

B2W DIGITAL ANNOUNCES TOTAL GMV GROWTH OF 28.4% AND CASH GENERATION OF R\$ 89.4 MM IN 3Q19

The Marketplace continues to develop rapidly and reached GMV of R\$ 2.8 billion (+50.4%) in 3Q19, representing 61.1% of Total GMV

Rio de Janeiro, October 30, 2019: B2W Digital (B3: BTOW3), the largest and most beloved digital company in Latin America, today announces its results for the third quarter of 2019.

KEY INDICATORS	3Q19	3Q18	Delta	9M19	9M18	Delta
Total GMV (R\$ MM)	4,652	3,623	+28.4%	12,130	9,927	+22.2%
Marketplace (R\$ MM)	2,842	1,890	+50.4%	7,322	4,842	+51.2%
Marketplace (% of Total GMV)	61.1%	52.2%	+8.9 p.p.	60.4%	48.8%	+11.6 p.p.
# Sellers (New/Thou)	7.7	3.4	+4.3	16.8	9.1	+7.7
# Sellers (Base/Thou)	38.7	18.8	+19.9	38.7	18.8	+19.9
B2W Entrega (# Sellers/Thou)	36.5	15.0	+21.5	36.5	15.0	+21.5
B2W Entrega (% of Seller base)	94.3%	79.8%	+14.5 p.p.	94.3%	79.8%	+14.5 p.p.
Mobile (% of Traffic)	77.6%	68.1%	+9.5 p.p.	75.0%	66.8%	+8.2 p.p.

MESSAGE FROM MANAGEMENT

The year 2019 marks the completion of the three-year Strategic Plan (2017-2019), which aims to accelerate the hybrid digital platform model (1P + 3P + Services), with the continuous growth of the Marketplace and a consistent evolution in the cash generation.

In the third quarter of 2019, we continued to experience the positive effects following the adjustments made in the 1P operation after the end of “Lei do Bem” at the beginning of the year and the process of continuous assortment curation and review. The Marketplace continues to expand rapidly, growing 50.4% (vs. 3Q18) – 16 consecutive quarters of over 50% growth - and reaching 61.1% of Total GMV. As a result of the evolution of 1P and 3P operations, Total GMV grew 28.4%, inline with the expected acceleration curve for 2019.

The Marketplace will continue to be an important growth driver, enabling the Company to offer everything the customer seeks (one-stop-shop). With this, in 3Q19, we accelerated the onboarding of new sellers and the resulting growth in assortment, setting new records. In the period, we connected 7.7 thousand new Sellers (Total Base: 38.7 thousand) and expanded the assortment by 7.7 MM SKUs (unique items), totaling 19.8 MM. Another important growth front and driver to the expansion of assortment is the cross border operation, Americanas Mundo, which since its launch in March/ 19 has already brought on 6.7 MM SKUs (base: September/ 19).

As a result of the evolution of our business model, we presented another significant advance in the cash generation trajectory, with an evolution of R\$ 32 MM in the quarter, which resulted in cash generation of R\$ 89 MM. For the 9M19, cash consumption totaled R\$ 289 MM, a reduction of 36% or R\$ 164 MM improvement in relation to R\$ 454 MM registered in the 9M18.

With the important results achieved in the period, we reiterate our goal for 2019 to grow above the market and achieve positive cash generation. Thus, all areas of the Company are prepared to accelerate growth and reach new sales levels, while always focusing on providing the best shopping experience to the customer.

We are very excited and convinced that all ongoing initiatives at B2W will enable the successful completion of the three-year strategic plan (2017-2019), generating value for our shareholders and underpinning the Company's future growth.

We take this opportunity to thank our team for their enthusiasm and dedication, our suppliers for the partnership, the Marketplace vendors for choosing our platform, our shareholders for their trust and, above all, our customers for their preference.

