measurement of provisions for contingencies and other business-related provisions, the main assumptions about the probability and scale of any outflow of funds.
- **Explanatory Note No. 22** – Recognition of deferred tax assets and availability of future taxable profits against which tax losses may be used;

2.4 Basis for consolidation and investments in subsidiaries

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Control is obtained when the Company has the power to control financial and operational policies and to appoint or dismiss the majority of the members of an entity's executive board or board of directors in order to benefit from its activities.

The Group's Management, based on the articles of association and shareholder agreement, controls the companies listed in Note 1 and, therefore, carries out the full consolidation of these companies.

The participation of non-controlling shareholders in consolidated companies is highlighted in the statements of consolidated income and changes in shareholders' equity.

In the Company's individual financial statements, the results of the subsidiaries are recognized based on the equity method.

Among the key consolidation adjustments are the following eliminations:

- Balances of the accounts of assets and liabilities, as well as the amounts of revenues and expenses between the parent companies, subsidiaries or between subsidiaries, so that the consolidated financial statements represent balances of accounts receivable and payable effectively with third parties. Equity interests and net income (loss) from the exercise of the subsidiaries.

The fiscal year of the subsidiaries included in the consolidation coincides with that of the Company. All balances and transactions between the subsidiaries were eliminated in full in the consolidated financial statements. Transactions between the Company and its subsidiaries are carried out under conditions established between the parties.

The results of the subsidiaries acquired or divested during the year are included in the consolidated income statements from the date of the effective acquisition until the date of the effective divestiture, as applicable.

2.5. Changes in shareholding that do not result in a change of control

The Company accounts for the interests arising from corporate restructurings acquired from related parties with no economic essence. The difference between the cost balance and the amount acquired is recorded in shareholders' equity, when the transaction is made between companies under common control. Transactions do not qualify as a business combination under CPC 15R/IFRS 3R.

Explanatory Notes

3. Summary of Key Accounting Policies

The summary of the main accounting policies adopted by the Company and its subsidiaries is as follows:

a) Foreign Currency Conversion

i) Functional and Presentation Currency

The items included in the financial statements of the Company and its subsidiaries are measured using the currency of the main economic environment in which they operate ("functional currency"). The financial statements are presented in Reais (R\$), which is the functional and presentation currency of the Company and its subsidiaries.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions or valuation at which the items are remeasured. Foreign exchange gains and losses resulting from the settlement of these transactions and the translation at year-end exchange rates of monetary assets and liabilities in foreign currencies are recognized in current income.

b) Financial instruments

Financial assets and liabilities are recognized in the balance sheet when the Company is a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities shall be added to or deducted from the fair value of financial assets or liabilities, if applicable;

at initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

All regular purchases or sales of financial assets are acknowledged and written off on the date of the trade. Regular purchases or sales correspond to purchases or sales of financial assets that require the delivery of assets within the time frame established by means of a market standard or practice.

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is held in a business model whose purpose is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset generate, on specific dates, cash flows that refer exclusively to payments of the principal and the interest levied on the amount of the outstanding principal.

Explanatory Notes

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The financial asset is held in a business model whose objective is achieved by collecting contractual cash flows and selling the financial assets;
- The contractual terms of the financial asset generate, on specific dates, cash flows that refer exclusively to payments of the principal and the interest levied on the amount of the outstanding principal.

In general, all other financial assets are subsequently measured at fair value through profit or loss.

Notwithstanding the foregoing, the Company may make the following irrevocable option/designation upon initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in the fair value of an investment in equity instruments in other comprehensive income if certain criteria are met (see item (**ii**) below);
- The Company may irrevocably designate an investment in debt instruments that meets the criteria for amortized cost or fair value through other comprehensive income as measured at fair value through profit or loss if, in doing so, the Company eliminates or significantly reduces an accounting mismatch.

i) Amortized Cost and Effective Interest Rate Method

The effective interest rate method is used to calculate the amortized cost of a debt instrument and allocate its interest income over the corresponding fiscal year.

For financial assets, other than financial assets subject to impairment acquired or originated (i.e., assets subject to impairment at initial recognition), the effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or deductions), excluding expected credit losses, over the estimated life of the debt instrument or, where appropriate, over a shorter period;

for the gross carrying value of the debt instrument on the date of initial recognition. For financial assets subject to impairment acquired or originated, a credit-adjusted effective interest rate is calculated by discounting estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument at the date of initial recognition.

The amortized cost of a financial asset is the value on the basis of which the financial asset is measured on the date of initial recognition, less the amortization of the principal amount, plus the accumulated amortization using the effective interest rate method of any difference between the initial value and the value at maturity, adjusted for any provision for losses. The gross carrying value of a financial asset corresponds to the amortized cost of a financial asset before adjustment for any provision for losses.

Interest income is recognized using the effective interest rate method for debt instruments measured subsequent to amortized cost. For financial assets, except for financial assets subject to impairment acquired or originated, interest income is calculated by applying the effective interest rate to the gross carrying value of the financial asset, except for financial assets that subsequently become impairment financial assets (see below). For financial assets subsequently subject to impairment, the Company recognizes the interest income by applying the effective interest rate to the amortized cost of the financial asset.

Explanatory Notes

If, in subsequent reporting periods, the credit risk of the financial instrument subject to impairment improves so that the financial asset is no longer subject to impairment, the interest income is recognized by applying the effective interest rate to the gross carrying value of the financial asset.

For financial assets subject to impairment acquired or originated, the Company recognizes the interest income by applying the adjusted effective interest rate based on the credit to the amortized cost of the financial asset after initial recognition.

The calculation does not reverse the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer subject to impairment.

Interest income is recognised in profit or loss and included under the heading "Financial result" (Explanatory Note N.º 25).

ii) Equity-related instruments at fair value through other comprehensive income

On initial recognition, the Company may make the irrevocable option (on an instrument-by-instrument basis) to designate investments in equity instruments at fair value through other comprehensive income. Designation at fair value through other comprehensive income is not permitted if the investment in equity instruments is held for trading or if it is a contingent consideration recognized by a buyer in a business combination.

A financial asset is held for trading if:

- It is purchased primarily to be sold on a short-term basis;
- On initial recognition it is part of a portfolio of identified financial instruments that the Group jointly manages and has a recent actual pattern of achieving short-term profits;
- It is a derivative (except for a derivative that is a financial guarantee contract or a *designated and effective* hedging instrument).

Investments in equity-based instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. Accrued gains or losses will not be reclassified to profit or loss on the disposal of investments in equity instruments; on the contrary, they will be transferred to retained earnings.

Dividends on such investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 (CPC 48), unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Financial income" account in profit or loss.

iii) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for measured at amortized cost (see item (i) above) are measured at fair value through profit or loss. Debt instruments that do not meet the criteria for measured at amortized cost (see item (i) above) are classified at fair value through profit or loss.

Debt instruments that do not meet the criteria for measured at amortized cost or the criteria for measuring at fair value through other comprehensive income (see items (i) and (ii) above) are classified at fair value through profit or loss.

Explanatory Notes

Financial Liabilities and Equity Classification as Debt

or Equity

Debt and equity instruments are classified as financial liabilities or as shareholders' equity according to the substance of contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity Instruments

An equity instrument is any contract that shows a residual interest in an entity's assets after deducting all of its liabilities. Equity instruments issued by the Company are recognized when the funds are received, net of direct issuance costs.

The repurchase of the Company's own equity instruments is recognized and deducted directly from shareholders' equity. No gain or loss is recognized in the income resulting from the purchase, sale, issuance or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at cost amortized by the effective interest rate method or at fair value through profit or loss.

However, financial liabilities resulting when the transfer of a financial asset does not qualify for write-off or when the ongoing engagement approach applies, and the financial guarantee agreements issued by the Company, are measured in accordance with the specific accounting policies described below.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is (i) **a contingent consideration from a buyer in a business combination**, (ii) held for negotiation, or (iii) **designated at fair value through profit or loss**.

A financial liability is classified as held for trading if:

- It is acquired primarily for short-term repurchase purposes;
- On initial recognition, it is part of a portfolio of identified financial instruments that the Company jointly manages and has a recent actual pattern of earning short-term profits.

Financial liability, other than financial liabilities held for negotiation or contingent consideration from a buyer in a business combination, may be assigned to fair value through profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces an inconsistency of measurement or recognition that would otherwise arise; or the financial liability is part of a group of financial assets or liabilities, or both, that is managed and whose performance is assessed on the basis of its fair value, in accordance with the Company's documented risk management or investment strategy, and information about that group is provided internally on that basis;
- The financial liability is part of a contract containing one or more embedded derivatives, and CPC 48 allows the combined contract as a whole to be assigned to fair value through profit or loss.

Explanatory Notes

Financial liabilities subsequently measured at amortized cost

Financial liabilities other than **(i) contingent consideration from a buyer in a business combination**, **(ii) held for negotiation**, or **(iii)** designated at fair value through profit or loss, are subsequently measured at amortized cost by the effective interest rate method. The effective interest rate method is a method for calculating the amortized cost of a financial liability, and for allocating interest expenses during the corresponding fiscal year. The effective interest rate is the rate that exactly discounts the estimated future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or deductions), over the estimated life of the financial liability or (where appropriate) over a shorter period, for the amortized cost of the financial liability.

Derivative financial instruments

The Company uses derivative financial instruments, such as Non Deliverable Forward (NDF) contracts, not designated for hedge accounting, to provide protection against the risk of exchange rate fluctuations.

Derivative financial instruments are initially recognised at fair value on the date the derivative is contracted and subsequently revalued at fair value as well. Derivatives are presented as financial assets when the fair value of the instrument is positive, and as financial liabilities when the fair value is negative.

Any gains or losses resulting from changes in the fair value of derivatives during the year are posted directly to the income statement.

c) Cash and cash equivalents

The balances presented consist of amounts of immediate liquidity, for the purpose of honoring short-term commitments, quickly convertible into cash, and subject to negligible risk of change in value.

d) Financial investments

They are represented by temporary investments that will be held until their maturity dates, with convertibility into cash in more than 90 days from the date of investment, and are recorded by the cost values plus the income earned up to the dates of the financial statements, which do not exceed the market or realization value.

Explanatory Notes

e) Accounts Receivable

Accounts receivable correspond, for the most part, to accounts receivable from sales activities of its subsidiaries Armazém Mateus S.A. and Mateus Supermercados S.A., arising from wholesale and retail sales and credit card receivables.

They represent active financial instruments classified as "amortised cost".

Accounts receivable are initially recognized at invoice value and adjusted to present value (where applicable), including the respective direct taxes for which the Company is responsible. The amount of estimated losses on doubtful accounts is recognised, where necessary, on the basis of the estimation of the debtor's ability to pay the amount due and the overdue term of the receivable.

According to CPC 48 – Financial Instruments, the accounts receivable sold is derecognized when the Company surrenders control and transfers to the buyer substantially all the associated risks and benefits.

f) Stocks

According to CPC 16 – Inventories are recorded at the average cost and include all components of the cost of purchase of goods sold and take into account discounts and commercial yields negotiated with suppliers.

Inventories are measured at the lowest value of the average cost and the net realizable value.

The net realizable value is the estimated sale price in the ordinary course of business, less the estimated additional costs necessary to complete the sale. The Company regularly adjusts the realization of the inventory value due to losses and damages, as well as adjustments to correct the elimination of profit in the inventories of the subsidiary Supermercado Mateus S.A., where a substantial part of the transactions for the purchase of Supermarket products are carried out with its related party Armazém Mateus S.A.

Provisions for inventory losses are recorded based on percentages applied to goods with low inventory turnover and average inventory losses.

g) Asset

Fixed assets are recorded at the cost of acquisition or construction, plus, when applicable, interest capitalized during the construction year, in the case of qualifying assets, net of accumulated depreciation and provision for impairment of assets for assets that are paralyzed and have no expectation of reuse or realization. Depreciation is computed using the straight-line method, based on the estimated useful life of each asset, according to the rates shown in Explanatory Note No. 9.

The estimated useful life and depreciation method are reviewed at the end of each fiscal year and the effect of any changes in estimates is accounted for prospectively. The asset balance includes all expenses allocable to the assets during their construction phase and/or the pre-operational testing phase of the assets.

Fixed assets are written off when they are sold or when there is no expectation of future economic benefits derived from their use or disposal. Any gains or losses resulting from the write-off of assets are included in the profit or loss for the year.

