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Company Data / Capital Composition

QUANTITY OF SHARES (In Thousand)	CURRENT QUARTER 30/09/2019
PAID-UP CAPITAL	
COMMON – ON	795.247
PREFERRED - PN	0
TOTAL	795.247
TREASURY SHARES	
COMMON – ON	1.831
PREFERRED - PN	0
TOTAL	1.831

Company Data / Cash Distribution

EVENT	APPROVAL	TYPE	BEGINNING PAYMENT	SHARE'S TYPE	SHARE'S CLASS	AMOUNT PER SHARE
Board of Directors Meeting	3/15/2018	Interest on Capital	4/29/2019	ON		0,07296
Board of Directors Meeting	6/19/2018	Interest on Capital	4/29/2019	ON		0,07324
Board of Directors Meeting	9/19/2018	Interest on Capital	4/29/2019	ON		0,07969
Board of Directors Meeting	12/19/2018	Interest on Capital	4/29/2019	ON		0,08964
Board of Directors Meeting	3/18/2019	Interest on Capital		ON		0,09295
General Shareholder's Meeting	4/18/2019	Dividends	4/29/2019	ON		0,25419
Board of Directors Meeting	6/19/2019	Interest on Capital		ON		0,07765
Board of Directors Meeting	9/19/2019	Interest on Capital		ON		0,07859

Individual Statements / Balance Sheet-Asset**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 9/30/2019	Prior end of year 12/31/2018
1	Total Assets	8.454.670	6.981.216
1.01	Current assets	3.154.851	3.738.518
1.01.01	Cash and cash equivalents	599.972	876.302
1.01.03	Trade Accounts Receivable	1.244.216	1.543.223
1.01.03.01	Customers	1.244.216	1.543.223
1.01.04	Inventories	1.027.037	944.195
1.01.06	Recoverable Taxes	178.014	112.320
1.01.06.01	Recoverable Current Taxes	178.014	112.320
1.01.08	Other Current Assets	105.612	262.478
1.01.08.03	Others	105.612	262.478
1.01.08.03.01	FIDC Lojas Renner	-	182.000
1.01.08.03.02	Derivative financial instruments	23.682	10.210
1.01.08.03.03	Other Assets	71.800	47.460
1.01.08.03.04	Credits with related parties	10.130	22.808
1.02	Non-Current Assets	5.299.819	3.242.698
1.02.01	Long-Term Assets	138.394	155.075
1.02.01.07	Deferred Taxes	59.582	71.451
1.02.01.07.01	Deferred Income Tax and Social Contribution	59.582	71.451
1.02.01.09	Credits with related parties	7.258	7.169
1.02.01.09.02	Credits with subsidiaries	7.258	7.169
1.02.01.10	Other Non-Current Assets	71.554	76.455
1.02.01.10.04	Recoverable Taxes	53.171	50.501
1.02.01.10.05	Other Assets	18.383	25.954
1.02.02	Investments	1.233.178	956.742
1.02.02.01	Shareholdings	1.233.178	956.742
1.02.02.01.02	Investments in Subsidiaries	1.233.178	956.742
1.02.03	Fixed Assets	3.472.107	1.717.872
1.02.03.01	Fixed Assets in Operation	1.608.052	1.628.210
1.02.03.02	Right-of-Use in Progress	1.684.554	-
1.02.03.03	Fixed Assets in Progress	179.501	89.662
1.02.04	Intangible	456.140	413.009
1.02.04.01	Intangible	456.140	413.009
1.02.04.01.02	Demais Intangíveis	434.195	413.009
1.02.04.01.03	Intangível Arrendado	21.945	-

Individual Statements / Balance Sheet-Liabilities**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 9/30/2019	Prior end of year 12/31/2018
2	Total Liabilities	8.454.670	6.981.216
2.01	Current Liabilities	2.350.224	2.638.369
2.01.01	Social and Labor Obligations	250.345	222.567
2.01.01.01	Social Obligations	74.052	63.063
2.01.01.01.01	Social charges	74.052	63.063
2.01.01.02	Labor obligations	176.293	159.504
2.01.01.02.01	Wages payable	176.293	159.504
2.01.02	Suppliers	727.265	845.229
2.01.02.01	National suppliers	727.265	845.229
2.01.03	Tax Obligations	136.576	416.981
2.01.03.01	Federal Tax Obligations	53.751	212.584
2.01.03.01.01	Income Tax and Social Contribution Payable	31.650	140.177
2.01.03.01.02	Other Federal Tax Obligations	22.101	72.407
2.01.03.02	State Tax Obligations	81.502	202.641
2.01.03.03	Municipal Tax Obligations	1.323	1.756
2.01.04	Borrowings, Financing and Debentures	547.508	709.062
2.01.04.01	Borrowings and Financing	233.282	455.764
2.01.04.01.01	In National Currency	137.509	144.307
2.01.04.01.02	In Foreign Currency	95.773	311.457
2.01.04.02	Debentures	314.226	252.825
2.01.04.03	Lease Financing	-	473
2.01.05	Other obligations	640.342	405.078
2.01.05.01	Debts with related parties	478	1.271
2.01.05.01.02	Debts with Subsidiaries	478	1.271
2.01.05.02	Others	639.864	403.807
2.01.05.02.01	Dividends and Interest on equity Payable	167.698	234.701
2.01.05.02.04	Rent payable	21.118	61.030
2.01.05.02.05	Other obligations	78.699	68.421
2.01.05.02.06	Statutory Participation	-	8.294
2.01.05.02.07	Obligations with Card Administrators	21.762	18.355
2.01.05.02.08	Derivative financial instruments	-	13.006
2.01.05.02.09	Leases payable	350.587	-
2.01.06	Provisions	48.188	39.452
2.01.06.01	Labor, Civil, Security and Tax Provisions	48.188	39.452
2.01.06.01.04	Civil Provisions	23.395	19.707
2.01.06.01.05	Labor Provisions	24.793	19.745
2.02	Non-Current Liabilities	1.831.415	388.335
2.02.01	Borrowings, Financing and Debentures	406.694	360.040
2.02.01.01	Borrowings and Financing	6.694	26.617
2.02.01.01.01	In National Currency	6.694	26.617
2.02.01.02	Debentures	400.000	299.956
2.02.01.03	Lease Financing	-	33.467
2.02.02	Other obligations	1.395.885	1.236
2.02.02.02	Others	1.395.885	1.236
2.02.02.02.04	Other obligations	496	1.236
2.02.02.02.05	Leases payable	1.395.389	-
2.02.04	Provisions	28.836	27.059
2.02.04.01	Labor, Civil, Security and Tax Provisions	28.836	27.059
2.02.04.01.01	Tax Provisions	28.836	27.059

Individual Statements / Balance Sheet-Liabilities**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 9/30/2019	Prior end of year 12/31/2018
2.03	Shareholder's Equity	4.273.031	3.954.512
2.03.01	Capital	3.790.628	2.637.473
2.03.02	Capital reserves	29.717	79.557
2.03.02.04	Granted Options	65.266	124.093
2.03.02.05	Treasury Shares	(35.549)	(44.536)
2.03.04	Profit Reserves	50.695	1.235.334
2.03.04.01	Legal reserve	-	87.641
2.03.04.07	Tax Incentive Reserve	-	56.540
2.03.04.08	Proposed Additional Dividend	-	144.639
2.03.04.10	Reserve for Investment and Expansion	50.695	946.514
2.03.05	Accumulated Profit / Loss	395.703	-
2.03.06	Equity Valuation Adjustments	15.886	(2.412)
2.03.07	Accumulated Conversion Adjustments	(9.598)	4.560

Individual Statements / Income Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Quarter 7/1/2019 to 9/30/2019	Acumulated of Current Year 1/1/2019 to 9/30/2019	Same Quarter of Last Year 7/1/2018 to 9/30/2018	Acumulated of Last Year 1/1/2018 to 9/30/2018
3.01	Revenue from Sale of Goods and / or Services	1.798.079	5.292.329	1.621.364	4.690.998
3.01.01	Net sales revenue from goods	1.755.394	5.078.017	1.532.978	4.413.219
3.01.02	Net revenue from financial products and services	42.685	214.312	88.386	277.779
3.02	Cost of Goods and / or Services Sold	(814.616)	(2.302.606)	(709.119)	(1.965.842)
3.02.01	Cost of sales with goods	(811.325)	(2.291.699)	(704.714)	(1.952.183)
3.02.02	Cost of financial products and services	(3.291)	(10.907)	(4.405)	(13.659)
3.03	Gross Profit	983.463	2.989.723	912.245	2.725.156
3.04	Operating Expenses / Revenues	(749.938)	(2.212.238)	(680.606)	(2.022.703)
3.04.01	Selling Expenses	(536.839)	(1.565.200)	(469.321)	(1.394.713)
3.04.02	General and Administrative Expenses	(202.015)	(573.374)	(189.235)	(521.662)
3.04.03	Losses due to non-recoverability of assets	(16.263)	(64.643)	(13.244)	(65.297)
3.04.04	Other Operating Income	5.109	40.154	30.567	38.104
3.04.05	Other Operating Expenses	(60.704)	(181.853)	(61.134)	(161.787)
3.04.06	Equity on Profit/Loss of Subsidiaries	60.774	132.678	21.761	82.652
3.05	Income Before Net Financial Expenses and Taxes	233.525	777.485	231.639	702.453
3.06	Net Financial expenses	(20.767)	(75.922)	(16.260)	(44.865)
3.06.01	Financial income	8.454	24.748	11.289	29.534
3.06.02	Financial expenses	(29.221)	(100.670)	(27.549)	(74.399)
3.07	Income Before Taxes on Profit	212.758	701.563	215.379	657.588
3.08	Income Tax and Social Contribution on Profit	(23.507)	(115.568)	(21.168)	(77.226)
3.08.01	Current	(28.100)	(112.701)	(4.033)	(8.857)
3.08.02	Deferred	4.593	(2.867)	(17.135)	(68.369)
3.09	Net Income from Continuing Operations	189.251	585.995	194.211	580.362
3.11	Profit / Loss for the Period	189.251	585.995	194.211	580.362
3.99.01	Basic Earnings per Share	0,2383	0,7696	0,2462	0,7687
3.99.01.01	ON	0,2383	0,7696	0,2462	0,7687
3.99.02	Diluted Earnings per Share	0,2376	0,7665	0,2449	0,7625
3.99.02.01	ON	0,2376	0,7665	0,2449	0,7625

Individual Statements / Comprehensive Income Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Quarter 7/1/2019 to 9/30/2019	Acumulated of Current Year 1/1/2019 to 9/30/2019	Same Quarter of Last Year 7/1/2018 to 9/30/2018	Acumulated of Last Year 1/1/2018 to 9/30/2018
4.01	Net Income For The Period	189.251	585.995	194.211	580.362
4.02	Other Comprehensive Income	9.295	4.140	(14.283)	19.189
4.02.01	Cash Flow Hedge	20.271	26.478	(15.484)	19.999
4.02.02	Portion Of Other Comprehensive Income Of Subsidiaries	2	822	(2.131)	1.398
4.02.03	Taxes Related To Components Of Comprehensive Income	(6.892)	(9.002)	5.264	(6.800)
4.02.04	Cumulative Translation Adjustments	(4.086)	(14.158)	(1.932)	4.592
4.03	Total Comprehensive Income For The Period	198.546	590.135	179.928	599.551

Individual Statements / Cash Flow Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Acumulated of Current Year	Acumulated of Last Year
		1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018
6.01	Net Cash From Operating Activities	964.443	410.812
6.01.01	Cash Flow From Operating Activities	1.118.192	810.350
6.01.01.01	Net Income For The Period	585.995	580.362
6.01.01.02	Depreciation And Amortization	477.652	203.278
6.01.01.05	Interest Expense and structuring costs Of Borrowing and leases	93.879	64.712
6.01.01.07	Equity on Profit/Loss of Subsidiaries	(132.678)	(82.652)
6.01.01.09	Deferred And Current Taxes	115.568	77.226
6.01.01.12	Estimated losses (Reversal) On Assets net	(46.540)	(32.828)
6.01.01.13	Other adjustments of Net Income	24.316	252
6.01.02	Changes In Assets And Liabilities	32.823	(226.760)
6.01.02.01	Accounts Receivable	321.318	331.876
6.01.02.02	Inventories	(47.183)	(219.007)
6.01.02.03	Recoverable Taxes	(68.364)	(50.773)
6.01.02.04	Other assets	(16.747)	(324)
6.01.02.05	Financing – Financial Services Operations	181.495	(28.881)
6.01.02.06	Suppliers	(111.183)	(13.579)
6.01.02.07	Taxes And Contributions Payable	(224.282)	(184.366)
6.01.02.11	Obligations With Card Administrators	3.407	(23.172)
6.01.02.12	Other Payables	(5.638)	(38.534)
6.01.03	Others	(186.572)	(172.778)
6.01.03.01	Subsidiaries Dividend Received	8.665	67.873
6.01.03.02	Payment of Income Tax and Social Contribution	(168.811)	(156.739)
6.01.03.03	Payment of interest on borrowings, debentures and leases	(26.426)	(83.912)
6.02	Net cash from investing activities	(541.610)	(380.751)
6.02.01	Acquisitions of fixed and intangible assets	(376.780)	(290.192)
6.02.03	Proceeds from disposal of fixed assets	929	427
6.02.04	Investments in subsidiaries	(165.759)	(90.986)
6.03	Net cash from financing activities	(699.163)	(439.364)
6.03.01	Capital increase	41.105	57.584
6.03.02	Repurchase of treasury stocks	4	(16.988)
6.03.03	Borrowings	401.447	166.680
6.03.04	Payments of borrowings and debentures	(504.205)	(328.829)
6.03.06	Leases payments	(235.580)	(38.571)
6.03.07	Interest on Capital and Dividends Paid	(401.934)	(279.240)
6.04	Net Foreign Exchange Variation in Cash and Cash Equivalents	-	49
6.05	Decrease In Cash and Cash Equivalents	(276.330)	(409.254)
6.05.01	Cash And Cash Equivalents at the beginning of the period	876.302	981.014
6.05.02	Cash And Cash Equivalents at the end of the period	599.972	571.760

Individual Statements / Changes in Shareholder's Equity - 1/1/2019 to 9/30/2019**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES, OPTIONS GRANTED AND TREASURY STOCK	REVENUE RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL
5.01	Opening Balances	2.637.473	79.557	1.235.334	-	2.148	3.954.512
5.03	Adjusted Initial Balances	2.637.473	79.557	1.235.334	-	2.148	3.954.512
5.04	Capital Transactions with Stockholders	1.153.155	(49.840)	(1.184.639)	(190.292)	-	(271.616)
5.04.01	Capital Increases	1.153.155	(72.050)	(1.040.000)	-	-	41.105
5.04.03	Granted Options Recognized	-	15.211	-	-	-	15.211
5.04.07	Interest on equity	-	-	-	(190.619)	-	(190.619)
5.04.08	Additional dividend resolution	-	-	(144.639)	-	-	(144.639)
5.04.09	Restricted Stock Plan	-	6.999	-	-	-	6.999
5.04.11	Prescribed dividends	-	-	-	327	-	327
5.05	Total Comprehensive Income	-	-	-	585.995	4.140	590.135
5.05.01	Net Income for the Period	-	-	-	585.995	-	585.995
5.05.02	Other Comprehensive income	-	-	-	-	4.140	4.140
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	26.478	26.478
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	822	822
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(9.002)	(9.002)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	(21.835)	(21.835)
5.05.02.06	Monetary Correction for Hyperinflation	-	-	-	-	7.677	7.677
5.07	Balances as of September 30, 2019	3.790.628	29.717	50.695	395.703	6.288	4.273.031

Individual Statements / Changes in Shareholder's Equity - 1/1/2018 to 9/30/2018**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES, OPTIONS GRANTED AND TREASURY STOCK	REVENUE RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL
5.01	Opening Balances	2.556.896	66.428	596.022	-	4.100	3.223.446
5.03	Balances Adjusted	2.556.896	66.428	596.022	-	4.100	3.223.446
5.04	Capital Transactions with Stockholders	57.584	5.624	(96.247)	(182.476)	-	(215.515)
5.04.01	Capital Increase	57.584	-	-	-	-	57.584
5.04.03	Stock Option Plan	-	15.721	-	-	-	15.721
5.04.04	Shares In Treasury Acquired	-	(16.988)	-	-	-	(16.988)
5.04.07	Interest on equity	-	-	-	(161.314)	-	(161.314)
5.04.08	Additional dividend resolution	-	-	(96.247)	-	-	(96.247)
5.04.09	Restricted Stock Plan	-	6.891	-	-	-	6.891
5.04.10	Initial adoption of CPC 48 / IFRS 9 - Expected Losses	-	-	-	(21.162)	-	(21.162)
5.05	Total Comprehensive Income	-	-	-	580.362	19.189	599.551
5.05.01	Net Income For The Period	-	-	-	580.362	-	580.362
5.05.02	Other Comprehensive Income	-	-	-	-	19.189	19.189
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	19.999	19.999
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	1.398	1.398
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(6.800)	(6.800)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	4.592	4.592
5.07	Balances as of September 30, 2018	2.614.480	72.052	499.775	397.886	23.289	3.607.482

Individual Statements / Statement of Added Value**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Acumulated of Current	Acumulated of Last
		Year 1/1/2019 to 9/30/2019	Year 1/1/2018 to 9/30/2018
7.01	Income	6.883.624	6.065.009
7.01.01	Sales of Goods, Products and Services	6.895.992	6.084.853
7.01.02	Other Receives	52.275	45.453
7.01.04	Provision / Reversal of Credits Doubtful Settlement	(64.643)	(65.297)
7.02	Input Purchased From Third Parties	(3.484.214)	(3.010.241)
7.02.01	Cost Of Sales Of Goods, Financial Products And Services (Including Taxes)	(2.619.211)	(2.231.958)
7.02.02	Materials, Energy, Outsides Services And Others	(824.530)	(735.176)
7.02.03	Loss / Recovery of Assets	(40.473)	(43.107)
7.03	Gross Value Added	3.399.410	3.054.768
7.04	Retentions	(477.652)	(203.278)
7.04.01	Depreciation and Amortization	(477.652)	(203.278)
7.05	Value Added Net Produced	2.921.758	2.851.490
7.06	Value Added Received In Transfer	158.581	113.598
7.06.01	Equity on Profit/Loss of Subsidiaries	132.678	82.652
7.06.02	Financial income	25.903	30.946
7.07	Total Added Value to Distribute	3.080.339	2.965.088
7.08	Distribution of Added Value	3.080.339	2.965.088
7.08.01	Personnel Expenses	756.711	663.019
7.08.01.01	Compensation	567.261	489.052
7.08.01.02	Benefits	108.347	102.549
7.08.01.03	Government Severance Indemnity Fund For Employees	53.351	47.153
7.08.01.04	Others	27.752	24.265
7.08.01.04.01	Stock Option Plan	15.212	15.721
7.08.01.04.02	Management remuneration	12.540	8.544
7.08.02	Taxes, fees and contributions	1.472.245	1.263.953
7.08.02.01	Federal Taxes	486.019	412.878
7.08.02.02	State Taxes	944.651	813.294
7.08.02.03	Municipal Taxes	41.575	37.781
7.08.03	Remuneration of Third Party Capital	265.388	457.754
7.08.03.01	Interest	100.670	74.399
7.08.03.02	Rents	164.718	383.355
7.08.04	Remuneration of Shareholders' Equity	585.995	580.362
7.08.04.01	Interest on Equity	190.619	161.314
7.08.04.03	Retained Earnings / Loss for the Period	395.376	419.048

Consolidated Statements / Balance Sheet-Asset**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 9/30/2019	Prior end of year 12/31/2018
1	Total Assets	10.542.628	8.821.048
1.01	Current assets	5.524.786	5.930.335
1.01.01	Cash and cash equivalents	763.075	944.671
1.01.02	Financial investments	275.151	439.693
1.01.02.01	Financial investments measured at fair value through profit or loss	275.151	439.693
1.01.02.01.02	Fair Value Titles	275.151	439.693
1.01.03	Trade Accounts Receivable	2.891.747	3.162.670
1.01.03.01	Customers	2.891.747	3.162.670
1.01.04	Inventories	1.246.374	1.110.305
1.01.06	Recoverable Taxes	237.499	208.840
1.01.06.01	Recoverable Current Taxes	237.499	208.840
1.01.08	Other Current Assets	110.940	64.156
1.01.08.03	Others	110.940	64.156
1.01.08.03.02	Derivative financial instruments	24.068	10.860
1.01.08.03.03	Other Assets	86.872	53.296
1.02	Non-Current Assets	5.017.842	2.890.713
1.02.01	Long-Term Assets	262.664	261.188
1.02.01.07	Deferred Taxes	170.286	153.458
1.02.01.07.01	Deferred Income Tax and Social Contribution	170.286	153.458
1.02.01.10	Other Non-Current Assets	92.378	107.730
1.02.01.10.04	Recoverable Taxes	71.198	78.327
1.02.01.10.05	Other Assets	21.180	29.403
1.02.03	Fixed Assets	4.041.700	1.994.449
1.02.03.01	Fixed Assets in Operation	1.882.860	1.894.086
1.02.03.02	Right-of-Use in leases	1.932.557	-
1.02.03.03	Fixed Assets in Progress	226.283	100.363
1.02.04	Intangible	713.478	635.076
1.02.04.01	Intangibles	596.799	518.397
1.02.04.01.02	Others Intangibles	596.799	518.397
1.02.04.02	Goodwill	116.679	116.679

Consolidated Statements / Balance Sheet-Liabilities**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 9/30/2019	Prior end of year 12/31/2018
2	Total Liabilities	10.542.628	8.821.048
2.01	Current Liabilities	3.696.457	4.324.355
2.01.01	Social and Labor Obligations	278.256	246.009
2.01.01.01	Social Obligations	82.362	70.766
2.01.01.01.01	Social charges	82.362	70.766
2.01.01.02	Labor obligations	195.894	175.243
2.01.01.02.01	Wages payable	195.894	175.243
2.01.02	Suppliers	818.680	955.834
2.01.02.01	National suppliers	818.680	955.834
2.01.03	Tax Obligations	248.753	550.016
2.01.03.01	Federal Tax Obligations	156.687	329.640
2.01.03.01.01	Income Tax and Social Contribution Payable	124.675	222.638
2.01.03.01.02	Other Federal Obligations	32.012	107.002
2.01.03.02	State Tax Obligations	87.901	215.899
2.01.03.03	Municipal Tax Obligations	4.165	4.477
2.01.04	Borrowings, Financing and Debentures	804.586	1.423.835
2.01.04.01	Borrowings and Financing	490.360	1.170.537
2.01.04.01.01	In National Currency	332.637	745.309
2.01.04.01.02	In Foreign Currency	157.723	425.228
2.01.04.02	Debentures	314.226	252.825
2.01.04.03	Lease Financing	-	473
2.01.05	Other obligations	1.490.982	1.100.878
2.01.05.02	Others	1.490.982	1.100.878
2.01.05.02.01	Dividends and Interest on equity Payable	167.698	234.701
2.01.05.02.04	Rent payable	24.749	69.990
2.01.05.02.05	Other obligations	93.594	79.383
2.01.05.02.06	Statutory Participation	-	8.294
2.01.05.02.07	Obligations with Card Administrators	820.284	693.994
2.01.05.02.08	Derivative financial instruments	-	14.516
2.01.05.02.09	Leases payable	384.657	-
2.01.06	Provisions	55.200	47.783
2.01.06.01	Labor, Civil, Security and Tax Provisions	55.200	47.783
2.01.06.01.04	Civil Provisions	28.872	26.165
2.01.06.01.05	Labor Provisions	26.328	21.618
2.02	Non-Current Liabilities	2.573.140	542.181
2.02.01	Borrowings, Financing and Debentures	893.132	499.753
2.02.01.01	Borrowings and Financing	493.132	166.331
2.02.01.01.01	In National Currency	307.653	27.303
2.02.01.01.02	In Foreign Currency	185.479	139.028
2.02.01.02	Debentures	400.000	299.955
2.02.01.03	Lease Financing	-	33.467
2.02.02	Other obligations	1.645.029	1.762
2.02.02.02	Others	1.645.029	1.762
2.02.02.02.04	Other obligations	25.705	1.762
2.02.02.02.05	Leases payable	1.619.324	-
2.02.03	Deferred Taxes	3.644	11.214
2.02.03.01	Deferred Income Tax and Social Contribution	3.644	11.214
2.02.04	Provisions	31.335	29.452
2.02.04.01	Labor, Civil, Security and Tax Provisions	31.335	29.452
2.02.04.01.01	Tax Provisions	31.335	29.452

Consolidated Statements / Balance Sheet-Liabilities**(All amounts in thousands of Reais unless otherwise stated)**

Code	Description	Current period 9/30/2019	Prior end of year 12/31/2018
2.03	Shareholder's Equity	4.273.031	3.954.512
2.03.01	Capital	3.790.628	2.637.473
2.03.02	Capital reserves	29.717	79.557
2.03.02.04	Granted Options	65.266	124.093
2.03.02.05	Treasury Shares	(35.549)	(44.536)
2.03.04	Profit Reserves	50.695	1.235.334
2.03.04.01	Legal reserve	-	87.641
2.03.04.07	Tax Incentive Reserve	-	56.540
2.03.04.08	Proposed Additional Dividend	-	144.639
2.03.04.10	Reserve for Investment and Expansion	50.695	946.514
2.03.05	Accumulated Profit / Loss	395.703	-
2.03.06	Equity Valuation Adjustments	15.886	(2.412)
2.03.07	Accumulated Conversion Adjustments	(9.598)	4.560

Consolidated Statements / Income Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Quarter 7/1/2019 to 9/30/2019	Acumulated of Current Year 1/1/2019 to 9/30/2019	Same Quarter of Last Year 7/1/2018 to 9/30/2018	Acumulated of Last Year 1/1/2018 to 9/30/2018
3.01	Revenue from Sale of Goods and / or Services	2.225.755	6.409.876	1.943.288	5.591.670
3.01.01	Net sales revenue from goods	1.931.924	5.601.635	1.711.461	4.890.311
3.01.02	Net revenue from financial products and services	293.831	808.241	231.827	701.359
3.02	Cost of Goods and / or Services Sold	(889.197)	(2.518.720)	(789.181)	(2.173.627)
3.02.01	Cost of sales with goods	(882.033)	(2.500.200)	(782.320)	(2.152.757)
3.02.02	Cost of financial products and services	(7.164)	(18.520)	(6.861)	(20.870)
3.03	Gross Profit	1.336.558	3.891.156	1.154.107	3.418.043
3.04	Operating Expenses / Revenues	(1.060.021)	(3.011.523)	(895.619)	(2.637.526)
3.04.01	Selling Expenses	(629.108)	(1.841.085)	(550.638)	(1.623.926)
3.04.02	General and Administrative Expenses	(225.484)	(640.226)	(211.686)	(584.811)
3.04.03	Losses due to non-recoverability of assets	(101.371)	(272.342)	(68.260)	(204.802)
3.04.04	Other Operating Income	6.401	47.481	32.610	41.504
3.04.05	Other Operating Expenses	(110.459)	(305.351)	(97.645)	(265.491)
3.05	Income Before Net Financial Expenses and Taxes	276.537	879.633	258.488	780.517
3.06	Net Financial expenses	(22.712)	(88.285)	(17.462)	(44.661)
3.06.01	Financial income	20.288	47.486	12.886	37.768
3.06.02	Financial expenses	(43.000)	(135.771)	(30.348)	(82.429)
3.07	Income Before Taxes on Profit	253.825	791.348	241.026	735.856
3.08	Income Tax and Social Contribution on Profit	(64.574)	(205.353)	(46.815)	(155.494)
3.08.01	Current	(85.190)	(239.054)	(36.722)	(114.019)
3.08.02	Deferred	20.616	33.701	(10.093)	(41.475)
3.09	Net Income from Continuing Operations	189.251	585.995	194.211	580.362
3.11	Profit / Loss for the Period	189.251	585.995	194.211	580.362
3.11.01	Attributed to Parent Company Shareholders	189.251	585.995	194.211	580.362
3.99.01	Basic Earnings per Share	0,2383	0,7696	0,2462	0,7687
3.99.01.01	ON	0,2383	0,7696	0,2462	0,7687
3.99.02	Diluted Earnings Per Share	0,2376	0,7665	0,2449	0,7625
3.99.02.01	ON	0,2376	0,7665	0,2449	0,7625