THE MANAGEMENT

3Q19 HIGHLIGHTS

- **The Capital Increase of R\$ 2.5 Bn had 100% participation by the Company's shareholders.** Lojas Americanas participated with R\$ 1,564.5 MM and minority shareholders acceded with R\$ 935.5 MM (R\$ 2,459.4 MM cash in 3Q19 and the remaining R\$ 40.6 MM in 4Q19).
- **B2W Digital had cash generation of R\$ 89.4 MM for 3Q19**, an evolution of 54.9% or R\$ 31.7 MM in relation to R\$ 57.7 MM registered in 3Q18. For the 9M19, cash consumption totaled R\$ 289.4 MM, a reduction of 36.2% or a R\$ 164.3 MM improvement in relation to R\$ 453.7 MM registered in the 9M18.
- **B2W Marketplace connected more than 7.7 thousand Sellers in 3Q19**, from a base of 31.0 thousand Sellers in June/ 19 to more than 38.7 thousand Sellers in September/ 19. The base of Sellers increased by 2x from 3Q18 to 3Q19 (from 18.8 thousand to 38.7 thousand Sellers).
- **B2W Entrega connected more than 8.1 thousand Sellers in 3Q19**, totaling a base of 36.5 thousand Sellers and representing 94.3% of Sellers connected to the B2W Marketplace.
- **B2W Digital announces partnership with Centauro, Brazil's largest Sporting Goods player.** To expand our presence in the sporting goods category, B2W Digital has launched a platform in partnership with Centauro, for the online sale of sporting goods. With this, the Company opens a new growth front and offers an even more complete assortment, in addition to boosting the frequency of purchases and attracting new customers.
- **B2W Digital announces the connection of major fashion players to the B2W Marketplace.** In order to boost the fashion category, one of the fastest growing on the internet, the B2W Marketplace has intensified the connection of major brands including, Hering, Levi's, M Officer, Mizuno, Osklen, Ray Ban, Reserva, TNG, World Tennis, among others, which will be available in time for Black Friday.
- **Americanas Mundo expanded its assortment by over 6.7 million SKUs in September/ 19.** Launched in March/ 19, the cross-border operation continues to expand and now has over 6.7 million SKUs, 16x higher than the initial 410 thousand SKUs. The operation enables customers to buy products from Sellers around the world.
- **LET'S announces the expansion of Fulfillment operations for Sellers on the B2W Marketplace**, allocating 4 Distribution Centers in the states of São Paulo, Rio de Janeiro and Pernambuco, totaling 250,000 m² of storage capacity dedicated to Sellers. In September/ 19, B2W Fulfillment reached 500 connected sellers, with their inventory operated by the platform, ensuring shorter lead times and more competitive freight costs.
- **LET'S launched the VOE app (crowdshipping platform) in August/ 19.** In order to accelerate O2O initiatives, VOE connects independent couriers (motorcycle, bicycle, and other methods) to B2W Digital's logistics platform, enabling products to be delivered to the customer within 2 hours. The app already has 500 registered couriers serving 40 LASA physical stores located in Rio de Janeiro and São Paulo.
- **Initiatives of IF – Innovation and Future**
 - Ame reached 4.8 million downloads and continues to gain strong traction in the B2W brands, optimizing customer discounts through cashback, generating higher repeat purchases and increased Customer spending.
 - Ame announced important partnerships aimed at broadening its acceptance into the physical and digital worlds. Ame integrated with Linx (65,000 accredited merchants), and VTEX (2,500 e-commerce sites). In addition, Ame has partnered with Mastercard for prepaid cards (accepted by 7.8 million merchants).
 - Ame expanded the operation to 1,337 physical stores of Lojas Americanas (vs. 774 stores in 2Q19). By the conclusion of 2019, Ame will be present in all LASA stores.
 - Ame has launched new functionalities: Public Transportation (bus tickets), Games (*beta version*), Tickets and Passes, integration with Itaú Bike sharing, meal voucher (*beta version*), and the purchase and sale of airline miles (*beta version*). The full list of features available can be found in the Ame section on page 7.
 - Ame also continues to expand its accepted network organically through the Ame Plus platform (seller profile).