Repairs and maintenance are appropriate to the result during the fiscal year in which they are incurred. The cost of major renovations is added to the carrying value of the asset when future economic benefits exceed the performance standard initially estimated for the asset. Pensions are depreciated over the remaining useful life of the related asset.

Explanatory Notes

h) Rentals

Right of use on lease

CPC 06 (R2) entered into force for annual years starting on/or after January 1, 2019, replacing CPC 06 (R1) – Leasing Operations (IAS 17) and corresponding interpretations, and, in essence, provides that every leasing agreement, whether considered operational or financial, must be accounted for recognizing assets and liabilities involved. Certain short-term contracts may be outside the scope of this new standard.

On the commencement date of a lease, the tenant will recognise a liability relating to the lease payments (i.e. a lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognize interest expense on lease liability and depreciation expense on right-of-use asset. Tenants will also be required to reassess the lease liability upon the occurrence of certain events (e.g., a change in lease term). In general, the lessee will recognize the value of the lease liability review as an adjustment of the right-of-use asset.

The tenant may choose to adopt the standard using the full retrospective approach or a modified retrospective approach. The transitional provisions of the rule allow for certain exemptions.

The Company recognizes right-of-use assets on the lease commencement date (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any further remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, upfront direct costs incurred, and lease payments made up to the commencement date. Right-of-use assets are depreciated linearly, for the shortest period between the term of the lease and the estimated useful life of the assets.

Rents payable

On the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made during the term of the lease. Variable lease payments that do not depend on an index or rate are recognized as expenses in the fiscal year in which the event or condition giving rise to those payments occurs.

In calculating the present value of lease payments, the Company uses both nominal observable rates in the initial measurement and in the remeasurement.

Short-term leases and low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., leases whose lease term is equal to or less than 12 months from the start date and which do not contain an option to purchase).

It also applies to the granting of exemption from recognition of low-value assets to leases of office equipment considered to be of low value. Payments for short-term leases and leases of low-value assets are recognised as an expense by the straight-line method over the term of the lease.

Explanatory Notes

i) Valuation of the recoverable value of assets

The Company annually analyzes whether there is evidence that the carrying value of an asset will not be recovered (impairment of assets). If this evidence is present, the recoverable value of the asset is estimated. The recoverable value of an asset is the greater of: **(a)** its fair value minus costs that would be incurred to sell it; **(b)** its use value. The use value is equivalent to the discounted cash flows (before taxes) derived from the continued use of the asset. When the book value of the asset exceeds its recoverable value, the reduction (provision) of the book balance of this asset ("impairment") is recognized.

For the purposes of assessing recoverable value, assets are grouped into the lowest levels for which separately identifiable cash flows exist – Cash Generating Units (UGCs).

In accordance with CPC 01 – Impairment of Assets, intangible assets with a defined useful life and property, plant and equipment are tested for impairment whenever events or changes in the market environment indicate that the recoverable value of an individual asset and/or a Cash Generating Unit (UGC) may be less than its carrying value. Individual assets or groups of assets are tested for recoverable value by comparing their carrying value to their recoverable value, defined as the higher of their fair value less disposal costs and their value in use. Value in use is the present value of future cash flows expected to be derived from the asset. If the recoverable amount is less than the carrying value, an *impairment* loss is recognized.

Impairment losses on property, plant and equipment, investment funds and intangible assets (except goodwill) may be reversed in future years, provided that the increased carrying value of the asset attributable to the reversion does not exceed the carrying value that would have been determined, net of depreciation or amortization, if there had been no impairment loss recognized for the assets in previous years. For the year ended 31 December 2021, no impairment was identified for non-financial assets.

j) Provisions

Provisions are recognized when the Company has a present obligation (legal or unformalized) as a result of a past event, it is likely that economic benefits will be required to settle the obligation, and a reliable estimate of the value of the obligation can be made. When the Company expects the value of a provision to be reimbursed, in whole or in part, for example under an insurance contract, the reimbursement is recognized as a separate amount, but only when reimbursement is virtually certain.

k) Loans, financing and debentures

Loans, financing and debentures are initially recognised at fair value, net of the costs incurred in the transaction, and are subsequently shown at amortised cost. Any difference between the amounts raised (net of transaction costs) and the liquidation value is recognised in the income statement during the year in which the loans are outstanding using the effective interest rate method.

Financing is classified as current liabilities unless the Company has an unconditional right to defer the settlement of liabilities for at least 12 months after the balance sheet date.

Debt acquisition costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily requires a substantial period of time to be ready for its intended use or sale, are capitalized as part of the cost of the asset when it is likely that they will result in future economic benefits to the entity and that such costs can be measured with confidence. Other financing costs are recognized as expenses in the year in which they are incurred.

Explanatory Notes

l) Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable in exchange for goods or services, excluding sales tax and net of any benefits granted to customers (returns and trade discounts).

The Company recognizes revenue when: (i) the most significant risks and benefits inherent in the ownership of the goods are transferred to the purchaser, **(ii) it is likely that economic and financial benefits will flow to the Company**, (iii) the associated costs and the possible return of goods can be reliably estimated, **(iv)** there is no ongoing involvement with the goods sold, and **(v)** the amount of revenue can be reliably measured. The constitution and recomposition of the present value adjustment is recorded under the accounts receivable item and has the counterpart under the net operating revenue item. Revenue is measured net of returns and trade discounts.

m) Government Grants

Government subsidies are not recognized until there is reasonable assurance that the Company will meet the related conditions and that the subsidies will be received, such subsidies are systematically recognized under the heading "Net Operating Revenue" during the fiscal years in which the Company recognizes as an expense the corresponding costs that the subsidies are intended to offset. When transferring the result of the year to Shareholders' Equity, the amounts are directed according to their nature, Investment Subsidy or Costing Method Subsidy, whose value is added to the result of the year.

n) Cost of Goods Sold

The cost of goods sold comprises the cost of acquisitions net of discounts and bonuses received from suppliers, changes in inventories, and logistics costs.

The Company appropriates to the result of the year the bonuses received from suppliers to the extent that the stock that gave rise to the bonus is realized.

o) Taxation on income

Current taxes

The provision for income taxes is based on the taxable income for the year. Taxable income differs from the profit shown on the income statement because it excludes taxable or deductible income or expenses in other fiscal years, as well as excluding non-taxable or non-deductible items on a permanent basis. The provision for income tax is calculated by the Company based on the prevailing tax rates as follows:

- **Corporate Income Tax (IRPJ):** at the rate of 15%, plus the rate of 10% for the amount of taxable profit that exceeds the amount of R\$240;
- **Social Contribution on Net Income (CSLL):** at the rate of 9%.

The current income tax and social contribution expense is calculated based on the laws and tax regulations enacted on the closing date of the fiscal year, in accordance with Brazilian tax regulations.

Management periodically evaluates the positions taken in the income statement with respect to situations in which the applicable tax regulations are subject to interpretation that may be eventually divergent and constitute provisions, when appropriate, based on the amounts it expects to pay to the Tax Authorities.

Explanatory Notes

Deferred Taxes

Deferred income tax (deferred tax) is recognized on the temporary differences at the end of each fiscal year between the balances of assets and liabilities recognized in the financial statements and the corresponding tax bases used in the calculation of taxable income, including the balance of tax losses, where applicable. Deferred tax liabilities are generally recognized on all taxable temporary differences and active deferred taxes are recognized on all deductible temporary differences, only when it is likely that the Company will present future taxable income in an amount sufficient for these deductible temporary differences to be utilized.

The recovery of the deferred tax balance assets is reviewed at the end of each fiscal year and, when it is no longer likely that future taxable profits will be available to allow the recovery of all or part of the asset, the balance of the asset is adjusted by the amount that is expected to be recovered. Deferred taxes assets and liabilities are measured at the rates applicable in the fiscal year in which the liability is expected to be settled or the asset is expected to be realized, based on the rates provided for in the tax legislation in effect at the end of each fiscal year, or when new legislation has been substantially passed. The measurement of deferred taxes, assets and liabilities reflects the tax consequences that would result from the manner in which the Company expects, at the end of each fiscal year, to recover or settle the carrying value of these assets and liabilities.

Deferred taxes, assets and liabilities are offset only when there is a legal right to offset the current tax asset against the current tax liability and when they are related to taxes administered by the same tax authority and the Company intends to settle the net value of its current tax assets and liabilities.

p) Distribution of profits

When applicable, the proposal for the distribution of dividends and interest on shareholders' equity, made by the Company's Management that is within the portion equivalent to the minimum mandatory dividend is recorded as a liability under the heading "Dividends payable", as it is considered as a legal obligation provided for in the Company's bylaws, however, in applicable cases, the portion of dividends and interest on equity higher than the minimum mandatory dividend, declared by the Management after the accounting year to which the financial statements refer, but before the date of authorization for the issuance of such financial statements, is recorded under the heading "Dividends and interest on equity", in shareholders' equity, and its effects are disclosed in an explanatory note.

q) Present Value Adjustment of Assets and Liabilities

Monetary assets and liabilities are adjusted by their present value at the initial record of the transaction, taking into account contractual cash flows, explicit or implicit interest rates, based on market rates for transactions similar to those of the respective assets and liabilities. Subsequently, these effects are reallocated to the revenue lines or financial expenses in profit or loss using the discount rate taken into account and the amortized cost method.

r) Basic and diluted earnings per share

The Company calculates the basic earnings per share using the weighted average number of total shares outstanding during the fiscal year corresponding to the result, in accordance with technical pronouncement CPC 41. The Company does not have diluting factors to measure diluted earnings per share, so basic and diluted earnings per share are equal.

Explanatory Notes

s) New accounting standards and pronouncements adopted in 2021

A series of new accounting standards have been amended and/or created for the fiscal years beginning on or after January 1, 2021, namely:

- Reference Interest Rate Reform: Phase 2 (amendments to CPC48/IFRS 9, CPC 38/IAS 39, CPC 40/IFRS 7, CPC 11/IFRS 4 and CPC 06/IFRS 16) –
From January 1, 2021;
- Onerous Contracts: Costs to perform a contract (amendments to CPC 25/IAS 37) –
From January 1, 2022;
- Fixed assets: Revenues before intended use (amendments to CPC 27/IAS 16) –
From January 1, 2022;
- Reference to the Conceptual Framework: (amendments to CPC 15/IFRS 3) –
From January 1, 2022;
- Classification of Liabilities as Current or Non-Current: (Amendments to CPC 26/IAS 1) –
From January 1, 2023;
- IFRS 17 Insurance Contracts: Effective January 1, 2023.

The Company does not expect the changes to have a material impact on its financial statements.

4. Cash and cash equivalents

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Cash	-	-	16.975	18.445
Banks	2.077	1.167	84.921	121.524
Financial investments	432.877	1.878.378	775.359	1.972.416
Total	434.954	1.879.545	877.255	2.112.385

Financial investments are remunerated at an average rate of 100% of the Interbank Certificate of Deposit (CDI) and 105% of the investment fund on December 31, 2021 (December 31, 2020 the percentages were respectively 100% and 94%).

5. Financial Investments

	Consolidated	
	31/12/2021	31/12/2020
Banco do Nordeste do Brasil S.A. Reservas (*)	-	10.886
Brasil Capitalizations	-	77
Bradesco Capitalizations	-	194
Banco do Nordeste do Brasil S.A. Capitalizations	2.314	400
Banco Santander S.A.	-	2.455
Banco Safra S.A.	-	45
Banco da Amazônia Capitalizations	757	908
Total	3.071	14.965

(*) Refers to the deposit to guarantee the payment of the financing with Banco do Nordeste do Brasil, held in long-term financial investments. From the repayment of the loans in December 2020, the investments were redeemed in the first quarter of 2021 to maintain the level of working capital.

Explanatory Notes

During the entire term of the contract, the companies must maintain in favor of these accounts, with earmarked resources, in the amount of a special reserve account intended to receive all the surplus resources arising from the operating activity in accordance with the contracted line.

These financial investments are classified as non-current assets because they are subject to risk of change in value if redeemed before the maturity, they are redeemed in the average term of 05 years.