Consolidated Statements / Comprehensive Income Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Quarter 7/1/2019 to 9/30/2019	Accumulated of Current Year 1/1/2019 to 9/30/2019	Same Quarter of Last Year 7/1/2018 to 9/30/2018	Accumulated of Last Year 1/1/2018 to 9/30/2018
4.01	Net Income For The Period	189.251	585.995	194.211	580.362
4.02	Other Comprehensive Income	9.295	4.140	(14.283)	19.189
4.02.01	Cash Flow Hedge	20.274	27.724	(18.713)	22.117
4.02.03	Taxes Related To Components Of Comprehensive Income	(6.893)	(9.426)	6.362	(7.520)
4.02.04	Cumulative Translation Adjustments	(4.086)	(14.158)	(1.932)	4.592
4.03	Total Comprehensive Income For The Period	198.546	590.135	179.928	599.551
4.03.01	Attributed to Parent Company Shareholders	198.546	590.135	179.928	599.551

Consolidated Statements / Cash Flow Statements**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Acumulated of Current	Acumulated of Last
		Year 1/1/2019 to 9/30/2019	Year 1/1/2018 to 9/30/2018
6.01	Net Cash From Operating Activities	1.057.970	243.659
6.01.01	Cash Flow From Operating Activities	1.482.832	1.061.399
6.01.01.01	Net Income For The Period	585.995	580.362
6.01.01.02	Depreciation And Amortization	552.673	231.414
6.01.01.05	Interest Expense and structuring costs Of Borrowing and leases	105.557	67.541
6.01.01.09	Deferred And Current Taxes	205.353	155.494
6.01.01.12	Estimated losses (Reversal) On Assets net	11.176	25.301
6.01.01.13	Other adjustments of Net Income	22.078	1.287
6.01.02	Changes In Assets And Liabilities	(301.647)	(188.392)
6.01.02.01	Accounts Receivable	233.250	327.316
6.01.02.02	Inventories	(97.740)	(274.674)
6.01.02.03	Recoverable Taxes	(21.530)	(80.723)
6.01.02.04	Other assets	(32.285)	786
6.01.02.05	Financing – Financial Services Operations	(107.238)	59.963
6.01.02.06	Suppliers	(131.721)	(51.093)
6.01.02.07	Taxes And Contributions Payable	(281.046)	(182.348)
6.01.02.11	Obligations With Card Administrators	126.290	28.683
6.01.02.12	Other Payables	10.373	(16.302)
6.01.03	Others	(123.215)	(629.348)
6.01.03.02	Payment of Income Tax and Social Contribution	(259.259)	(227.002)
6.01.03.03	Payment of interest on borrowings, debentures and leases	(28.498)	(85.266)
6.01.03.04	Financial investments	164.542	(317.080)
6.02	Net Cash From Investing Activities	(501.641)	(386.170)
6.02.01	Acquisitions of fixed and intangible assets	(502.570)	(386.601)
6.02.03	Proceeds From Disposal Of Fixed Assets	929	431
6.03	Net Cash From Financing Activities	(741.983)	(363.253)
6.03.01	Capital Increase	41.105	57.584
6.03.02	Repurchase Of Treasury Stocks	4	(16.988)
6.03.03	Borrowings	479.563	258.926
6.03.04	Payments of borrowings and debentures	(589.930)	(344.964)
6.03.06	Leases payments	(270.791)	(38.571)
6.03.07	Interest on Capital and Dividends Paid	(401.934)	(279.240)
6.04	Net Foreign Exchange Variation in Cash And Cash Equivalents	4.058	1.012
6.05	Decrease In Cash And Cash Equivalents	(181.596)	(504.752)
6.05.01	Cash And Cash Equivalents at the beginning of the period	944.671	1.059.873
6.05.02	Cash And Cash Equivalents at the end of the period	763.075	555.121

Consolidated Statements / Changes in Shareholder's Equity - 1/1/2019 to 9/30/2019**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES, OPTIONS GRANTED AND TREASURY STOCK	REVENUE RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL ATTRIBUTED TO PARENT COMPANY SHAREHOLDERS	NON-CONTROLLING SHAREHOLDER INTEREST	SHAREHOLDER'S EQUITY
5.01	Opening Balances	2.637.473	79.557	1.235.334	-	2.148	3.954.512	-	3.954.512
5.03	Adjusted Initial Balances	2.637.473	79.557	1.235.334	-	2.148	3.954.512	-	3.954.512
5.04	Capital Transactions with Stockholders	1.153.155	(49.840)	(1.184.639)	(190.292)	-	(271.616)	-	(271.616)
5.04.01	Capital Increases	1.153.155	(72.050)	(1.040.000)	-	-	41.105	-	41.105
5.04.03	Granted Options Recognized	-	15.211	-	-	-	15.211	-	15.211
5.04.07	Interest on equity	-	-	-	(190.619)	-	(190.619)	-	(190.619)
5.04.08	Additional dividend resolution	-	-	(144.639)	-	-	(144.639)	-	(144.639)
5.04.09	Restricted Stock Plan	-	6.999	-	-	-	6.999	-	6.999
5.04.11	Prescribed dividends	-	-	-	327	-	327	-	327
5.05	Total Comprehensive Income	-	-	-	585.995	4.140	590.135	-	590.135
5.05.01	Net Income for the Period	-	-	-	585.995	-	585.995	-	585.995
5.05.02	Other Comprehensive income	-	-	-	-	4.140	4.140	-	4.140
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	26.478	26.478	-	26.478
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	822	822	-	822
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(9.002)	(9.002)	-	(9.002)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	(21.835)	(21.835)	-	(21.835)
5.05.02.06	Monetary Correction for Hyperinflation	-	-	-	-	7.677	7.677	-	7.677
5.07	Balances as of September 30, 2019	3.790.628	29.717	50.695	395.703	6.288	4.273.031	-	4.273.031

Consolidated Statements / Changes in Shareholder's Equity - 1/1/2018 to 9/30/2018

(All amounts in thousands of Reais unless otherwise stated)

CODE	DESCRIPTION	CAPITAL	CAPITAL RESERVES, OPTIONS GRANTED AND TREASURY STOCK	REVENUE RESERVES	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME	TOTAL ATTRIBUTED TO PARENT COMPANY SHAREHOLDERS	NON-CONTROLLING SHAREHOLDER INTEREST	SHAREHOLDER'S EQUITY
5.01	Opening Balances	2.556.896	66.428	596.022	-	4.100	3.223.446	-	3.223.446
5.03	Balances Adjusted	2.556.896	66.428	596.022	-	4.100	3.223.446	-	3.223.446
5.04	Capital Transactions with Stockholders	57.584	5.624	(96.247)	(182.476)	-	(215.515)	-	(215.515)
5.04.01	Capital Increase	57.584	-	-	-	-	57.584	-	57.584
5.04.03	Stock Option Plan	-	15.721	-	-	-	15.721	-	15.721
5.04.04	Shares In Treasury Acquired	-	(16.988)	-	-	-	(16.988)	-	(16.988)
5.04.07	Interest on equity	-	-	-	(161.314)	-	(161.314)	-	(161.314)
5.04.08	Additional dividend resolution	-	-	(96.247)	-	-	(96.247)	-	(96.247)
5.04.09	Restricted Stock Plan	-	6.891	-	-	-	6.891	-	6.891
5.04.10	Initial adoption of CPC 48 / IFRS 9 - Expected Losses	-	-	-	(21.162)	-	(21.162)	-	(21.162)
5.05	Total Comprehensive Income	-	-	-	580.362	19.189	599.551	-	599.551
5.05.01	Net Income For The Period	-	-	-	580.362	-	580.362	-	580.362
5.05.02	Other Comprehensive Income	-	-	-	-	19.189	19.189	-	19.189
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	19.999	19.999	-	19.999
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	1.398	1.398	-	1.398
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(6.800)	(6.800)	-	(6.800)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	4.592	4.592	-	4.592
5.07	Balances as of September 30, 2018	2.614.480	72.052	499.775	397.886	23.289	3.607.482	-	3.607.482

Consolidated Statements / Statement of Added Value**(All amounts in thousands of Reais unless otherwise stated)**

CODE	DESCRIPTION	Acumulated of Current Year 1/1/2019 to 9/30/2019	Acumulated of Last Year 1/1/2018 to 9/30/2018
7.01	Income	7.969.202	6.976.040
7.01.01	Sales of Goods, Products and Services	8.180.846	7.131.577
7.01.02	Other Receives	60.698	49.265
7.01.04	Provision / Reversal of Credits, Doubtful Settlement	(272.342)	(204.802)
7.02	Input Purchased From Third Parties	(3.909.348)	(3.420.234)
7.02.01	Cost Of Sales Of Goods, Financial Products And Services (Including Taxes)	(2.849.632)	(2.457.137)
7.02.02	Materials, Energy, Outsides Services And Others	(1.016.713)	(914.376)
7.02.03	Loss / Recovery of Assets	(43.003)	(48.721)
7.03	Gross Value Added	4.059.854	3.555.806
7.04	Retentions	(552.673)	(231.414)
7.04.01	Depreciation and Amortization	(552.673)	(231.414)
7.05	Value Added Net Produced	3.507.181	3.324.392
7.06	Value Added Received In Transfer	48.794	39.275
7.06.02	Financial income	48.794	39.275
7.07	Total Added Value to Distribute	3.555.975	3.363.667
7.08	Distribution of Added Value	3.555.975	3.363.667
7.08.01	Personnel Expenses	886.347	762.874
7.08.01.01	Compensation	675.961	571.956
7.08.01.02	Benefits	121.703	113.183
7.08.01.03	Government Severance Indemnity Fund For Employees	60.185	52.796
7.08.01.04	Others	28.498	24.939
7.08.01.04.01	Stock Option Plan	15.212	15.721
7.08.01.04.02	Management remuneration	13.286	9.218
7.08.02	Taxes, fees and contributions	1.733.966	1.480.973
7.08.02.01	Federal Taxes	646.456	547.832
7.08.02.02	State Taxes	1.032.252	884.248
7.08.02.03	Municipal Taxes	55.258	48.893
7.08.03	Remuneration of Third Party Capital	349.667	539.458
7.08.03.01	Interest	135.771	82.429
7.08.03.02	Rents	213.896	457.029
7.08.04	Remuneration of Shareholders' Equity	585.995	580.362
7.08.04.01	Interest on Equity	190.619	161.314
7.08.04.03	Retained Earnings / Loss for the Period	395.376	419.048

Adoption of IFRS 16 – Main Impacts

- With the adoption of IFRS 16 as from January 1, 2019, some changes have been made to the fixed portion of rental payments, classified as leases, requiring recognition of future commitments in the liabilities offset against the right of use in the assets. Until 2018, rental expenses were recorded as "Occupancy", but are now recognized in the depreciation and finance expense lines in the accounts.
- For a better understanding of the changes, the tables in this report show a proforma column for 3Q19, with the effect of the new standard excluded in relation to those accounts which have been impacted. Further details can be found in Explanatory Note 4.1 of these Financial Statements for the quarter ending September 30, 2019.

BALANCE SHEET SEP.19		3Q19 RESULTS		9M19 RESULTS	
 Assets – Right of Use: +R\$ 1,906.0 MM		 SG&A (Occupation Expenses):	- R\$ 101.5 MM		- R\$ 298.2 MM
 Liabilities - Leasing: +R\$ 1,969.0 MM		 Lease Depreciation:	+ R\$ 98.4 MM		+ R\$ 283.6 MM
		 Financial Expenses of Leasing (AVP):	+ R\$ 14.7 MM		+ R\$ 48.1 MM
		 Adjusted EBITDA:	- R\$ 11.6 MM - 0.6 p.p.		- R\$ 33.4 MM - 0.6 p.p.
		 Net Income:	- R\$ 7.6 MM - 0.4 p.p.		- R\$ 22.1 MM - 0.4 p.p.

Highlights of the Period

Consolidated Information (R\$ MM)	3Q19	3Q18	Var.	3Q19 Proforma	Var.	9M19	9M18	Var.	9M19 Proforma	Var.
Net Revenue from Merchandise Sales	1,931.9	1,711.5	12.9%	1,931.9	12.9%	5,601.6	4,890.3	14.5%	5,601.6	14.5%
Growth in Same Store Sales	8.3%	6.9%	-	8.3%	-	9.9%	5.1%	-	9.9%	-
Gross Profit from Merchandise Sales	1,049.9	929.1	13.0%	1,049.9	13.0%	3,101.4	2,737.6	13.3%	3,101.4	13.3%
Gross Margin from Retailing Operation	54.3%	54.3%	0.0p.p.	54.3%	0.0p.p.	55.4%	56.0%	-0.6p.p.	55.4%	-0.6p.p.
Operating Expenses (SG&A) ¹	(668.3)	(684.2)	-2.3%	(769.8)	12.5%	(1,939.0)	(1,987.0)	-2.4%	(2,237.2)	12.6%
SG&A as a % of Net Revenue from Merchandise Sales	34.6%	40.0%	-5.4p.p.	39.8%	-0.2p.p.	34.6%	40.6%	-6.0p.p.	39.9%	-0.7p.p.
Ajusted EBITDA from Retailing Operation	257.1	260.3	-1.2%	268.7	3.2%	826.5	759.9	8.8%	859.9	13.2%
Ajusted EBITDA Margin from Retailing Operation	13.3%	15.2%	-1.9p.p.	13.9%	-1.3p.p.	14.8%	15.5%	-0.7p.p.	15.4%	-0.1p.p.
Financial Products Result	103.3	86.6	19.2%	103.3	19.2%	292.1	270.7	7.9%	292.1	7.9%
Ajusted Total EBITDA (Retail + Financial Products)	360.4	347.0	3.9%	371.9	7.2%	1,118.5	1,030.7	8.5%	1,152.0	11.8%
Ajusted Total EBITDA Margin	18.7%	20.3%	-1.6p.p.	19.3%	-1.0p.p.	20.0%	21.1%	-1.1p.p.	20.6%	-0.5p.p.
Net Income	189.3	194.2	-2.6%	196.9	1.4%	586.0	580.4	1.0%	608.1	4.8%
Net Margin	9.8%	11.3%	-1.5p.p.	10.2%	-1.1p.p.	10.5%	11.9%	-1.4p.p.	10.9%	-1.0p.p.
ROIC LTM	21.0%	22.2%	-1.2p.p.	21.5%	-0.7p.p.	21.0%	22.2%	-1.2p.p.	21.5%	-0.7p.p.

¹ In the Income Statements for the fiscal year ending December 31, 2018, the expenses with Depreciation and Amortization, Tax Expenses and Management Profit Sharing, previously shown in "Other Operating Income", were reclassified as Sales, General and Administrative Expenses. To facilitate analysis, Depreciation and Amortization expenses, including Lease Depreciation, have been excluded from the above table.

Sustentabilidade: In September, Lojas Renner S.A. has been selected for the Dow Jones Sustainability Index (DJSI) World portfolio in its 2019/2020 edition, placing 8th amongst 11 retailers. This is the Company's second consecutive inclusion in DJSI World, after having been listed in the DJSI Emerging Markets in 2014, 2015 and 2016. The new portfolio includes 318 companies from 27 countries, of which only seven are Brazilian, and Renner is the only retailer amongst them. This recognition reflects Lojas Renner's commitment to the sustainability of its business, transparency and corporate governance, in the constant pursuit of creating value for its shareholders, employees, customers and society.

Operational Highlights – 3Q19

Net Revenue +12.9% SSS +8.3%	▪ Good pace of sales with positive customer response to the Spring-Summer collection ▪ Greater customer traffic through the stores ▪ Adequate inventory assortment
Gross Profit +13.0% Stable Gross Margin	▪ Correct commercial management ▪ Good quality of inventory
EBITDA Retail Margin -1.9 p.p. (Excl. non comparables +0.2 p.p.)	▪ Lower recovery of tax credits ▪ Impact of IFRS 16 adoption ▪ Higher provisioning for Profit Sharing Program
Financial Products Results +19.2%	▪ Stronger generation of revenue, mainly Meu Cartão (co-branded card) ▪ Good quality of the overall credit portfolio
Net Margin -1.5 p.p. (Excl. non comparables +1.0 p.p.)	▪ Reduction in retailing EBITDA ▪ Higher effective rate of Income Tax (tax credit which benefited 3Q18)
Capex R\$ 259.0 MM	▪ Building of a new DC in São Paulo ▪ Roll out of 8 stores (6 Renner and 2 Ashua)

Breakdown by Business

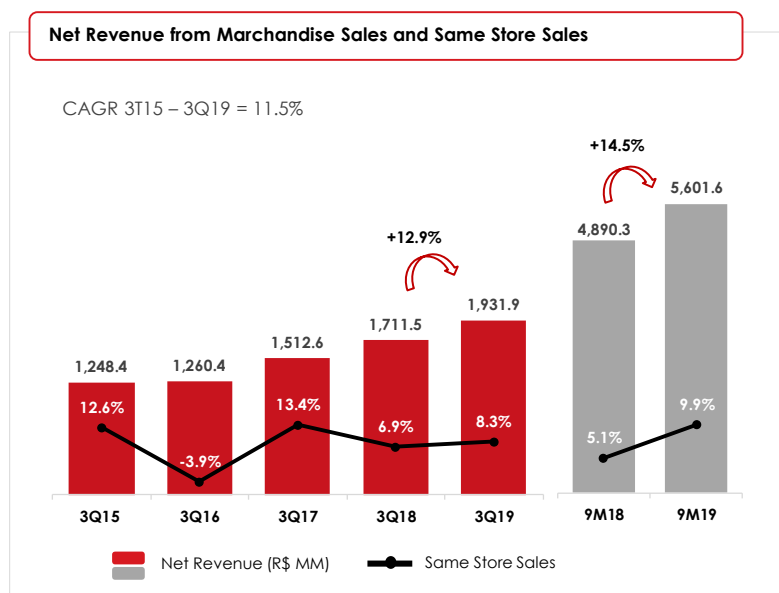


Businesses Breakdown	3Q19	3Q18	Var.	9M19	9M18	Var.
RENNER ¹						
Stores in Operation	368	340	28	368	340	28
Net Openings ²	8	6	-	14	10	-
Selling Area (thousand m²)	659.4	613.2	7.5%	659.4	613.2	7.5%
Net Revenue (R\$ MM)	1,767.6	1,551.9	13.9%	5,118.7	4,447.3	15.1%
Gross Margin	54.4%	54.3%	0.1p.p.	55.4%	56.2%	-0.8p.p.
CAMICADO						
Stores in Operation	113	107	6	113	107	6
Net Openings ²	0	6	-	5	9	-
Selling Area (thousand m²)	48.4	46.4	4.4%	48.4	46.4	4.4%
Net Revenue (R\$ MM)	116.6	121.0	-3.7%	347.3	336.7	3.2%
Gross Margin	51.0%	53.3%	-2.3p.p.	52.5%	52.1%	0.4p.p.
YOUCOM						
Stores in Operation	96	90	6	96	90	6
Net Openings ²	-1	-2	-	2	6	-
Selling Area (thousand m²)	15.8	14.6	8.4%	15.8	14.6	8.4%
Net Revenue (R\$ MM)	47.8	38.5	24.0%	135.6	106.3	27.6%
Gross Margin	60.4%	57.2%	3.2p.p.	60.6%	57.9%	2.7p.p.

¹ Includes Ashua stores.

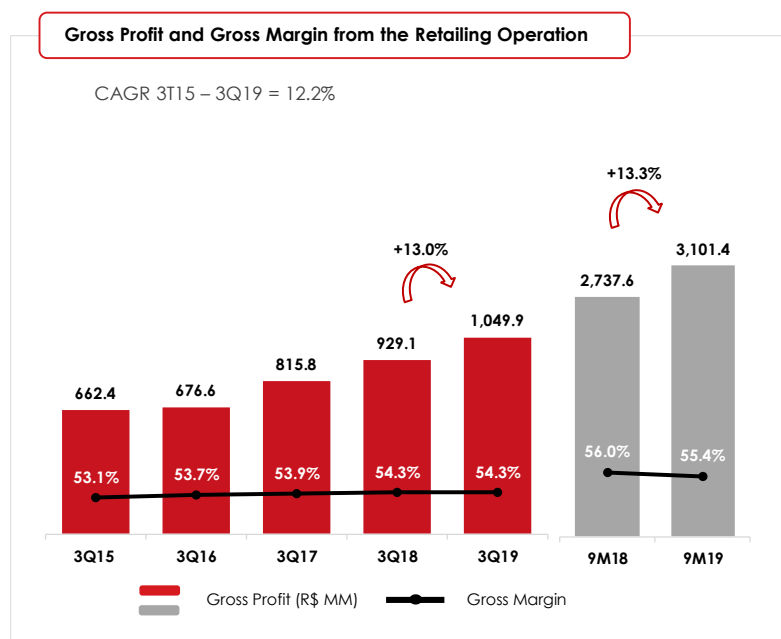
² Closings: 1 Youcom in the 3Q19 and 2 in the 3Q18. In the 9M19, 3 Camicado and 2 Youcom In 9M18, 5 Renner and 6 Youcom

Net Revenue from Merchandise Sales



- During the third quarter, sales continued at a good pace accompanied by an increase in customer traffic, producing an increase in Same Store Sales of 8.3%.
- Lower temperatures in July benefited sales of heavier winter apparel, leaving store inventory levels well prepared to receive the new collection. Additionally, the positive response to the Spring/Summer collection and the adequate inventory assortment were key to maintaining sales performance, notwithstanding the continuing cold temperatures in the following months in some regions.
- Youcom sales contributed to the consolidated performance reporting growth of 24.0%, reflecting the good response to the inter-season collection and the correct inventory assortment.
- At Camicado, the inventory adjustment process affected the product mix resulting in some assortment stock outs, in turn impacting the competitiveness of the business. Consequently, Net Revenue for the quarter posted a decline of 3.7%.
- In the first nine months of the year, the Company reported a growth of 14.5% in Net Revenue and 9.9% in Same Store Sales. This performance is indicative of consistent gains in market share throughout the year, given that the sector as a whole reported growth of just 0.5%, between January and August, according to the IBGE's Monthly Retailing Survey Index.

Gross Profit from the Retailing Operation



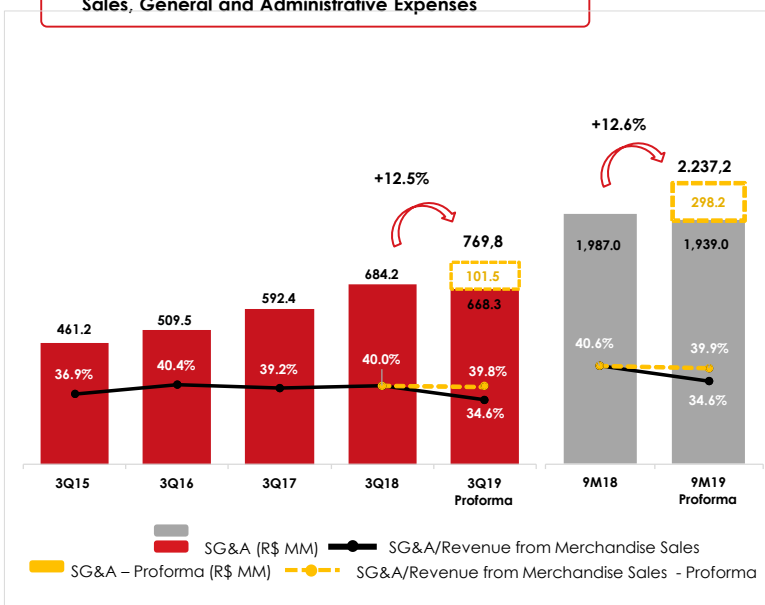
- Well managed commercial operations throughout 3Q19, combined with good inventory quality, offset the negative effect of FX for imports and generated stability in Gross Margin compared with 3Q18.
- Youcom reported an increase of 3.2 p.p. in Gross Margin, again the result of well managed commercial operations and good inventory quality.
- Conversely, Camicado reported a reduction of 2.3 p.p., a consequence of the imbalance in product assortment as mentioned above.
- In 9M19, the reduction in Gross Margin from the Retailing Operation was the result of the effect of contracted FX for imported products, mainly in the first half of the year.

Operating Expenses

Operating Expenses (R\$ MM)	3Q19	3Q18	Var.	3Q19 Proforma	Var.	9M19	9M18	Var.	9M19 Proforma	Var.
Operating Expenses (SG&A) ¹	(668.3)	(684.2)	-2.3%	(769.8)	12.5%	(1,939.0)	(1,987.0)	-2.4%	(2,237.2)	12.6%
% Over Net Revenue from Merchandise Sales	34.6%	40.0%	-5.4p.p.	39.8%	-0.2p.p.	34.6%	40.6%	-6.0p.p.	39.9%	-0.7p.p.
Selling Expenses	(473.1)	(504.6)	-6.2%	(566.2)	12.2%	(1,392.8)	(1,490.6)	-6.6%	(1,662.1)	11.5%
% Over Net Revenue from Merchandise Sales	24.5%	29.5%	-5.0p.p.	29.3%	-0.2p.p.	24.9%	30.5%	-5.6p.p.	29.7%	-0.8p.p.
General and Administrative Expenses	(195.2)	(179.6)	8.7%	(203.6)	13.3%	(546.2)	(496.4)	10.0%	(575.2)	15.9%
% Over Net Revenue from Merchandise Sales	10.1%	10.5%	-0.4p.p.	10.5%	0.0p.p.	9.8%	10.2%	-0.4p.p.	10.3%	0.1p.p.
Other Operating Expenses	(19.2)	8.1	-	(19.2)	-	(23.6)	(10.0)	136.0%	(23.6)	136.0%
Profit Sharing Program	(14.3)	(8.8)	63.0%	(14.3)	63.0%	(45.9)	(23.1)	98.7%	(45.9)	98.7%
Recovery of Tax Credits	6.4	32.6	-80.4%	6.4	-80.4%	47.5	41.5	14.4%	47.5	14.4%
Other Operating Revenues/ (Expenses)	(11.3)	(15.8)	-28.6%	(11.3)	-28.6%	(25.2)	(28.4)	-11.4%	(25.2)	-11.4%
Total Operating Expenses	(687.4)	(676.2)	1.7%	(789.0)	16.7%	(1,962.6)	(1,997.0)	-1.7%	(2,260.8)	13.2%

¹ In the Income Statements for the fiscal year ending December 31, 2018, the expenses with Depreciation and Amortization, Tax Expenses and Management Profit Sharing, previously shown in "Other Operating Income", were reclassified as Sales, General and Administrative Expenses. To facilitate analysis, the above table excludes Depreciation and Amortization Expenses, as well as Leasing Expenses.

Sales, General and Administrative Expenses

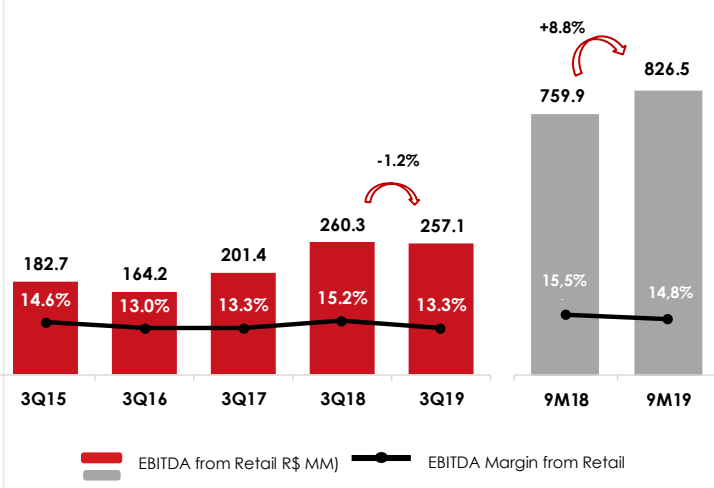


- Operating Expenses (SG&A) were slightly lower than in 3Q18, largely due to the adoption of IFRS 16, which reduced this account by R\$ 101.5 million.
- On a year-on-year comparative basis, these expenses rose 12.5% in the period and lower than the growth in Net Revenue from Merchandise Sales despite the projects under development.
- However, the operational leverage (SG&A) was more than neutralized by non-comparable items which impacted Other Operating Expenses. This non-comparability is largely due to the decline in the recovery of tax credits and the increased provisioning for the employee Profit Sharing Program (PPR) in 3Q19 when compared with 3Q18.
- As to Operating Expenses in 9M19, on a year-on-year comparative basis, there was operating leverage of 0.7 p.p. in SG&A due to lower increases in Selling Expenses – reflection of higher sales volume – as well as budgetary discipline in the period.