STRATEGIC INITIATIVES

• Comercial and Marketing

- **Assortment:** The number of items (SKUs) offered on the sites totaled 19.8 million exiting 3Q19, growing 168% vs. 3Q18, driven by Marketplace (local and international Sellers).
 - In order to offer a continuously growing assortment and a complete shopping experience, we now offer e-Gifts (digital prepaid cards) for the consumption of online games, entertainment and software, including Netflix, Spotify, Google Play, Xbox Live, Uber, League of Legends, PlayStation, Nintendo, Office, among others.
 - In September/ 19, we implemented improvements to the e-Gifts purchase flow. New information has been added to the cart and checkout purchase page about the availability of Gift Card's in "my account".
 - Customers can buy, with the convenience of the internet, postpaid plans from the four main mobile carriers in Brazil: Vivo, Oi, Claro and Tim.
- **Marketing and SEO:** With the exponential growth in the number of items (SKUs) offered came the necessity of improving the visibility of the assortment across our websites, and demonstrating to our customers the wide product offering and vast selection that can be found across our brands (one-stop-shop).
 - In line with this initiative, throughout 2018 we intensified marketing actions, with the focus on showcasing the Company's assortment. These actions have yielded excellent results, with increased traffic, purchase frequency, as well as expanding the number of items in the customers' shopping cart.
 - In order to increase the organic traffic of the Company's brands, we have optimized the investments made in SEO and the search engine of the websites, which when associated with the enrichment of the product information base, has increasingly allowed us to offer personalized navigation for the clients.
 - Throughout 2019, optimizations in the algorithm have made it easier for search engines to track products, which has generated more brand relevance on Google, fulfilling the goal of increasing the number of visits coming from organic search.
- **Americanas Empresas:** A site exclusively targeted at corporate clients (legal entity) of all sizes, from micro entrepreneurs to large corporations. The customer has more than 3.5 million products in 36 categories, being able to buy large quantities with progressive discounts according to the financial volume of purchases. The site also offers installments up to 10 times without interest on credit cards and up to 48 times on the BNDES Card, in addition to a differentiated term for payment through bank slip (boleto).
- **Prime:** The only program in Brazil where the customer can choose from more than 2.6 million products with unlimited free shipping, and without minimum purchase value requirements. In addition, the customer can take advantage of exclusive offers and dedicated customer service.
 - B2W Prime is available for all 2,479 cities in the South and Southeast regions of Brazil.
 - Prime customers continue to show high engagement with our brands as seen through 4 times higher page views per user, 5 times higher purchase frequency, and across 3 times more categories than customers who have not yet joined the program.
 - In 3Q19, the Seller base of B2W Prime increased 39.7% (vs. 3Q18).
 - In October/ 19, Americanas Prime was integrated with Lojas Americanas physical stores, offering a new option of free Click and Collect, as well as exclusive discounts for Prime customers in all of the Lojas Americanas stores.

• Evolution of the Marketplace

- **Americanas Mundo:** The Cross Border operation that enables customers to purchase products from all over the world (including the US and China), creating a new growth avenue for the B2W Marketplace. Launched in March/ 19, the operation continues to develop rapidly with the current number of items offered already exceeding 6.7 million SKUs (September/ 19). The operation also allows B2W to enter into new product categories, especially smaller average ticket, on a competitive and asset-light basis (without holding inventory), generating a greater number of transactions and increasing the frequency of customer purchases.
- **Marketplace GMV:** In 3Q19, the Marketplace registered growth of 50.4%, reaching GMV of R\$ 2,842 million and representing 61.1% of Total GMV.