6. Accounts Receivable

(a) Breakdown of balances by type of operation

	Consolidated	
	31/12/2021	31/12/2020
Receivables	856.548	538.875
Credit card	1.008.401	806.931
Subtotal	1.864.949	1.345.806
Allowance for doubtful accounts	(48.685)	(40.348)
Total	1.816.264	1.305.458

The following is the movement of the allowance for doubtful accounts:

Balance in 31/12/2020	Movement	Balance in 31/12/2021
(40.348)	(8.337)	(48.685)

Balance at 12/31/2019	Movement	Balance as of 12/31/2020
(22.877)	(17.471)	(40.348)

The Company and its subsidiaries always measure the estimated loss on doubtful accounts receivable from customers in an amount equivalent to Expected Credit Losses (PCE). Expected credit losses on customer receivables are estimated using an accrual matrix based on the debtor's past default experience and an analysis of the debtor's current financial position, adjusted based on factors specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of the current and projected course of conditions as of the reporting date.

As of December 31, 2021 and 2020, there are no accounts receivable pledged by the Company and its subsidiaries.

Explanatory Notes

(b) Breakdown of balances by maturity

	31/12/2021	31/12/2020
To be won	1.720.924	1.242.135
Accounts Receivable - Overdue		
From 01 to 30 days	24.717	49.364
From 31 to 60 days	38.626	6.964
From 61 to 90 days	13.900	4.789
From 91 to 180 days	18.097	2.206
From 181 to 360 days	7.699	6.440
Above 360 days	40.986	33.908
Total	1.864.949	1.345.806

7. Inventory

	Consolidated	
	31/12/2021	31/12/2020
Goods for resale	3.397.663	2.491.444
Provision for obsolescence and breakdowns (a)	(2.943)	(1.858)
inventory rebate (b)	(5.647)	(1.781)
Advance payment to suppliers	109.557	129.728
Total	3.498.630	2.617.533

Moving the provision for obsolescence and breakdowns:

Balance in 31/12/2020	Movement	Balance in 31/12/2021
(1.858)	(1.085)	(2.943)
Balance at 12/31/2019	Movement	Balance as of 12/31/2020
(4.671)	2.813	(1.858)

- (a) The nature of wholesale trade operations implies a large internal movement of goods. In these movements, there are losses inherent to the process, such as losses in transportation, losses in incorrect handling, losses in storage, losses due to deterioration or quality, losses due to expiration of the expiration date, losses due to packaging, losses due to tasting of goods and losses due to theft of goods in a distribution center. The Company and its subsidiaries monitor these occurrences through a specific department and take the appropriate measures to reduce their occurrence; and
- (b) The Company and its subsidiaries appropriate to the results of the year the bonuses received from suppliers to the extent that the stock that gave rise to the bonus is realized. Received and unpaid stock bonuses total R\$5,647 as of December 31, 2021 (R\$1,781 as of December 31, 2020).

As of December 31, 2021 and 2020, there are no inventories pledged by the Company and its subsidiaries.

Explanatory Notes

8. Taxes to be recovered

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Tax on the Circulation of Goods and Services (ICMS) to be offset	-	-	3.565	-
Tax on the Circulation of Goods and Services (ICMS) to be recovered - CIAP (a)	-	-	130.959	65.987
Corporate Income Tax (IRPJ) compensate	-	-	7.362	7.111
Income tax on financial investment	251	858	1.776	2.619
Social Contribution on Profit Net (CSLL) to be compensated	-	-	2.558	2.557
Social Integration Program (PIS)	-	-	10.475	15.143
Contribution to the Financing of Social Security (Cofins)	-	-	45.932	68.705
Total	251	858	202.627	162.122
Circulating	251	858	67.338	21.882
Non-current	-	-	135.289	140.240
Total	251	858	202.627	162.122

(a) Refers substantially to claims arising from the acquisition of fixed assets. The non-current portion is basically represented by tax credits, which are expected to be realized in the long term.

The Management has periodically evaluated the evolution of these accumulated tax credits and the necessary allowance for losses, with a view to taking advantage of them. The realization of these taxes is carried out based on growth projections, operational issues and the generation of debts for the consumption of these credits by the companies of the Mateus Group.

In	Consolidated	
	31/12/2021	31/12/2020
In 01 year	67.338	21.882
From 01 to 02 years old	89.486	113.845
From 02 to 03 years old	24.619	14.187
From 03 to 04 years old	21.184	12.208
Total	202.627	162.122

Explanatory Notes

9. Property, plant & equipment

	% - Weighted average deprec rate. a.a.	Balance in 31/12/2020 <u>Consolidated</u>	Additions	Low	Transfers	Balance in 31/12/2021 <u>Consolidated</u>
Cost						
Land	-	45.616	146.320	-	-	191.936
Buildings	-	25.489	20.266	-	-	45.755
Machinery and equipment	-	465.659	236.089	(916)	7.719	708.551
Furniture & Fixtures	-	131.026	51.309	(23)	2.926	185.238
Vehicles	-	29.962	4.048	-	-	34.010
Computer equipment	-	50.585	22.271	-	838	73.694
Assets under construction (a)	-	341.039	642.782	(9.184)	(419.747)	554.890
Buildings on third-party properties (b)	-	810.077	309.375	-	408.264	1.527.716
Total		1.899.453	1.432.460	(10.123)	-	3.321.790
Depreciation						
Buildings	4	(10.268)	(725)	-	-	(10.993)
Machinery and equipment	10	(171.277)	(59.654)	-	-	(230.931)
Furniture & Fixtures	10	(54.199)	(14.945)	-	-	(69.144)
Vehicles	20	(27.033)	(2.994)	-	-	(30.027)
Computer equipment	20	(26.019)	(10.484)	-	-	(36.503)
Buildings on third-party properties	10	(269.210)	(93.097)	-	-	(362.307)
Total		(558.006)	(181.899)	-	-	(739.905)
Balance		1.341.447	1.250.561	(10.123)	-	2.581.885

Explanatory Notes

	% - Weighted average deprec rate. a.a.	Balance in 31/12/2019 <u>Consolidated</u>	Additions	Low	Transfers	Balance in 31/12/2020 <u>Consolidated</u>
Cost						
Land	-	10.516	35.975	-	(875)	45.616
Buildings	-	25.300	189	-	-	25.489
Machinery and equipment	-	326.219	54.645	(132)	84.929	465.661
Furniture & Fixtures	-	97.088	13.409	(12)	20.541	131.026
Vehicles	-	29.765	117	-	80	29.962
Computer equipment	-	31.133	9.546	(5)	9.909	50.583
Assets under construction (a)	-	302.444	187.147	(2.775)	(145.777)	341.039
Buildings on third-party properties (b)	-	438.931	339.953	-	31.193	810.077
Total		1.261.396	640.981	(2.924)	-	1.899.453
Depreciation						
Buildings	4	(9.256)	(1.012)	-	-	(10.268)
Machinery and equipment	10	(132.843)	(38.434)	-	-	(171.277)
Furniture & Fixtures	10	(43.759)	(10.440)	-	-	(54.199)
Vehicles	20	(24.418)	(2.615)	-	-	(27.033)
Computer equipment	20	(20.382)	(5.637)	-	-	(26.019)
Buildings on third-party properties	10	(209.962)	(59.248)	-	-	(269.210)
Total		(440.620)	(117.386)	-	-	(558.006)
Balance		820.776	523.595	(2.924)	-	1.341.447

(a) Refers to acquisitions in transit for construction and acquisition of goods for distribution centers and stores and advances to suppliers in connection with the expected growth plan of the Company and its subsidiaries; and

(b) They refer to improvements and expansions in the distribution centers and stores of the group's subsidiaries.

Depreciation is recognized based on the estimated useful life of each asset, which is reviewed at the end of each fiscal year based on its analyses, the Company and its subsidiaries did not identify indicators that could modify the useful life or reduce the realized value of their assets by December 31, 2021 and 2020.

Explanatory Notes

As of December 31, 2021, the Company and its subsidiaries held fixed assets pledged as collateral in loan and financing operations, in the amounts of R\$117,583 (R\$222,705 as of December 31, 2020).

10. Right-of-Use Assets

	%weighted average rate of deprec. A.A.	Balance in 31/12/2020 <u>Consolidated</u>	Additions	Low	Closed	Monetary correction	Balance in 31/12/2021 <u>Consolidated</u>
Cost							
Lease Right to Use	-	732.927	559.252	-	(194.359)	27.885	1.125.705
Depreciation	8,22	(135.876)	(82.325)	-	-	-	(218.201)
Total		597.051	476.927	-	(194.359)	27.885	907.504

	%weighted average rate of deprec. A.A.	Balance in 31/12/2019 <u>Consolidated</u>	Additions	Low	Closed	Monetary correction	Balance in 31/12/2020 <u>Consolidated</u>
Cost							
Lease Right to Use	-	453.048	287.924	-	(8.045)	-	732.927
Depreciation	8,64	(61.239)	(74.637)	-	-	-	(135.876)
Total		391.809	213.287	-	(8.045)	-	597.051

The amortization of the right of use in lease is given for the total duration of the lease agreement signed between the Company and the lessor (related party, see Explanatory Note No. 19), for a period of 01 to 20 years.

The Company presented its discount rates of 9.00% on December 31, 2021 and 8.85% on December 31, 2020, based on a consultation with financial institutions, a weighted average of funding for the year.

Explanatory Notes

11. Investments

	Controller	
	31/12/2021	31/12/2020
Holdings in controlled companies		
Mateus Bread & Pasta Industry Ltd.	142.239	55.020
Armazém Mateus S.A.	4.831.440	2.918.606
Mateus Supermarkets S.A.	739.793	680.601
Posterus Supermarkets Ltda.	81.322	83.488
Rio Balsas Part. and Entrepreneurship. Limited liability company.	175.566	27.375
Total	5.970.360	3.765.090

Summary of investments

	Participation		Equity		Capital social		Net Profit		Profit does not Made	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Holdings in controlled companies									
Bread & Pasta Industry										
Matthew Ltd.	99,99%	99,57%	144.229	57.005	87.249	1.164	1.140	14.766	8	16
					3.311.21	2.151.44				
Armazém Mateus S.A.	98,71%	99,99%	4.900.406	2.977.211	4	5	763.425	697.417	-	-
Mateus Supermarkets S.A.	99,99%	99,99%	753.576	682.032	720.081	647.135	(1.402)	29.529	13.793	27.983
Posterus Supermarkets Ltda.	97,05%	96,85%	84.233	84.750	87.214	81.714	(6.017)	3.467	414	1.427
Rio Balsas Participações and Ventures Ltd.	99,99%	99,99%	175.567	27.376	170.630	22.205	(234)	(434)	-	-

Explanatory Notes

Drive

Controller	Mateus Bread &	Posterus		Blanco	Armazém	Matthew	Total
	Pasta Industry Ltd.	Supermarkets	Balsas River	Industry Ltd.	Mateus S.A.	Supermarkets S.A.	
Balance as at December 31, 2019	40.498	-	-	9.816	1.790.653	47.598	1.888.565
Equity Result	14.506	3.340	(434)	-	697.348	29.526	744.286
(- /+) Unrealized Profit on Inventories	16	1.427	-	-	-	27.983	29.426
(-) Investment Reversal	-	-	-	(9.816)	-	-	(9.816)
Capital Contribution	-	78.721	27.809	-	430.605	575.494	1.112.629
Balance as of December 31, 2020	55.020	83.488	27.375	-	2.918.606	680.601	3.765.090
Balance as of December 31, 2020	55.020	83.488	27.375	-	2.918.606	680.601	3.765.090
Equity Result	1.157	(5.825)	(234)	-	753.064	(1.402)	746.760
(- /+) Unrealized Profit on Inventories	(8)	(414)	-	-	-	(13.793)	(14.215)
Capital Contribution	86.085	5.500	148.425	-	1.159.769	72.946	1.472.725
Balance as of December 31, 2021	142.254	82.749	175.566	-	4.831.439	738.352	5.970.360

Explanatory Notes

12. Suppliers

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Of Products	-	-	830.832	785.012
Services	-	185	100.843	81.028
From fixed assets	-	-	24.806	46.999
Consumer	-	-	100.104	31.565
Total	-	185	1.056.585	944.604

Trade Agreements

These include commercial agreements and discounts obtained from suppliers. These amounts are defined in contracts and include amounts for purchase volume discounts, co-marketing programs, freight reimbursements, and other similar programs. The receipt occurs through the reduction of invoices payable to suppliers, according to the conditions provided for in the supply agreements, so that the financial settlements occur for the net amount.