Adjusted EBITDA from Retailing

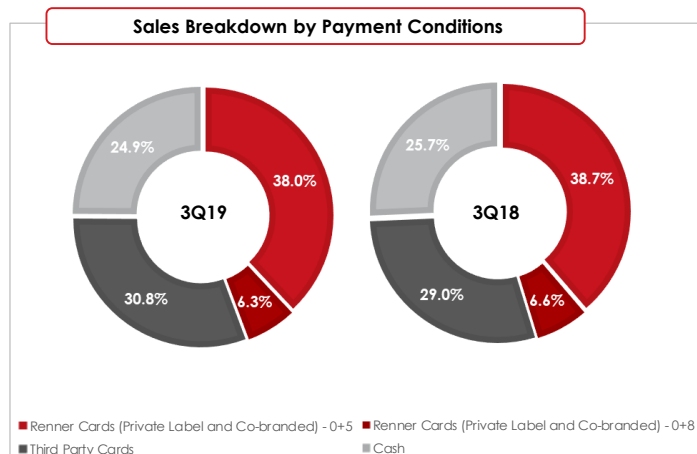
Adjusted EBITDA and EBITDA Margin from Retailing

CAGR 3T15 – 3Q19 = 8.9%



- The reduction on the EBITDA Margin from Retailing, due to non-comparable items, impacted this result by 1.2 p.p.. Excluding these effects, EBITDA from Retailing would have risen 14.5% and equivalent to an increase of 0.2 p.p. in the Margin.
- Non-comparable items refer mainly to greater recovery of tax credits, the increase of provisions for the Profit Sharing Program – PPR in 3Q19 and the IFRS16 adoption.
- For the 9M19 period, the reduction in the EBITDA Margin from Retailing was a reflection mainly of the IFRS 16 adoption (-0.6 p.p.) and higher expenses involving the Profit Sharing Program (-0.3 p.p.) in 2019.

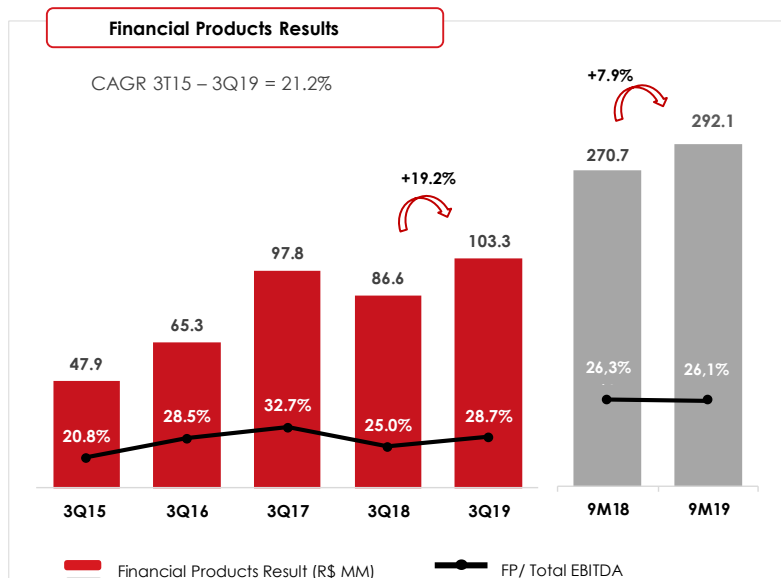
Payment Conditions



- At the end of September 2019, the Company reached 31.9 million cards issued, representing 44.3% of merchandise sales in 3Q19 compared with 45.2% for the same quarter in 2018. This reduction reflects customer behavior and continued caution with respect to installment purchases.

Financial Products Result

Financial Products Result (R\$ MM)	3Q19	3Q18	Var.	9M9	9M18	Var.
Revenues, Net of Funding and Taxes	286.7	225.0	27.4%	789.7	680.5	16.1%
Renner Card (Private Label)	89.0	72.8	22.2%	248.0	225.0	10.2%
Co-branded Card Meu Cartão	175.4	131.4	33.5%	481.9	388.6	24.0%
Quick Withdrawal and Insurances	22.3	20.8	7.4%	59.8	66.9	-10.6%
Credit Losses, Net of Recoveries	(101.4)	(68.3)	48.5%	(272.3)	(204.8)	33.0%
Renner Card (Private Label)	(44.0)	(15.7)	180.4%	(111.5)	(70.1)	59.0%
Co-branded Card Meu Cartão	(56.1)	(52.1)	7.7%	(158.3)	(133.8)	18.3%
Quick Withdrawal - Saque Rápido	(1.2)	(0.5)	169.9%	(2.6)	(0.9)	170.3%
Operating Expenses	(82.0)	(70.1)	17.0%	(225.3)	(205.0)	9.9%
Financial Products Result	103.3	86.6	19.2%	292.1	270.7	7.9%
% of Company's Total Adjusted EBITDA	28.7%	25.0%	3.7p.p.	26.1%	26.3%	-0.2p.p.



- Growth in Financial Products Result reflects higher revenues generated, mainly from Meu Cartão, and the increase of 47.0% in this portfolio.
- Revenue from Private Label activity exceeded growth in the portfolio and reflects the lower cost of funding and the interest appropriation. Since April, transactions involving this portfolio have been booked to Realize CFI.
- In the context of Net Credit Losses, the increase is due principally to greater Private Label provisioning as a result of transactions being booked to Realize CFI.

Customer Accounts Receivable

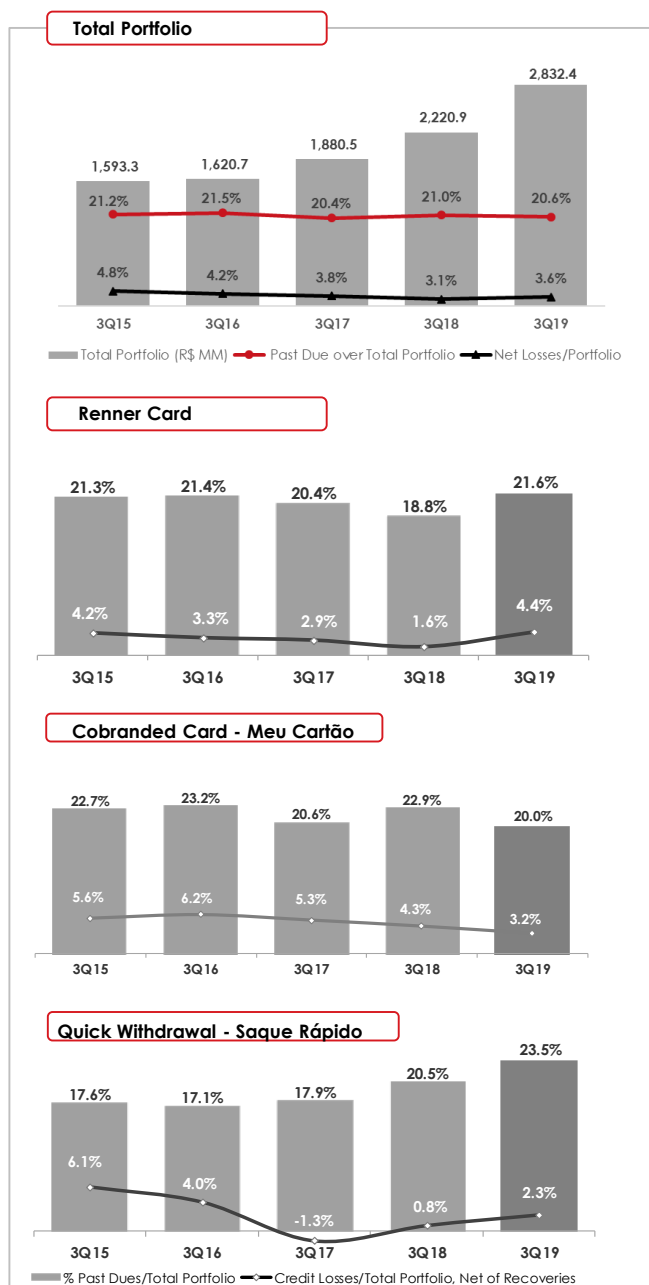
Customer Accounts Receivable (R\$ MM)	Set.19	Set.18	Var.
Renner Card (Private Label) - Net Portfolio	909.7	860.4	5.7%
Renner Card (Private Label) - Total Portfolio ⁽¹⁾	1,020.5	972.9	4.9%
Estimated Credit Losses	(96.2)	(65.2)	47.5%
Present Value Adjustment	(14.6)	(13.7)	6.6%
Other	0.0	(33.5)	-
Co-branded (Meu Cartão) - Net Portfolio	1,496.7	995.9	50.3%
Meu Cartão (Co-Branded) - Total Portfolio	1,778.0	1,209.9	47.0%
Estimated Credit Losses	(276.1)	(210.5)	31.2%
Present Value Adjustment	(5.2)	(3.6)	44.6%
Quick Withdrawal - Net Portfolio	43.5	45.7	-4.9%
Fees and Transactions Receivable	53.7	55.4	-3.0%
Estimated Credit Losses	(10.2)	(9.6)	5.9%
Total Third-Party Credit Card Companies	437.4	376.0	16.3%
Other Accounts Receivable	3.7	3.2	17.4%
Total Credit Portfolio, Net	2,891.1	2,281.2	26.7%

(1) Private Label total portfolio excludes the "Other" account, related to the RDC's (Securitization Fund) fee

- The 26.7% increase in Customer Accounts Receivable is due largely to the greater use of Meu Cartão. Of the total of this account, 51.8% related to the Meu Cartão portfolio and 31.5% to the Private Label portfolio.



Delinquency



- The total Financial Products Portfolio (Renner Card, Co-Branded Meu Cartão and Quick Withdrawal - Saque Rápido) reported a growth of 27.5% in 3Q19, driven largely by the Co-branded credit card.
- The reduction in the percentage of total past dues is principally the result of growth in the Meu Cartão portfolio.
- The percentage of credit losses posted an increase due to a higher level of provisioning in the case of the Private Label.
- Private Label (Renner Card):** The increase in the percentage of net credit losses is due to higher levels of provisioning for this portfolio, reflecting the booking of Private Label transactions to Realize CFI and lower credit recoveries. The provisioning methodology applicable to this, uses the dragging method whereby installments (total amount outstanding) are transferred to the worst-case category of past dues under the name of a client.
- Lower credit recoveries also had an impact on the portfolio's past due levels.
- Co-Branded (Meu Cartão):** There was a reduction in Meu Cartão delinquencies, an indication of the maintenance of credit quality and growth in the portfolio.
- Quick Withdrawal (Saque Rápido)** The increase in the Percentage of Losses and Overdues is due above all to the reduction in the portfolio, in turn a reflection of the offer of the withdrawal facility as part of the Meu Cartão product as from 2017.

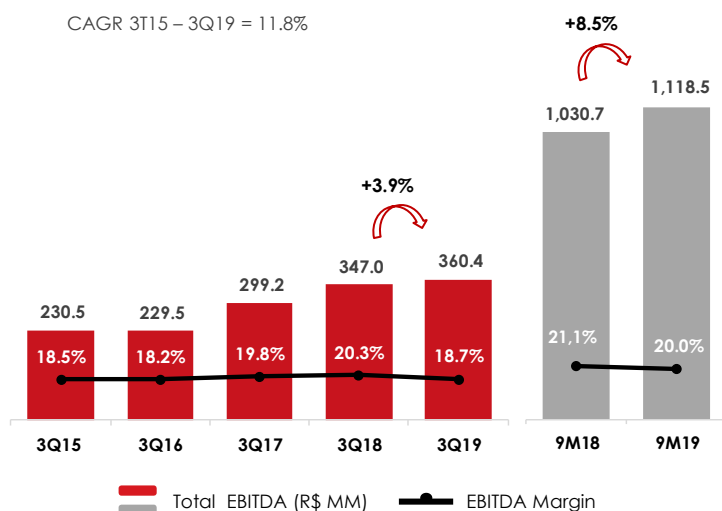
Total Adjusted EBITDA

EBITDA Reconciliation (R\$ MM)	3Q19	3Q18	Var.	3Q19 Proforma	Var.	9M19	9M18	Var.	9M19 Proforma	Var.
Net Income	189.3	194.2	-2.6%	196.9	1.4%	586.0	580.4	1.0%	608.1	4.8%
(+) Income and Social Contribution Taxes	64.6	46.8	37.9%	68.5	46.3%	205.4	155.5	32.1%	216.7	39.4%
(+) Financial Result, Net	22.7	17.5	30.1%	8.0	-53.9%	88.3	44.7	97.7%	40.2	-10.1%
(+) Depreciation and Amortization	189.8	81.3	133.4%	91.3	12.3%	552.7	231.4	138.8%	269.1	16.3%
Total EBITDA	466.3	339.8	37.2%	364.8	7.4%	1,432.3	1,011.9	41.5%	1,134.1	12.1%
(-) Depreciation for Leasing (IFRS16)	(98.4)	-	-	-	-	(283.6)	-	-	-	-
(-) Financial Expenses for Leasing (IFRS16)	(14.7)	-	-	-	-	(48.1)	-	-	-	-
(+) Stock Option Plan	5.2	5.9	-11.4%	5.2	-11.4%	15.2	15.7	-3.2%	15.2	-3.2%
(+) Result on Write-Off and Provision for Impairment of Fixed Assets	1.9	1.3	51.8%	1.9	51.8%	2.7	3.0	-9.8%	2.7	-9.8%
Total Adjusted EBITDA	360.4	347.0	3.9%	371.9	7.2%	1,118.5	1,030.7	8.5%	1,152.0	11.8%
Total Adjusted EBITDA Margin*	18.7%	20.3%	-1.6p.p.	19.3%	-1.0p.p.	20.0%	21.1%	-1.1p.p.	20.6%	-0.5p.p.

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

Total Adjusted EBITDA and EBITDA Margin

CAGR 3T15 – 3Q19 = 11.8%



- With the IFRS 16 adoption, for comparison's sake, the Company has begun to report EBITDA, also adjusted for Depreciation and Financial Expenses, given the similarity with cash flows incurred in the rental agreements.
- The reduction of 1.6 p.p. in the Total Adjusted EBITDA Margin was the result of a lower EBITDA Margin from Retailing in the period, impacted by non-comparable items already discussed above.
- Excluding the effects of the non-comparable items, Total EBITDA Margin would have been 15.7%, an improvement of 0.5 p.p., reflecting the operating leverage (SG&A) and the increase in the financial products result.
- For the first nine months of 2019, Total Proforma EBITDA Margin was 0.5 p.p., mainly due to the normalization of the Profit Sharing. Excluding this effect, the Net Margin would have been stable when compared to the 9M18.

Financial Result, Net

Financial Result, Net (R\$ MM)	3Q19	3Q18	Var.	2Q19 Proforma	Var.	9M19	9M18	Var.	9M19 Proforma	Var.
Financial Revenue	11.2	11.7	-4.0%	11.2	-4.0%	29.4	31.3	-6.2%	29.4	-6.2%
Gains on Cash Equivalents	8.0	7.0	13.6%	8.0	13.6%	25.1	25.1	0.0%	25.1	0.0%
Other financial revenue	3.3	4.7	-30.3%	3.3	-30.3%	4.3	6.2	-31.1%	4.3	-31.1%
Financial Expenses	(33.7)	(29.9)	12.6%	(19.0)	-36.4%	(115.1)	(79.5)	44.8%	(67.0)	-15.7%
Interest on Loans, Borrowings and Swap	(14.9)	(20.5)	-27.4%	(14.9)	-27.4%	(54.0)	(62.1)	-13.0%	(54.0)	-13.0%
Other Financial Expenses	(4.2)	(9.5)	-56.0%	(4.2)	-56.0%	(13.0)	(17.4)	-25.3%	(13.0)	-25.3%
Financial Expenses for Leasing (IFRS16)	(14.7)	0.0	-	0.0	-	(48.1)	0.0	-	0.0	-
Foreing Exchange, Net	(0.2)	0.8	-	(0.2)	-	(2.5)	3.5	-	(2.5)	-
Financial Result, Net	(22.7)	(17.5)	30.1%	(8.0)	-53.9%	(88.3)	(44.7)	97.7%	(40.2)	-10.1%

- The Net Financial Expenses in the quarter increased 30.1%, mainly in the light of recognition in the accounts of R\$ 14.7 million of Financial Expenses on Leasing following the IFRS 16 adoption.
- On a comparable basis, the year-on-year reduction in Net Financial Expenses was due largely to the fall in funding costs and a reduction in structural debt.

Free Cash Flow

Cash Flow (R\$ MM)	3Q19	3Q18	Var.	9M19	9M18	Var.
Total Adjusted EBITDA	360.4	347.0	13.4	1,118.5	1,030.7	87.9
(+/-) Income and Social Contribution Taxes/Others	(73.4)	(13.8)	(59.6)	(285.1)	(175.1)	(110.0)
Operating Cash Flow	287.0	333.1	(46.2)	833.4	855.6	(22.2)
(+/-) Changes in Working Capital	305.9	126.8	179.1	(183.2)	(249.3)	66.0
Accounts Receivable	5.0	78.1	(73.0)	270.9	328.7	(57.8)
Operating Financing (Financial Products)	131.6	74.5	57.1	(107.2)	60.0	(167.2)
Inventories	(98.2)	(126.6)	28.4	(136.1)	(289.1)	153.0
Suppliers	110.8	102.8	8.0	(137.1)	(53.4)	(83.7)
Other Accounts Receivable/Payable	156.7	(1.9)	158.6	(73.7)	(295.4)	221.7
(-) Capex	(257.3)	(158.3)	(99.0)	(502.6)	(386.6)	(116.0)
(=) Free Cash Flow	335.6	301.6	34.0	147.7	219.8	(72.1)

- The increase in the Free Cash Flow generation in the quarter was mainly due to a reduced need for working capital, result of an improved capital allocation to the commercial operation.
- The increase in Other Accounts Receivable and Payable is related to the higher balance of outstanding liabilities with Co-branded card traders (other retailers and commercial establishments) as well as to Taxes. These amounts were offset by growth in Accounts Receivable and by Income Tax payments.

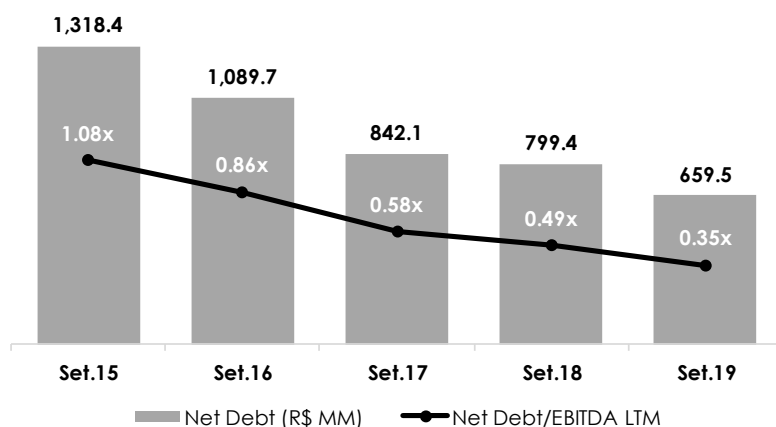


Net Debt

Net Debt (R\$ MM)	Sep. 19	Dec. 18	Sep. 18
Borrowings and Financing	(953.4)	(1,038.1)	(996.5)
Current	(508.1)	(710.8)	(665.9)
Noncurrent	(445.2)	(327.3)	(330.6)
Operational Financing	(744.3)	(851.6)	(757.5)
Current	(296.4)	(712.6)	(458.3)
Noncurrent	(447.9)	(139.0)	(299.2)
Gross Debt	(1,697.7)	(1,889.6)	(1,754.0)
Cash and Cash Equivalents and Financial Investments	1,038.2	1,384.4	954.6
Net Debt	(659.5)	(505.3)	(799.4)
Net Debt / Total Adjusted EBITDA (LTM)	0.35x	0.28x	0.49x

- On September 30, 2019, the Company's Net Debt was lower than reported in September 2018, principally due to more robust cash generation between periods.
- On August 01, 2019, Realize CFI issued a Financial Bill for R\$ 300 million, maturing in 36 months with an interest rate of 104.1% of the CDI.

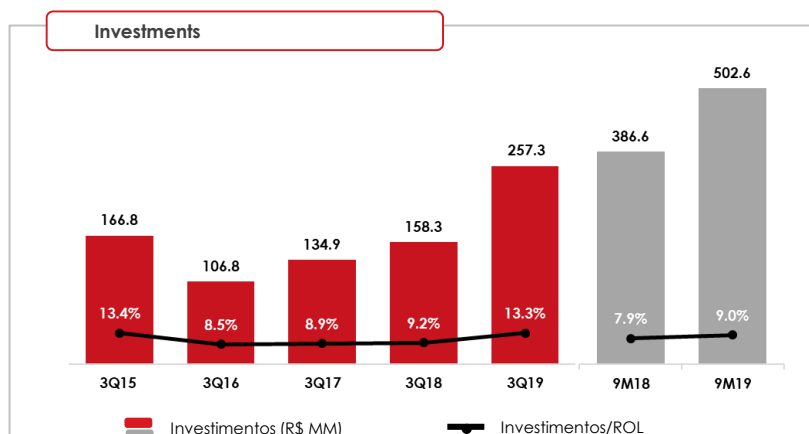
Net Debt



Operational finance is used for financing the Financial Products portfolios and its variation is a reflection of the financial volumes of these products. Debt servicing charges related to capital management are booked to the Financial Result, Net. Operational Financing relative to Financial Products is reflected in the Operational Result.



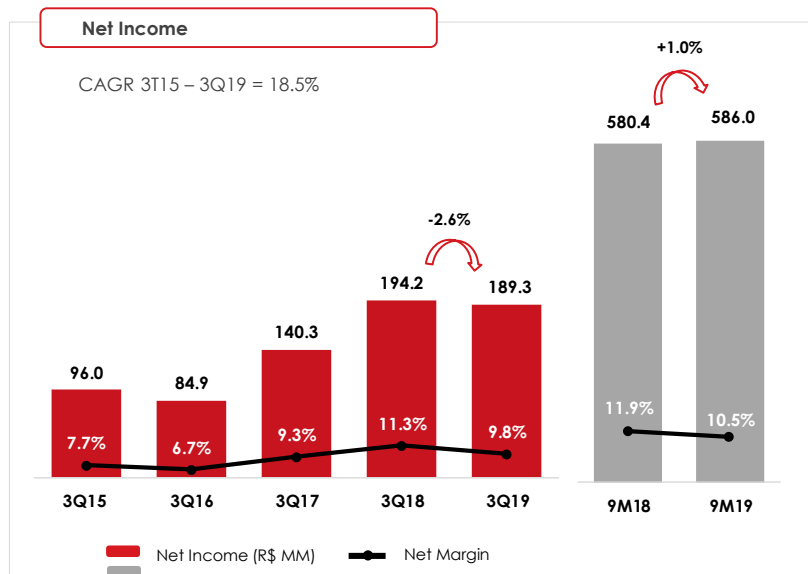
Investments



CAPEX Summary (R\$ MM)	3Q19	3Q18	9M19	9M18
New Stores	71.9	64.5	159.2	140.6
Remodeling of Installations	21.8	49.9	73.4	123.7
IT Equipament & Systems	54.0	34.5	146.7	101.9
Distribution Centers	109.2	5.1	121.3	11.4
Others	0.4	4.4	2.0	8.9
Total Capex	257.3	158.3	502.6	386.6

- Out of total investments in the quarter, 36.4% were applied in the opening of New Stores and remodeling of existing units, 21.0% in IT Systems and Equipment and 42.5% for Distribution Centers, mainly directed to automation for the new DC to be built in São Paulo. Totally automated and prepared for omnichannel operations, this new Distribution Center will be constructed according to the 'built to suit' model and is forecast to begin operations in 2022.
- In the quarter, Renner opened 8 stores, totaling 368 units in operation, including 7 in Uruguay and 5 Ashua stores with a total sales area of 659.4 thousand m². Youcom in turn closed a store in the quarter, with 96 units added and sales area of 15.8 thousand m². During the first nine months of the year 26 stores were unveiled, of which 14 Renner, 8 Camicado and 4 Youcom.
- Depreciation and Amortization (exc. Leasing – IFRS16) expenses amounted to R\$ 91.3 million in 3Q19, 12.3% greater than 3Q18, largely due to the ongoing expansion plan and the increase in assets relative to the IT systems. In 9M19, these expenses amounted to R\$ 269.1 million, a growth of 16.3% in relation to 9M18.

Net Income and Dividends



- The reduction in Net Margin in 3Q19, reflected in large part the lower operational result for the period, impacted primarily by non comparable items, as previously mentioned.
- Further, the normalization of the effective Income Tax rate following the booking in 3Q18 of R\$ 17.4 million, as per the definitive ruling on the tax-deductible Worker's Food Program – PAT, also had an impact on this result. If this effect is excluded together with the non-recurring items which impacted the operational result, then Net Income would have grown 24.6%, with an increase of 1.0 p.p. on Net Margin.
- As to 9M19, the reduction in Net Margin reflects the lower Total EBITDA and the higher effective tax rate in the period. Excluding non-recurring items, Net Income would have reported growth of 17.9% with stable net margin when compared to the 9M18.
- In 3Q19, Lojas Renner credited shareholders with dividends in the form of interest on capital of R\$ 62.4 million, corresponding to R\$ 0.0786 per share considering 793.416.263 common shares, from which treasury stock has been excluded. For the first nine months from January to September interest on capital paid out to shareholders had totaled R\$ 190.6 million, corresponding to R\$ 0.2492 per share.

(All amounts in thousands of Brazilian Reais unless otherwise stated)

1 OPERATIONS

Lojas Renner S.A. ("Parent Company") is a corporation with head office at 401 Joaquim Porto Villanova Avenue, Porto Alegre, RS, Brazil, listed in B3 S.A.- *Brasil, Bolsa e Balcão* under the code LREN3.

Lojas Renner S.A. and its direct and indirect subsidiaries, individually or jointly (the "Company" or the "Consolidated"), are mainly engaged in:

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

2 HIGHLIGHTS

Below, Management emphasizes certain important matters in this disclosure:

2.1 FIRST-TIME ADOPTION OF NEW STANDARD

IFRS 16 / CPC 06 (R2) Lease became effective as of January 1, 2019. In note 4.1, the Company's Management comments the main factors supporting adoption of standard, such as:

- i) Evaluation for adoption of standard IFRS 16 / CPC 06 (R2);
- ii) Evolution of standard adoption during the first nine months of 2019;
- iii) Impact on balance sheet; and
- iv) Impact in the income statement.

2.2 FINANCIAL BILLS

On August 12, 2019, the indirect subsidiary Realize CFI made the 2nd issuance of Financial Bills in the amount of R\$ 300,000, with settlement expected 3 years after the issue date. This issuance is solely intended to be used in the ordinary course of business and financing of operations (Note 17.1).

2.3 LOJAS RENNER TRADING URUGUAY S.A.

In September 2019, the Company incorporated Lojas Renner Trading Uruguay S.A. to intermediate imports from Asia to supply stores located in Uruguay and Argentina. (notes 3.7.1 and 13).

3 BASIS FOR THE PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS**3.1 STATEMENT OF CONFORMITY**

The interim financial statements included in the Quarterly Information Form - *ITR*, are prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and with IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board (IASB) and presented in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of Quarterly Information - *ITR*.

Interim financial statements were approved by the Company's Management on October 16, 2019.

3.2 STATEMENT OF RELEVANCE

The Company's Management applied technical guideline OCPC 7 and CVM Resolution 727/14 on preparation of interim financial statements, for disclosing only relevant information that helps users of interim financial statements to make decisions, so that minimum requirements will be complied with. In addition, the Company's Management affirms that all relevant information is being evidenced and corresponds to the information used in the Management of the business.

3.3 RECLASSIFICATION IN INCOME STATEMENTS

The Company made reclassifications in the presentation in income statement for the three and nine months ended September 30, 2018, presented for comparative purposes, in the amount of R\$ 68,556 and R\$ 195,411 and R\$ 78,087 and R\$ 221,723 (parent company and consolidated) referring to depreciation and amortization expenses; R\$ 11,919 and R\$ 35,134 and R\$ 14,148 and R\$ 41,964 (parent company and consolidated) referring to tax expenses; and R\$ 2,887 and R\$ 8,544 and R\$ 3,077 and R\$ 9,218 (parent company and consolidated) referring to management remuneration, aiming to improve the disclosure of these captions, previously presented as "Other operating income". The Company's Management understands that said reclassification reflects the best information for monitoring its results. Reclassification did not change net income and did not change the Company's Balance Sheets, Statements of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statements of Cash Flows.