- **Sellers:** In 3Q19, the B2W Marketplace connected more than 7.7 thousand new Sellers, exiting from a base of 31.0 thousand Sellers in June/ 19 to more than 38.7 thousand Sellers in September/ 19. The Seller base increased by 2x from 3Q18 to 3Q19 (from 18.8 thousand to 38.7 thousand Sellers).
- **Assortment:** The B2W Marketplace assortment grew by 171%, going from a base of 7.2 million items in 3Q18 to 19.5 million items at the end of 3Q19.
- **APIs:** Since its inception in 2014, the B2W Marketplace operates with open APIs, allowing for fast and effective integration with leading platforms and ERPs on the market. Through APIs, Sellers simplify the administration of key business variables (product, pricing, SAC, inventory, exchange and refund, chat, fulfillment, and freight) and multi-channel management (sales on the Marketplace and their own stores). Currently, more than 200 MM requests / day are performed.
- **B2W Analytics:** B2W Marketplace has launched a new data platform fully integrated with the Seller Portal to help Sellers efficiently serve customers and increase their sales. Through B2W Analytics, Sellers have access to information to pinpoint exactly where they should act to increase the competitiveness of their assortment, identifying the best buybox opportunities and leveraging their sales.
- **Mobile and UX Platforms (Customer Experience)**
 - **Traffic:** During 3Q19, the traffic from mobile devices accounted for 77.6% of total visits, an increase of 9.5 p.p. compared to 3Q18.
 - **Apps:** 48 million downloads of the brand apps since inception.
 - **MAU:** Exiting 3Q19, the brand apps totaled 17 MM active users (Monthly Active Users – Source: App Annie).
 - **Store Navigation:** Since the beginning of October/ 19, Americanas.com customers have one more convenience added to their daily lives, with the Americanas.com App now allowing customers to browse offers of all physical stores. The customer selects the nearest store by geolocation or by entering an address, serving the customer with all store offers and enabling for the purchase and same day pick up at the selected store, always with free shipping.
 - **Click and Collect:** To provide our customers with greater convenience, we have made improvements to the physical store withdrawal process. The improved experience at the store selection step includes a new map showing all nearby stores, and with available inventory to the customer. Additionally, in the shopping cart, the customer can view and add a new selection of complementary products offered by that store.
 - **Fast Checkout:** Since March/ 19, customers of Ame and Americanas.com Prime can shop directly on the product page, and enjoy the convenience of buying in a few clicks, with free shipping and cashback. The initiative reduces the number of steps to complete the purchase by 50%, reducing shopping cart abandonment and increasing the conversion.
 - **Americanas.com App - Exclusive Discounts:** In September, the Americanas.com app exclusive discounts program was remodeled. With the new format, the offers were organized by categories, making it easier for customers to search. Marking this new phase, every Wednesday special offers are featured. With this change, in just 30 days we saw a 38% increase in sales of discounted items from the app.
 - **QR Code:** In September/ 18, we launched the QR Code reader in the Shoptime app header. Now, just by pointing the smartphone to the television, the viewer can explore all the product information displayed, read customer reviews, view similar products and learn more about channel programming.
 - **New Submarino Home:** Through an interactive experience, Submarino recommends discounted books based on Google's most searched terms. The goal is to provide readers with more information to gain knowledge and position themselves better in today's topical debates. The more they talk about a subject on social networks, the more book deals will appear.
 - **UX:** With the objective of offering a differentiated purchase process with personalization of the online experience, we created a new organization format of the product categories (verticals), adapting the navigability and the functionalities according to their particularities. Thus far, we have launched 6 verticals with the new concept, focusing on long tail categories: Digital Garage (Automotive), Literary Crushes (Books), Home and Style (Home Decor), Perfumery, Beauty, and Baby Supplies.

- **Digital Services**

- **B2WAds:** B2W Digital's complete advertising solution posted revenue growth of 106% in 3Q19 (vs 3Q18). B2WAds enables Sellers, suppliers, manufacturers (industry) and advertising agencies to reach the customer throughout the whole purchase process, increasing the visibility of their products and brands on B2W's websites.
- **BIT Services:** Provides complete technology solutions to support the operations and sustainable growth of the B2W Marketplace Sellers and the online operations of major brands.
 - B-Seller: Webstore and ERP Services
 - Sieve: Online Pricing Intelligence
 - Site Blindado: Security and Virtual Credibility
 - Skyhub: Marketplace Integration