13. Loans and financing

	Consolidated	
	31/12/2021	31/12/2020
<i>Leasing (a)</i>	83.284	105.620
Financing of machinery and equipment (Finame) (b)	34.299	15.698
Loans (c)	512.509	-
Total	630.092	121.318
Circulating	81.740	32.022
Non-current	548.352	89.296
Total	630.092	121.318

- (a) The leases are intended for the acquisition of machinery and equipment, have a pre-fixed monthly interest rate of 0.9% and a pre-fixed annual interest rate of 11.71%, with the financed assets as collateral. The final due date is February 11, 2026; and
- (b) The Financing for the Acquisition of Machinery and Equipment (Finame) has a pre-fixed annual interest rate of 6.00% on average or an average post-fixed rate of 1.15% plus TLP Long-Term Rate, with the financed assets as collateral, in addition to the endorsement of the partners.
The final due date is May 15, 2027. The Import Financing (Finimp) has post-fixed annual rates of CDI +2.32%, with the guarantee of the partners. The final due date is October 06, 2022. On 30 September 2021, all financing from the Constitutional Fund for Financing the Northeast (FNE) had been settled;
- (c) On October 1, 2021, the Company entered into a loan transaction with Banco da Amazônia, in the amount of R\$ 100,000, remuneration equivalent to 100% of the accumulated variation in the average daily DI rates, plus a surcharge of 2.67% per year with a payment term of 5 years, with its first installment paid on 01/25/2022. Interest payments and principal amortization will be monthly.
- On October 29, 2021, the Company issued a Rural Producer's Note (CPR) with Banco do Brasil in the amount of R\$ 162,509, with its pre-fixed remuneration equivalent to 10.8% p.a., with a single payment due in 2024 (note 27). The Company makes use of swap operations of this funding, exchanging these bonds for a rate of 95% of the CDI.

Explanatory Notes

On December 30, 2021, the Company issued a Rural Producer's Note in the amount of R\$ 250,000, with remuneration equivalent to the average rate of interbank certificates of deposit (CDI) plus additional charges of 1.82% p.a. All operations were carried out for the expansion plan (note 27).

The funding made in this last quarter is not conditional on the fulfillment of financial and non-financial covenants.

The movement of current and non-current balances of loans and financing in the year ended December 31, 2021 and 2020 is shown below:

	<u>Principal</u>	<u>Capture</u>		<u>Amortization</u>		<u>31/12/2020</u>
		<u>Updates</u>		<u>Principal</u>	<u>Interest</u>	
<i>Leasing</i>	105.620	58	10.413	(22.399)	(10.408)	83.284
<i>Financing</i>	15.698	20.759	(293)	(1.445)	(420)	34.299
<i>Loans</i>	-	512.509	-	-	-	512.509
Total	121.318	533.326	10.120	(23.844)	(10.828)	630.092

	<u>Capture</u>	<u>Capture</u>		<u>Amortization</u>		<u>31/12/2019</u>
		<u>Updates</u>		<u>Principal</u>	<u>Interest</u>	
<i>Leasing</i>	46.391	81.911	8.964	(24.579)	(7.067)	105.620
Financing of machinery and equipment (<i>Finame</i>)	55.902	140.794	175.218	(338.698)	(17.518)	15.698
<i>Working Capital</i>	293.811	467.950	(148.166)	(594.935)	(18.660)	-
Total	396.104	690.655	36.016	(958.212)	(43.245)	121.318

The maturities of the long-term securities have the following composition:

	<u>31/12/2021</u>	<u>31/12/2020</u>
2022	-	47.341
2023	84.555	11.559
2024	246.989	18.862
2025	82.597	8.425
From 2026	134.211	3.109
Total	548.352	89.296

Restrictive clauses

In accordance with the loan and financing agreements, the Company and its subsidiaries are obliged to comply with the following restrictive clauses ("*covenants*") under penalty of having decreed the early maturity of the debt, such as maintenance of guarantees, securities protested in the name of the Company and its subsidiaries, closure of deposit account at the bank, request for judicial reorganization, contracting of mandatory insurance, sureties, among others. These clauses are controlled and are complied with in accordance with contractual requirements. The Company and its subsidiaries are not aware of circumstances or facts that indicate non-compliance or non-compliance with restrictive clauses.

Guarantees and sureties

The investees "Mateus Supermercado S.A." and "Armazém Mateus S.A." are joint guarantors/guarantors and guarantors of the loans and financing of the related party "Tocantins Participações e Empreendimentos Ltda."

Explanatory Notes

The contracts of "Tocantins Participações e Empreendimentos Ltda." in which the aforementioned companies are guarantors/guarantors totaled R\$ 223,454 on December 31, 2021 (R\$ 248,304 on December 31, 2020), as follows:

Description	31/12/2021	31/12/2020
CRI Financing - Real Estate Credit (Itaú)	43.199	53.750
Real Estate Receivables Certificates - CRI 212 (XP investments)	180.652	194.554
Total	223.851	248.304

On September 16, 2020, the investees Mateus Supermercado S.A. and Armazém Mateus S.A. signed an agreement on general conditions for the provision of guarantees with the company Tocantins Participações e Empreendimentos Ltda., where they regulated the terms and conditions for the provision of Guarantees by both parties, in order to guarantee the fulfillment of any and all obligations, principal or ancillary liabilities (including all liens, interest, fines, fees, taxes, charges and other expenses) assumed by the parties to creditors ("Secured Obligations").

It was agreed that the parties undertake periodically to determine the total outstanding balance of the Guaranteed Obligations by each Party and on this difference determined a remuneration at the rate of 1% (one percent) per year, as consideration for the guaranteed obligations.

As of December 31, 2021, the total outstanding balance of the secured obligations was in the amount of R\$12 (R\$37 as of December 31, 2020).

The remuneration shall be reviewed annually and adjusted, as necessary, to reflect the rates usually practiced by the market for this type of operation. Payment of the remuneration shall be due as long as the Guaranteed Bonds are not fully discharged and/or as long as the Guarantor Party remains the guarantor of the respective Guaranteed Bonds.

14. Debentures

	Consolidated				31/12/2021
	31/12/2020	Capture	Interest	Amortization	
Single series (a)	231.490	-	12.865	(18.189)	226.167
1st Series (b)	46.938	-	1.936	(16.374)	32.499
2nd Series (b)	20.585	-	365	(18.450)	2.500
1st Series (c)	144.220	-	10.882	(21.769)	133.333
2nd Series (c)	27.944	-	1.975	(12.141)	17.778
Total	471.177	-	28.023	(86.923)	412.277
Circulating	29.146	-	-	-	91.092
Non-current	442.031	-	-	-	321.185
Total	471.177	-	-	-	412.277

Explanatory Notes

	Consolidated				31/12/2020
	31/12/2019	Capture	Interest	Amortization	
Single series (a)	231.490	-	-	-	231.490
1st Series (b)	57.405	-	2.825	(13.292)	46.938
2nd Series (b)	30.845	-	987	(11.247)	20.585
1st Series (c)	147.496	-	8.108	(11.384)	144.220
2nd Series (c)	36.873	-	1.505	(10.434)	27.944
Total	504.109	-	13.425	(46.357)	471.177
Circulating	30.503	-	-	-	29.146
Non-current	473.606	-	-	-	442.031
Total	504.109	-	-	-	471.177

- (a) On November 12, 2019, Mateus Supermercados issued a single series of simple, book-entry registered debentures, not convertible into shares and not exchangeable into shares of other companies or for other securities of any nature, in the total amount of R\$230,000 and R\$1,000 per debenture, maturing on November 12, 2026 and remunerated by the variation of the 100% DI rate, plus 2.00% p.a. The debentures are exempt from registration of distribution with the Brazilian Securities and Exchange Commission (CVM), as provided for in Article 19, "caput", of Law No. 6,385, of December 7, 1976, and subsequent amendments, pursuant to Article 6 of CVM Instruction No. 476/2009, as they are public offerings with restricted distribution efforts;
- (b) On January 10, 2017, Armazém Mateus issued in two series, simple, registered, book-entry debentures, not convertible into shares, namely, 1st Series in the amount of R\$60,000, and 2nd Series in the amount of R\$40,000 and R\$1 per debenture, maturing on January 10, 2025 and January 10, 2022, respectively. The debentures of the 1st Series will be remunerated by the variation of the rate of 100% DI, plus 3.30% p.a. The debentures of the 2nd Series will be remunerated by the variation of the rate of 100% DI, plus 3.10% p.a. Both are exempt from registration of distribution with the Brazilian Securities and Exchange Commission (CVM), as provided for in Article 19, "caput", of the Law No. 6,385, of December 7, 1976, and subsequent amendments, pursuant to Article 6 of CVM Instruction No. 476/2009, as it is a public offering with restricted distribution efforts; and
- (c) On November 14, 2018, Armazém Mateus issued in two series, simple, book-entry registered debentures, not convertible into shares, namely, 1st Series in the amount of R\$160,000, and 2nd Series in the amount of R\$40,000 and R\$1 per debenture, maturing in November 14, 2026 and November 14, 2023 respectively. The debentures of the 1st Series will be remunerated by the variation of the rate of 100% DI, plus 2.35% p.a. The debentures of the 2nd Series will be remunerated by the variation of the rate of 100% DI, plus 2.18% p.a. Both are exempt from registration of distribution with the Brazilian Securities and Exchange Commission (CVM), as provided for in Article 19, "caput", of Law No. 6,385, of December 7, 1976, and subsequent amendments, pursuant to Article 6 of CVM Instruction No. 476/2009, as it is a public offering with restricted distribution efforts.

The following are the general characteristics of the debentures of the subsidiaries:

Series	Qty. in circulation	Remuneration	Interest payment
Single series	230.000	100% DI + 2.00%	Quarterly until November 2021 and monthly until maturity
1st Series	60.000	100% DI + 3.30%	Quarterly until January 2019 and quarterly until maturity
2nd Series	40.000	100% DI + 3.10%	Quarterly until January 2018 and quarterly until maturity
1st Series	160.000	100% DI + 2.35%	Quarterly until August 2020 and monthly until maturity
2nd Series	40.000	100% DI + 2.18%	Quarterly until May 2019 and monthly until maturity

Explanatory Notes

First and second issue guarantees

Fiduciary assignment agreement, entered into between Armazém Mateus, the fiduciary agent and the Banco Bradesco S.A., as a mandated bank, in compliance with the provisions of article 66-B of Law No. 4,728/65, as amended by article 55 of Law No. 10,931/04. -

Restrictive clauses

According to the financing agreement, the subsidiaries Armazém Mateus and Mateus Supermercados are obliged to comply with the following restrictive clauses ("covenants") under penalty of having decreed the early maturity of the debt:

- a) Annual calculation, within the debt amortization year, of the net debt by "*Earnings Before Interest, Taxes, Depreciation and Amortization* - EBITDA", which must comply with the limit of 2 to 2.5% times; and
- b) Other contractual conditions such as application of the resource in the distribution center and its supply with stocks, among others.

On December 31, 2021 and 2020, the subsidiaries complied with the aforementioned covenants, when Applicable.

Maturity of long-term installments

On 31 December 2021 and 31 December 2020, the long-term instalments had the following maturities:

	Consolidated	
	31/12/2021	31/12/2020
2022	-	126.771
2023	90.815	90.815
2024	82.667	82.667
2025	75.167	75.167
From 2026	72.536	66.611
Total	321.185	442.031

15. Labor Obligations

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Salaries payable	301	396	66.618	52.434
Holiday allowance	67	67	119.200	94.200
Provision 13th Salary	-	-	-	-
Terminations-payable	-	-	440	385
Union dues	-	-	90	79
National Institute of Social Security (INSS)			25.182	
collect	93	-		21.003
Withholding Income Tax (IRRF)	102	-	5.041	3.948
Guarantee Fund for Length of Service (FGTS)	18	-	8.109	6.753
Total	581	463	224.680	178.802

Explanatory Notes

16. Tax liabilities

	Controller		Consolidated	
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
Tax on the Circulation of Goods and Services (ICMS)	-	-	80.034	68.492
PIS and Cofins withheld at source	8	181	556	847
PIS and Cofins to be collected	204	-	449	14.740
Corporate Income Tax (IRPJ)	-	58	8.419	3.808
Social Contribution on Net Income (CSLL)	3.289	-	6.354	1.376
Service Tax (ISS)	-	-	346	709
Other	4	-	2.458	6.420
Total	3.505	239	98.616	96.392

Explanatory Notes

17. Lease liabilities

The amortization of the lease liability is based on the total duration of the lease agreement signed between the Company and the lessor, for an average period of 15 years.