3.4 MEASURING BASIS

The interim financial statements were measured considering the historical cost as a basis of value, except for certain financial instruments measured at their fair values (Note 22.3).

(All amounts in thousands of Brazilian Reais unless otherwise stated)

3.5 FUNCTIONAL AND PRESENTATION CURRENCY

The interim financial statements are presented in Brazilian Real (R\$), functional and presentation currency of the Company. All balances have been rounded to the nearest value, except otherwise indicated.

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

3.6 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim financial statements requires, the Company's Management to use estimates and assumptions that affect the reported amounts of assets, liabilities and other transactions. Since Management's judgment involves the determination of estimates related to the probability of future events, actual results may differ from these estimates.

In addition to compliance with prevailing accounting standards and rules, Management understands that the adoption of critical accounting estimates is essential to produce the best possible information on income and financial situation upon each period closing, even if such information may temporarily lack accuracy because the subjectivity and complexity involved. Main transactions and evaluations significantly impacted by estimates are as follows:

- i) Provisions for tax, civil and labor risks (Note 21);
- ii) Estimated credit losses (Note 7.3);
- iii) Estimated inventory losses (Note 9.3);
- iv) Discount rate applied to adjustment to present value (Notes 4.1.2.2.14.1.2.2.17.19.19.118.118.1
- v) Determination of fair values of derivative financial instruments and stock option plans (Notes 22.1 and 28.6);
- vi) Definition of the useful life of the fixed and intangible assets (Note 14.1);
- vii) Evaluation of impairment of intangible assets with undefined useful life (Note 15.1); and
- viii) Realization of deferred income tax and social contribution (Note 12.4)

3.7 ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these individual and consolidated interim financial statements are presented and summarized in notes of the respective account group and have been consistently adopted in the periods presented to the Parent Company and its subsidiaries, except for the accounting policy of lease *IFRS 16 / CPC 06 (R2)*, which started as of January 1, 2019.

3.7.1 Consolidation

In the preparation of individual and consolidated interim financial statements, financial statements of subsidiaries are closed on the same base date were used.

As established by CVM Instruction 408/04, the Company consolidated the financial statements of FIDC Lojas Renner up to April 2019, since this represented a specific purpose entity whose activities are performed substantially in accordance with the Company's operating needs; the Company was being exposed to most risks and benefits related to the fund, as it owns all subordinated quotas.

As of July 2018, Argentina started being considered a hyperinflationary economy. Thus, the adoption of *CPC 42 / IAS 29* accounting standard was required. Pursuant to these standards, non-monetary assets and liabilities, shareholders' equity and the income statement of the subsidiary Lojas Renner Argentina S.A.U. shall be adjusted for changes in the general purchasing power of currency, applying a general price index before the foreign exchange translation. Because of this requirement to adopt *CPC 42/IAS 29*, non-monetary assets and liabilities recorded at historical cost and the shareholders' equity of the subsidiary in Argentina were adjusted based on the inflation index, pursuant to the variation of the Argentinian National Price Index (index defined by Argentina Resolution JG 539/18 – *FACPCE*) with its respective impacts on the balance sheet and income as of January 1, 2019, since the control was acquired in December 2018.

(All amounts in thousands of Brazilian Reais unless otherwise stated)

The Company's consolidated interim financial statements include the companies below, where the direct and indirect interest represents **100.0%** as of 09/30/2019 and 12/31/2018:

DIRECT SUBSIDIARIES			INDIRECT SUBSIDIARIES		
	Brazil	Currency: BRL		China	Currency: RMB
Dromegon Participações Ltda. ("Dromegon") owns some of the properties used in the Company's commercial transactions and its revenues are limited to the rental of these properties. Until the end of fiscal year 2018, Renner Administradora de Cartões de Crédito Ltda. ("RACC") was engaged in rendering intermediation financial services by means of executing into contract on bank correspondent product for quick withdrawal, by means of agreement for borrowing extension by financial institutions. Maxmix Comercial Ltda. ("Camicado") is engaged in retail trading of domestic appliances, towels & linen, and decoration articles. Fashion Business Comércio de Roupas Ltda. ("Youcom") is engaged in specialized retail trading of clothing, shoes and accessories. Realize Participações S.A. is engaged in ownership interest in financial institutions and other financial institutions authorized to operate by the Central Bank of Brazil.			The purpose of Lojas Renner Shanghai Trading Co. Ltd. ("LRS") consists of performing the duties of purchasing, quality control and sample development, and acting as a vehicle for building up relationships with business partners and to provide support in the prospecting of new foreign suppliers.		
				Uruguay	Currency: UYU
			Lojas Renner Uruguay S.A. ("LRU") has as object the specialized retail trade in clothing, sports and footwear, perfumery, cosmetics, accessories and sporting goods. Currency: USD Lojas Renner Trading Uruguay S.A. is engaged in carrying out purchase and sales operations for group companies based in Latin America, except Brazil.		
				Argentina	Currency: ARS
			Lojas Renner Argentina S.A.U. ("LRA") will have as object the specialized retail trade in clothing, sports and footwear, perfumery, cosmetics, accessories and sporting goods. On these interim financial statements' approval date, LRA was at pre-operating stage.		
	Brazil	Currency: BRL	The purpose of Realize Crédito Financiamento e Investimento S.A. ("Realize CFI") is practice of active, passive and accessory operations inherent to the credit companies, financing and investment, in accordance with the legal and regulatory provisions in force.		

FIDC Lojas Renner was settled on May 13, 2019, and thus is no longer included in the list of consolidated companies. Participation in the Fund was 40.7% as of December 31, 2018.

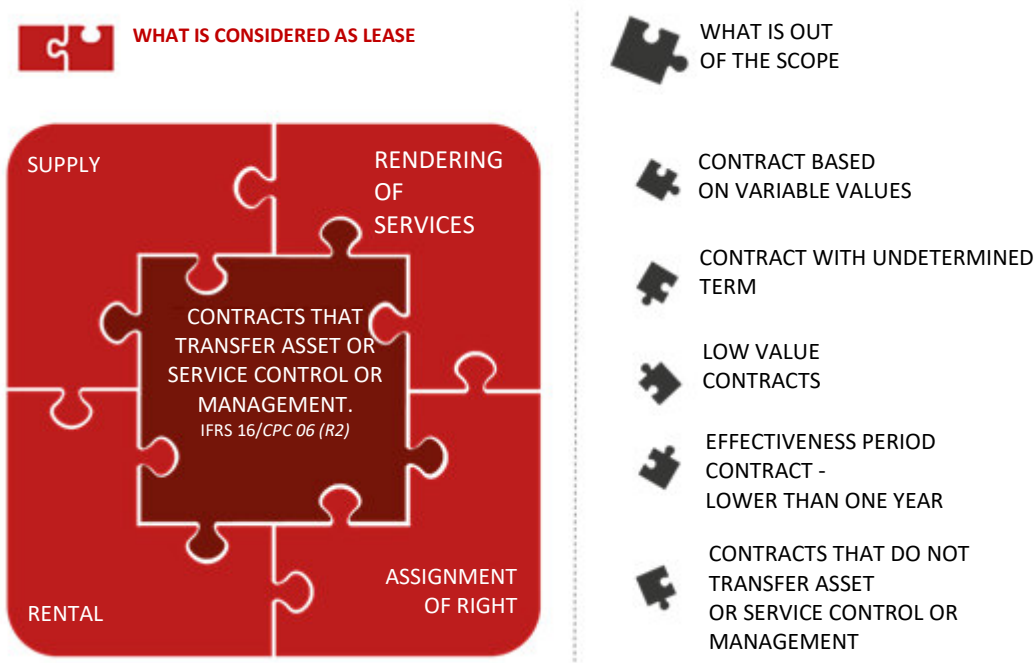
4 STANDARDS AND INTERPRETATIONS IN FORCE

4.1 IFRS 16 / CPC 06 (R2) - LEASE

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

(All amounts in thousands of Brazilian Reais unless otherwise stated)

The concept of the lease and exemptions are presented below:

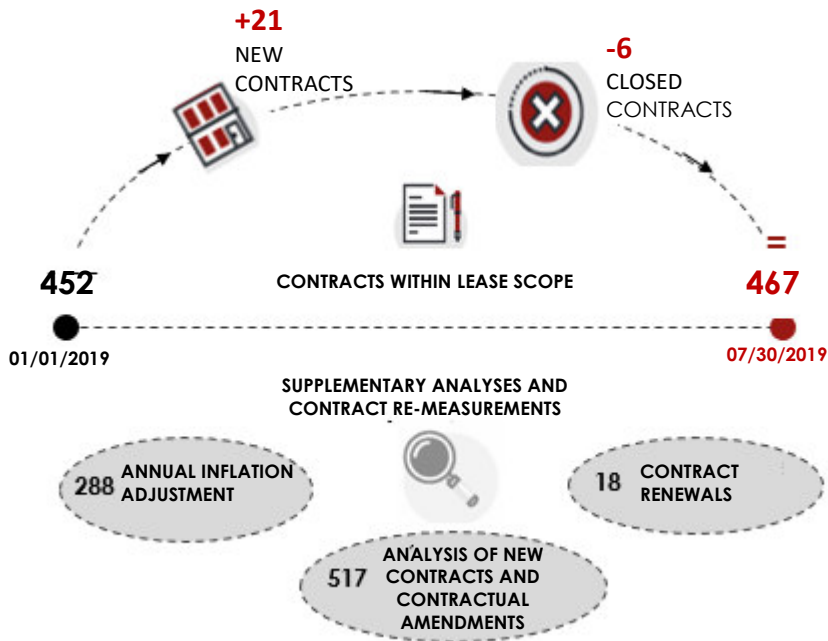


During 2018, Lojas Renner S.A. and its subsidiaries evaluated possible impacts from first-time adoption of standard *IFRS 16 / CPC 06 (R2)* on its financial statements. This evaluation was divided into stages, such as:

- i) Identification of contracts;
- ii) Transition approach;
- iii) Measurement of initial liabilities and initial assets; and
- iv) Effects in first-time adoption.

In this period, the Company made an inventory of contracts, which started with 6,013 analyzed contracts and resulted in 567, among which, 115 contracts classify for exemptions and 452 contracts are within lease scope (fixed minimum rent) at initial survey, as disclosed in Financial Statement as of December 31, 2018, note 5.2.1.1.2.

Flow of contracts since the beginning the standard started to take effect is shown below and involves the number of contracts in standard scope and analyses deriving from inflation adjustments after one year of contract, verification of addenda, renewals and new contracts, which may impact re-measurement of amounts, even when not affecting the number of total contracts in standard scope:



*It refers to store rents and administrative contracts (offices and distribution center)

4.1.1 Transition approach

(All amounts in thousands of Brazilian Reais unless otherwise stated)

The Company's Management has chosen the simplified retrospective transition approach. Such approach does not impact retained earnings (shareholders' equity) on first-time adoption date, as right-of-use asset value is equal to lease liabilities payable brought to present value, allowing the use of practical procedures.

4.1.2 Impact on balance sheet

Balance sheet accounts were subject to significant changes due to recognition of all future commitments originated from contracts in lease scope. At first-time adoption, right-of-use asset value is equal to lease liabilities payable adjusted at present value, R\$ 1,719,658 in the Parent company and R\$ 1,993,746 in Consolidated.

Beginning as of January 1, 2019, previous balance of leased fixed assets was reclassified to right-of-use asset and financial lease liability was incorporated into leases payable balance.

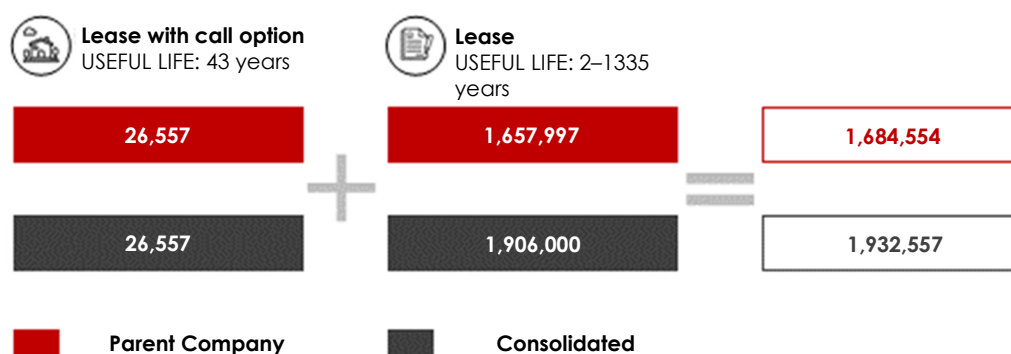
4.1.2.1 Right-of-use

4.1.2.1.1 ACCOUNTING POLICY

Measurement of right-of-use asset corresponds to initial lease liability value plus initial direct costs incurred. The Company's Management chose to use the practical measure for transition and to not consider initial costs for initial measurement of right-of-use asset, thus maintaining the initial lease liability value.

Depreciation is calculated using the straight-line method according to the remaining term of contracts.

4.1.2.1.2 Breakdown of right-of-use



(*) Corresponds to leased fixed assets (IAS 17) reclassified as of December 31, 2018 reclassified to right-of-use assets as of January 1, 2019.

4.1.2.1.3 Changes in right-of-use

	Parent Company	Consolidated
Balance at December 31, 2018	-	-
(+) First-time adoption - IFRS 16 / CPC 06 (R2)	1,719,658	1,993,746
(+) Reclassification - real estate - IFRS 16 / CPC 06 (R2) (*)	27,021	27,021
Balance at January 1, 2019	1,746,679	2,020,767
(+/-) Remeasurement and new contracts	182,808	195,618
(-) Accumulated depreciation	(244,933)	(284,045)
(+/-) Translation adjustment	-	217
Balance at September 30, 2019	1,684,554	1,932,557

(*) It corresponds to reclassification of leased fixed assets balance as of December 31, 2018 (IAS 17) to right-of-use asset, beginning as of January 1, 2019.

4.1.2.2 Leases payable

4.1.2.2.1 ACCOUNTING POLICY

Of contracts that were in the standard's scope, the Company's Management considered only minimum fixed rent value as lease component for liability evaluation purposes. The measurement of lease liability corresponds to total future fixed rent payments (gross of taxes) which include the renewals when we identify "reasonable certainty" of renewal. These payment flows are adjusted at present value, considering real discount rate.

(All amounts in thousands of Brazilian Reais unless otherwise stated)

Financial charges are recognized as financial expenses and appropriated based on the actual discount rate, according to the remaining term of the contracts.

Real discount rate corresponds to market quotations (reference in %, CDI accumulated in the last 12 months, net of inflation) for funding at amounts that represent total investments for the opening of new stores, considering remaining period of each set of contracts.

The Company chose to the practical measure of using a single discount rate in accordance with respective periods of contracts with similar characteristics. Due to this, an interval from 2.82% to 3.57% is presented in the rate considered.

4.1.2.2.2 Breakdown in leases payable

Descriptions	Annual rates	Maturity	Parent Company		Consolidated	
			09/30/2019	12/31/2018	09/30/2019	12/31/2018
Lease with call option	8.81% (*)	2062	35,013	33,940	35,013	33,940
Leases	2.82–3.57%	2020–2032	1,710,963	-	1,968,968	-
Total			1,745,976	33,940	2,003,981	33,940

Current liabilities			350,587	473	384,657	473
Non-current liabilities			1,395,389	33,467	1,619,324	33,467
Total			1,745,976	33,940	2,003,981	33,940

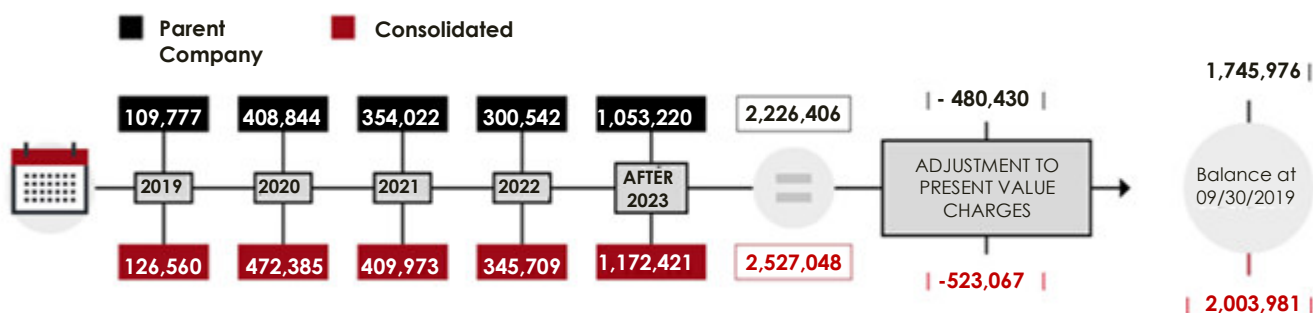
(*) The discount rate of lease with call option agrees with contract for rent of property (administrative head office) entered in July 2012. As provided for in accounting standard CPC 06 R2/IFRS 16, it is not necessary to remeasure the balance of leases prior to January 1, 2019. The contract value is restated based on the accumulated change of the annual INPC.

4.1.2.2.3 Changes in leases payable

	Parent Company	Consolidated
Balance at December 31, 2018 (*)	33,940	33,940
(+) First-time adoption - IFRS 16 / CPC 06 (R2)	1,842,387	2,146,252
(-) Present value adjustment charges - IFRS 16 / CPC 06 (R2)	(122,729)	(152,506)
Balance at January 1, 2019	1,753,598	2,027,686
(+) Charges	45,150	51,384
(+/-) Remeasurement and new contracts	182,808	195,618
(-) Consideration	(235,580)	(270,791)
(+/-) Translation adjustment	-	84
Balance at September 30, 2019	1,745,976	2,003,981

(*) Opening balance corresponds to former financial lease (IAS 17). As provided for in accounting standard CPC 06/IFRS 16, the financial lease prior to January 1, 2019 shall be incorporated into the balance of leases payable without any need to change the measurement of the book balance.

4.1.2.2.4 Future commitments



(All amounts in thousands of Brazilian Reais unless otherwise stated)

4.1.2.3 Impact in the income statement

According to *IFRS 16 / CPC 06 (R2)*, the Company concluded that lease considerations that were previously recorded as expenses with occupancy were recognized in the accounts of depreciation and financial expenses. Although this new pronouncement did not introduce any change to total amount that will be taken to net income throughout the contract's useful life, it is correct to state that a temporal effect in net income, with a decrease in the three and six months ended September 30, 2019 of R\$ 7.6 million and 22.1 million, respectively, mainly due to the method adopted for recognition of interest and inflation adjustment associated to leases.

In relation to recognition of taxes, it is correct to say that there is a temporary effect on income tax and social contribution, as we recognize a deferred tax asset that will be realized as rent contracts are terminated. And for recoverable PIS/COFINS taxes, we continue to recognize credits in net income based on consideration payments.

For tax calculation purposes, neutrality is assured, both for income tax and social contribution, as well as for PIS/COFINS credits.

4.2 ICPC 22 / IFRIC 23 UNCERTAINTY ON INCOME TAX TREATMENTS

Interpretation ICPC 22 clarifies how to apply CPC 32 recognition and measurement requirements when there is uncertainty about how to treat taxes on income. The Company's Management must recognize and measure its current tax or deferred tax asset or liability, applying requirement of CPC 32 based on taxable income (tax losses), tax bases, tax losses not used, tax credits not used and determined tax rates, applying this Interpretation. The interpretation was approved on December 21, 2018 and became effective as of January 1, 2019.

In the Company's Management evaluation, there were no significant impacts due to the interpretation, as all procedures adopted for determination and payment of taxes on income are backed by the law and on previous decisions of Administrative and Judicial Courts.

5 RISK MANAGEMENT

In the normal course of its operations, the Company is exposed to the following risks:

- i) Market risk (including foreign exchange risk and interest rate risk);
- ii) Credit risk (Notes 6.4, 7.4 and 22.5);
- iii) Liquidity risk, and
- iv) Capital Management.

The Company's risk Management is performed by a multidisciplinary structure, enabling the Executive Board to evaluate whether the business Management is in line with the policies and guidelines set by Management. In April 2012, the Company's Board of Directors created the Audit and Risk Management Committee, aimed at identifying and monitoring the main risk factors of the Company.

5.1 MARKET RISKS

5.1.1 Exchange rate risk

The foreign exchange risk arises from current and future business operations, mainly generated by the import of goods in US dollars and obtaining a borrowing in foreign currency.

The policy on foreign exchange risk Management formulated by the Company's Management is to hedge up to 100% of its imports by means of currency forwards purchase contracts such as Non-Deliverable Forward (NDF) and the contracted amount of borrowing in foreign currency (Bacen [Central Bank of Brazil] Law 4.131) by means of Exchange rate swap. For setting the dollar price used in the expected scenario, the Company follows future market projections of "B3 S.A.- Brasil, Bolsa e Balcão" for the next base date of disclosure.

It is important to highlight that the effective net exposure is mainly related to the future cash flows estimate, for which there is the possibility of adjustment to the price composition to be adopted in retail, to offset possible reflections of costs because of scenarios of dollar price valuation. It should be greatly considered that the effective results should be noted only upon the settlement of import requests, borrowings in foreign currency and swaps.

(All amounts in thousands of Brazilian Reais unless otherwise stated)

We show below the net exposure and the related sensitivity analysis regarding the requests for import of goods, swaps and borrowings in foreign currency as of September 30, 2019:

	Consolidated					
	Currency appreciation				Currency depreciation	
	Notional US\$ (Pay) Receive	Probable US\$ 1 = R\$ 4.1705	Possible +25% US\$ 1 = R\$ 5.2131	Remote 50% US\$ 1 = R\$ 6.2557	Possible +25% US\$ 1 = R\$ 3.1279	Remote 50% US\$ 1 = R\$ 2.0853
Derivatives for hedge accounting						
Hedge transaction - Import orders	(189,904)	(1,230)	(194,848)	(390,905)	189,607	389,494
Hedge instrument - NDF	90,152	584	92,499	185,572	(90,011)	(184,902)
Net exposure of import orders	(99,752)	(646)	(102,349)	(205,333)	99,596	204,592
Derivatives not for hedge accounting						
Hedge transaction - loan (Bacen 4131)	(88,817)	4,671	(83,704)	(172,079)	93,046	181,421
Instrument - swap	84,215	(4,441)	80,127	164,695	(89,008)	(173,576)
Swap net exposure	(4,602)	230	(3,577)	(7,384)	4,038	7,845
Total net exposure/effect		(416)	(105,926)	(212,717)	103,634	212,437
(*) Impact on profit or loss, net of income tax and social contribution		(274)	(69,752)	(140,074)	68,243	139,890

(*) Weighted nominal rate of income tax and social contribution is 34.15%.

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

5.1.2 Interest rate risk

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

The Company analyzes its exposure to interest rates on a dynamic basis. Several scenarios are simulated taking into consideration the refinancing, and the renewal of existing positions and natural hedge. Based on these scenarios, the company defines a reasonable change in interest rate and calculates impact on net income. The comparison between the contracted rates and the effective market rates is permanently followed up.

As of September 30, 2019, as required by IN CVM 475/08, the Company conducted sensitivity tests for adverse and favorable scenarios of interest (CDI, Selic and TJLP at 25% or 50% higher or lower than the probable scenario), considering the following assumptions: scenario expected for interest rate of CDI, Selic and TJLP for the next disclosure of, respectively, 4.89% p.a., 4.89% p.a. and 5.95% p.a. The estimates of CDI and SELIC rates are based on projections of the future market B3 S.A. and TJLP extracted from BNDES. We present below the sensitivity analysis of the risk of interest rates on September 30, 2019:

	Consolidated					
	Interest increase				Interest decrease	
	Balance at 09/30/2019	Probable scenario	Possible (+) 25%	Remote (+) 50%	Possible (-) 25%	Remote (-) 50%
Financial instruments						
CDI decrease risk						
(*) Cash equivalents	662,017	7,801	9,751	11,702	5,851	3,901
(*) Interest earning bank deposits	275,151	3,271	4,089	4,907	2,453	1,636
CDI increase risk						
Borrowings, financing and debentures and swap	(953,370)	(12,448)	(15,560)	(18,672)	(9,336)	(6,224)
Financing - financial service operations	(744,348)	(7,935)	(9,919)	(11,903)	(5,951)	(3,968)
Total		(9,311)	(11,639)	(13,966)	(6,983)	(4,655)
(**) Decrease in profit or loss for the period, net of income tax/social contribution		(5,865)	(7,331)	(8,797)	(4,399)	(2,932)

(All amounts in thousands of Brazilian Reais unless otherwise stated)

(*) The income from cash equivalents and interest earning bank deposits are net of Social Integration Program (PIS) contributions and Social Contribution on Revenues (COFINS).

(**) Weighted nominal rate of income tax and social contribution is 37.01%.

5.2 LIQUIDITY RISK

The Company has adopted the Management of its cash and cash equivalents by setting a minimum strategic cash amount, based on the cash cycle of retail operations, as well as on the minimal capital required to guarantee the credit operations.

Management's main goals in the Management of a strategic minimum cash are the following:

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

Management monitors the continuous forecasts of liquidity requirements to ensure the Company has sufficient cash to meet its operational needs. The global limits granted to the Company show enough free space available in its restricted credit lines, not giving rise to risk of breaching these borrowing limits or clauses. This forecast considers the debt finance plans of the Company. The Company has loans with covenants that require the maintenance of financial indicators, as follows:

Instrument	Issuance	1st Indicator		2nd Indicator	
7th issuance of debentures	02/13/2017	Consolidated Net Debt EBITDA	≤ 3,0	EBITDA Financial net income	≥ 2,0
9th issuance of debentures	03/18/2019				
Prodesign BNDES	08/12/2016				
Borrowing 4,131	04/08/2019				
Borrowing 4,131	04/18/2019				
Borrowing 4,131	05/15/2019				
Borrowing 4,131	06/27/2019				

The Company periodically monitors these covenants and has confirmed the compliance with significant security margin.

The contractual cash flows of financial liabilities in Consolidated are as follows:

	Book balance	Contractual cash flow	<3 months	4-6 months	7-12 months	1-2 years	3-5 years	>5 years
Borrowings, financing and debentures	953,370	1,063,995	481,998	39,728	41,119	61,687	439,463	-
Financing - financial service operations	744,348	745,684	294,547	1,892	146,790	-	302,455	-
Leases payable	2,003,981	2,527,048	126,560	118,176	236,363	425,326	881,375	739,248
Suppliers	818,680	823,864	741,509	82,080	275	-	-	-
Obligations with credit card administrators	820,284	820,284	614,994	141,410	62,546	1,334	-	-
Balance at September 30, 2019	5,340,663	5,980,875	2,259,608	383,286	487,093	488,347	1,623,293	739,248

	Book balance	Contractual cash flow	<3 months	4-6 months	7-12 months	1-2 years	3-5 years	>5 years
Borrowings, financing and debentures	1,038,062	1,087,854	73,545	270,608	402,199	323,621	17,881	-
Financing - financial service operations	851,586	904,226	51,889	479,845	372,492	-	-	-
Leases payable	33,940	181,801	1,057	1,069	2,138	2,937	10,036	164,564
Suppliers	955,834	960,801	955,859	4,615	327	-	-	-
Obligations with credit card administrators	693,994	693,994	514,351	129,494	50,149	-	-	-
Derivative financial instruments	14,516	14,697	12,636	2,061	-	-	-	-
Total - December 31, 2018	3,587,932	3,843,373	1,609,337	887,692	827,305	326,558	27,917	164,564

Contractual cash flow includes principal plus future estimated interest.

Additionally, the rating agency Standard & Poors rated the Company credit as brAAA in the national scale category (Brazil).