- **Financial Services**

- **Credit Promotion:** Throughout the 9M19, B2W and Cetelem's joint venture (Submarino Finance and Digital Finance) recorded volume of R\$ 3.2 billion in approved transactions, representing an increase of 17.0% compared to the 9M18. In the same period, the receivables portfolio for these operations was R\$ 1.7 billion, an increase of 19.1% compared to the prior year.
 - As of September/ 19, the Credit Promoter reported 3.3 MM cards issued (2.0 MM on Submarino Finance and 1.3 MM on Digital Finance, which includes Americanas.com, Shoptime and Sou Barato).
- **Credit Seller:** Marketplace Sellers can access loans quickly, securely, simply and 100% online. The contracts can be made for payment in installments (installment credit) or in full payment (single installment credit).
 In 3Q19, continuing to fulfill requests from Marketplace partners, installment credit, which can be paid in up to 24 months, can now be contracted to extend the first installment payment 30 or 45 days beyond the original first due date. In single installment credit, the maturities are 30, 45 or 60 days. In addition, in order to better serve Sellers, we have enabled Seller Credit as a payment method on the B2WAds platform.
 - Provides Sellers with access to a new source of financing, a more advantageous alternative than the traditional options found in the market.
 - Powerful tool to accelerate sales of Sellers in the B2W Marketplace. Sellers who have instituted the product have been investing more in inventory, competitiveness (price and discounts), and publicity, as well as in their operations to better support the sales growth within the platform.
 - The criteria for granting credit is defined based on the sales history of the Sellers in the B2W Marketplace, combined with credit and risk information available in the market.
 - The installments due are deducted from future sales of the Seller within the platform.
 - For Sellers connected to B2W Fulfillment, special conditions are offered with different credit limits and rates.

- **Customer Service**

- Americanas.com was the grand prize winner of the E-BIT award, being elected the "Loja Diamante Mais Querida" in March/ 19.
- Submarino was the grand champion of the IBEVAR-FIA Award in the Electronic Retailers category of the image ranking, which had an awards ceremony in August/ 19. The ranking was organized by IBEVAR (Instituto Brasileiro de Executivos do Varejo e Mercado de Consumo) and FIA (Fundação Instituto de Administração).
- B2W Digital's main brands are regarded as industry benchmarks in customer service, having received the highest levels of evaluation given by the Reclame Aqui website.
 - The average score given by customers on Reclame Aqui website for B2W's brands is 8.3, while the main competitors have an average score of 7.1.
 - 76.2% of customers who registered complaints on Reclame Aqui website indicated their intent to buy again from B2W's brands, while only 55.2% of customers indicated that they intended to buy again on the main competitors' websites.
 - The average solution rate of B2W's brands on Reclame Aqui website is 89.7 while the average solution rate of competitors' brands is 80.2%.
- WhatsApp: In order to be closer to customers, B2W launched a new WhatsApp customer service channel, promoting innovative and friendly communication throughout the main stages of purchase.

- Currently, 60% of orders are being tracked with WhatsApp.
 - 5 million monthly messages are sent with the tracking request, and the client base that opted to receive communication by the app reached 7 million.
- Chatoff: We have completed the rollout of B2W's digital customer service platform (Chatoff), which has reduced the mediation rate for customers and Marketplace Sellers by over 90%. Through the new channel, 140 thousand messages are sent per day between customers, sellers and B2W. This allows the customer to quickly and easily obtain order information, exchange the product, or cancel the purchase.

- **O2O (Online to Offline)**

Using the concept of “Everything. Anytime. Anywhere.” Lojas Americanas and B2W's O2O initiatives have been enhancing customers' shopping experience and growing at a rapid pace (+150% sales growth vs. 3Q18). Over the past twelve months, more than 2.5 million customers have made their purchases through these initiatives.