The movement of the rent payable was as follows:

	% Weighted average rate of amort. p.a.	<u>Balance as of 12/31/2020</u> <u>Consolidated</u>	Additions	Low	Closed	Monetary correction	<u>Balance at 12/31/2021</u> <u>Consolidated</u>
Cost							
Lease liabilities	-	1.099.406	915.790	(130.732)	(286.773)	71.145	1.668.836
(-) Interest to be appropriated	9,00	(508.934)	(356.538)	57.476	93.057	(2.224)	(717.163)
Total		590.472	559.252	(73.256)	(193.716)	68.921	951.673
Circulating		67.184	-	-	-	-	61.137
Non-current		523.288	-	-	-	-	890.536
Total		590.472	-	-	-	-	951.673

	% Weighted average rate of amort. p.a.	<u>Balance at 12/31/2019</u> <u>Consolidated</u>	Additions	Low	Closed	Monetary correction	<u>Balance on 12/30/2020</u> <u>Consolidated</u>
Cost							
Lease liabilities	-	658.240	561.672	(112.461)	(8.045)	-	1.099.406
(-) Interest to be appropriated	8,85	(267.990)	(273.748)	32.804	-	-	(508.934)
Total		390.250	287.924	(79.657)	(8.045)	-	590.472
Circulating		64.392	-	-	-	-	67.184
Non-current		325.858	-	-	-	-	523.288
Total		390.250	-	-	-	-	590.472

On December 31, 2021, the Company presented a balance of lease liabilities totaling R\$ 951,673 (R\$ 590,472 on December 31, 2020), which was the balance with Tocantins Participações in the amount of R\$ 116,831 (R\$ 23,151 on December 31, 2020).

Explanatory Notes

The amounts classified as non-current liabilities are as follows, by maturity year:

Maturity year	Consolidated	
	31/12/2021	31/12/2020
2022	-	95.907
2023	150.195	84.188
2024	367.144	114.794
2025	517.339	328.425
2026 onwards	450.586	140.918
Built-in interest	(594.728)	(240.944)
Total	890.536	523.288

The indicative of the potential right of PIS and Cofins to recover, not measured in the cash flows of the leases, are shown below:

Cash Flow	Nominal	Adjusted value present
	Consolidated	Consolidated
Lease consideration	1.668.118	951.673
Potential PIS/Cofins (9.25%)	154.301	88.030

The inflationary effects in the comparison period with the real flow, using the IGPM rate estimated by FGV for the year 2021 of 31.10%, represent the following amounts:

Right-of-use assets Actual Flow	Consolidated 31/12/2021
Right of use	1.125.705
Depreciation	(218.201)
Total	907.504

Lease liabilities Actual Flow	Consolidated 31/12/2021
Lease liabilities	1.668.836
Financial expense	(717.163)
Total	951.673

Right-of-Use Assets Inflated Flow	Consolidated 31/12/2021
Right of use	1.475.799
Depreciation	(286.061)
Total	1.189.738

Explanatory Notes

Lease Liabilities Inflated Flow	Consolidated 31/12/2021
Lease liabilities	2,187.844
Financial expense	(940.201)
Total	1.247.643

Assets for which the requirements of items 22 to 49 of CPC 06 (R2) – Lease were not applied, whether short-term leases or low-value leases, had an impact on the result as follows:

	Consolidated	
	01/01/2021 a 31/12/2021	01/01/2020 a 31/12/2020
Rental Property	(99.164)	(77.487)
Total	(99.164)	(77.487)

18. Installment taxes

	Consolidated	
	31/12/2021	31/12/2020
ICMS Installment (a)	22.066	2.693
Installment Refills	-	1.591
Installment payment of federal taxes (b)	40.470	25.030
IRPJ Installment Plan	-	431
Total	62.536	29.745
Circulating	30.002	6.392
Non-current	32.534	23.353
Total	60.536	29.745

	31/12/2021			31/12/2020		
	Value of the principal	Multas e interest	Total	Value of the principal	Multas e interest	Total
Circulating						
ICMS Installment (a)	15.961	5.252	21.213	917	206	1.123
Installment Refills	-	-	-	418	82	500
Installment payment of federal taxes (b)	8.360	429	8.789	2.953	1.501	4.454
IRPJ Installment Plan	-	-	-	244	71	315
Total Circulating	24.321	5.681	30.002	4.532	1.860	6.392
Non-current						
ICMS Installment (a)	642	211	853	929	641	1.570
Installment Refills	-	-	-	862	229	1.091
Installment payment of federal taxes (b)	30.370	1.311	31.681	13.429	7.147	20.576
IRPJ Installment Plan	-	-	-	86	30	116
Total non-current	31.012	1.522	32.534	15.306	8.047	23.353

Explanatory Notes

- (a) In 2019, ICMS installments were made in 36, 48 and 60 installments, which are due in 2022, 2023 and 2024 respectively. In 2018, ICMS installments were made, whose final maturity is in August 2022, with 48 installments. In December 2021, ICMS installments were made in 10 installments, which are due in September 2022.
- (b) In 2017, federal taxes were paid in installments, with 120 installments due in April 2027. In 2020, as a result of Covid 19, Federal installments of PIS, Cofins and INSS were made, both with 60 installments in which their maturities are scheduled for the end of September 2025. ICMS installment with 24, 45, 60 installments due by the end of February 2025.

There are no guarantees or listing of assets related to the installment payments of taxes of the Company and its subsidiaries.

The maturities of the long-term securities have the following composition:

	Consolidated	
	<u>31/12/2021</u>	<u>31/12/2020</u>
2022	-	8.988
2023	9.412	2.188
2024	9.000	1.806
2025	8.571	2.197
From 2026	5.551	8.174
Total	32.534	23.353

Explanatory Notes

19. Related Parties

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Non-current assets				
Tocantins Participações e Empreendimentos Limited liability company. (a)	-	-	562	136
Mateus Eletrônica Ltda. (b)	-	-	4	3
Conveniêre Supermarkets Ltda. (c)	-	-	342	12.075
Invicta Produtos Farmacêuticos Ltda. (d)	-	-	2.145	2.260
Braslub Distribuidora Ltda. (e)	-	-	4.219	7.692
Mateus Supermarkets S.A. (f)	2.000,	-	-	-
MJR Holdings (g)	-	-	6	-
Rodrigues and Noletto (h)	-	-	39	-
Incoworking Innovation Center Ltd. (j)	-	-	4	-
Total	2.000	-	7.321	22.166
Non-current liabilities				
Mateus Locações e Empreendimentos Ltda.	-	-	-	1.578
Industrias Blanco Ltda (i)	-	-	10.392	11.999
Invicta Produtos Farmacêuticos Ltda.	-	-	2.104	4.700
Tocantins Participações e Empreendimentos Limited liability company.	350	350	7.621	16.388
Matthew Electronics	-	-	2	-
Rodrigues and Noletto	-	-	155	-
Braslub Distribuidora Ltda.	-	-	5	-
Total	350	350	20.279	34.665
Lease liabilities				
Tocantins Participações e Empreendimentos Ltda.	-	-	170.342	23.151
Lease finance expenses				
Tocantins Holdings and Ventures Ltd.	-	-	53.511	8.735

(a) Tocantins Participações e Empreendimentos Ltda.

The balance refers to securities receivable by Armazém Mateus S.A. without interest.

The maturity of this balance is contractually scheduled for the year 2022. The balance of R\$ 7,621 in liabilities refers to the rent of properties leased by Tocantins Part. and Empreendimentos Ltda. to Mateus Supermercados S.A. to carry out its operational activities through a lease agreement. The maturity of that balance is expected to be

2022. There is no interest charged. The amount recorded as a lease liability is also a balance to be paid to Tocantins.

(b) Mateus Eletrônica Ltda.

Contract for the provision of maintenance services of electronic products and maintenance of scales, signed between Armazém Mateus and Mateus Eletrônica Ltda. The services are paid monthly, according to use in each month and detailed in an invoice issued.

(c) Conveniêre Supermarkets Ltda.

The balance refers to securities receivable from the Warehouse for interest-free sales made to Conveniêre Supermarkets. The maturity of this balance is contractually scheduled for the year 2022.

Explanatory Notes

(d) Invicta Produtos Farmacêuticos Ltda.

Purchase and sale of products between Armazém Mateus S.A., as buyer, and Invicta Produtos Farmacêuticos Ltda., a company specialized in pharmaceutical products, as seller. The described value of R\$ 2,146 is related to several purchase orders throughout the year. The operations are not formalized individually via contract, but, according to the demand for product requests, the Warehouse makes the purchase request with Invicta and this, in turn, invoices to the Warehouse based on market prices. The balance consists of R\$ 2,105 with Armazém Mateus S.A. in liabilities, where it is supplied especially in diaper products. That balance is expected to mature in 2022.

(e) Braslub Distribuidora Ltda.

The balance refers to securities receivable from Armazém Mateus for interest-free sales of lubricants to Braslub Distribuidora. The balance is expected to mature in 2022.

(f) Mateus Supermarkets S.A.

The balance refers to securities payable to the Mateus Group for Software licenses. The balance is expected to mature in 2022.

(g) MJR Participações

The corresponding balance refers to the consumables used in the construction of the company.

(h) Rodrigues and Noletto

The balance refers to the rental of the properties leased by Rodrigues and Noletto from Mateus Supermercados S.A. to carry out its operational activities through a lease agreement. There is no interest charged.

(i) Blanco Industry Ltd.

It corresponds to commercial transactions carried out between Armazém Mateus S.A., Mateus Supermercados S.A. as buyers, and Industria Blanco Ltda., a company specialized in the packaging of sugar, as seller. The operations are not formalized individually via contract, but according to the demand for requesting products, the Warehouse and Supermarkets make the purchase request with Industrias Blanco and this, in turn, invoices to the Warehouse and Supermarkets based on market prices. The balance is expected to mature in 2022.

(j) Incoworking Innovation Center

The balance refers to securities receivable from Armazém Mateus for the lease of coworking space.

Compensation of key personnel of the Company's Management and its subsidiaries

The Board of Directors was established on August 14, 2020, responsible for establishing general business policies, long-term strategy, and monitoring the executive board, among other responsibilities. It currently consists of five members elected for two-year terms at the General Shareholders' Meeting and re-election is permitted.

The remuneration of the key personnel of the Administration was as shown in the following table:

	31/12/2021	31/12/2020
Short-term compensation to directors and officers	7.958	1.441
Total	7.958	1.441

Explanatory Notes

20. Provision for risks

The Company and its subsidiaries are parties to lawsuits and administrative proceedings before courts and government agencies, arising from the normal course of operations, involving labor, civil and tax matters. On December 31, 2021 and 2020, the Administration, based on information from its legal advisors, analysis of pending lawsuits and, as for tax lawsuits, based on previous experience regarding the amounts claimed, made a provision for cases with an expectation of loss considered probable.

- a) The provision for risks, classified as probable loss, is presented below:

	Consolidated	
	31/12/2021	31/12/2020
Labor, civil and tax law	15.187	17.208
Total	15.187	17.208

The following is the movement of provisions:

	Labor	Tax	Civil	Total
Balances as of December 31, 2019	11.404	2.443	1.241	15.088
Movement	1.308	(2.141)	2.953	2.120
Balances as of December 31, 2020	12.712	302	4.194	17.208
Movement	(3.091)	(19)	1.089	(2.021)
Balances as of December 31, 2021	9.621	283	5.283	15.187

The Company and its subsidiaries are also parties to some labor, civil and tax lawsuits that arise in the normal course of their operations, of which their legal advisors estimate the chances of loss as possible and remote. As of December 31, 2021, the value of the causes of the lawsuits with the possibility of possible loss, therefore not subject to provisioning, amounts to R\$ 64,288 (R\$ 10,269 on December 31, 2020).

The companies of the Mateus Group have a certain number of administrative and tax proceedings arising from complaints and notices of infraction arising from tax audits.

The main causes of lawsuits in which the Mateus Group Companies are one of the parties are described below:

- **Labor**

The companies of the Mateus Group are mostly parties to lawsuits related to labor matters arising from administrative proceedings initiated by former employees, public agencies, outsourced workers, etc. Most of the lawsuits originate from complaints about working hours, work accidents and demands related to proof of compliance with labor legislation.