(All amounts in thousands of Brazilian Reals unless otherwise stated)

5.3 CAPITAL MANAGEMENT

The Company uses its own and third party's capital to finance its activities, the use of third party's capital aiming at optimizing its capital structure. The Company monitors the indebtedness levels in relation to its cash generation capacity and its capital structure as of is as follows: As of September 30, 2019, it is as follows:

	Consolidated	
	09/30/2019	12/31/2018
Borrowings and financing	(953,370)	(1,038,062)
Current	(508,147)	(710,804)
Non-current	(445,223)	(327,258)
Operating financing	(744,348)	(851,586)
Current	(296,439)	(712,558)
Non-current	(447,909)	(139,028)
Gross indebtedness	(1,697,718)	(1,889,648)
Cash and cash equivalents and interest earning bank deposits	1,038,226	1,384,364
Net indebtedness	(659,492)	(505,284)
Shareholders' equity	4,273,031	3,954,512
Leverage ratio	15.43%	12.78%

The net indebtedness reflects the Company's total exposure to the obligations contracted in the financial system, which justifies the non-inclusion of liabilities related to leases payable.

6 CASH AND CASH EQUIVALENTS AND INTEREST EARNING BANK DEPOSITS

6.1 ACCOUNTING POLICY

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

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

6.2 BREAKDOWN OF CASH AND CASH EQUIVALENTS

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			09/30/2019	12/31/2018	09/30/2019	12/31/2018
Cash and banks			59,574	166,478	101,058	222,057
Cash equivalents						
CDB	CDI	101.6%	269,997	331,994	380,052	453,545
Investment funds	CDI	99.7%	259,678	249,113	271,182	249,113
Repo operations in debentures	CDI	86.5%	-	-	16	7
Automatic Investment	CDI	10.0%	10,682	19,328	10,726	19,786
Financial income Fund FIDC	-	-	-	109,226	-	-
Fundo - BACEN Jud	CDI	57.7%	41	163	41	163
Total			599,972	876,302	763,075	944,671

6.3 BREAKDOWN OF INTEREST EARNING BANK DEPOSITS

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			09/30/2019	12/31/2018	09/30/2019	12/31/2018
Financial National Treasury Bills	SELIC	100.2%	-	-	275,151	439,693
Total			-	-	275,151	439,693

(All amounts in thousands of Brazilian Reais unless otherwise stated)

6.4 CREDIT RISK

According to the Company's financial policy, cash equivalents and interest earning bank deposits shall be invested in financial institutions with long-term rating in domestic scale classified as low credit risk and that are renowned in the market for their soundness. The ratings of cash equivalents are according to the main risk rating agencies. We show below the credit quality of the cash equivalents as of September 30, 2019:

	Consolidated	
	09/30/2019	12/31/2018
brAAA	160,855	104,319
brAA+	241,484	369,182
(*) N/a - Fundo Brasil Plural and Western	259,678	249,113
(**) N/a - National Treasury Bills	275,151	439,693
Total	937,168	1,162,307

(*) Not applicable, there is no classification of risk for Funds – *Brasil Plural Crédito Privado* Retail FIRF and Western in the main risk rating agencies. The assets that make up the funds' balance have a brAAA risk rating in at least one rating agency.

(**) Not applicable, there is no classification risk for National Treasury Bills in the national scale. The sovereign credit rating is AAA in the global scale, as per main rating agencies.

7 TRADE ACCOUNTS RECEIVABLE

7.1 ACCOUNTING POLICY

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

Fixed credit sale transactions were brought to present value on transactions date, considering their terms and based on estimated rate of the Company's capital average weighted cost. The discount rate applied to adjustments to present value involves analysis of capital structure and of macro-economic context uncertainties, which influence variables used to determine such rate.

Contra-entry of adjustment to present value is the clients' account and its realization is recorded as sales revenue due to fruition term. Discount rate used was 0.99% p.m. to the Parent Company and to the subsidiaries (0.99% p.m. on December 31, 2018).

7.2 BREAKDOWN

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
(*) Renner credit card (Private Label)	122,460	1,281,243	122,460	1,281,243
<i>Meu Cartão</i> (co-branded card)	213,509	228,724	1,778,015	1,457,426
(*) Renner Credit Card - Realize (Private Label)	607,521	-	898,085	-
Third party cards	368,778	577,255	448,550	718,467
Quick withdrawal (<i>Saque rápido</i>)	-	1,574	53,701	50,849
Exports - Related parties	14,618	13,293	-	-
Other receivables	880	888	4,376	3,659
(-) FIDC Lojas Renner	-	(453,893)	-	-
(-) Estimated credit losses	(54,609)	(65,406)	(382,490)	(305,766)
(-) Adjustment to present value	(28,941)	(40,455)	(30,950)	(43,208)
Total	1,244,216	1,543,223	2,891,747	3,162,670

(*) As of April 2019, in line with the reorganization strategy and business specialization, the sales through the Renner Credit Card (Private Label) started being recorded in the indirect subsidiary Realize CFI. Thus, the assets from these new sales are currently part of the Private Label balance at Realize.

7.3 ESTIMATED CREDIT LOSSES

The estimated credit loss is formed with a basis on the analysis of the balance of clients, in an amount considered sufficient by Management to cover any losses in the recovery of receivables.

Due to the practices of financial institutions, the balances of co-branded card (*Meu Cartão* - in English My Card), Renner credit card - Realize (Private Label) and of Quick Withdrawal with a maturity over 360 days are written off from the balance of trade

(All amounts in thousands of Brazilian Reais unless otherwise stated)

accounts receivable against estimated losses in credit, except for Renner Credit Card (Private Label), which is written off when the bonds are overdue for more than 180 days.

7.3.1 Changes in estimated credit losses

	Balances at 01/01/2018	First-time adoption - IFRS 9 / CPC 48	Estimated (losses), net	Write-offs	Balances at 12/31/2018	Estimated (losses) reversals, net	Write-offs	Balances at 09/30/2019
Renner Card	(53,064)	(16,569)	(190,053)	195,693	(63,993)	(133,636)	143,020	(54,609)
Quick Withdrawal	(11,470)	(814)	(4,292)	15,163	(1,413)	54	1,359	-
Total Parent Company	(64,534)	(17,383)	(194,345)	210,856	(65,406)	(133,582)	144,379	(54,609)
Branded card	(145,545)	(15,947)	(223,621)	153,106	(232,007)	(211,786)	167,681	(276,112)
Quick Withdrawal	(101)	(202)	(8,205)	155	(8,353)	(8,353)	6,510	(10,196)
Renner Card - Realize	-	-	-	-	-	(41,573)	-	(41,573)
Total Consolidated	(210,180)	(33,532)	(426,171)	364,117	(305,766)	(395,294)	318,570	(382,490)

7.3.2 Coverage of losses per delay ranges and credit product:

Criterion for estimated credit losses for Renner Card (Private Label) is based on balance realization history, taking into consideration recovery of receivables in arrears for up to 360 days. This methodology has calculated estimated losses in this balance with high level of accuracy, complying with concepts of international standards IFRS 9 and CPC 48. This criterion, both for distribution of ranges and attribution of estimated loss percentage, is not comparable with that used for financial institutions' loan balances, which follows the Central Bank of Brazil's standard (Resolution 2682), which establishes the transfer of clients' balances to the worst delay range, with application of minimum estimated loss percentages for each range.

Renner credit card (Private Label)	09/30/2019			12/31/2018		
	Balance	Estimated losses	Coverage	Balance	Estimated losses	Coverage
Not yet due	24,075	(471)	2.0%	1,137,120	(17,644)	1.6%
Overdue (days)						
1-30	10,673	(2,195)	20.6%	50,079	(10,359)	20.7%
31-60	12,252	(5,946)	48.5%	23,230	(10,699)	46.1%
61-90	13,844	(8,936)	64.5%	18,865	(10,555)	56.0%
91-120	18,351	(13,020)	70.9%	18,375	(11,662)	63.5%
121-150	21,411	(16,342)	76.3%	17,305	(12,034)	69.5%
151-180	21,854	(18,033)	82.5%	16,269	(12,540)	77.1%
181-360	90,578	(87,473)	96.6%	98,343	(89,039)	90.5%
Subtotal	213,038	(152,416)	71.5%	1,379,586	(174,532)	12.7%
Credits written-off (days)						
181-360	(97,807)	97,807	100.0%	(110,539)	110,539	100.0%
181-360 days recovered	7,229			12,196		
Total	122,460	(54,609)	44.6%	1,281,243	(63,993)	5.0%

(*) Coverage ratio over 90

88.6%

123.2%

(*) Over 90 coverage index refers to estimated loss of assets overdue from 90 to 180 days.

As regards Renner credit card – Realize (Private Label), “Meu Cartão” (co-branded card) and Quick Withdrawal, estimated credit losses are formed with a basis on the risk rating of operations, in accordance to the rating criteria of credit operations defined by the Central Bank of Brazil (Res. 2.682), plus expected losses in accordance with IFRS 9 / CPC 48.

(All amounts in thousands of Brazilian Reais unless otherwise stated)

		09/30/2019		
			Estimated	
Renner Credit Card – Realize (New Private Label) - in days		Balance	losses	% Coverage
A.	0–14	707,153	(12,305)	1.7%
B.	15–30	77,595	(1,350)	1.7%
C.	31–60	46,506	(2,125)	4.6%
D.	61–90	28,784	(4,482)	15.6%
E.	91–120	23,415	(10,968)	46.8%
F.	121–150	12,998	(8,788)	67.6%
G.	151–180	624	(545)	87.3%
H.	>180	1,010	(1,010)	100.0%
Total		898,085	(41,573)	4.6%

Estimated losses x Minimum required (Central Bank of Brazil)

176.5%

		09/30/2019			12/31/2018		
			Estimated	%		Estimated	%
"Meu Cartão" (co-branded card) - in days		Balance	losses	Coverage	Balance	losses	Coverage
A.	0–14	1,289,330	(22,434)	1.7%	1,089,398	(24,839)	2.3%
B.	15–30	73,788	(1,284)	1.7%	53,688	(1,224)	2.3%
C.	31–60	64,304	(2,939)	4.6%	39,011	(1,849)	4.7%
D.	61–90	68,798	(10,712)	15.6%	48,803	(8,023)	16.4%
E.	91–120	48,391	(22,667)	46.8%	38,584	(18,979)	49.2%
F.	121–150	39,966	(27,021)	67.6%	27,381	(19,164)	70.0%
G.	151–180	34,824	(30,441)	87.4%	25,134	(22,502)	89.5%
H.	>180	158,614	(158,614)	100.0%	135,427	(135,427)	100.0%
Total		1,778,015	(276,112)	15.5%	1,457,426	(232,007)	15.9%

Estimated losses x Minimum required (Central Bank of Brazil)

118.3%**121.9%**

		09/30/2019			12/31/2018		
		Balance	Estimated losses	% Coverage	Balance	Estimated losses	% Coverage
Quick withdrawal (Saque rápido) - in days							
A.	0–14	36,355	(633)	1.7%	35,714	(813)	2.3%
B.	15–30	3,216	(56)	1.7%	2,164	(49)	2.3%
C.	31–60	1,909	(86)	4.5%	1,785	(84)	4.7%
D.	61–90	1,551	(242)	15.6%	1,408	(231)	16.4%
E.	91–120	1,577	(739)	46.9%	1,355	(666)	49.2%
F.	121–150	1,449	(980)	67.6%	1,273	(891)	70.0%
G.	151–180	1,459	(1,275)	87.4%	1,124	(1,006)	89.5%
H.	>180	6,185	(6,185)	100.0%	6,026	(6,026)	100.0%
Total		53,701	(10,196)	19.0%	50,849	(9,766)	19.2%

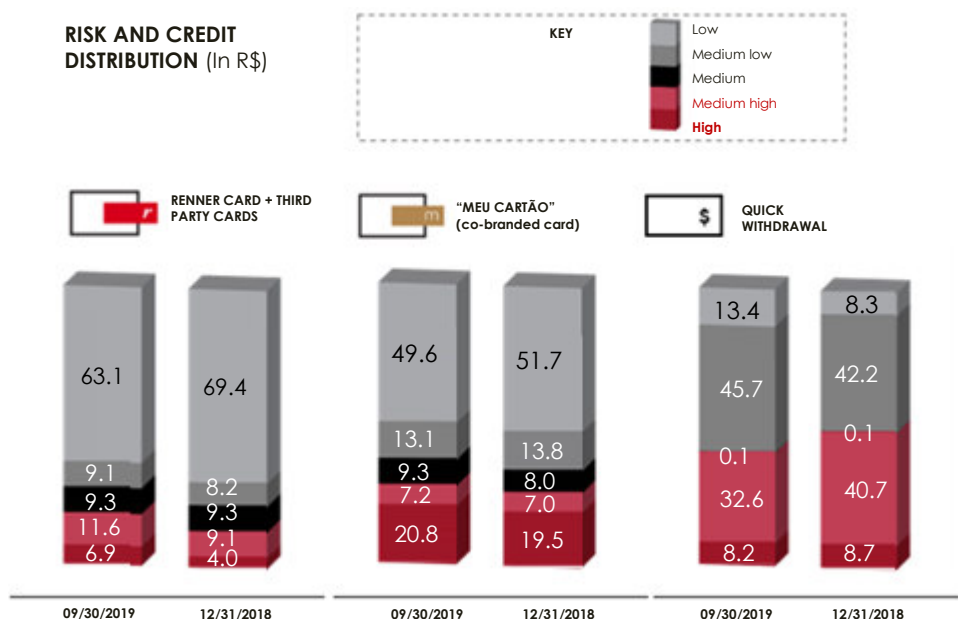
Estimated losses x Minimum required (Central Bank of Brazil)

115.5%**118.4%**

(All amounts in thousands of Brazilian Reais unless otherwise stated)

7.4 CREDIT RISK

The sales and credit grant policies of the Company are subordinated to the credit policies set out by its Management, supported by advanced technology systems and processes, related to the risk and fraud area, and aim at minimizing possible problems arising from the default of its clients. This objective is achieved by Company's Management through the judicious selection of the client balance, which takes into consideration their capacity to pay (credit analysis) and diversification of its operations (risk spread). Breakdown of credit quality risk in Consolidated is as follows:



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

- i) **Low Risk:** Clients with likelihood lower or equal to 9.3% of being over 60 days past due.
- ii) **Medium low risk:** Clients with likelihood higher than 9.3% and lower or equal to 16.8% of being over 60 days past due.
- iii) **Medium Risk:** Clients with up to four months of Renner Credit Card (including the new Renner Credit Card – Realize) or "Meu Cartão" (co-branded card) with little history of movement for purposes of measuring the likelihood of default.
- iv) **Medium high risk:** Clients with likelihood higher than 16.8% and lower or equal to 31.3% of being over 60 days past due.
- v) **High risk:** Clients with likelihood higher than 31.3% of being over 60 days past due.

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

8 INVESTMENT FUNDS IN CREDIT RIGHTS

On May 13, 2019, the Company settled the FIDC operation of Lojas Renner, which had been started in May 2014 with the specific purpose of acquiring credit rights originated from the installment purchase of the Company's clients, using the Company's installment plan free of charges, ownership of the Company, or granting of financing with charges by Banco Itaú S.A. On the closing date, the FIDC Lojas Renner settled the amount of R\$ 674,506, which R\$ 247,165 is related to 7,280 subordinated shares owned by Lojas Renner S.A. and R\$ 427,341 related to 16,800 senior shares owned by third-parties.

9 INVENTORIES

9.1 ACCOUNTING POLICY

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

Inventories are valued at weighted average cost and deducted from estimated losses and adjustment to present value, when applicable. Estimated losses are based on historic levels of the Company's losses, and is accomplished only upon realization of inventories, which will reflect the Company's operation model and will be the basis for adjustment of the estimate.

(All amounts in thousands of Brazilian Reais unless otherwise stated)

9.2 BREAKDOWN

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Goods for resale	861,790	851,182	1,049,425	1,005,972
Imports in transit	180,326	159,738	210,311	174,236
Advances to suppliers	25,962	8,850	26,984	9,505
Auxiliary materials and warehouse	3,928	5,052	10,115	9,382
Adjustment to present value	(18,908)	(18,822)	(20,575)	(19,698)
Estimated losses	(26,061)	(61,805)	(29,886)	(69,092)
Total	1,027,037	944,195	1,246,374	1,110,305

9.3 ESTIMATED INVENTORY LOSSES

	Parent Company	Consolidated
Balance at January 1, 2018	(63,437)	(65,671)
(-) Estimated losses, net	(65,773)	(73,221)
(+) Actual loss	67,405	69,819
(+/-) Translation adjustment	-	(19)
Balance at December 31, 2018	(61,805)	(69,092)
(-) Estimated losses, net	(37,934)	(40,287)
(+) Actual loss	73,678	79,484
(+/-) Translation adjustment	-	9
Balance at September 30, 2019	(26,061)	(29,886)

10 RECOVERABLE TAXES

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
ICMS	132,591	83,290	172,532	120,060
ICMS – Fixed assets	53,164	55,402	60,949	64,319
Income tax and social contribution	20,528	8,432	23,633	38,112
PIS and COFINS	14,436	13,088	16,672	16,008
Tax credits from foreign subsidiaries	-	-	21,315	45,487
Other recoverable taxes	10,466	2,609	13,596	3,181
Total	231,185	162,821	308,697	287,167
Current assets	178,014	112,320	237,499	208,840
Non-current assets	53,171	50,501	71,198	78,327
Total	231,185	162,821	308,697	287,167

(All amounts in thousands of Brazilian Reais unless otherwise stated)

11 OTHER ASSETS

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Prepaid expenses	12,228	5,782	12,770	5,426
Judicial deposits	9,503	10,081	9,602	10,132
Advances to third parties	14,640	25,683	20,549	32,223
Advance to employees	7,936	5,916	9,347	6,793
Credits from agreement with suppliers	7,133	5,140	7,133	5,140
Insurance indemnities in progress	1,304	4,407	2,681	5,060
Insurance commissions receivable	517	2,651	2,422	2,651
Amounts receivable – Operating financial services Agreement	24,295	4,167	24,295	4,167
Other accounts receivable	12,627	9,587	19,253	11,107
Total	90,183	73,414	108,052	82,699
Current assets	71,800	47,460	86,872	53,296
Non-current assets	18,383	25,954	21,180	29,403
Total	90,183	73,414	108,052	82,699

12 INCOME TAX AND SOCIAL CONTRIBUTION**12.1 ACCOUNTING POLICY**

Provision for income tax and social contribution are based on taxable income for the period.

Deferred income tax and social contribution are recognized on the temporary differences at the end of each period between the balances of assets and liabilities recognized in the interim financial statements and the respective tax bases employed to arrive at taxable income, including the balance of tax losses, where applicable.

The recovery of deferred tax asset balances is reviewed at the end of each year and, when it is no longer probable that future taxable profits will be available to allow for the recovery of the asset, in whole or in part. Management's evaluation is based on technical feasibility studies, which demonstrate projections of future taxable earnings, allowing for an estimate of the recovery of credits within a period of no more than 10 years. Also, estimated deferred income tax and social contribution' realization involves uncertainties of other estimates.

The current and deferred taxes are recognized in net income, except when they correspond to items recorded in "Other comprehensive income" in the shareholders' equity.

12.2 BREAKDOWN**12.2.1 Parent Company**

	09/30/2019		12/31/2018	
	IRPJ	CSLL	IRPJ	CSLL
Deferred income tax/social contribution tax calculation bases				
Estimated losses in assets	80,670	80,670	127,211	127,211
Provisions for tax, civil and labor risks	81,079	81,079	68,752	68,752
Adjustment to present value	43,252	43,252	54,729	54,729
Provision employee profit sharing	42,891	42,891	44,455	44,455
Restricted share plan	32,522	32,522	34,604	34,604
Equity valuation adjustments - hedge	-	-	2,796	2,796
Other provisions	36,433	35,742	-	-
Deferred tax assets base	316,847	316,156	332,547	332,547
Review of the useful life	(109,129)	(109,129)	(61,857)	(61,857)
Equity valuation adjustments - hedge	(23,682)	(23,682)	-	-
Swap from borrowing	(8,612)	(8,612)	(37,181)	(37,181)
Other provisions	-	-	(23,175)	(23,866)
Deferred tax liabilities basis	(141,423)	(141,423)	(122,213)	(122,904)
Total	175,424	174,733	210,334	209,643
Nominal rates	25%	9%	25%	9%
Deferred income tax and social contribution assets	43,856	15,726	52,583	18,868

(All amounts in thousands of Brazilian Reais unless otherwise stated)

12.2.2 Consolidated

Deferred income tax/social contribution tax calculation bases	09/30/2019		12/31/2018	
	IRPJ	CSLL	IRPJ	CSLL
Estimated losses in assets	304,004	302,912	257,294	257,294
Provisions for tax, civil and labor risks	95,325	95,325	84,109	84,109
Adjustment to present value	46,341	46,341	57,940	57,940
Provision employee profit sharing	42,969	42,969	44,455	44,455
Restricted share plan	32,522	32,522	34,604	34,604
Income tax and social contribution losses (i)	190,982	182,781	128,218	128,788
Equity valuation adjustments - hedge	-	-	3,656	3,656
Other provisions	11,304	11,394	11,647	-
Deferred tax assets base	723,447	714,244	621,923	610,846
Goodwill on acquisition of equity interest	(71,711)	(71,711)	(56,722)	(56,722)
Surplus of assets	(28,969)	(28,969)	(29,234)	(29,234)
Review of the useful life	(117,759)	(117,759)	(64,821)	(64,821)
Equity valuation adjustments - hedge	(24,069)	(24,069)	-	-
Swap from borrowing	(16,875)	(16,875)	(47,032)	(47,032)
Other provisions	-	-	(24,510)	(25,281)
Deferred tax liabilities basis	(259,383)	(259,383)	(222,319)	(223,090)
Total	464,064	454,861	399,604	387,756
Weighted nominal rates (ii)	25%	11.13%	25%	10.92%
Deferred income tax and social contribution assets and liabilities (iii)	116,016	50,626	99,901	42,343

- (i) Credits recognized on tax losses and negative basis of social contribution of subsidiaries Camicado, Youcom, LRS, LRU and LRA. The credits are supported by technical feasibility studies, which shows projections of taxable future net income, allowing for an estimate of recovery of credits in a period not exceeding 10 years. The technical feasibility studies are submitted annually to approval of the Company's Board of Directors.
- (ii) The weighted nominal rate of Social Contribution is greater than the general rate of 9% due to the consolidation of the balances of the indirect subsidiary Realize CFI, which has a 15% rate as of 2019.
- (iii) The Company's Management individually offsets deferred assets against the deferred liabilities of the Parent Company and its subsidiaries. Therefore, in Consolidated, net deferred liability belongs to subsidiary Camicado and LRA.

12.3 CHANGES IN DEFERRED TAXES NET

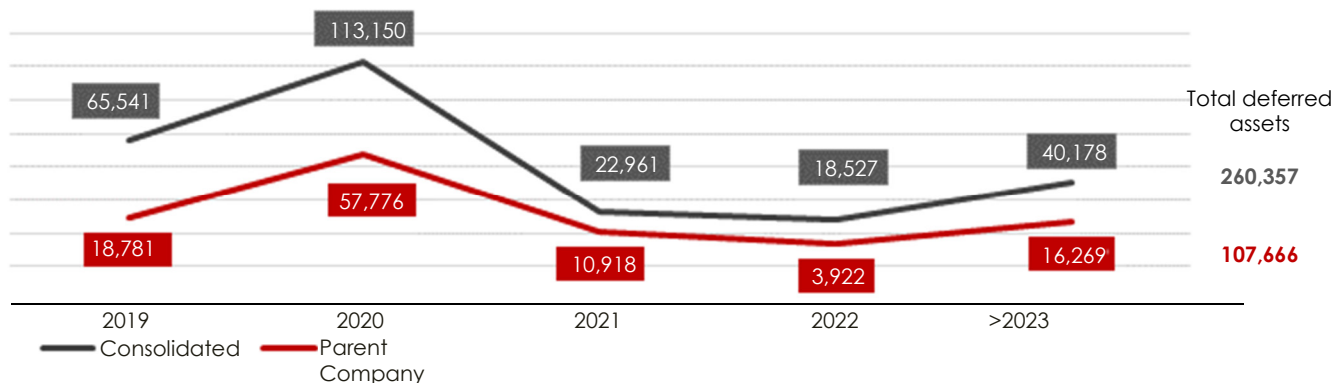
Below are the changes in deferred taxes, recognized at weighted nominal tax rates:

	Parent Company	Consolidated
Balance at 01/01/2018	112,994	199,211
(-) Recognized in net income	(49,382)	(71,960)
(-) Recognized in other comprehensive income	1,929	2,528
(+) Translation adjustments	-	95
(+) First-time adoption - CPC 48 / IFRS 9	5,910	12,370
Balance at 12/31/2018	71,451	142,244
(-) Recognized in net income	(2,867)	33,701
(-) Recognized in other comprehensive income	(9,002)	(9,426)
(+) Translation adjustments	-	123
Balance at 09/30/2019	59,582	166,642

(All amounts in thousands of Brazilian Reals unless otherwise stated)

12.4 REALIZATION OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION ASSETS

Based on the history of realization of bases that originated the balances of deferred income and social contribution tax assets, as well as on the projections of net income for the following periods, we estimate the following schedule of recovery of tax credits:

**12.5 ANALYSIS OF THE EFFECTIVE RATE FOR THE INCOME TAX AND SOCIAL CONTRIBUTION**

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

	Parent Company			
	3Q19	9M19	3Q18	9M18
Net income before income tax and social contribution	212,758	701,563	215,379	657,588
Combined statutory rate	34%	34%	34%	34%
Tax expense at nominal rate	(72,338)	(238,531)	(73,229)	(223,580)
Permanent (additions) exclusions:				
Stock option plan expense	(1,784)	(5,172)	(2,013)	(5,345)
Net income from ownership interest	20,663	45,111	7,399	28,102
Interest on own capital	21,200	64,810	19,395	54,847
Tax Benefits	948	3,410	17,949	18,628
Investment grant (i)	3,732	11,245	4,560	45,697
Incentive for technological innovation (Law 11196/2005)	4,319	4,319	3,156	3,156
Other additions and exclusions	(253)	(778)	1,609	1,257
Exempt portion of the 10% surtax	6	18	6	12
Income tax and social contribution for the period	(23,507)	(115,568)	(21,168)	(77,226)
Current	(28,100)	(112,701)	(4,033)	(8,857)
Deferred	4,593	(2,867)	(17,135)	(68,369)
Effective tax rate	11.05%	16.47%	9.83%	11.74%

	Consolidated			
	3Q19	9M19	3Q18	9M18
Net income before income tax and social contribution	253,825	791,348	241,026	735,856
Combined statutory rate	34%	34%	34%	34%
Tax expense at nominal rate	(86,301)	(269,058)	(81,949)	(250,191)
Permanent (additions) exclusions:				
Stock option plan expense	(1,784)	(5,172)	(2,013)	(5,345)
Interest on own capital	21,200	64,810	19,395	54,847
Tax Benefits	975	3,500	17,957	18,636
Investment grant (i)	4,024	12,372	5,034	46,171
Incentive for technological innovation (Law 11196/2005)	4,319	4,319	3,156	3,156
Income tax and social contribution differences of subsidiaries	(6,449)	(13,685)	(9,021)	(23,708)
Other additions and exclusions	(576)	(2,493)	608	890
Exempt portion of the 10% surtax	18	54	18	50
Income tax and social contribution for the period	(64,574)	(205,353)	(46,815)	(155,494)
Current	(85,190)	(239,054)	(36,722)	(114,019)
Deferred	20,616	33,701	(10,093)	(41,475)
Effective tax rate	25.44%	25.95%	19.42%	21.13%

- (i) The Company used amounts of tax incentives for tax deduction purposes, which are considered investment grants pursuant to the requirements of ICMS Agreement 190/2017, arising from Complementary Law 160/2017.