- **LASA Seller:** Throughout the 9M19, we registered orders from customers in more than 4,000 cities. In addition, we added new items to the assortment, focusing on high recurring categories. We recorded sales growth of more than 10x over the same period of 2018.
- **Click and Collect Now:** Available at all 1,582 Lojas Americanas stores, the offering allows for product withdrawal (store inventory) within 1 hour after purchase online (with free shipping).
- **LASA Entrega (Ship from Store):** Purchase products online from the nearest LASA physical store and receive the purchases within 2 hours. The option is available in 16 cities, totaling 108 stores.
- **Click and Collect:** Buy online and withdraw at the physical store. Available in 1,325 Lojas Americanas stores (vs. 810 stores in 3Q18), the model is also available in 150 physical stores of B2W Marketplace Sellers. In 3Q19, more than 2,500 B2W Marketplace Sellers were enabled for Click and Collect operations.
- **Infinite Shelf:** Assisted sales operation at Lojas Americanas for products offered on the digital platform (1P and 3P). This gives customers access to a complete omnichannel experience, combining the convenience and assortment of the digital world with the services and experience of the physical world. In 3Q19, the operation had an average ticket approximately 15x higher than in physical stores and 43% growth in sales over 3Q18.
- **O2O for Marketplace Sellers:** Transforming sellers stores into Flexible Fulfillment Centers. With this, Click and Collect, Click and Collect Now (1 hour), and Ship From Store (2 hour) initiatives can be expanded to more than 15,000 physical stores of B2W Marketplace Sellers.

- **LET'S – Logistics and Distribution**

The shared management platform for the logistics and distribution assets of LASA and B2W, which aims to optimize the operations of the companies through a flexible Fulfillment model.

- **Fast Delivery:** The program, launched in June/ 18, has reduced the delivery times of 1P and 3P items (for sellers connected to B2W Entrega) by 50% (on average).
- **Delivery Time:** Currently, more than 50% of all deliveries made on B2W's websites (1P and 3P) and handled by LET'S are delivered within 2 days. In 3Q19, the average delivery time promised to customers at the time of purchase was 6 days, while the effective average delivery time was 3 days. In the states of São Paulo and Rio de Janeiro, the promised average delivery time was 4 days, while the effective average delivery period was 2 days.
- **B2W Entrega:** The platform that operates and controls B2W Marketplace deliveries. Sellers connected to B2W Entrega have 5 types of service: Fulfillment (storage + delivery), Pick Up - Large Operations (product withdrawal from the Seller DC + delivery), Direct Collect - Small and Medium operations (product withdrawal from the Seller DC + delivery), Drop Off Hub (Seller delivers to one of the Direct Hubs + delivery) and Drop Off in Store (Seller delivers to one of the Lojas Americanas locations + delivery). B2W Entrega reached more than 36.5 thousand Sellers at the end of 3Q19, representing 94.3% of the total Seller base and participating in more than 70% of orders placed on the Marketplace.
 - **B2W Fulfillment:** Reached a total of 500 connected sellers, with their inventory operated by the platform, ensuring shorter lead times and more competitive freight costs. Through B2W Fulfillment, the customer gets the best shopping experience, where the entire logistics process (inventory, transportation and fulfillment) is operated by B2W. Currently the operation has 4

Distribution Centers located in the states of São Paulo, Rio de Janeiro and Pernambuco, totaling 250,000 m² of storage area dedicated to Sellers.

- **VOE:** In order to accelerate O2O initiatives, the VOE app connects independent couriers (motorcycle, bicycle and other methods) on B2W Digital's logistics platform, enabling the delivery of products within 2 hours from Lojas Americanas 1,582 physical stores, and from over 15,000 physical stores from B2W Marketplace Sellers. The app already has 500 registered couriers and serves 40 LASA physical stores located in Rio de Janeiro and São Paulo.
- **Delivery with Drones:** B2W Digital is the first Brazilian retail company to conduct experimental drone delivery flights. It is expected that in the year 2021 the first deliveries of products on routes from the Company's Distribution Centers to Lojas Americanas physical stores will be made.
- **Americanas Lockers:** Autonomous lockers for product withdrawal. Upon purchase from Americanas.com, the customer receives a QR Code to automatically open the locker. Americanas Lockers will be located in high foot traffic stores, subway/ bus stations, and residential condominiums.