- **Civil**

The Mateus Group is part of lawsuits originated through misunderstandings that occurred inside the stores, causing customers damages, whether material or moral.

- **Tax**

The Mateus Group is a constant party to tax audits and through these, it is notified through notices of infraction caused by discrepancies in information issued to the responsible public bodies.

Explanatory Notes

Judicial deposits – non-current assets

The Company and its subsidiaries maintain judicial deposits linked to tax, labor and civil provisions, which are shown as follows:

	Consolidated	
	31/12/2021	31/12/2020
Labor and civil law	16.340	14.757
Total	16.340	14.757

21. Equity

a) Capital social

The Company's capital stock on December 31, 2021 and 2020, of which it was paid in on November 12, 2020, is R\$ 4,963,115 and is represented by 2,209,346,079 registered shares, in a variable amount of up to R\$ 8.97 each, as shown in the table below, minus the transaction costs of the Public Offering of Shares (IPO) of R\$ 182,186. presenting the Company's Shareholders' Equity of R\$4,780,929.

	31/12/2021		31/12/2020	
	Value	%	Value	%
Ilson Mateus Rodrigues	2.069.123	41,69	2.069.123	41,69
Maria Barros Pinheiro	754.889	15,21	1.509.283	30,41
Ilson Mateus Rodrigues Junior	548.424	11,05	171.227	3,45
Denilson Pinheiro Rodrigues	548.424	11,05	171.227	3,45
Other (minority shareholders)	1.042.255	21,00	1.042.255	21,00
Subtotal	4.963.115	100	4.963.115	100
IPO Costs	(182.186)		(182.186)	
Total	4.780.929		4.780.929	

Quantity, amount and net resources

The table below indicates the number of Shares issued/sold, the Price per Share, the total amount of commissions paid by the Company and the Selling Shareholders to the Offering Coordinators, as well as the net proceeds from the Offering in 2020.

Bidder	Quantity	Amount (1)	Commission & Expenses	Liquid Resources (2)
Company	345.931.999	3.099.286.440	182.186.213	2.917.100.227
Selling shareholders	118.020.164	1.062.364.462	61.725.880	1.000.638.581
Total	463.952.163	4.161.650.902	243.912.093	3.917.738.808

(1) Based on the Price per Share of R\$ 8.97; and

(2) Net proceeds from commissions and expenses from the Offer. Estimated values and therefore subject to change.

Capital Transaction Costs

On October 8, 2020, the Company registered a Public Offering of Shares (IPO) and its expenses were recorded as expenses for the year in the amount of R\$ 42,602.

Explanatory Notes

b) Calculation of dividends and allocation of profit

	31/12/2021	31/12/2020
Net income for the year	758,931	725,808
(-) Constitution of the legal reserve (5%)	(37,947)	(36,290)
(-) Constitution of the tax incentive reserve	(720,984)	(689,518)
Net income for the year after constitution of reserves	-	-
Mandatory minimum dividend (25%)	-	-

• Year ended December 31, 2021

With regard to the results for the year ended December 31, 2021, the Company's Management will propose at the Annual General Meeting ("AGM") that, of the results calculated in the year, **(i) 5%** (five percent) be applied in the constitution of a legal reserve, which will not exceed the limit of 20% of the capital stock, as determined by article 193 of Law No. 6,404/76 and **(ii)** that the balance of the result of the fiscal year be applied to compose the reserve of tax incentives, intended for improvements and expansion of the economic activities of the Mateus Group, in accordance with article 195-A of Law No. 6,404/76.

As a result of the foregoing and if such proposals are approved by the Company's shareholders at the AGM, there will be no distribution of mandatory dividends for the year ended December 31, 2021, the balance resulting from such allocations being allocated to improvements and expansion of the economic activities of the Mateus Group.

- i)** 25% for the payment of dividends to shareholders, adjusted under the terms of Law No. 6,404/76; and
- ii)** The remaining balance shall be allocated as established by the General Meeting.

c) Advance payment for future capital increase and capital payment

At the end of the fiscal year, the Company presented an advance balance for a future capital increase in the amount of R\$ 44,217, through the assignment of rights to the shares held by shareholder Ilson Mateus in the company Industria de Paes e Massa Mateus, which will be paid into the capital stock in the next fiscal year.

Explanatory Notes

22. Income tax and social contribution

a) Composition of deferred income tax and social contribution

On December 31, 2021 and 2020, the Company did not file a record of deferred tax net assets, calculated on temporarily non-deductible differences, at the combined rate of 34%. The Company has chosen to write off the deferred tax asset to which it is entitled because there are no prospects for taxable profits.

	31/12/2021	31/12/2020
Allowance for doubtful accounts	48.685	40.348
Provision for non-realization of inventories	1.856	1.858
Provision for civil, labor and tax risks	15.187	17.208
Total	65.728	59.414
Income tax and social contribution on temporary tax difference (34%)	22.348	20.201
(-) Provision for realization	(22.348)	(20.201)
Total deferred IR and CSSL accounted for	-	-

The Company's subsidiaries, Armazém Mateus and Mateus Supermercados, have enjoyed tax incentives in their operations, whose incentives have been excluded from the taxation of income tax and social contribution in the respective fiscal years from the recognition of these incentives. In line with Complementary Law No. 160, of August 7, 2017, all tax incentives and benefits are now considered as investment subsidies, and their taxation is deferred until the distribution of these amounts to the Company's shareholders. For more details see Explanatory Note 26.

In the subsidiaries Armazém Mateus and Supermercados Mateus, in the fiscal year 2013 to December 31, 2021, profits in the amount of R\$ 3,784,423 were generated by these incentives, if these amounts were distributed and, therefore, taxation would be due, the income tax and social contribution would be approximately R\$ 1,286,704. The Company has no expectation of distribution of these amounts and, therefore, no recognition of deferred income tax liability was made in the financial statements.

On December 31, 2021, the parent company Grupo Mateus has a tax profit, a positive basis for direct taxes in the amount of R\$ 38,378, on which it recorded income tax and social contribution. At the subsidiary Armazém Mateus, on December 31, 2021, it has a tax profit, a positive basis for social contribution in the amount of R\$ 26,820, on which it recorded income tax and social contribution.

As of December 31, 2021, the group's subsidiaries have a tax loss, a negative basis for social contribution in the amount of R\$ 26,236, on which they did not file income tax and social contribution records.

Explanatory Notes

b) Reconciliation of income tax and social contribution expense

The amounts of income tax and social contribution shown in the income statement show the following reconciliation in their values at the nominal rate:

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Profit before income tax and social contribution	771.331	725.808	787.550	724.539
Income tax and social contribution at the rate of 34%	(262.253)	(246.775)	(267.767)	(246.344)
Temporary and permanent differences:				
Permanent additions	(34.414)	(273)	(64.091)	(59.034)
Temporary additions	-	-	(2.779)	-
Tax subsidy	-	-	274.235	253.818
Permanent Exclusions	284.267	247.048	55.610	47.130
Deferred IR and CS not constituted on differences	-	-	-	2.673
Unincurred tax losses	-	-	(17.466)	(186)
(-) Write-off/addition of deferred IR and CSLL	-	-	3.499	3.673
Total income tax and CSLL on profit	(12.400)	-	(18.759)	1.730
Current income tax and social contribution	(12.400)	-	(18.759)	(1.943)
Deferred income tax and social contribution	-	-	-	3.673
Total income tax and social contribution revenue	(12.400)	-	(18.759)	1.730

23. Net Sales Revenue

	Consolidated	
	31/12/2021	31/12/2020
Goods for sale	17.939.878	14.352.810
Services Provided	59.162	40.208
(-) Deductions from income:		
ICMS	(1.368.774)	(1.051.263)
Cofins	(528.527)	(700.683)
PIS	(114.571)	(151.510)
ISS	(2.734)	(1.702)
Returns	(107.577)	(90.822)
Total	15.876.857	12.397.038

Taxes levied on sales consist mainly of ICMS (rate of 0% to 30%), contributions related to PIS (rate of 0% or 1.65%) and Cofins (rate of 0% or 7.6%).

24. Expenses by nature

Cost of Goods Sold

The cost of goods sold comprises the cost of acquisitions net of discounts and Commercial Agreements received from suppliers, changes in inventories and logistics costs. The Commercial Agreement received from suppliers is measured based on the contracts and agreements signed between the parties. The cost of sales includes the cost of logistics operations managed or outsourced by the Company and its subsidiaries, including the costs of storage, handling and freight incurred until the merchandise is made available for sale. Shipping costs are included in the acquisition costs.

Explanatory Notes

Sales expenses comprise all store expenses, such as salaries, marketing, occupancy, maintenance, credit card company expenses, etc. Marketing expenses refer to the advertising campaigns for each segment in which the Mateus Group operates.

The main means of communication used by the Mateus Group are: radio, television, newspapers and magazines, and their Commercial Agreement values are recognized in the results of the fiscal year at the time of its realization.

General and administrative expenses

General and administrative expenses correspond to the indirect expenses and cost of corporate units, including purchasing and supplies, information technology, and financial activities.

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Cost of resale	-	-	(12.174.415)	(9.407.628)
Selling Expenses				
Personnel expenses	-	-	(1.120.276)	(913.258)
Commissions	-	-	(42.454)	(30.833)
Advertising and publicity	-	-	(30.673)	(17.525)
Rents	-	-	(108.024)	(81.379)
Freight & Fuel	-	-	(236.080)	(170.125)
Depreciation	-	-	(179.463)	(107.063)
Lease Depreciation	-	-	(74.991)	(65.681)
Water, electricity and telephone	-	-	(170.330)	(105.775)
Services Provided	-	-	(113.030)	(80.254)
Overheads	-	-	(350.381)	(306.657)
Administrative expenses				
Personnel expenses	(8.081)	(1.620)	(218.626)	(108.841)
Commissions	-	-	(2.744)	(2.157)
Rents	(239)	-	(5.789)	(5.091)
Freight & Fuel	-	(1)	(1.442)	(2.060)
Depreciation and amortization	-	-	(1.488)	(1.829)
Lease Depreciation	-	-	(4.503)	(5.391)
Water, electricity and telephone	-	-	(1.775)	(1.298)
Services Provided	(1.890)	(8.503)	(25.614)	(76.573)
Overheads	(1.126)	(893)	(39.325)	(34.833)
Total	(11.336)	(11.017)	(14.901.423)	(11.524.251)
Cost of services provided and goods sold	-	-	(12.174.415)	(9.407.628)
Administrative expenses,				
General & Sales	(11.336)	(11.017)	(2.727.008)	(2.116.623)
Total	(11.336)	(11.017)	(14.901.423)	(11.524.251)

Explanatory Notes

Financial result

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Financial income				
Interest on bonds	-	-	-	-
Received	-	-	18.554	23.388
Interest on investments	50.525	-	-	-
Financial	-	8.786	52.206	14.435
Financial discounts	288	-	-	-
Obtained	-	113	6.134	3.574
Other financial income	-	-	64.369	42.080
Total Revenues				
Financial	50.813	8.899	141.263	83.477
Financial expenses				
Transaction Tax	-	-	-	-
Financial Institutions (IOF)	(73)	-	(73)	(2)
Interest on loans and	-	-	-	-
Financing	-	-	(38.526)	(61.519)
Passive interest	(10)	(128)	(21.718)	(10.474)
Interest with installments	-	-	(3.066)	(740)
Financial expenses of	-	-	-	-
lease	-	-	(61.707)	(32.803)
Bank charges	(8)	-	(17.562)	(22.721)
Financial loss	-	-	(942)	(663)
Passive monetary variation	-	-	-	(6.815)
Card Percentage	-	-	-	-
credit	-	-	(115.148)	(87.120)
Discounts granted	-	-	(6.686)	(5.765)
Other expenses	-	-	-	-
Financial	(600)	-	(600)	-
Penalty on installments	-	-	(3.852)	-
Total Expenses		(128)		
Financial	(691)		(269.880)	(228.623)
Total Result				
financial	50.122	8.771	(128.617)	(145.146)

Explanatory Notes

26. Government Grants

The subsidiary Armazém Mateus S.A. is a beneficiary of the Special Regime Agreement Term – ICMS according to Decree No. 19,714/2014 of Sefaz - MA.

The benefit consists of the use of presumed credit from the reduction of the ICMS calculation basis, which results in 2% of the full amount of the tax due to the State of Maranhão in sales transactions in domestic and interstate transactions.