(All amounts in thousands of Reais unless otherwise stated)

13 INVESTMENTS**13.1 BREAKDOWN**

	Parent Company	
	09/30/2019	12/31/2018
Investments in subsidiaries	1,231,888	955,452
Goodwill on asset appreciation	1,290	1,290
Total	1,233,178	956,742

13.2 CHANGES IN INVESTMENTS IN SUBSIDIARIES

Subsidiaries	Balance at 12/31/2018	Capital contribution	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Balance at 09/30/2019
RACC	2,167	-	5,956	-	(4,400)	3,723
Dromegon	11,573	-	4,219	-	(4,265)	11,527
Camicado	413,838	-	(12,153)	664	-	402,349
Youcom	122,949	20,000	(8,244)	158	-	134,863
LRS	7	6,776	354	475	-	7,612
Realize Participações S.A.	283,938	50,000	151,272	-	-	485,210
LRU	120,967	23,533	(7,712)	(5,845)	-	130,943
LRA	11	65,442	(1,007)	(8,788)	-	55,658
Realize CFI	2	-	1	-	-	3
Lojas Renner Trading Uruguay	-	8	(8)	-	-	-
Total	955,452	165,759	132,678	(13,336)	(8,665)	1,231,888

Subsidiaries	Balance at 01/01/2018	Capital contribution	First-time adoption of IFRS 9 - Estimated losses	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Reclassification of negative equity	Balance at 12/31/2018
RACC	61,286	-	-	17,109	-	(76,228)	-	2,167
Dromegon	16,154	-	(2)	6,371	-	(10,950)	-	11,573
Camicado	400,397	-	-	14,732	(1,291)	-	-	413,838
Youcom	91,877	40,000	-	(9,056)	128	-	-	122,949
LRS	-	-	-	1,997	429	-	(2,419)	7
Realize Participações S.A.	183,955	-	(9,688)	109,671	-	-	-	283,938
LRU	69,190	50,986	-	(1,736)	2,527	-	-	120,967
LRA	-	11	-	-	-	-	-	11
Realize CFI	1	-	-	1	-	-	-	2
Total	822,860	90,997	(9,690)	139,089	1,793	(87,178)	(2,419)	955,452

(All amounts in thousands of Reais unless otherwise stated)

14 FIXED ASSETS AND INTANGIBLE ASSETS**14.1 ACCOUNTING POLICY**

The fixed assets and intangible assets are recorded at the cost of acquisition, formation or installation of stores, deducted from accumulated depreciation or amortization. Depreciation and amortization are calculated under the straight-line method at rates that consider estimated useful lives of assets, as follows:

Class	Annual rate	Useful life (years)
Fixed assets		
Buildings	2%	60
Furniture and utensils	10–25%	4–10
Facilities	5–10%	10–20
Machinery and equipment	5–10%	10–20
Leasehold improvements	10%	10
Vehicles	20%	5
Computers and peripherals	10–33.3%	3–10
Intangible assets		
IT systems	12.5–20%	5–8
Right-of-use properties	10%	10

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

- Identify evidences that its assets may be impaired; and
- Identify changes in the form of use and maintenance that may affect the useful life of your fixed and intangible assets.

14.2 BREAKDOWN OF FIXED ASSETS

	Parent Company					
	09/30/2019			12/31/2018		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	288	288	-	288
Properties	61,898	(2,407)	59,491	92,898	(5,767)	87,131
Furniture and utensils	457,977	(228,050)	229,927	430,181	(199,796)	230,385
Facilities	505,686	(241,400)	264,286	487,378	(223,056)	264,322
Machinery and equipment	268,378	(142,738)	125,640	256,745	(133,308)	123,437
Leasehold improvements	1,660,201	(848,510)	811,691	1,572,341	(746,423)	825,918
Vehicles	1,807	(426)	1,381	2,117	(399)	1,718
Computers and peripherals	268,853	(153,505)	115,348	232,947	(137,936)	95,011
Fixed assets in progress	179,501	-	179,501	89,662	-	89,662
Total	3,404,589	(1,617,036)	1,787,553	3,164,557	(1,446,685)	1,717,872

	Consolidated					
	09/30/2019			12/31/2018		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	288	288	-	288
Properties	76,966	(8,286)	68,680	107,835	(11,647)	96,188
Furniture and utensils	526,454	(251,784)	274,670	492,833	(220,237)	272,596
Facilities	560,528	(261,937)	298,591	536,403	(240,806)	295,597
Machinery and equipment	277,393	(144,920)	132,473	265,221	(134,999)	130,222
Leasehold improvements	1,886,338	(904,405)	981,933	1,781,552	(787,926)	993,626
Vehicles	1,807	(426)	1,381	2,117	(399)	1,718
Computers and peripherals	285,244	(160,400)	124,844	247,017	(143,166)	103,851
Fixed assets in progress	226,283	-	226,283	100,363	-	100,363
Total	3,841,301	(1,732,158)	2,109,143	3,533,629	(1,539,180)	1,994,449

(All amounts in thousands of Reais unless otherwise stated)

14.3 RECONCILIATION OF NET BOOK VALUE OF FIXED ASSETS**14.3.1 Parent Company**

Book value	Balance at 01/01/2018	Additions	Transf.	Write-offs	Depreciation	Balance at 12/31/2018	Additions	Transf.	Write-offs	Transf. IFRS 16 / CPC 06 (R2)	Depreciation	Balance at 09/30/2019
Land	288	-	-	-	-	288	-	-	-	-	-	288
Properties	88,577	-	-	-	(1,446)	87,131	-	-	-	(27,021)	(619)	59,491
Furniture and utensils	201,909	284	68,821	(1,385)	(39,244)	230,385	34	31,763	(1,036)	-	(31,219)	229,927
Facilities	250,119	29	37,417	(509)	(22,734)	264,322	223	18,291	(72)	-	(18,478)	264,286
Machinery and equipment	112,933	66	23,712	(97)	(13,177)	123,437	3	12,278	(31)	-	(10,047)	125,640
Leasehold improvements	787,275	356	166,859	(184)	(128,388)	825,918	53	87,916	(151)	-	(102,045)	811,691
Vehicles	2,499	17	-	(489)	(309)	1,718	311	-	(462)	-	(186)	1,381
Computers	63,847	483	54,715	(520)	(23,514)	95,011	26	43,987	(2,048)	-	(21,628)	115,348
Construction in progress	96,263	344,952	(351,524)	(29)	-	89,662	284,105	(194,235)	(31)	-	-	179,501
Total	1,603,710	346,187	-	(3,213)	(228,812)	1,717,872	284,755	-	(3,831)	(27,021)	(184,222)	1,787,553

14.3.2 Consolidated

Book value	Balance at 01/01/2018	Additions	Transf.	Write-offs	Estimated losses	Depreciation	Translation adjustment	Balance at 12/31/2018	Additions	Transf.	Write-offs	Transf. IFRS 16 / CPC 06 (R2)	Depreciation	Translation adjustment	Balance at 09/30/2019
Land	288	-	-	-	-	-	-	288	-	-	-	-	-	-	288
Properties	97,634	-	-	-	-	(1,446)	-	96,188	131	-	-	(27,021)	(618)	-	68,680
Furniture and utensils	233,269	1,255	85,675	(1,471)	(467)	(45,622)	(43)	272,596	296	37,632	(850)	-	(34,666)	(338)	274,670
Facilities	280,233	233	42,181	(770)	(179)	(25,987)	(114)	295,597	2,566	22,098	(40)	-	(21,552)	(78)	298,591
Machinery and equipment	116,038	132	27,971	(143)	(22)	(13,759)	5	130,222	2	13,028	(29)	-	(10,552)	(198)	132,473
Leasehold improvements	901,370	4,496	234,736	(1,479)	(868)	(145,284)	655	993,626	654	113,716	(4,154)	-	(118,916)	(2,993)	981,933
Vehicles	2,499	17	-	(489)	-	(309)	-	1,718	311	-	(462)	-	(186)	-	1,381
Computers	68,656	2,355	59,191	(521)	(4)	(25,099)	(727)	103,851	1,035	43,998	(371)	-	(23,523)	(146)	124,844
Construction in progress	113,640	435,589	(449,754)	(29)	-	-	917	100,363	359,413	(230,472)	(300)	-	-	(2,721)	226,283
Total	1,813,627	444,077	-	(4,902)	(1,540)	(257,506)	693	1,994,449	364,408	-	(6,206)	(27,021)	(210,013)	(6,474)	2,109,143

(All amounts in thousands of Reais unless otherwise stated)

14.4 BREAKDOWN OF INTANGIBLE ASSET

Parent Company						
	09/30/2019			12/31/2018		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	763,163	(477,148)	286,015	701,935	(430,915)	271,020
Right-of-use properties	69,608	(48,330)	21,278	63,471	(46,075)	17,396
Trademarks and patents	6,444	(83)	6,361	6,017	(83)	5,934
Intangible asset in progress	142,486	-	142,486	118,659	-	118,659
Total	981,701	(525,561)	456,140	890,082	(477,073)	413,009

Consolidated						
	09/30/2019			12/31/2018		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	884,053	(516,192)	367,861	788,531	(462,211)	326,320
Right-of-use properties	93,586	(58,081)	35,505	87,500	(54,142)	33,358
Trademarks and patents	34,776	(83)	34,693	34,348	(83)	34,265
Intangible - others	3,500	(3,500)	-	3,500	(3,500)	-
Intangible asset in progress	158,740	-	158,740	124,454	-	124,454
Goodwill - Camicado	116,679	-	116,679	116,679	-	116,679
Total	1,291,334	(577,856)	713,478	1,155,012	(519,936)	635,076

14.5 RECONCILIATION OF NET BOOK VALUE OF INTANGIBLE ASSETS**14.5.1 Parent Company**

Book value	Balance at 12/31/2018	Additions	Transf.	Write-offs	Amort.	Balance at 09/30/2019
IT systems	271,020	37	61,581	(381)	(46,242)	286,015
Right-of-use properties	17,396	2	6,135	-	(2,255)	21,278
Trademarks and patents	5,934	427	-	-	-	6,361
Intangible asset in progress	118,659	91,559	(67,716)	(16)	-	142,486
Total	413,009	92,025	-	(397)	(48,497)	456,140

Book value	Balance at 01/01/2018	Additions	Transf.	Write-offs	Estimated losses	Amort.	Balance at 12/31/2018
IT systems	238,962	8,918	67,321	-	-	(44,181)	271,020
Right-of-use properties	19,938	(1,311)	1,543	-	-	(2,774)	17,396
Trademarks and patents	5,526	408	-	-	-	-	5,934
Intangible asset in progress	60,099	128,325	(68,864)	(901)	-	-	118,659
Total	324,525	136,340	-	(901)	-	(46,955)	413,009

(All amounts in thousands of Reais unless otherwise stated)

14.5.2 Consolidated

Book value	Balance at 12/31/2018	Additions	Transf.	Write-offs	Estimated losses	Amort.	Translation adjustment	Balance at 09/30/2019
IT systems	326,320	30,470	66,803	(418)	-	(54,505)	(809)	367,861
Right-of-use properties	33,358	-	6,535	(231)	-	(4,110)	(47)	35,505
Trademarks and patents	34,265	428	-	-	-	-	-	34,693
Intangible asset in progress	124,454	107,264	(73,338)	(86)	-	-	446	158,740
Goodwill - Camicado	116,679	-	-	-	-	-	-	116,679
Total	635,076	138,162	-	(735)	-	(58,615)	(410)	713,478

Book value	Balance at 01/01/2018	Additions	Transf.	Write-offs	Estimated losses	Amort.	Translation adjustment	Balance at 12/31/2018
IT systems	277,827	28,581	71,633	(143)	-	(52,212)	634	326,320
Right-of-use properties	34,547	(1,954)	5,737	(88)	(110)	(4,856)	82	33,358
Trademarks and patents	33,857	408	-	-	-	-	-	34,265
Intangible asset in progress	63,325	139,295	(77,370)	(901)	-	-	105	124,454
Goodwill - Camicado	116,679	-	-	-	-	-	-	116,679
Total	526,235	166,330	-	(1,132)	(110)	(57,068)	821	635,076

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

15.1 ACCOUNTING POLICY

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

15.2 EVALUATION OF THE RECOVERABLE VALUE

The book value of the goodwill and the trademark allocated Camicado is R\$ 144,741 (R\$ 144,741 on December 31, 2018).

To determine the recoverable value of Camicado, the Company used cash flow projections, before income tax and social contribution, based on financial budgets approved by Management for a 10-year period measures such as the improvement of the product mix, opening of an increasing number of stores in synergy with the parent company, aligned with the brand value proposition and cost dilution, brought about by growth, are signs that sustain the business plan of Camicado, approved by the parent company. The Company conducts review tests of impairment at least once a year and there are no signs of the need to perform the recoverability test of goodwill and other long-lived assets for the period ended September 30, 2019.

16 BORROWINGS, FINANCING AND DEBENTURES

16.1 ACCOUNTING POLICY

Balances of borrowing, financing and debentures are initially recognized at fair value upon receipt of funds. Subsequently, they start to be measured at amortized cost, that is, plus charges, interest calculated at effective rate, inflation adjustment, exchange-rate change, and amortizations - as provided for in contract - incurred up to balance sheet dates.

Balance of working capital borrowing – Law 4,131 of Central Bank of Brazil is measured at fair value, using the discounted cash flow evaluation techniques, which converts future cash flows into a single value. The fair value reflects the current market expectations of future values.

(All amounts in thousands of Reais unless otherwise stated)

16.2 BREAKDOWN OF BORROWINGS, FINANCING, AND DEBENTURES

Descriptions	Weighted annual rates	Maturity	Parent Company		Consolidated	
			09/30/2019	12/31/2018	09/30/2019	12/31/2018
In domestic currency						
Debentures - 5th issuance - 2nd series (i)	-	-	-	40,173	-	40,173
Debentures - 7th issuance - single series (ii)	108% CDI	2020	302,473	307,669	302,473	307,669
Debentures - 8th issuance - single series (ii)	104.5% CDI	2019	-	206,424	-	206,424
Debentures – 9th - issuance - 1st series (i)	103.9% CDI	2022	411,864	-	411,864	
Debentures - Structuring costs	-	-	(111)	(399)	(111)	(399)
(+/-) swap of Debentures	-	-	-	(1,087)	-	(1,087)
Fundo do Nordeste - FNE (iii)	6.97% p.a.	06/30/2023	9,128	10,954	9,128	10,954
Fundo do Nordeste - FNE (iii)	-	-	-	16,468	-	16,468
Fundo do Nordeste - FNE (iii)	-	-	-	1,904	-	1,904
Fundo do Nordeste - FNE (iii)	11.01% p.a.	07/25/2024	-	-	747	859
BNDES (iv)	SELIC + 2.5% p.a.	07/15/2020	2,501	8,426	2,501	8,426
BNDES (iv)	TJLP + 2.12% p.a.	07/15/2020	4,642	4,736	4,642	4,736
Working capital - secured account - (v)	112.5% CDI	-	-	-	24,378	16,385
Other borrowings			-	-	-	322
Foreign currency						
Working capital - Law 4131 - (v)	US\$ + 2.62% p.a.	08/03/2020	104,385	168,254	104,385	168,254
Working capital - Law 4131 - (v)	-	-	-	179,297	-	179,297
Working capital - Law 4131 - (v)	US\$ + 3.58% p.a.	01/07/2021	-	-	44,708	42,047
Working capital - Law 4131 - (v)	US\$ + 3.37% p.a.	12/27/2019	-	-	37,809	35,160
Working capital - Law 4131 - (v)	US\$ + 3.49% p.a.	04/09/2020	-	-	27,721	34,263
Working capital	-	-	-	-	-	8,548
Working capital	-	-	-	-	-	3,604
(+/-) swap - working capital (ii)	104.4% CDI	08/03/2020	(8,612)	(29,240)	(8,612)	(29,240)
(+/-) swap - working capital (ii)	-	-	-	(6,854)	-	(6,854)
(+/-) swap - working capital (ii)	-	-	-	-	-	(6,566)
(+/-) swap - working capital (ii)	106.95% CDI	01/07/2021	-	-	(4,683)	-
(+/-) swap - working capital (ii)	100.95% CDI	04/09/2020	-	-	(1,514)	(3,914)
(+/-) swap - working capital (ii)	102.5% CDI	12/27/2019	-	-	(2,066)	629
Total			826,270	906,725	953,370	1,038,062
Current liabilities			419,576	580,152	508,147	710,804
Non-current liabilities			406,694	326,573	445,223	327,258
Total			826,270	906,725	953,370	1,038,062

- (i) Funds obtained from issuances of debentures were intended to maintain the Company's minimum strategic cash level. During the year, the Company settled the debentures of 5th issuance – 2st series and 8th issuance – single series, respectively on June 17 and July 4, 2019, in amounts of R\$ 42,221 and R\$ 206,483.
- (ii) Swap transactions in foreign currency (Law 4131) are hedging against foreign exchange rate fluctuations.
- (iii) The Company signed financing agreements with Banco do Nordeste through FNE (Northeast Constitutional Financing Fund) to fund the expansion of its group of stores in that region.
- (iv) The Company entered into a financing transaction with BNDES (Brazilian Bank for Economic and Social Development) using the Prodesign facility to invest in design by increasing and changing product development structure and processes.
- (v) The Company entered into contracts of the types of secured account and Law 4.131 Bacen for working capital purposes and to invest in the organic expansion plan of its subsidiaries. The Parent Company is the guarantor of working capital loans.

(All amounts in thousands of Reais unless otherwise stated)

16.2.1 Schedule of realization of borrowings, debentures and financing

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

16.2.2 Changes in borrowings

Changes in parent company's and consolidated borrowings are shown in Note 35.

17 FINANCING – FINANCIAL SERVICE OPERATIONS AND GUARANTEES**17.1 FINANCING – FINANCIAL SERVICE OPERATIONS**

Financing	Weighted average charges - %	Parent Company		Consolidated	
		09/30/2019	12/31/2018	09/30/2019	12/31/2018
Credit sales (i)	6.9% p.m.	11,727	97,937	11,727	97,937
Secured account (ii)	20.7% p.m.	116,205	1,165	116,205	1,165
Vendor	-	-	29,335	-	29,335
Financial bills (iii) – 1st issuance	103.25% CDI	-	-	168,507	160,755
Financial bills (iii) – 2nd issuance	104.10% CDI	-	-	302,455	-
Working capital - Law 4131 Bacen (iv)	US\$ + 4.67% p.a.	-	-	146,790	131,829
(+/-) swap - working capital	101.8% CDI	-	-	(1,336)	7,199
Senior quotas – FIDC Lojas Renner	-	-	-	-	424,022
Structuring costs – FIDC Lojas Renner	-	-	-	-	(656)
Total		127,932	128,437	744,348	851,586
Current liabilities		127,932	128,437	296,439	712,558
Non-current liabilities		-	-	447,909	139,028
Total		127,932	128,437	744,348	851,586

- (i) The values of "Credit sales" refer to the amounts financed to the clients of the Company by Financial Institutions, through Vendor, on shopping malls made under the condition of payment from seven to eight monthly installments at Lojas Renner S.A.
- (ii) The values of "Secured Account" are used for the financing of balances in delay of sales made by Renner Card.
- (iii) The Company, through its indirect subsidiary Realize CFI, issued Financial Bills for private distribution on December 4, 2017 and August 12, 2019, respectively, in the amount of R\$ 150,000 and R\$ 300,000, respectively, with settlement expected for 3 years after the issuance date. These issuances are solely intended to be used in the ordinary course of business and financing of operations.
- (iv) The indirect subsidiary Realize CFI entered into contract in modality 4.131 on August 27, 2018 with Banco Santander S.A. in the amount of US\$ 33,000 at a cost of 4.67% p.a. plus exchange-rate changes, with maturity on August 17, 2020. This issuance is solely intended to be used in the ordinary course of business and financing of operations. The parent company is the guarantor of this operation.

17.2 GUARANTEES

Parent Company is the guarantor and main payer, and is jointly responsible for all (main and accessory) obligations deriving from the following transactions (further details in Note 17.1):

- i) Credit sales;
- ii) Secured account;
- iii) Vendor; and
- iv) Financial bills.

(All amounts in thousands of Reais unless otherwise stated)

18 SUPPLIERS**18.1 ACCOUNTING POLICY**

Trade accounts payable are measured at amortized cost using the effective interest rate method. Purchase transactions were brought to present value on transactions date, considering their terms and based on estimated rate of the Company's capital cost. Interest rate used to calculate credit purchases' adjustment to present value was 0.99% p.m. to the Parent Company and its subsidiaries (0.99% p.m. on December 31, 2018). Adjustment of purchases to present value is recorded in supplier and its reversal is in account sales cost, due to fruition of term in case of suppliers.

18.2 BREAKDOWN

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Trade suppliers	623,095	685,163	686,054	765,678
Adjustment to present value	(4,597)	(4,548)	(5,184)	(4,966)
Suppliers - use and consumption	108,767	164,614	137,810	195,122
Total current liabilities	727,265	845,229	818,680	955,834

As of September 30, 2019, the amount of pre-payments made to suppliers whose original maturity was subsequent to September 30, 2019 totaled R\$ 216,937 (R\$ 272,183 on December 31, 2018). The discounts obtained from these pre-payments are recorded as reduction of the cost of sales, since they are directly related to the goods supply agreement.

The Parent Company has an agreement with Santander and Bradesco Banks regarding confirming transactions to manage its commitments with suppliers, which remain as "Suppliers" until this obligation is terminated. As of September 30, 2019, the balance of prepayments from Confirming suppliers is R\$ 42,699 (R\$ 36,733 as of December 31, 2018). The Company have reviewed the breakdown of these operations and have concluded that the Company isn't impacted with financial charges by financial institutions when a full analysis of suppliers by type is made, thus these operations is presented on suppliers group.

19 TAX LIABILITIES

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Income tax and social contribution	31,650	140,177	124,675	222,638
ICMS payable	81,502	202,641	87,901	215,899
PIS/COFINS	10,931	57,405	15,673	66,796
Taxes payable - Foreign subsidiaries	-	-	1,786	22,876
Other taxes	12,493	16,758	18,718	21,807
Total current liabilities	136,576	416,981	248,753	550,016

20 SOCIAL CHARGES AND LABOR LEGISLATION OBLIGATIONS

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Salaries payable	36,751	36,875	41,248	42,850
Profit sharing	42,891	61,300	43,459	61,791
Provision for vacation, 13 th salary and bonus	96,651	61,329	111,187	70,602
Social charges	74,052	63,063	82,362	70,766
Total current liabilities	250,345	222,567	278,256	246,009

(All amounts in thousands of Reals unless otherwise stated)

21 PROVISION FOR TAX, CIVIL, LABOR RISKS, CONTINGENT LIABILITIES AND ASSETS**21.1 ACCOUNTING POLICY**

The Company and its subsidiaries are party to tax, labor and civil lawsuits and administrative processes in course before courts and governmental agencies, derived from the normal course of its business. Management, based on information from its legal advisors, formed a provision in an amount considered sufficient to cover estimated losses from lawsuits in progress.

21.1.1 Tax provisions

Tax provisions are established taking into consideration individuality of each process, classification of loss, and internal and external legal advisors' evaluation. For the classification of possible loss, the Company's records provision at the estimated amounts of court costs and attorney fees based on the history incurred and current contractual bases negotiated with its legal advisors, since the future disbursements of funds is likely.

21.1.2 Civil and labor provisions

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

21.2 PROVISIONS

The breakdown of provisions as of September 30, 2019 is as follows:

Nature	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Civil	23,395	19,707	28,872	26,165
Labor	24,793	19,745	26,328	21,618
Tax	35,510	32,168	42,746	39,114
(-) Judicial deposits	(6,674)	(5,109)	(11,411)	(9,662)
	77,024	66,511	86,535	77,235
Classified as:				
Current liabilities	48,188	39,452	55,200	47,783
Non-current liabilities	28,836	27,059	31,335	29,452
Total	77,024	66,511	86,535	77,235

Most significant tax provisions refer to:

- (i) Disallowance of ICMS credit right in acquisitions from suppliers considered as disreputable;
- (ii) Disallowance of ICMS credit right (on energy, acquisitions of merchandise, rate difference, among others);
- (iii) Increase in SAT (Occupational Accident Insurance) rate and establishment of FAP (Accident Prevention Factor);
- (iv) Collection of anticipated ICMS rate difference upon entry of goods in the state, received from another state;
- (v) Disallowance of expense with payment of interest on own capital of prior years; and
- (vi) Requirement of INSS/IRRF on non-salary portions.

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

(All amounts in thousands of Reais unless otherwise stated)

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

Parent Company					
Nature	Civil	Labor	Tax	(-) Judicial deposits	Total
Balance at January 1, 2019	19,707	19,745	32,168	(5,109)	66,511
(+/-) Provisions / (reversal)	3,688	5,048	1,580	(1,549)	8,767
(-) Charges	-	-	1,762	(16)	1,746
Balance at September 30, 2019	23,395	24,793	35,510	(6,674)	77,024

Consolidated					
Nature	Civil	Labor	Tax	(-) Judicial deposits	Total
Balance at January 1, 2019	26,165	21,618	39,114	(9,662)	77,235
(+/-) Provisions / (reversal)	2,707	4,710	1,764	(1,732)	7,449
(-) Charges	-	-	1,868	(17)	1,851
Balance at September 30, 2019	28,872	26,328	42,746	(11,411)	86,535

21.4 TAX CONTINGENT LIABILITIES

Contingent liabilities plus interest and inflation adjustment for which disbursement is possible, in the opinion of our internal and external legal advisors, are stated below:

Nature	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Tax	373,373	363,366	390,454	380,965

The significant lawsuits related to contingent liabilities as of September 30, 2019 and December 31, 2018 are detailed below:

- i) ICMS – Disreputable suppliers – Refers to proceedings related to supposed undue crediting of ICMS related to the acquisition of goods from suppliers considered disreputable by the tax authorities. The proceedings are underway, and no date has been set for the disbursement of these resources. The restated amount of the lawsuits was R\$ 142,191 in the Parent Company and R\$ 143,445 in the Consolidated (R\$ 137,924 in the Parent Company and R\$ 139,128 in the Consolidated as of December 31, 2018).
- ii) ICMS - Anticipated RS - Refers to tax assessment notices for collection of anticipated ICMS rate difference upon entry of goods in the state, received from another state. The proceedings are underway at the administrative and court level and no date has been set for the disbursement of these resources. The restated amount of the lawsuit was R\$ 81,710 in the Parent Company and in Consolidated (R\$ 79,034 in the Parent Company and in Consolidated as of December 31, 2018). In case the Company settles such lawsuits, the credit of the amount of R\$ 34,888 corresponding to the required tax may be obtained to rebate the ICMS of its commercial operations.
- iii) INSS/IRPF non-wage installments – Refers to tax assessment notices filed for charging social security contribution on amounts considered by the Company as not taxable by said contribution, as well as application of ex-officio fine because income tax was not withheld on said amounts. The proceeding is underway, and no date has been set for the disbursement of this resource. The restated amount of the lawsuit was R\$ 37,273 in the Parent Company and in Consolidated (R\$ 36,268 in the Parent Company and in Consolidated as of December 31, 2018).
- iv) IRPJ/CSLL - Interest on own capital of formers years - Refers to the disallowance of expenses with payment of interest on capital calculated based on prior year's shareholders' equity. The proceeding is underway, and no date has been set for the disbursement. The restated amount of the lawsuit was R\$ 26,859 in the Parent Company and in Consolidated (R\$ 26,786 in the Parent Company and in Consolidated as of December 31, 2018).
- v) ICMS - Disallowance of third party credits - Disallowance of ICMS credits acquired from third parties in Rio de Janeiro State. The proceedings are underway, and no date has been set for the disbursement. The restated amount of the lawsuits was R\$ 19,114 in the Parent Company and in Consolidated (R\$ 19,063 in the Parent Company and in Consolidated as of December 31, 2018).
- vi) ICMS – breakdown of inventories – Refers to tax assessment notices and tax enforcements for collection of ICMS deriving from differences in tax and accounting inventories calculated through survey of inventory quantities that, in the Company's

(All amounts in thousands of Reais unless otherwise stated)

understanding, are due to breakdown of inventories. The proceedings are underway, and no date has been set for the disbursement. The restated amount of the lawsuits was R\$ 18,633 in the Parent Company and R\$ 20,085 in the Consolidated (R\$ 16,503 in the Parent Company and R\$ 17,831 in the Consolidated as of December 31, 2018).

- vii) Other contingent assets with the amount of lawsuit restated totaling R\$ 47,593 in the Parent Company and R\$ 61,968 in Consolidated (R\$ 47,788 in the Parent Company and R\$ 62,855 in the Consolidated as of December 31, 2018) refer to sundry matters, both federal, state and municipal.

21.5 CONTINGENT, CIVIL AND LABOR LIABILITIES

For civil and labor lawsuits, the Company chooses to consider the history of obligations effectively settled, considering that they refer to massified lawsuits of consumer civil nature and of diverse labor nature, in which lawsuit value frequently does not reflect contingency value. For this reason, the Company considers that amounts for which a provision was recorded correspond to exposure to this kind of risk.