- **IF – Innovation and Future**

Faced with the context of accelerated transformation of the physical and digital worlds, and in order to capture the opportunities generated by this new business environment, in 2018, IF – Innovation and Future was created, outside Lojas Americanas and B2W operations. IF was conceived with the mission of creating disruptive business and leveraging various initiatives of the Companies. IF's main verticals include: incubating new business, accelerating existing initiatives, investing in startups (venture capital), leading the O2O fronts, and prospecting new opportunities, including M&A operations.

- **Ame:** fintech and mobile business platform, and among the first initiatives of IF, continues to accelerate and deliver impressive metrics.
 - The Ame app reached more than 4.8 million downloads in just over 1 year of operation.
 - Ame has been gaining strong traction in the brands of B2W, optimizing the offer of discounts to customers, generating a greater repeat purchases and increased spending.
 - Lojas Americanas continues to develop unique features for the physical world. Thus, in just one year, Ame is already in 1,337 stores throughout Brazil (vs. 774 in 2Q19). By the end of 2019, Ame will be present in all stores.
 - On September 18, 2019, an agreement was signed with Linx, allowing for 65,000 establishments using the Linx Pay system to accept Ame.
 - On September 23, 2019, the partnership with Mastercard was announced and includes the offer of Ame's prepaid card, with the digital first concept, mirroring the customers' Ame account. A physical card is also available if desired. The partnership makes it possible to pay with Ame at all 7.8 million Mastercard accredited merchants.
 - On October 9, 2019, the partnership with VTEX was announced, enabling Ame to connect to more than 2,500 e-commerce sites using VTEX systems.
 - Ame also continues to expand its acceptance network organically through the Ame Plus platform (seller profile).
 - Over the last few months, several features have been released:
 - Cash in with credit card
 - Receive and transfer cash to other Ame accounts
 - Pay merchants off platform (Ame Plus: other physical world shopkeepers)
 - Cash out checking account (bank transfers, exclusive for Ame Plus)
 - Geomarketing (location of shopkeepers with filters for type of establishment)
 - Bill payments (bank slip)
 - Cash in checking-account (bank transfer)
 - Cash in by bank slip
 - Cash in Lojas Americanas (store POS)
 - Cash out Lojas Americanas (store POS, in *beta version*)
 - Prepaid cellular recharge
 - Individual credit (in *beta version*)
 - Public transportation (recharge pass balance)
 - Private transportation
 - E-Gifts
 - Marketplace of services
 - Itaú Bike sharing program
 - Friend Referral Program (Member Get Member)
 - Tickets and event passes
 - Bus tickets

- Games (in *beta version*)
- Meal voucher (in *beta version*)
- Buying and selling airline miles (in *beta version*)

- **Digital Team**

- **Hackathon:** B2W Marketplace, in partnership with FIAP (Paulista College of Informatics and Administration), hosted a Hackathon (programming marathon) during Marketplace Summit 2019. With the theme "O2O - DEVELOPING KILLER EXPERIENCES", B2W college students and software engineers formed mixed teams and developed, within 36 hours, innovative solutions to the proposed challenge. The marathon followed the same model used internally in B2W (Hackathon IRONbit) digital labs, and our team leaders acted as mentors to assist teams in the process of ideation and pitching of solutions.
- **Trainee Program 2020:** We have opened applications for the B2W Digital Trainee Program and are in the process of screening resumes and administering online exams. After approval in the selection process, trainees will go through several areas of the Company, following a job rotation model, and then will be allocated to a specific area, where they will develop specific projects.
- **Internship Program 2019:** In 3Q19, B2W Digital finalized the internship program selection process in the cities of Rio de Janeiro and São Paulo by hiring over 70 students. In addition to participating in various technical, behavioral and immersion training at the Company, interns will have the opportunity to learn in practice what they are studying in their courses, experiencing the dynamism of a digital company on a daily basis.
- **Summer Job 2019:** We have now applied for another edition of B2W Digital's Summer Job, focusing on students interested in working on specific projects in the Company's various business areas. The professionals are allocated to strategic projects of the Company and are assisted by a tutor, provided with career guidance, and administer a presentation of their final projects to the B2W Board of Directors.
- **Working Day:** The purpose of the initiative is to strengthen our employer brand with leading universities and also to promote debate and exchange of experiences between professionals and students. In 3Q19, we held two "Working Day" events focused exclusively on Technology for the female audience. Participants spent a day at our office, where they learned more about the Company, attended lectures on Clean Code, Coding Dojo, and a Career Talk Panel with our developers, where they could exchange experiences and understand more about our digital culture.
- **Meetup:** Throughout 2019, we promoted in our digital labs a series of tech community meetings, focusing on diverse approaches, such as: SEO, Frontend, QA Ladies, Ministry of Testing Meetup, React Rio, Java, 3rd Cloud Girls RJ and BI. In 3Q19, we also received the AfroPython community, Scrum Applied, Product School, among others.