In the year ended December 31, 2021, the subsidiary was entitled to R\$747,133 in state subsidies (R\$746,529 in 2020).

A government subsidy must be recognised as revenue over the course of the year and compared with the expenditure it intends to offset, on a systematic basis, provided that the conditions of CPC 07 are met. The government subsidy cannot be credited directly to equity.

The accounting treatment of government subsidy as revenue derives from the following main arguments:

- a) Since the government subsidy is received from a source other than the shareholders and derives from an act of management for the benefit of the entity, it should not be credited directly to shareholders' equity, but rather recognized as income in the appropriate years;
- b) Government subsidy is rarely free. The entity effectively earns that revenue when it complies with grant rules and fulfils certain obligations. The grant, therefore, should be recognised as income in the income statement in the financial years over which the entity recognises the costs related to the grant that are offset; and
- c) Just as taxes are expenses recognized on the income statement, it is logical to record the government subsidy that is, in essence, an extension of fiscal policy, as revenue on the income statement.

27. Financial instruments

a) Policies and categories of financial instruments

The Company understands that the financial instruments, which are recognized in the financial statements at their carrying value, are substantially similar to those that would be obtained if they were traded on the market, and Management understands that the amounts recorded are close to their fair value. The selection of the assets and liabilities presented in this Explanatory Note was due to their relevance.

In the Management's assessment, the market curves (currencies and interest rates) of B3 were considered to be the most likely scenario to be realized on the maturity dates of each of the operations. Thus, in the likely scenario **(i)** there is no impact on the fair value of financial instruments. For scenarios **(ii)** and **(iii)**, **for the exclusive purpose of sensitivity analysis, a deterioration of 25% and 50%, respectively, in the risk variables, up to one year, of the financial instruments was considered, as determined in the rules issued by the CVM.**

The Company has disclosed the net exposure of derivative financial instruments, the corresponding financial instruments and certain financial instruments in the sensitivity analysis table below, for each of the aforementioned scenarios.

Explanatory Notes

	Controller		Consolidated	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Financial Assets - Amortized Cost				
Cash & Cash Equivalent	434.954	1.879.545	877.156	2.112.385
Accounts Receivable	-	-	1.816.264	1.305.458
Related Parties	2.000	-	7.321	22.166
Securities	-	-	3.071	14.965
Total	436.954	1.879.545	2.703.812	3.454.974
Financial liabilities measured at amortized cost				
Suppliers	-	185	1.056.585	944.604
Loans and financing	-	-	630.092	121.318
Debentures	-	-	412.277	471.177
Related Parties	350	350	20.279	34.665
Total	350	535	2.119.233	1.571.764

b) Financial Risk Factors

The Company's activities expose it to financial and regulatory risks. The Company's global risk management program takes into account the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's financial sector, in accordance with the policies approved by the Board of Directors. The Company's financial department identifies, evaluates and protects the Company against any financial risks. The Board establishes principles for global risk management as well as for specific areas.

i) Market risk

This risk arises from the possibility that the Company may incur losses due to fluctuations in interest rates that increase financial expenses related to loans and financing raised in the market.

ii) Credit risk

The risk arises from the possibility that the Company may incur losses resulting from the choice of assets to compose the investment portfolio, the financial capacity of the counterparties to the derivative contracts and the difficulty of receiving in the settlement of sales and the non-fulfillment of obligations for the delivery of goods or services paid through advances to suppliers.

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, as well as credit exposures, including open receivables.

iii) Risk of early maturity of debentures

Risk arising from non-compliance with restrictive contractual clauses present in the Company's debenture agreements, which are mentioned in Explanatory Note No. 14.

(IV) **liquidity risk** consists of the eventuality that the Company does not have sufficient resources to meet its commitments due to the deadlines for realization/settlement of its rights and obligations. To manage cash liquidity, assumptions for future disbursements and receipts are established, which are monitored daily by the Treasury area. The table below analyzes the Company's financial liabilities, by maturity ranges, corresponding to the period remaining on the balance sheet until the contractual maturity date. The amounts disclosed in the table are the contracted undiscounted cash flows.

	Less than a year	Between one and two Years	Between three and five Years	Above five years
On December 31, 2021				
Suppliers	1.056.585	-	-	-
Loans and financing	81.740	103.809	438.534	6.009
Debentures	91.092	90.815	230.370	-
Related Parties	-	20.279	-	-
On December 31, 2020				
Suppliers	944.604	-	-	-
Loans and financing	32.022	58.900	27.287	3.109
Debentures	29.146	217.586	157.834	66.611
Related Parties	-	34.665	-	-

(v) Derivative financial instruments

Some swap operations are classified as fair value hedges, the purpose of which is to protect against fixed interest rates by converting the debt into interest rates linked to the interbank certificate of deposit.

On December 31, 2021, the reference value of the contracts was R\$ 162,509 (it did not have it on December 31, 2020). These operations are usually contracted under the same terms of amounts, terms and rates and carried out with a financial institution of the same economic group, subject to the limits set by the Management.

	Consolidated			
	Reference Value		Fair Value	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Financial Instruments – Fair Value				
Hedging				
Hedging Object (Debt)	162.509	-	162.509	-
Active				
Fixed rate – 10.8% p.a.	162.509	-	162.509	-
Passive				
95% permanent contract	162.509	-	162.509	-

Fair value is the amount for which an asset could be exchanged or a liability settled between parties knowingly and voluntarily in a transaction under market conditions.

The fair values are calculated by projecting the future cash flow of the operations, using the CDI curves and discounting them to the present value, using the CDI market rates for swaps, which are disclosed by B3.

c) Capital Management

The Company's objectives in managing its capital are to safeguard the Company's ability to continue to deliver returns to shareholders and benefits to other stakeholders, as well as to maintain an optimal capital structure to reduce this cost.

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

i) Debt ratio

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

The debt ratio at the end of the year ended 31 December 2021 and 2020 is as follows:

	31/12/2021	31/12/2020
Debt	1.042.369	592.495
Cash and cash equivalents	(877.255)	(2.112.385)
Securities	(3.071)	(14.965)
Net debt	162.043	(1.534.855)
Equity	6.476.581	5.707.540
Net debt ratio	0,03	(0,27)

d) Interest rate risk

i) Analysis sensitivity to interest rate exposure

Interest rate risk is the risk that the fair value of a financial instrument's future cash flows fluctuates due to changes in market interest rates. The Company has exposure to interest rates on its cash equivalents and on securities linked to the CDI and loans and financing linked to the TJLP. Sensitivity analyses were carried out in relation to possible variations in this interest rate.

On the closing date of the previous fiscal year, Management estimated scenarios of variation in the CDI and TJLP. For the current scenario, the rates in force on the closing date of the year ended were used and for probable, rates were used according to market expectations.

Simulation with expectation of the projected CDI and TJLP, as below:

	Current scen ario	Scenario I (- 50%)	Scenario II (-25%)	Likely scenario	Scenario III (+25%)	Scenario IV (+50%)
Balance of financial investments (cash equivalents)	877.156	882.769	885.576	888.383	891.190	893.997
Average rate (% of CDI)		100%	100%	100%	100%	100%
Projected CDI		0,64%	0,96%	1,28%	1,60%	1,92%
Balance of financial investments	3.071	3.090	3.100	3.110	3.120	3.130
Average rate (% of CDI)		100%	100%	100%	100%	100%
Projected CDI		0,64%	0,96%	1,28%	1,60%	1,92%
Balance of financing for investment in machinery and equipment - Finame (BNDES)	34.299	37.589	38.007	38.425	38.844	39.262
Interest on financing (TJLP + 7,15%)	-	9,59%	10,81%	12,03%	13,25%	14,47%
TJLP designed	-	2,44%	3,66%	4,88%	6,10%	7,32%
Balance of working capital loans	512.509	560.736	566.989	573.242	579.494	585.747
Interest on financing (TJLP + 6,97%)	-	3,34%	4,56%	5,78%	7,00%	8,22%
TJLP designed	-	2,44%	3,66%	4,88%	6,10%	7,32%
Leasing balance	83.284	86.065	87.081	88.097	89.114	90.130
Interest on <i>leasing</i> (TJLP + 0,9%)	-	3,34%	4,56%	5,78%	7,00%	8,22%
TJLP designed	-	2,44%	3,66%	4,88%	6,10%	7,32%
Balance of debentures	412.277	433.015	438.045	443.074	448.104	453.134
Interest on debentures (TJLP + 2,59%)	-	5,03%	6,25%	7,47%	8,69%	9,91%
TJLP designed	-	2,44%	3,66%	4,88%	6,10%	7,32%

ii) Hierarchy of fair value of financial instruments

Fair value hierarchy levels 1 through 3 are based on the degree to which fair value is observable:

- Tier 1 fair value measurements are those resulting from quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Tier 2 fair value measurements are those resulting from information other than quoted prices included in Tier 1 that are observable for the asset or liability, either directly (e.g., as prices) or indirectly (e.g., resulting from prices); and
- Tier 3 fair value measurements are those resulting from valuation techniques that include asset or liability information that is not based on observable market data (unobservable information).

28. Earnings per share

a) Accounting Policy

The Company has two methods of calculating earnings per share: **(i)** basic earnings and **(ii)** diluted earnings. Basic earnings (loss) per share are calculated based on the weighted average number of shares outstanding during the year, excluding shares issued for dividend payments and treasury shares.

Diluted earnings (loss) take into account the weighted average number of shares outstanding during the fiscal year, the participation of its shareholders in future fiscal years, such as stock options that, if exercised by their holders, will increase the number of common and/or preferred shares of the Company, decreasing the profit per share.

b) Profit and loss table by action

The following table presents the determination of the net income (loss) available to the holders of shares and the weighted average of the outstanding shares used to calculate the basic and diluted earnings (loss) per share, excluding the shares purchased by the Company and held as treasury shares in each fiscal year presented.

For the calculation of earnings per share, the current composition of common shares for the comparative year was considered, as required by CPC 41 – Earnings per Share, maintaining the basic denominator and diluted on a comparative basis.

	31/12/2021	31/12/2020
Net income attributable to the Company's shareholders	758.931	725.808
<u>Weighted Average Number of Common Shares Outstanding</u>	<u>4.780.929</u>	<u>4.780.929</u>
Basic net income per share - R\$	0,16	0,15

29. Transactions That Have Not Affected Cash

	31/12/2021	31/12/2020
<u>Lease Contract Additions</u>	<u>559.252</u>	<u>287.924</u>
<u>Terminated contracts</u>	<u>(193.716)</u>	<u>(8.045)</u>

30. Authorization for issuance of individual and consolidated financial statements

The Company's Board of Directors authorized the issuance of these individual and consolidated financial statements on March 9, 2022.