21.6 CONTINGENT ASSETS

ICMS in PIS and COFINS calculation basis - The Company has lawsuits in progress related to companies Lojas Renner and Camicado, for obtaining the right to exclude ICMS from PIS and COFINS calculation basis, as well as offsetting amounts unduly paid. The Parent company's lawsuit has already received a favorable decision issued by the Federal Court of the 4th Region, waiting the filing of a possible appeal by the Federal Union in view of the decision of the Federal Supreme Court (STF) that upheld the appeal filed by the Federal Union, in view of the denial of the Special Appeal. The lawsuit of subsidiary Camicado is awaiting a decision of the Regional Federal Court of the 3rd Region. As Parent company's and subsidiary Camicado's lawsuits are still pending a final court decision, it is not possible to recognize the asset related to credits to be surveyed beginning as of 5 years preceding the filing of lawsuits up to the period of March 2017 (STF decision date). Based on preliminary survey, prepared based on information available as of June 30, 2019 and according to court decisions rendered until now (both to determine the exclusion of ICMS highlighted in the invoices), the Company estimates possible value of credits as approximately R\$ 1,335,410 in the Parent Company and R\$ 15,645 in Consolidated for such period. However, since there is no final decision on the request for modulation of effects submitted by the Federal Government in the leading case files, judged in view of general repercussion, which is the subject of the lack of definition regarding the calculation method of the exclusion (exclusion of ICMS or ICMS highlighted to be paid from the PIS/COFINS basis), and based on the possible modification of the decisions in the Parent and Subsidiary's lawsuits, still in progress, the estimated value may vary significantly. Lastly, there is no way to ensure when or whether the estimated amounts will actually be realized.

In relation to amounts related to periods later than STF decision date (March 15, 2017), when likelihood of loss is evaluated by legal advisors as remote, the Company has been recognizing effects on net income.

22 FINANCIAL INSTRUMENTS

Derivative financial instruments are entered into as defined by an internal policy approved by the Management, in order to hedge the foreign exchange risk taken in import orders and borrowings abroad, as well as to hedge interest rate risk.

Company Management determines the classification of its non-derivative financial assets and liabilities at the time of their initial recognition, pursuant to the business model in which the asset is managed and its respective characteristics of contractual cash flows in *IFRS 9 / CPC 48*. Financial liabilities are measured according to their nature and purpose.

22.1 ACCOUNTING POLICY

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

The Company documents, early in each transaction, the relationship between the hedge instruments and the hedge-protected items, as well as the risk Management objectives and the strategy for conducting several hedge transactions. The Company also documents its assessment, both at the inception of the hedge and on an ongoing basis, of the economic relationship between the instrument and the hedged item.

22.1.1 Cash flow hedge

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

(All amounts in thousands of Reais unless otherwise stated)

22.1.2 **Swap**

In the Swap transactions not designed for hedge accounting, respective gains or losses are recognized in the financial net income.

22.2 FINANCIAL INSTRUMENTS BY CATEGORY22.2.1 **Parent Company**

	Amortized cost	Fair value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	599,972	-	599,972
Trade accounts receivable	1,244,216	-	-	1,244,216
Derivative financial instruments (hedge)	-	-	23,682	23,682
Financial liabilities				
Derivative financial instruments (hedge)	-	-	-	-
Borrowings, financing and debentures	(730,497)	(95,773)	-	(826,270)
Financing - financial service operations	(127,932)	-	-	(127,932)
Leases payable	(1,745,976)	-	-	(1,745,976)
Suppliers	(727,265)	-	-	(727,265)
Obligations with credit card administrators	(21,762)	-	-	(21,762)
Balance at September 30, 2019	(2,109,216)	504,199	23,682	(1,581,335)

	Amortized cost	Fair value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	876,302	-	876,302
Trade accounts receivable	1,543,223	-	-	1,543,223
FIDC Lojas Renner	182,000	-	-	182,000
Derivative financial instruments (hedge)	-	-	10,210	10,210
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(13,006)	(13,006)
Borrowings, financing and debentures	(596,355)	(310,370)	-	(906,725)
Financing - financial service operations	(128,437)	-	-	(128,437)
Leases payable	(33,940)	-	-	(33,940)
Suppliers	(845,229)	-	-	(845,229)
Obligations with credit card administrators	(18,355)	-	-	(18,355)
Total - December 31, 2018	102,907	565,932	(2,796)	666,043

(All amounts in thousands of Reais unless otherwise stated)

22.2.2 Consolidated

	Amortized cost	Fair value	Fair value through other comprehensive income	Total
Financial assets				
Cash and cash equivalents	-	763,075	-	763,075
Interest earning bank deposits	-	275,151	-	275,151
Trade accounts receivable	2,891,747	-	-	2,891,747
Derivative financial instruments (hedge)	-	-	24,068	24,068
Financial liabilities				
Derivative financial instruments (hedge)	-	-	-	-
Borrowings, financing and debentures	(755,622)	(197,748)	-	(953,370)
Financing - financial service operations	(598,894)	(145,454)	-	(744,348)
Leases payable	(2,003,981)	-	-	(2,003,981)
Suppliers	(818,680)	-	-	(818,680)
Obligations with credit card administrators	(820,284)	-	-	(820,284)
Balance at September 30, 2019	(2,105,714)	695,024	24,068	(1,386,622)

Financial assets				
Cash and cash equivalents	-	944,671	-	944,671
Interest earning bank deposits	-	439,693	-	439,693
Trade accounts receivable	3,162,670	-	-	3,162,670
Derivative financial instruments (hedge)	-	-	10,860	10,860
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(14,516)	(14,516)
Borrowings, financing and debentures	(626,073)	(411,989)	-	(1,038,062)
Financing - financial service operations	(712,558)	(139,028)	-	(851,586)
Leases payable	(33,940)	-	-	(33,940)
Suppliers	(955,834)	-	-	(955,834)
Obligations with credit card administrators	(693,994)	-	-	(693,994)
Total - December 31, 2018	140,271	833,347	(3,656)	969,962

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

22.3 MEASUREMENT AND HIERARCHY OF FAIR VALUES

The Company uses discounted cash flow evaluation technique to measure financial assets and liabilities' fair values, and as an assumption, the present value of estimated cash flows based on future market quotations. For the financial assets and liabilities not measured at fair value, which book balances are a reasonable approximation, we did not include the fair values as established in the IFRS 7 / CPC 40.

As of financial, fair values of financial assets and liabilities are classified in "Level 2" of the fair value hierarchy versus book balances:

22.3.1 Parent Company

Financial assets and liabilities	09/30/2019		12/31/2018	
	Fair value	Book balance	Fair value	Book balance
Debentures (i)	(710,953)	(714,226)	(551,148)	(553,867)
Financing - financial service operations (i)	(127,869)	(127,932)	(130,402)	(128,437)
Total	(838,822)	(842,158)	(681,550)	(682,304)

(All amounts in thousands of Reais unless otherwise stated)

22.3.2 Consolidated

Financial assets and liabilities	09/30/2019		12/31/2018	
	Fair value	Book balance	Fair value	Book balance
Debentures (i)	(710,953)	(714,226)	(551,148)	(553,867)
Financing - financial service operations (i)	(743,511)	(744,348)	(848,571)	(851,586)
Total	(1,454,464)	(1,458,574)	(1,399,719)	(1,405,453)

(i) The Company measures fair value of debentures and financing – financial service operations for disclosure purposes

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

22.4 DERIVATIVE FINANCIAL INSTRUMENTS

The Management of these instruments is done through operating strategies, aimed at liquidity, profitability and security. The Company and its subsidiaries do not invest in derivatives or any other financial instruments on a speculative basis. The Company has used as a hedging instrument for its exposure to volatility of foreign currency exchange, Non-Deliverable Forward (NDF) and swap contracts.

The information on transactions with derivatives is segregated between designated to hedge accounting (cash flow hedge) and not designated to hedge accounting. Below is the breakdown of the derivatives:

Description of derivatives	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Designated for hedge				
NDF (Import orders)	23,682	(2,796)	24,068	(3,656)
Not designated for hedge				
Interest rate swap	-	1,087	-	1,087
Exchange rate swap	8,612	36,094	18,211	38,746
Total	32,294	34,385	42,279	36,177

The NDF's are classified as current assets in the amount of R\$ 23,682 in the parent company and R\$ 24,068 in the consolidated.

Swaps are stated in balance of borrowing, financing and debenture (Note 16.2) and Financing - financial service operations (Note 17.1) since they are in compliance with IFRS 7 / CPC 40. As a result, in Parent Company they are classified in current liability the amount of R\$ 8,612, and on Consolidated, classified on current liability the amount of R\$ (11,719) and in non-current liabilities R\$ (6,492).

22.4.1 Derivatives for hedge accounting

22.4.1.1 NDF (Non-Deliverable Forward)

Hedge instrument			Hedge transactions	
Maturity dates	Notional (US\$)	(*) Fair value	Transaction	Estimated maturity
10/31/2019–01/31/2020	88,731	23,682	Import orders	10/31/2019–01/31/2020
Total Parent Company	88,731	23,682		
10/31/2019–02/28/2020	1,421	386	Import orders	10/31/2019–02/28/2020
Total Consolidated	90,152	24,068		

(*) Non-Deliverable Forwards are priced under the discounted cash flow method, using projections from "B3 S.A.- Brasil, Bolsa e Balcão".

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

(All amounts in thousands of Reais unless otherwise stated)

22.4.1.2 Cash flow

The cash flows related to import orders of goods for resale are initially recorded in the inventories and subsequently in net income as the inventories are realized in the normal course of operations. The table below shows the expected cash flow from the import orders of future operations exposed to foreign currency hedged by derivatives, using as reference the US dollar exchange rate expected for the next reporting date of R\$ 4.1707:

	Consolidated		
	4Q19	1Q20	Total
Resale goods import orders	249,625	126,372	375,997
Notional amount - US\$ thousand	59,852	30,300	90,152

22.4.2 Derivatives not for hedge accounting

22.4.2.1 Swaps

Instrument	Maturity	Long position	Short position	Notional	Note	Amount receivable (payable)	
						09/30/2019	12/31/2018
Interest rate swap							
Debentures 5th issuance - 2nd series	-	-	-	-	-	-	1,087
Exchange rate swap							
Working capital - Law 4.131	Aug 2020	US\$ + 2.62% p.a.	104.4% CDI	US\$ 25,000	16,2	8,612	29,240
Working capital - Law 4.131	-	-	-	-	-	-	6,854
Total Parent Company						8,612	37,181
Exchange rate swap							
Working capital - Law 4.131	-	-	-	-	-	-	6,566
Working capital - Law 4.131	Jan 2021	US\$ + 3.58% p.a.	106.95% CDI	US\$ 10,515	16,2	4,683	-
Working capital - Law 4.131	Dec 2019	US\$ + 3.37% p.a.	102.5% CDI	US\$ 9,100	16,2	2,066	(629)
Working capital - Law 4.131	Apr 2020	US\$ + 3.49% p.a.	100.95% CDI	US\$ 6,600	16,2	1,514	3,914
Working capital - Law 4.131	Aug 2020	US\$ + 4.67% p.a.	101.8% CDI	US\$ 33,000	17,1	1,336	(7,199)
Total Consolidated						18,211	39,833

22.4.2.2 Change of the swaps

	Parent Company	Consolidated
Balance at January 1, 2018	6,176	6,176
Swap adjustment payment	4,302	5,725
Change in the fair value	26,703	27,932
Balance at December 31, 2018	37,181	39,833
Swap adjustment payment	2,092	3,821
Swap Adjustment receipt	(35,588)	(44,432)
Change in the fair value	4,927	18,989
Balance at September 30, 2019	8,612	18,211

22.5 CREDIT RISK

The ratings of derivatives are in accordance with the main risk rating agencies. Below we present the credit risk of derivative assets at September 30, 2019 (currency forward contracts of the Non-Deliverable Forward (NDF) type), since the balances of swaps are presented in Note 5.2 on liquidity risk:

Rating - National Scale	Consolidated	
	09/30/2019	12/31/2018
brAAA	42,279	56,076
(*) N/a	-	2,445
Total - Derivative financial instrument (assets)	42,279	58,521

(*) Not applicable, because it is not included in the national scale rating.

(All amounts in thousands of Reais unless otherwise stated)

23 OTHER OBLIGATIONS

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Prepaid revenues (i)	1,484	2,225	33,424	4,911
Obligations with customers (b)	17,049	22,281	45,325	44,857
Obligations related to transactions w/ insurance (iii)	2,428	5,909	7,275	6,101
Transfer of operation of financial products (iv)	24,470	16,928	-	-
Acquisition of ICMS credits (v)	19,578	19,008	19,791	19,693
Other obligations (vi)	14,186	3,306	13,484	5,583
Total	79,195	69,657	119,299	81,145
Current liabilities	78,699	68,421	93,594	79,383
Non-current liabilities	496	1,236	25,705	1,762
Total	79,195	69,657	119,299	81,145

- i) Refer to advances of payroll agreements from financial institution, prepaid revenues from insurance exclusivity premiums with the insurance company and co-branded card incentive premium.
- ii) Refer to balances in favor to clients, which credits may be used as payment for purchases in the Company and goods bought from bridal registries, but not yet delivered.
- iii) Advances related to insurance operations related to exclusivity contract and insurance premiums paid by clients to be transferred to the insurance company.
- iv) Refer to the transfers related to operations of Renner Credit Card of the quick withdrawal agreement to Realize CFI and receipt of sales in Renner card at Camicado.
- v) Refer to balances payable corresponding to the acquisition of ICMS credits.
- vi) Refer to balances payable corresponding to royalties, payroll advance borrowings, among others.

24 RELATED PARTIES

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

24.1 PARENT COMPANY'S CONTEXT**24.1.1 Lease agreements**

In August 2018, the Company updated lease agreements by means of addendum with the subsidiary Dromegon referring to the buildings of the stores located in the downtown of Porto Alegre, Santa Maria and Pelotas. The lease values for these properties were set at 4.29%, 4% and 4% of gross monthly sales by stores, in this order. These lease agreements are effective for ten years and may be renewed.

24.1.2 Personal loans extension service agreement

The Company provides personal loans services, through its indirect subsidiary Realize CFI, making it possible for Renner customers to obtain personal loans. Lojas Renner is a party in the transaction through its operating infrastructure, providing bank correspondent product services.

24.1.3 Use of Renner Card and "Meu Cartão" (co-branded card) in Camicado

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

24.1.4 Renner Credit Card Operations - Realize

As of April 2019, in line with the reorganization strategy and business specialization, the sales through the Renner Credit Card (Private Label) started being recorded in the indirect subsidiary Realize CFI. Thus, the assets from these new sales are currently part of the Private Label balance at Realize.

24.1.5 Agreement to apportion corporate costs and expenses

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

24.1.6 Import intermediation

(All amounts in thousands of Reais unless otherwise stated)

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

24.1.7 Export of goods

Parent Company carries out commercial transactions with its subsidiaries LRU and LRA related to the export of merchandise for building inventories and be prepared for retail transactions in these countries. All commercial transactions carried out with this subsidiary are priced considering market conditions.

24.1.8 Purchase of ICMS credits

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

24.2 CONSOLIDATED CONTEXT**24.2.1 Agreements or other significant obligations between the company and its Management members**

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

The Board of Directors, elected at Shareholders' Meeting, have unified terms of office of one year, re-election being permitted. The Board of Directors' members in office are automatically considered appointed for re-election by joint proposal of the Board of Directors' members. The Executive Management, which members are elected and may be removed from office at any time by the Board of Directors, have term of office of two years, re-election being permitted, and are tied to a service contract, which remuneration comprises a fixed component annually adjusted for the INPC and a variable component, which amount reflects the financial performance of the Company.

A Board of Directors' Meeting held on April 18, 2019 decided to substitute the Chief Executive Officer position, and the mandate started immediately and will end on the date of the next Annual Shareholders' Meeting, in 2020.

24.2.2 Remuneration of the members of the Board of Directors and Executive Board (the "Management")

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

The Annual Shareholders' Meeting held on April 18, 2019, approved the Management members' global remuneration limit up to R\$ 45,200 (forty-five million and two hundred thousand reais) for fiscal year 2019. This amount consists of funds that include fixed remuneration, variable remuneration, which sum, besides participation in meetings, the statutory participation (Art. 34 of the Bylaws and paragraph 1 of art. 152 of Law 6.404/76), and the cost of the share plan and the restricted share plan (Notes 28 and 29). Summary of amounts is as follows:

	Parent Company				Consolidated			
	3Q19	9M19	3Q18	9M18	3Q19	9M19	3Q18	9M18
Management compensation	(4,878)	(12,539)	(2,855)	(5,657)	(5,208)	(13,287)	(3,091)	(6,141)
Stock option plan	(2,769)	(7,150)	(2,374)	(4,706)	(2,769)	(7,150)	(2,374)	(4,706)
Restricted share plan	(1,326)	(2,502)	(952)	(1,856)	(1,326)	(2,502)	(952)	(1,856)
Total	(8,973)	(22,191)	(6,181)	(12,219)	(9,303)	(22,939)	(6,417)	(12,703)

Total Management remuneration is impacted by calculation of operating and financial indicators that are reflected in the Company's net income.

(All amounts in thousands of Reais unless otherwise stated)

24.3 BALANCES AND TRANSACTIONS WITH RELATED PARTIES**24.3.1 Accounting Policy**

Transactions between the Company's subsidiaries, including balances, gains and losses not realized in these transactions were eliminated, when applicable. The subsidiaries' accounting policies were adjusted to ensure consistency with the Parent Company's accounting practices.

24.3.2 Balances with related companies

The main asset and liability balances, as well as the transaction amounts recorded in net income for the period from related party transactions arise from transactions performed at arm's length in the respective transaction types and are summarized below:

Operations - Assets (liabilities)	RACC	Dromegon	Camicado	Youcom	LRS	Realize Participações S.A.	LRU	LRA	Realize CFI	Total
Accounts receivable										
Export of goods for resale	-	-	-	-	-	-	8,298	6,320		14,618
Transactions with "Meu Cartão" (co-branded card)	-	-	-	-	-	-	-	-	213,509	213,509
Renner credit card (New Private Label)	-	-	-	-	-	-	-	-	607,521	607,521
Other assets										
Renner credit card (Quick withdrawal)	-	-	-	-	-	-	-	-	1,494	1,494
Credit with related parties										
Sharing of expenses	-	-	667	564	7,258	4	-	-	8,895	17,388
Debits with related parties										
Sharing of expenses	-	12	-	-	-	-	-	-	-	12
Rents payable	-	(464)	(26)	-	-	-	-	-	-	(490)
Obligations with credit card administrators										
Transactions with "Meu Cartão" (co-branded card)	(889)	-	-	-	-	-	-	-	(20,873)	(21,762)
Other obligations										
Renner credit card operations (Private Label)	-	-	(1,025)	-	-	-	-	-	(23,445)	(24,470)
Balance at September 30, 2019	(889)	(452)	(384)	564	7,258	4	8,298	6,320	787,101	807,820

(All amounts in thousands of Reais unless otherwise stated)

Operations - Assets (liabilities)	RACC	Dromegon	Camicado	Youcom	LRS	Realize Participações S.A.	LRU	Realize CFI	Total
Accounts receivable									
Export of goods for resale	-	-	-	-	-	-	13,293	-	13,293
Transactions with "Meu Cartão" (co-branded card)	-	-	-	-	-	-	-	228,724	228,724
Credit with related parties									
Sharing of expenses	-	-	795	257	7,170	4	155	21,596	29,977
Debits with related parties									
Sharing of expenses	(92)	6	-	-	(26)	-	-	(18)	(130)
Rents payable	-	(1,087)	(54)	-	-	-	-	-	(1,141)
Obligations with credit card administrators									
Transactions with "Meu Cartão" (co-branded card)	(1,404)	-	-	-	-	-	-	(16,951)	(18,355)
Other obligations									
Renner credit card operations (Private Label)	-	-	(16,326)	-	-	-	-	-	(16,326)
Quick withdrawal operations	-	-	-	-	-	-	-	(602)	(602)
Total - December 31, 2018	(1,496)	(1,081)	(15,585)	257	7,144	4	13,448	232,749	235,440

(All amounts in thousands of Reais unless otherwise stated)

24.3.3 Transactions with related companies

Type of revenue (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	LRA	Realize CFI	Total
Apportionment for corporate expenses	-	19	2,002	1,381	(354)	-	-	7,409	10,457
Intermediation commission	-	-	-	-	(4,620)	-	-	-	(4,620)
Property rent expenses	-	(1,690)	-	-	-	-	-	-	(1,690)
Revenue from rendering of services	-	-	-	-	-	910	-	15,118	16,028
Export of goods	-	-	-	-	-	11,175	6,211	-	17,386
Return of exports	-	-	-	-	-	(1,140)	-	-	(1,140)
Total - 3Q19	-	(1,671)	2,002	1,381	(4,974)	10,945	6,211	22,527	36,421
Apportionment for corporate expenses	(42)	56	5,565	3,792	(355)	-	-	17,941	26,957
Intermediation commission	-	-	-	-	(10,968)	-	-	-	(10,968)
Property rent expenses	-	(4,840)	-	-	-	-	-	-	(4,840)
Revenue from rendering of services	-	-	-	-	-	2,680	-	28,916	31,596
Export of goods	-	-	-	-	-	38,079	6,324	-	44,403
Return of exports	-	-	-	-	-	(3,644)	-	-	(3,644)
Total - 9M19	(42)	(4,784)	5,565	3,792	(11,323)	37,115	6,324	39,075	83,504

Type of revenue (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	Realize CFI	Total
Apportionment for corporate expenses	(156)	18	890	970	310	-	6,316	8,348
Intermediation commission	-	-	-	-	(3,482)	-	-	(3,482)
Property rent expenses	-	(1,677)	-	-	-	-	-	(1,677)
Revenue from rendering of services	-	-	-	-	-	676	4,202	4,878
Export of goods	-	-	-	-	-	6,252	-	6,252
Total - 3Q18	(156)	(1,659)	890	970	(3,172)	6,928	10,518	14,319
Apportionment for corporate expenses	(427)	54	2,646	3,399	1,305	-	10,060	17,037
Intermediation commission	-	-	-	-	(9,423)	-	-	(9,423)
Property rent expenses	-	(4,939)	-	-	-	-	-	(4,939)
Revenue from rendering of services	-	-	-	-	-	1,408	11,562	12,970
Export of goods	-	-	-	-	-	27,802	-	27,802
Total - 9M18	(427)	(4,885)	2,646	3,399	(8,118)	29,210	21,622	43,447

(All amounts in thousands of Reals unless otherwise stated)

25 SHAREHOLDERS' EQUITY

25.1 CAPITAL

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

According to article 40 of the Company By-laws, any person or group of shareholders that acquires or becomes the holder of shares issued by the Company (Purchasing Shareholder) in a quantity greater than or equal to 20% of the total shares issued, shall, within 60 days after the date of acquisition, hold a Public Offering (PO) for the acquisition of all the shares, complying with provisions of CVM regulations, of the regulations of B3 and of the Company's By-laws. As of September 30, 2019, no shareholder individually holds ownership interest greater than or equal to 20%.

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

25.1.1 The changes in the Capital is shown below:

	Share quantity (thousand)	Total
Balance at January 1, 2018	713,235	2,556,896
Capital increase, RCA on May 21, August 16, and November 21	6,789	80,577
Balance at December 31, 2018	720,024	2,637,473
Capital increase, RCA on May 23 and August 21	3,221	41,105
Incorporation of capital reserves, SSM (Special Shareholders' Meeting) as of April 30	-	72,050
(*) Share bonus increase (incorporation of profit reserves)	72,002	1,040,000
Balance at September 30, 2019	795,247	3,790,628

(*) On April 30, 2019, the Company's Special Shareholders' Meeting approved the share bonus through the incorporation of the capital reserve and profit reserve balances.

25.2 TREASURY SHARES

As of September 30, 2019, treasury shares balance is R\$ 35,549 (R\$ 44,536 as of December 31, 2018), corresponding to 1,831,115 common shares at average weighted cost of R\$ 19.41 (R\$ 21.36 as of December 31, 2018).

25.2.1 Changes in treasury shares

	Amount (in thousand)	Amount	Average price
Balance at January 1, 2018	1,499	27,857	18.58
Repurchase of shares	600	16,988	28.31
Disposal of shares	(14)	(309)	21.36
Balance at December 31, 2018	2,085	44,536	21.36
Disposal of shares	(421)	(8,987)	21.35
(*) Share bonus increase, SSM (Special Shareholders' Meeting) as of April 30	167	-	-
Balance at September 30, 2019	1,831	35,549	19.41

25.3 CAPITAL RESERVES

25.3.1 Stock option plan reserve and restricted share plan

Refer to the contra-entry of the stock option plan expenses, as described in Notes 28 and 29. The allocation of capital reserves depends on resolution at Special Shareholders' Meeting ("SSM"). On April 30, 2019, the Extraordinary General Meeting approved the bonus of shares through the incorporation of the total legal reserve capital reserve in the amount of R\$ 72,050 to the Company's capital stock. The balance at September 30, 2019 corresponds to R\$ 65,266 (R\$ 124,093 at December 31, 2018).

(All amounts in thousands of Reais unless otherwise stated)

25.4 PROFIT RESERVES**25.4.1 Legal reserve**

In compliance with art. 193 of Law 6404/76 and art. 34, item (a) of the Company's Bylaws, the legal reserve is set up at amount equivalent to 5% of the net income for each year. On April 30, 2019 the Special Shareholders' Meeting approved the Company's share bonus with incorporation of the legal reserve balance in the amount of R\$ 87,641 to Company's Capital.

25.4.2 Reserve for investment and expansion

This reserve is recorded as decided by the Management bodies to cover the Company's expansion plan investments, as provided for in article 34, item (c) of the Company's By-laws. On April 30, 2019, the Special Shareholders' Meeting approved the Company's Share bonus increase with reserve for investment and expansion in the amount of R\$ 895,819. The balance on September 30, 2019 is R\$ 50,695 (R\$ 946,514 on December 31, 2018).

25.4.3 Tax incentive reserve

The Company uses ICMS tax incentives in the form of "presumed credit," with its respective impacts on net income. The Company's Management, in view of the publication of Complementary Law 160/17 and in compliance with Law 6404/76, allocated these incentives as tax incentive reserve. On April 30, 2019 the Special Shareholders' Meeting approved the Company's share bonus with incorporation of the tax incentive reserve balance in the amount of R\$ 56,540 to Company's Capital.

25.4.4 Additional dividend proposed

Refers to the dividends proposed in addition to the minimum mandatory dividend, totaling R\$ 144,639, submitted to and approved by the Annual Shareholders' Meeting (AGO) held on April 18, 2019 and paid on April 29, 2019.

25.5 OTHER COMPREHENSIVE INCOME

They are presented as other comprehensive income: accumulated translation adjustments, hyperinflation adjustment and the unrealized net income on derivative financial instruments as equity valuation adjustments. The amount of adjustments recorded represents an accumulated balance of gain, net of taxes, in the amount of R\$ 6,288 on September 30, 2019 (R\$ 2,148 of gain, net of taxes, on December 31, 2018).

26 DIVIDENDS AND INTEREST ON OWN CAPITAL**26.1 ACCOUNTING POLICY**

The Company's bylaws and corporate law establish that a minimum of 25% of the adjusted annual net income must be distributed as dividends. Accordingly, the Company records provision, upon the closing of each year, in the amount of the minimum compulsory dividend that has not yet been distributed if such limit was not attained by interim remunerations. Dividends exceeding this limit are segregated in a specific account of shareholders' equity denominated "Additional dividends proposed". When decided by Management, interest on own capital is calculated in dividends for the year. The tax benefit of interest on own capital is recognized in the net income (Note 12.5).

26.2 DISTRIBUTION OF INTEREST ON OWN CAPITAL

The statement of the proposal for distribution of interest on own capital as of September 30, 2019 and 2018:

Period	Nature	Payment	(*) Outstanding shares (thousand)	R\$/share	09/30/2019	R\$/share	09/30/2018
1Q19	JSCP - 03/18/2019	April 2020	718,360	0.092945	66,768	0.072964	51,931
2Q19	JSCP - 06/19/2019	April 2020	791,981	0.077650	61,497	0.073243	52,338
3Q19	JSCP - 09/19/2019	April 2020	793,416	0.078588	62,354	0.079685	57,045
Total				0.249183	190,619	0.225892	161,314

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

Interest on own capital was fully deducted when calculating income tax and social contribution, and the tax benefits arising from this deduction for the three and nine-month period ended September 30, 2019 were roughly R\$ 21,200 and R\$ 64,810 (R\$ 19,395 and R\$ 54,847 as of September 30, 2018).

27 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit attributable to company shareholders by the weighted average number of common shares issued during the period.

(All amounts in thousands of Reais unless otherwise stated)

Diluted earnings per share is calculated by adjusting the weighted average number of common shares, presuming the conversion of all the potential diluted common shares for the stock option plans.

The number of shares calculated as described above is compared to the number of issued shares, assuming that the stock option plan is exercised. Basic and diluted earnings per share for the three and nine-month period ended September 30, 2019 and 2018 are as follows:

Basic/Diluted numerator	Parent Company and Consolidated			
	3Q19	9M19	3Q18	9M18
Net income for the period	189,251	585,995	194,211	580,362
Weighted average of common shares	794,264	761,418	788,733	755,034
Potential increase in common shares because of the option plan	2,253	3,046	4,309	6,100
(*) Basic earnings per share - R\$	0.2383	0.7696	0.2462	0.7687
(*) Diluted earnings per share - R\$	0.2376	0.7665	0.2449	0.7625

(*) On April 30, 2019, the Special Shareholders' Meeting approved the share bonus at the rate of 10% (ten percent). Therefore, for purposes of compliance with CPC 41 accounting standard, Earnings per share, we have recalculated earnings per share for the quarter and accumulated in 2018.

28 STOCK OPTION PLAN

28.1 ACCOUNTING POLICY

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

28.2 1ST PLAN (PROGRAMS 2005–2015 AND CONTRACT GRANTS)

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

28.3 2ND PLAN (PROGRAMS 2016–2018 AND CONTRACT GRANTS)

On September 23, 2015, at the Special Shareholders' Meeting a new stock option plan was approved, which still did not have any grants through the reporting dates of the financial statements. Each program will have four tranches, with 25% being exercisable after one year and successively. On February 9, 2017, a new contractual options granting was approved by the Chief Executive Officer, which provides for the same conditions of the 2nd Stock option plans.

28.4 COMMON FEATURES OF THE PLANS

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

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

(All amounts in thousands of Reais unless otherwise stated)

28.5 POSITION OF STOCK OPTION PLAN

Grant	Exercise value	Grant date	Grace period 1st tranche	Grace period 2nd tranche	Grace period 3rd tranche	Grace period 4th tranche	Position of grants (Quantity)	
							Balance at 09/30/2019	Balance at 12/31/2018
10th grant	9.28	02/19/2014	02/18/2017	02/18/2018	-	-	14	201
Contractual grant	9.23	03/05/2014	03/04/2016	03/04/2017	09/30/2017	-	-	713
11th grant	12.04	02/12/2015	02/11/2018	02/11/2019	-	-	376	1,611
11th compl. grant	14.39	04/16/2015	04/15/2018	04/15/2019	-	-	-	14
Subtotal - 1st Plan							390	2,539
1st grant	14.00	02/04/2016	02/03/2017	02/03/2018	02/03/2019	02/03/2020	690	1,076
2nd grant	19.73	02/09/2017	02/09/2018	02/09/2019	02/09/2020	02/08/2021	880	1,086
Contractual grant	19.73	02/09/2017	02/09/2018	02/09/2019	02/09/2020	02/08/2021	1,721	1,564
3rd grant	32.91	02/08/2018	02/08/2019	02/08/2020	02/07/2021	02/07/2022	930	1,011
Contractual grant	38.62	02/07/2019	02/07/2020	02/06/2021	02/06/2022	02/06/2023	133	-
4th grant	38.62	02/07/2019	02/07/2020	02/06/2021	02/06/2022	02/06/2023	978	-
Subtotal - 2nd Plan							5,332	4,737
Total							5,722	7,276

The closing share price of the Company as of September 30, 2019 is R\$ 50.47 (R\$ 42.40 as of December 31, 2018).

Each option corresponds to the right to subscribe one share of the Company. As of September 30, 2019, there were 5,722 thousand options in the Money. We show below the effects in the net equity per share and the respective percentage of reduction in the ownership interests of the current shareholders:

	09/30/2019	12/31/2018
Shareholders' equity	4,273,031	3,954,512
Number of shares - thousand	795,247	720,024
Book value per share - R\$	5.37	5.49
Shareholders' equity, considering the in the Money options exercised	4,412,179	4,096,086
Number of shares, considering the in the Money options exercised	800,969	727,300
Book value of the share, considering the in the Money options exercised	5.51	5.63
% of decrease in the ownership interest of current shareholders, considering the in the Money options exercised	0.71%	1.00%

(All amounts in thousands of Reais unless otherwise stated)

28.6 ASSUMPTIONS TO FAIR VALUE MEASUREMENT OF STOCK OPTION PLAN

The fair value of stock options granted is calculated on the date of the respective grant based on the Black & Scholes. To determine fair value, the Company used assumptions such as:

- i) Option exercise value: corresponds to the weighted average rate over the last 30 share trading sessions of Lojas Renner S.A. before the grant date.
- ii) The Company's share price volatility: corresponds to the weighting of the trading history of the Company's share.
- iii) Risk-free interest rate: the Company used the Interbank Deposit Certificate (CDI) available on the grant date and projected for the maximum grace period of the option.
- iv) Expected dividend: this percentage corresponds to the payment of dividends per share in relation to the market value of the Company's shares on the grant date.
- v) Vesting period: represents the maximum period for beneficiaries to exercise their options.

28.7 CHANGES IN STOCK OPTION PLAN

	Amount (in thousands)
Balance at January 1st, 2018	13,460
Options granted	1,178
Options exercised	(6,789)
Options canceled	(573)
Balance at December 31st, 2018	7,276
Options granted	1,092
Options exercised	(3,221)
Options canceled	(256)
Share bonus increase, SSM (Special Shareholders' Meeting) as of April 30th	831
Balance at September 30th, 2019	5,722

In the three and nine-month period ended September 30th, 2019, expense with stock option plan totaled R\$ 5,247 and R\$ 15,212 (R\$ 5,920 and R\$ 15,721 on September 30th, 2018) in the Parent Company and Consolidated.

29 RESTRICTED SHARE PLAN**29.1 ACCOUNTING POLICY**

The Company approved a restricted share plan for selected Management members and executives, offering them restricted share in the form and at conditions described in the plan. Expense is recorded at a *pro rata temporis* basis, which starts on grant date and ends on the date in which the Company transfers the right of shares to the beneficiary. Expenses corresponds to the number of issued shares multiplied by the share price on the grant date. The provision of social security contributions is updated monthly according to the closing price of the Company.

On September 23th, 2015, at the Special Shareholders' Meeting a Restricted Share Plan was approved. The plan is administered by the Committee, which is composed of independent members of the Board. The plan establishes that the Committee and Board members shall not be eligible to the Restricted Share plan.

29.2 MAIN CHARACTERISTICS OF THE RESTRICTED SHARE PLAN

For purposes of this plan, the Board of Directors may, upon previous recommendation of the Committee, grant a number of registered and book-entry common shares of the Company, not in excess of 1% of the totality of issued shares. The restricted shares to be granted to participants should be those that are held in the Company's treasury.

The grants of Restricted Shares shall be periodically performed to benefit the Management members and executives of the Company who occupy strategic positions for the businesses, so identified by the Committee. The definite transfer of Restricted Shares to the participants is conditioned to the fulfillment of a grace period of three years for each grant, and at the end of the grace period, the participant shall have employment agreement with the Company, otherwise, the grants shall be cancelled. All Restricted Shares which grace period has not been completed yet shall be due and shall be transferred to the owners, heirs or successors in case of death, permanent invalidity or retirement.

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

(All amounts in thousands of Reais unless otherwise stated)

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

29.3 POSITION OF RESTRICTED SHARE PLAN

Grant	Grant date	Grace period 1st tranche	Position of grants (Quantity)	
			09/30/2019	12/31/2018
1st grant	02/04/2016	02/03/2019	-	421
2nd grant	02/09/2017	02/09/2020	362	369
Contractual grant	02/09/2017	02/09/2020	321	292
3rd grant	02/08/2018	02/07/2021	273	269
Contractual grant	02/07/2019	02/06/2022	40	-
4th grant	02/07/2019	02/06/2022	326	-
Total			1,322	1,351

29.4 CHANGES IN RESTRICTED SHARE PLAN

	Amount (in thousands)
Balance at January 1, 2017	1,201
Options granted	317
Options canceled	(147)
Options exercised	(20)
Balance at December 31, 2018	1,351
Options granted	355
Options canceled	(89)
Options exercised	(421)
Share bonus increase, SSM (Special Shareholders' Meeting) as of April 30	126
Balance at September 30, 2019	1,322

In the three and nine-month period ended September 30, 2019, expenses with restricted share plan, including principal and social charges, totaling R\$ 6,654 and R\$ 16,650 (R\$ 4,635 and R\$ 10,503 on September 30, 2018).

30 INFORMATION PER BUSINESS SEGMENT

30.1 ACCOUNTING POLICY

The operating segments are presented consistently with the internal report supplied to the Company's main operating decision maker. The main decision maker, in charge of allocating funds and evaluating performance of operating segments is the Company's Board of Directors. Information of operating segments is divided in:

- (i) **Retail:** sale of garment items (women, men and children fashion), perfumery, cosmetics, watches, as well as the home & decoration segment; including Renner, Camicado, Youcom and Ashua operations;
- (ii) **Financial products:** granting of quick withdrawals, financing of purchases and insurance, and the practice of active and liabilities inherent to credit companies, such as branded card, among others.

(All amounts in thousands of Reals unless otherwise stated)

	Retail		Financial Products		Consolidated	
	3Q19	9M19	3Q19	9M19	3Q19	9M19
Net operating revenue	1,931,924	5,601,635	293,831	808,241	2,225,755	6,409,876
Cost of sales	(882,033)	(2,500,200)	(7,165)	(18,521)	(889,198)	(2,518,721)
Gross income	1,049,891	3,101,435	286,666	789,720	1,336,557	3,891,155
Sales	(575,836)	(1,693,444)	-	-	(575,836)	(1,693,444)
General and administrative	(204,822)	(575,324)	-	-	(204,822)	(575,324)
Losses on receivables, net	-	-	(101,371)	(272,342)	(101,371)	(272,342)
Other operating net income	(12,143)	(6,191)	(82,030)	(225,316)	(94,173)	(231,507)
Net income from segments	257,090	826,476	103,265	292,062	360,355	1,118,538
Depreciation and Amortization	(88,079)	(259,263)	(3,229)	(9,829)	(91,308)	(269,092)
Stock option plan					(5,247)	(15,212)
Net income from write-off and provision for fixed assets losses					(1,926)	(2,715)
Net financial income					(8,049)	(40,171)
Income tax and social contribution					(64,574)	(205,353)
Net income for the period					189,251	585,995

	Retail		Financial Products		Consolidated	
	3Q18	9M18	3Q18	9M18	3Q18	9M18
Net operating revenue	1,711,461	4,890,311	231,827	701,359	1,943,288	5,591,670
Cost of sales	(782,320)	(2,152,757)	(6,861)	(20,870)	(789,181)	(2,173,627)
Gross income	929,141	2,737,554	224,966	680,489	1,154,107	3,418,043
Sales	(504,648)	(1,490,573)	-	-	(504,648)	(1,490,573)
General and administrative	(179,401)	(495,769)	-	-	(179,401)	(495,769)
Losses on receivables, net	-	-	(68,260)	(204,802)	(68,260)	(204,802)
Other operating net income	15,249	8,734	(70,087)	(204,970)	(54,838)	(196,236)
Net income from segments	260,341	759,946	86,619	270,717	346,960	1,030,663
Depreciation and Amortization	(78,089)	(221,727)	(3,196)	(9,687)	(81,285)	(231,414)
Stock option plan					(5,920)	(15,721)
Net income from write-off and provision for fixed assets losses					(1,267)	(3,011)
Net financial income					(17,462)	(44,661)
Income tax and social contribution					(46,815)	(155,494)
Net income for the period					194,211	580,362

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

(All amounts in thousands of Reais unless otherwise stated)

31 REVENUES**31.1 ACCOUNTING POLICY**

IFRS 15 / CPC 47 – Revenue from Contracts with Customers establishes a model aimed at evidencing whether the criteria for accounting were satisfied or not. The steps of this process comprise:

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

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

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

Sale of goods – retail: The Company operates with e-commerce and chain of retail outlets to trade its goods. Revenue is recognized in income statement upon the effective delivery of the goods to the customer. Sales are performed, in cash and debit cards, or forward sales through third party cards, Renner card, through financing granted through the indirect subsidiary Realize CFI.

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

31.2 BREAKDOWN

	Parent Company			
	3Q19	9M19	3Q18	9M18
Gross operating revenue	2,496,000	7,328,434	2,237,264	6,471,322
Sales of goods	2,448,818	7,096,377	2,143,189	6,175,474
Financial products and services	47,182	232,057	94,075	295,848
Deductions	(697,921)	(2,036,105)	(615,900)	(1,780,324)
Returns and cancellations	(144,632)	(432,442)	(130,701)	(386,469)
Taxes on sales	(548,792)	(1,585,918)	(479,510)	(1,375,786)
Taxes on financial products and services	(4,497)	(17,745)	(5,689)	(18,069)
Net operating revenue	1,798,079	5,292,329	1,621,364	4,690,998

	Consolidated			
	3Q19	9M19	3Q18	9M18
Gross operating revenue	2,991,101	8,641,160	2,620,460	7,547,091
Sales of goods	2,679,703	7,782,457	2,374,653	6,802,206
Financial products and services	311,398	858,703	245,807	744,885
Deductions	(765,346)	(2,231,284)	(677,172)	(1,955,421)
Returns and cancellations	(153,096)	(460,314)	(140,455)	(415,513)
Taxes on sales	(594,683)	(1,720,508)	(522,737)	(1,496,382)
Taxes on financial products and services	(17,567)	(50,462)	(13,980)	(43,526)
Net operating revenue	2,225,755	6,409,876	1,943,288	5,591,670

According to Company's product return policy, the client receives a bonus voucher at the same price of the returned good for further use in a new purchase at the moment of the return.

(All amounts in thousands of Reais unless otherwise stated)

32 EXPENSES PER TYPE

The Company's statement of net income is shown by duty. We show below the details of expenditures by nature.

32.1 SELLING EXPENSES

	Parent Company			
	3Q19	9M19	3Q18	9M18
Personal	(195,543)	(553,445)	(165,780)	(496,525)
Occupancy	(49,275)	(143,990)	(115,415)	(344,291)
Outsourced services	(16,535)	(54,373)	(17,257)	(48,894)
Utilities and services	(51,386)	(160,143)	(45,925)	(146,509)
Promotions	(47,550)	(139,775)	(43,533)	(122,399)
Depreciation and amortization	(53,278)	(154,997)	(39,040)	(114,710)
Depreciation – Right-of-use	(77,230)	(221,460)	-	-
Other expenses	(46,042)	(137,017)	(42,371)	(121,385)
Total	(536,839)	(1,565,200)	(469,321)	(1,394,713)

	Consolidated			
	3Q19	9M19	3Q18	9M18
Personal	(225,980)	(645,283)	(193,097)	(574,221)
Occupancy	(62,196)	(184,232)	(138,884)	(410,624)
Outsourced services	(19,835)	(64,683)	(20,401)	(57,639)
Utilities and services	(57,108)	(178,096)	(51,970)	(163,326)
Promotions	(54,747)	(161,348)	(50,787)	(144,015)
Depreciation and amortization	(65,978)	(189,588)	(45,991)	(133,353)
Depreciation – Right-of-use	(90,023)	(258,680)	-	-
Other expenses	(53,241)	(159,175)	(49,508)	(140,748)
Total	(629,108)	(1,841,085)	(550,638)	(1,623,926)

32.2 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company			
	3Q19	9M19	3Q18	9M18
Personal	(93,262)	(258,453)	(80,265)	(221,977)
Occupancy	-	-	(7,528)	(22,547)
Outsourced services	(52,054)	(148,358)	(48,139)	(132,208)
Utilities and services	(12,612)	(38,262)	(11,801)	(36,551)
Depreciation and amortization	(22,767)	(70,128)	(29,516)	(80,701)
Depreciation – Right-of-use	(7,919)	(23,473)	-	-
Other expenses	(13,401)	(34,700)	(11,986)	(27,678)
Total	(202,015)	(573,374)	(189,235)	(521,662)

	Consolidated			
	3Q19	9M19	3Q18	9M18
Personal	(100,679)	(280,559)	(87,006)	(240,457)
Occupancy	(677)	(1,726)	(8,726)	(25,987)
Outsourced services	(61,278)	(172,189)	(55,456)	(151,221)
Utilities and services	(14,384)	(42,681)	(13,277)	(40,425)
Depreciation and amortization	(21,947)	(69,211)	(32,096)	(88,370)
Depreciation – Right-of-use	(8,372)	(24,796)	-	-
Other expenses	(18,147)	(49,064)	(15,125)	(38,351)
Total	(225,484)	(640,226)	(211,686)	(584,811)

(All amounts in thousands of Reais unless otherwise stated)

32.3 OTHER OPERATING INCOME

	Parent Company			
	3Q19	9M19	3Q18	9M18
Expenditure on financial products and services	(35,893)	(107,771)	(36,084)	(105,565)
Depreciation and amortization	(2,461)	(7,594)	(2,598)	(7,867)
Depreciation – Right-of-use	-	-	-	-
Net income from write-off of fixed assets	(1,134)	(2,537)	(945)	(2,224)
Stock option plan	(5,247)	(15,212)	(5,920)	(15,721)
Other operating net income	(1,766)	(3,448)	(6,830)	(7,515)
Recovery of tax credits	5,109	40,154	30,567	38,104
Employee profit sharing	(14,203)	(45,291)	(8,757)	(22,895)
Total	(55,595)	(141,699)	(30,567)	(123,683)

	Consolidated			
	3Q19	9M19	3Q18	9M18
Expenditure on financial products and services	(81,463)	(223,875)	(69,897)	(204,297)
Depreciation and amortization	(3,229)	(9,829)	(3,198)	(9,691)
Depreciation – Right-of-use	(205)	(569)	-	-
Net income from write-off of fixed assets	(1,926)	(2,715)	(1,269)	(3,010)
Stock option plan	(5,247)	(15,212)	(5,920)	(15,721)
Other operating net income	(4,108)	(7,232)	(8,600)	(9,657)
Recovery of tax credits	6,401	47,481	32,610	41,504
Employee profit sharing	(14,281)	(45,919)	(8,761)	(23,115)
Total	(104,058)	(257,870)	(65,035)	(223,987)

33 FINANCIAL NET INCOME

	Parent Company			
	3Q19	9M19	3Q18	9M18
Financial revenues	8,454	24,748	11,289	29,534
Gains on cash equivalents	7,497	23,346	6,366	23,127
Foreign-exchange gains	601	768	180	259
SELIC interest on tax credits	28	154	4,452	5,483
Other financial revenues	328	480	291	665
Financial expenses	(29,221)	(100,670)	(27,549)	(74,399)
Interest on borrowings, financing and swap	(13,196)	(48,442)	(19,221)	(59,241)
Interest on leases	(13,703)	(45,150)	(2,796)	(6,784)
Foreign-exchange losses	(485)	(644)	(114)	(177)
Liability interest	(189)	(878)	(3,620)	(4,145)
Monetary restatements	-	-	-	-
Other financial expenses	(1,648)	(5,556)	(1,798)	(4,052)
Net financial income	(20,767)	(75,922)	(16,260)	(44,865)

(All amounts in thousands of Reais unless otherwise stated)

	Consolidated			
	3Q19	9M19	3Q18	9M18
Financial revenues	20,288	47,486	12,886	37,768
Gains on cash equivalents	7,966	25,107	7,011	25,113
Foreign-exchange gains	9,056	18,121	1,188	6,477
SELIC interest on tax credits	67	348	4,452	5,498
Other financial revenues	3,199	3,910	235	680
Financial expenses	(43,000)	(135,771)	(30,348)	(82,429)
Interest on borrowings, financing and swap	(14,876)	(53,991)	(20,489)	(62,070)
Interest on leases	(15,662)	(51,384)	(2,796)	(6,784)
Foreign-exchange losses	(5,309)	(13,065)	(409)	(2,959)
Liability interest	(433)	(1,550)	(4,227)	(4,900)
Monetary restatements	(3,994)	(7,595)	-	-
Other financial expenses	(2,726)	(8,186)	(2,427)	(5,716)
Net financial income	(22,712)	(88,285)	(17,462)	(44,661)

34 INSURANCE COVERAGE

The Company and its subsidiaries have insurance policies taken out with the main insurance companies in Brazil, which were determined in accordance with the orientation of experts and take into consideration the nature and the value of risk involved. As of September 30, 2019, the Company and its subsidiaries had insurance coverage for legal liability and property and casualty insurance (basic coverage: against fire, thunder, explosion and other financial loss policy coverage) and for inventory, as shown below:

	Consolidated	
	09/30/2019	12/31/2018
Civil liability and Directors & Officers (D&O)	98,000	98,200
Property and inventories	4,677,931	4,356,319
Vehicles	8,468	20,276
	4,784,399	4,474,795

(All amounts in thousands of Reais unless otherwise stated)

35 SUPPLEMENTARY INFORMATION TO THE CASH FLOW**35.1 PARENT COMPANY**

	Capital	Treasury shares	Leases payable	Borrowings, financing and debentures	Statutory payables	Total
Balance at January 1, 2018	2,556,896	(27,857)	68,786	1,087,364	180,933	3,866,122
Changes affecting cash	80,577	(16,988)	(42,865)	(249,534)	(290,177)	(518,987)
Capital increase/Purchase of treasury shares	80,577	(16,988)	-	-	-	63,589
(Amortizations) obtaining borrowings and lease payments	-	-	(38,665)	(166,996)	(287,651)	(493,312)
Interest paid on borrowings, debentures and leases	-	-	(4,200)	(82,538)	-	(86,738)
Management profit sharing	-	-	-	-	(2,526)	(2,526)
Changes not affecting cash	-	309	8,019	68,895	352,239	429,462
Disposal/ transfer of shares	-	309	-	-	-	309
Interest expenses and structuring costs	-	-	8,019	68,895	-	76,914
Distribution of interest on own capital and dividends	-	-	-	-	352,239	352,239
Balance at December 31, 2018	2,637,473	(44,536)	33,940	906,725	242,995	3,776,597
Changes affecting cash	41,105	-	(235,580)	(129,184)	(410,228)	(733,887)
Capital increase	41,105	-	-	-	-	41,105
(Amortizations) obtaining borrowings and lease payments	-	-	(235,580)	(102,758)	-	(338,338)
Interest paid on borrowings, debentures and leases	-	-	-	(26,426)	-	(26,426)
Interest on own capital, dividends paid and income tax on interest on own capital	-	-	-	-	(401,934)	(401,934)
Payment of Management fees	-	-	-	-	(8,294)	(8,294)
Changes not affecting cash	1,112,050	8,987	1,947,616	48,729	334,931	3,452,313
First-time adoption - IFRS 16 / CPC 06 (R2) and contractual remeasurement	-	-	1,902,466	-	-	1,902,466
Share bonus and incorporation of capital reserves	1,112,050	-	-	-	-	1,112,050
Disposal/ transfer of shares	-	8,987	-	-	-	8,987
Interest expenses on loans and structuring costs	-	-	45,150	48,729	-	93,879
Distribution of interest on own capital and dividends	-	-	-	-	334,931	334,931
Balance at September 30, 2019	3,790,628	(35,549)	1,745,976	826,270	167,698	6,495,023

(All amounts in thousands of Reais unless otherwise stated)

35.2 CONSOLIDATED

	Capital	Treasury shares	Leases payable	Borrowings, financing and debentures	Statutory payables	Total
Balance at January 1, 2018	2,556,896	(27,857)	68,786	1,104,525	180,933	3,883,283
Changes affecting cash	80,577	(16,988)	(42,865)	(140,781)	(290,177)	(410,234)
Capital increase/Purchase of treasury shares	80,577	(16,988)	-	-	-	63,589
(Amortizations) obtaining borrowings and lease payments	-	-	(38,665)	(54,787)	(287,651)	(381,103)
Interest paid on borrowings, debentures and leases	-	-	(4,200)	(85,994)	-	(90,194)
Management profit sharing	-	-	-	-	(2,526)	(2,526)
Changes not affecting cash	-	309	8,019	74,318	352,239	434,885
Disposal/ transfer of shares	-	309	-	-	-	309
Interest expenses and structuring costs	-	-	8,019	74,318	-	82,337
Distribution of interest on own capital and dividends	-	-	-	-	352,239	352,239
Balance at December 31, 2018	2,637,473	(44,536)	33,940	1,038,062	242,995	3,907,934
Changes affecting cash	41,105	-	(270,791)	(138,865)	(410,228)	(778,779)
Capital increase	41,105	-	-	-	-	41,105
(Amortizations) obtaining borrowings and lease payments	-	-	(270,791)	(110,367)	-	(381,158)
Interest paid on borrowings, debentures and leases	-	-	-	(28,498)	-	(28,498)
Interest on own capital, dividends paid and income tax on interest on own capital	-	-	-	-	(401,934)	(401,934)
Payment of Management fees	-	-	-	-	(8,294)	(8,294)
Changes not affecting cash	1,112,050	8,987	2,240,832	54,173	334,931	3,750,973
First-time adoption - IFRS 16 / CPC 06 (R2) and contractual remeasurement	-	-	2,189,448	-	-	2,189,448
Share bonus and incorporation of capital reserves	1,112,050	-	-	-	-	1,112,050
Disposal/ transfer of shares	-	8,987	-	-	-	8,987
Interest expenses and structuring costs	-	-	51,384	54,173	-	105,557
Distribution of interest on own capital and dividends	-	-	-	-	334,931	334,931
Balance at September 30, 2019	3,790,628	(35,549)	2,003,981	953,370	167,698	6,880,128

Report on the review of quarterly information - ITR

To the Board Members and Shareholders of
Lojas Renner S.A.
Porto Alegre – RS

Introduction

We have reviewed the interim, individual and consolidated, accounting information of Lojas Renner S.A. ("Company"), included in the quarterly financial information – ITR, for the quarter ended September 30, 2019, which comprises the balance sheet as of September 30, 2019, and related statements of income, comprehensive income for the three and nine months period then ended, and changes in shareholders' equity and cash flows for the nine months period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim accounting information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Statement and with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information – ITR. Our responsibility is to express a conclusion on this interim information based on our review.

Scope of the review

Our review was carried out in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Therefore, we do not express an opinion on the information disclosed.

Conclusion on the interim accounting information

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other issues - Statements of added value

Individual and consolidated statements of added value (DVA), for the nine-month period ended September 30, 2019, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes, were submitted to review procedures carried out together with the review of Company's interim accounting information. In order to form our conclusion, we evaluated whether these statements are reconciled with the interim accounting information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. Based on our review, we are not

aware of any facts that would make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

Porto Alegre, October 23, 2019

KPMG Auditores Independentes
CRC SP-014428/F-7

(Original review report in Portuguese signed by)
Cristiano Jardim Seguecio
Accountant CRC SP-244525/O-9 T-RS

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

Pursuant to subsection VI, Article 25 of CVM Instruction 480 of December 7, 2009 (amended by CVM Instruction 586 of June 8, 2017), the Board of Executive Officers states that it has reviewed, discussed and agreed the Company's Quarterly Financial Information for the period of three and six months ended on June 30, 2019, authorizing their conclusion as of this date.

Porto Alegre, October 16, 2019.

BOARD OF EXECUTIVE OFFICERS

Fabio Adegas Faccio

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

Laurence Beltrão Gomes

Chief Financial and Administrative
Officer and Investor Relations
Officer

Fabiana Silva Taccola

Chief Operating Officer

Clarice Martins Costa

Chief Human Resource Officer

Henry Costa

Chief Product (Procurement)
Officer

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

In conformity with sub-item V, article 25 of CVM Instruction 480 of December 7, 2009 (amended by CVM Instruction 586 of June 8, 2017), the Board of Executive Officers declares that it has reviewed and discussed the content and opinion expressed in the report of the Independent Auditors on the Company's Quarterly Financial Information for the three and six months ended on June 30, 2019, issued on this date.

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

Porto Alegre, October 23, 2019.

BOARD OF EXECUTIVE OFFICERS

Fabio Adegas Faccio

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

Laurence Beltrão Gomes

Chief Financial and Administrative
Officer and Investor Relations
Officer

Fabiana Silva Taccola

Chief Operating Officer

Clarice Martins Costa

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