Opinions and Statements / Independent Auditor's Report - No Reservation

Report of the Independent Auditor on the Individual and Consolidated Financial Statements To the Shareholders and Management of the Mateus Group S.A. São Luís – MA Opinião We examine the individual and consolidated financial statements of the Mateus Group S.A. ("Company"), which comprise the balance sheet as of December 31, 2021, and the respective statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year ended on that date, as well as the corresponding explanatory notes, including a summary of the main accounting policies. In our opinion, the individual and consolidated financial statements referred to above adequately present, in all material respects, the individual and consolidated equity and financial position of Grupo Mateus S.A. as of December 31, 2021, the individual and consolidated performance of its operations and their respective individual and consolidated cash flows for the year ended on that date, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Basis for opinion Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities in accordance with these standards are described in the following section entitled "Auditor's Responsibilities for Auditing Individual and Consolidated Financial Statements." We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles set forth in the Accountant's Code of Professional Ethics and in the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion. Key Audit Matters (PAA) are those that, in our professional judgment, were the most significant in our current year audit. These matters have been dealt with in the context of our audit of the individual and consolidated financial statements as a whole and in the formation of our opinion on those individual and consolidated financial statements and therefore we do not express a separate opinion on these matters. Adoption of accounting pronouncements CPC 06 (R2) and IFRS 16 – Leasing Operations (Explanatory Notes Nos. 10 and 17) Reason why the matter was considered a main audit matter As disclosed in Explanatory Notes Nos. 10 and 17 to the financial statements as of December 31, 2021, on January 1, 2019, the Company adopted the new accounting pronouncement NBC TG 06 (R2) - Leases, equivalent to IFRS 16 – Leases issued by the International Accounting Standards Board (IASB), based on the modified retrospective approach, considering the right of equal use to the lease liability on the date of initial adoption, with no resubmission of comparative information. The adoption of IFRS 16/NBC TG 06 (R2) resulted in significant impacts upon its adoption and was once again considered a risk area for our audit of the current year, as it involved significant judgment on the part of the Company's management in determining the incremental interest rate and lease terms, which are critical estimates in the measurement used to calculate the right-of-use asset and lease liability. Changes in these estimates may have significant impacts on the amounts recognized by the Company in its individual and consolidated financial statements. Due to the judgment involved in defining the lease term and the complexity involved in determining the assumptions used to define discount rates for calculating lease liabilities and the relevance of the impacts that a change in this rate could have on the measurement of lease liabilities and the right to use an asset (as well as the relevance of disclosures of the effects of the initial adoption of ISA 06 (R2)/IFRS 16), this matter was considered significant for our audit. How the matter was handled in our audit Our audit procedures included, but were not limited to: • Evaluation of the Company's accounting practices to determine lease terms; • Verification of the incremental interest rate (according to information received from financial institutions); • Selection of a sample of lease agreements to evaluate the mathematical accuracy of the values of the asset by right of use and the lease liability calculated by the Company based on the contractual data; • Testing of the integrity and accuracy of the data used in the calculations made by the management of the Companhia. Com based on the evidence obtained through the aforementioned procedures, We consider that the criteria used to record the right-of-use assets and the corresponding lease liabilities, as well as the respective disclosures, are acceptable in the context of the individual and consolidated financial statements taken together. Provisions for risks (Explanatory Note No. 20) Reason why the matter was considered a main audit matter The Company is a party to judicial and administrative proceedings of a civil, tax and labor nature, for which management estimates the amounts involved, makes disclosures and records a provision in its individual and consolidated financial statements in cases where it considers that there will be a probable loss. This area remains the focus of our audit in the current fiscal year due to the relevance, complexity, subjective aspects and critical judgments exercised by management in determining the possibility of loss attributed to each process, in measuring and defining recognition and/or disclosure of a provision. Changes in forecasts and/or judgments may have a material impact on the Company's individual and consolidated financial statements. How the matter was conducted in our audit Our audit procedures included, among others: • Updating the understanding of the relevant internal controls involving the identification, constitution of provisions and disclosures in explanatory notes; Testing of expenses with legal advisors to confirm that all legal advisors have been evaluated to be subject to confirmation of ongoing legal proceedings; • Update of the understanding of the calculation model adopted, which considers the historical assessment of loss in cases of the same nature and prognoses provided by legal advisors; confirmation with the Company's external legal advisors on the judicial and administrative proceedings that they sponsor in relation to the assessment of the prognosis, the totality of the information and the estimated value of the lawsuits, the basis for registration and disclosure of provisions for risks (contingencies). We consider that the criteria and assumptions adopted by management for the determination and disclosure of the allowance for risks were adequate, and are consistent in the context of the individual and consolidated financial statements taken together. Recognition of commercial agreements (Explanatory Note 24) Reason why the matter was considered a major audit matter The Group receives significant commercial discounts for agreements negotiated with its suppliers. These commercial agreements vary according to each negotiation, and may include agreements for the volume of purchase, reduction and/or price difference, margin recomposition, funds (percentage on purchases), cooperative advertising and other special negotiations. The form of rebate varies according to the conditions set forth in the supply agreements, and there may be discounts on bonds and receipt of subsidized goods. Bonuses received from suppliers are measured and recognized based on contracts and agreements signed, and recorded in profit or loss as the corresponding inventories are sold. Due to the large volume of transactions, the relevance of the amounts involved and the degree of judgment exercised by the Group on the nature and fulfilment of the obligations described in the agreements negotiated with suppliers, as well as the estimates to determine the amounts to be recorded and the financial year during which the result of the agreements should be recognised as reducing the costs of goods sold in the individual financial statements and

Consolidated, we considered, again for the current year, this significant issue in our audit. How the matter was handled in our audit. Our audit procedures included, but were not limited to:

- Evaluation of the design and implementation of internal controls judged to be key in the procurement and commercial agreements process;
- Recalculation of the amounts "commercial agreements - amounts" receivable on a sampling, in relation to purchase transactions. Evaluation of the conditions set forth in the agreement, recalculation of the amount receivable from funds, comparison with the accounting balance, inspection of the subsequent financial settlement and/or receipt of subsidized merchandise through the verification of the incoming invoice;
- Selection of sampling for the other commercial agreements (price downgrade/difference, store opening, cooperative advertising, among others), for which we obtained supporting documentation of the agreements signed, including evidence of subsequent financial settlement and/or the discount for the receipt of subsidized merchandise through the verification of the entry invoice;
- Observation of the expiration date in the supporting documentation and validation of the completeness of the aging list presented by the Company, in addition to the evaluation of the adequacy of the accounting recognition of the entries selected on a test basis;
- Analysis of the monthly variations of the balances recognized with commercial discounts in relation to the costs of sales, considering trends, seasonality and historical information; and
- Assessment of whether the disclosures in the individual and consolidated financial statements consider the relevant information related to the commercial discounts obtained.

As a result of the evidence obtained through the procedures indicated above, we consider the recorded balances of Commercial Agreements and related disclosures to be acceptable in the context of the individual and consolidated financial statements taken together. Government subsidies – ICMS (Explanatory Note No. 26)

Reason why the matter was considered a PAADe according to state legislation, the subsidiary Armazém Mateus S.A. is a beneficiary of the Special Regime Agreement Term – ICMS, which consists of the use of presumed credit from the reduction of the ICMS calculation basis, which results in 2% of the full amount of tax due to the State of Maranhão in sales operations in domestic and interstate operations. The government subsidy is recognised as revenue over the course of the year and compared with the expenditure it is intended to offset on a systematic basis. This accounting concept is applied because management understands that the government subsidy is received from a source other than the shareholders and derives from a management act for the benefit of the entity, as well as the entity effectively earns that income when it complies with the subsidy rules and fulfills certain obligations. Due to the relevance of the amounts involved, the assumptions used by the Group to determine the accounting concept, which may impact the amount recorded in the individual and consolidated financial statements, we consider this matter to be significant again in our audit for the current year. How the matter was handled in our audit. Our audit procedures included, but were not limited to:

- We obtained, with the assistance of our tax specialists, through inquiries to those responsible for the Group's tax area and sample tests, an understanding of the methodology for recording the government subsidy in the financial statements;
- We recalculate the government subsidy of ICMS and evaluate the adequacy of the presentation of the balances between revenues and costs, as well as the sufficiency of the records;
- We also assess whether the disclosures in the individual and consolidated financial statements take into account material information, especially those related to the assumptions and conditions of ISA 07 (R1) - Government Subsidy and Assistance (IAS 20). As a result of the evidence obtained through the aforementioned procedures, we consider that the records made by the Group in determining the accounting of the ICMS government subsidy in the individual and consolidated financial statements taken together are acceptable.

Other matters Value Added Statements

The individual and consolidated value added statements (DVA) for the year ended December 31, 2021, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. In order to form our opinion, we assess whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in ISA TG 09 – Statement of Value Added. In our opinion, these statements of value added have been adequately prepared in all material respects in accordance with the criteria set forth in this Standard and are consistent with the individual and consolidated financial statements taken together. Other information accompanying the individual and consolidated financial statements and the auditor's report

The Company's management is responsible for such other information that comprises the Management Report. Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion on that report. In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, to consider whether that report is materially inconsistent with the financial statements or with our knowledge gained from the audit or otherwise appears to be materially misstated. If, on the basis of the work performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Management and Governance Responsibilities for Individual and Consolidated Financial Statements

Management is responsible for the preparation and proper presentation of individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the internal controls it has determined as necessary to enable the preparation of financial statements free from material misstatement, whether caused by fraud or error. In the preparation of the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue operating, disclosing matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless management intends to liquidate the Company or cease operations, or have no realistic alternative to avoid shutting down operations. Those responsible for the governance of the Company and its subsidiaries are those responsible for supervising the process of preparing the financial statements. Responsibilities of the Auditor for Auditing the Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance that the individual and consolidated financial statements, taken together, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable security is a high level of security, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards always detects any relevant misstatements that exist. Misstatements may be due to fraud or error and are considered material when, individually or together, they may influence, within a reasonable perspective, the economic decisions of users made on the basis of such financial statements. As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- We identify and assess the risks of material misstatement in the individual and consolidated financial statements, whether caused by fraud or error, plan and execute audit procedures in response to such risks, and obtain sufficient appropriate audit evidence to support our opinion. The risk

of non-detection of material misstatement resulting from fraud is greater than that resulting from error, since fraud may involve the act of circumventing internal controls, collusion, falsification, omission or intentional misrepresentation;• We have obtained an understanding of the internal controls relevant to the audit in order to design audit procedures appropriate to the circumstances, but not with the objective of expressing an opinion on the effectiveness of the Company's internal controls and its • We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management;• We conclude on the adequacy of management's use of the business continuity accounting basis and, based on the audit evidence obtained, whether there is material uncertainty in relation to events or conditions that may raise significant doubt regarding the Company's ability to continue operating. If we conclude that there is material uncertainty, we should draw attention in our audit report to the respective disclosures in the individual and consolidated financial statements or include modification in our opinion if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained as of the date of our report. However, future events or conditions may cause the Company to no longer maintain operational continuity;• We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and events in a manner consistent with the objective of adequate presentation;• We have obtained sufficient appropriate audit evidence regarding the accounting information of the group's entities or business activities to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group's audit and, consequently, for the audit opinion. We communicate with those charged with governance regarding, among other things, the planned scope and timing of the planned audit engagements and significant audit findings, including significant deficiencies in internal controls that may have been identified during our engagement. We also provide those charged with governance with a statement that we comply with relevant ethical requirements, including applicable independence requirements, and communicate any potential relationships or matters that could materially affect our independence, including, where applicable, safeguards. Of the matters that have been communicated with those charged with governance, we have determined those that were considered to be the most significant in the audit of the financial statements for the current year and that, therefore, constitute the main audit matters. We describe these matters in our audit report unless law or regulation has prohibited public disclosure of the matter, or where, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of such communication may, within a reasonable perspective, outweigh the benefits of the communication to the public interest. Belo Horizonte, March 09, 2022Daniel Menezes Vieira CT CRC 1MG-078.081/O-1Grant Thornton Auditores IndependentesCRC 2SP-025.583/O-1

Opinions and Statements / Statement of the Directors on the Financial Statements

FOR THE PURPOSES OF ARTICLE 25 OF CVM INSTRUCTION 480, the Board of Directors of Grupo Mateus a corporation headquartered at Avenida Daniel de La Touche, nº 73, Loja 03, Cohama neighborhood, in the city of São Luís, State of Maranhão, registered with the CNPJ/ME under No. 24.990.777/0001-09 ("Company"), hereby declares, pursuant to article 25, paragraph 1, items V and VI, of Instruction No. 480 of the Brazilian Securities and Exchange Commission No. 480, dated December 7, 2009, as amended, which: (i) reviewed, discussed and agreed with the opinions expressed in the report of the Company's independent auditors; and (ii) reviewed, discussed and agreed with the Company's financial statements for the fiscal year ended December 31, 2021. São Luís, March 10, 2022. Ison Rodrigues Mateus Chief Executive Officer José Morgado Filho Chief Financial and Investor Relations Officer

Opinions and Statements / Statement of Directors on the Independent Auditor's Report

FOR THE PURPOSES OF ARTICLE 25 OF CVM INSTRUCTION 480 Grupo Mateus corporation headquartered at Avenida Daniel de La Touche, nº 73, Loja 03, Cohama neighborhood, in the city of São Luís, State of Maranhão, registered with the CNPJ/ME under No. 24.990.777/0001-09 ("Company"), hereby declares, pursuant to article 25, paragraph 1, items V and VI, of Instruction No. 480 of the Brazilian Securities and Exchange Commission No. 480, dated December 7, 2009, as amended, which: (i) reviewed, discussed and agreed with the opinions expressed in the report of the Company's independent auditors; and (ii) reviewed, discussed and agreed with the Company's financial statements for the fiscal year ended December 31, 2021. São Luís, March 10, 2022. Ilson Rodrigues Mateus Chief Executive Officer José Morgado Filho Chief Financial and Investor Relations Officer