- **Corporate Governance and Sustainability**

In line with the Global Compact principles and the Agenda 2030 Sustainable Development Goals (SDGs), a United Nations initiative, in 3Q19 we continued advancing our sustainability strategies.

- **FTSE Russell:** The Company's shares (BTOW3) were included in the FTSE4Good Index Series, which aims to measure the performance of assets with good environmental, social and corporate governance (ESG) practices.
- **ISE:** For the fifth consecutive year, we have entered the portfolio of companies of the Business Sustainability Index (ISE) 2019 B3 S.A. – Brasil, Bolsa, Balcão.
- **Communication with the Market:** Reflecting the search for efficient communication with the market and good Investor Relations practices, B2W was selected in two categories of the Latin America Executive Team 2019 ranking, promoted by Institutional Investor Magazine. The Company was among the 3 best companies in the categories "Best IR by Team" (Consumer/Retailing) and "Best IR Professionals" (Consumer/Retailing).
- **Annual Report:** In June/ 19, we released the 2018 Annual Report, once again adopting International Integrated Reporting guidelines. The document is also guided by global indicators from the Global Report Initiative (GRI) and is in line with the Global Compact principles and the United Nations (UN) Agenda 2030 Sustainable Development Goals (SDG). We were also reviewed by an independent company for the second year in a row, reinforcing our commitment to the transparency and reliability of the information disclosed.

- **Ethics:** B2W became a signatory of the Integrity and Anti-Corruption Business Pact, an initiative developed by the Ethos Institute, which aims to unite companies and promote a more ethical and rational market and to eradicate bribery and corruption.
- **Diversity and Inclusion:** We enable the sites to be accessible to people with hearing, visual and motor disabilities through Hand Talk and Essential Accessibility, enabling the site to be read in sign language (for the hearing impaired), out loud (for the visually impaired), and only with eye movement (for the disabled).
- **Social and Environmental Responsibility:** B2W Digital won, for the third consecutive year, the Gold Seal of the Brazilian GHG Protocol Program. The Company once again had its inventory of Greenhouse Gas Emissions (GEE) verified by an external audit, thus reaffirming its commitment to transparency and quality of information.
- **Awards:** The result of the work carried out by B2W is also recognized through awards that are benchmarks in the market, which attest to the credibility and strength of the brands. In 2019, Americanas.com ranked first in the "Online Sales" category of the "Marcas Mais do Estadão". In addition, B2W Digital was featured in the LIDE Retail, Consumer and Shopping Center Award, in the Omni channel category and first place in the 300 Largest Brazilian Retail Companies award [SBVC] in the Largest E-commerce category.

FINANCIAL HIGHLIGHTS

The financial information serving as the basis for the comments below refer to 3Q19, and are in compliance with international financial reporting standards (IFRS), the standards issued by the Securities and Exchange Commission of Brazil (CVM), as well as the listing regulations of the Novo Mercado and in Brazilian reais (R\$). Definitions for adjusted financial metrics can be found in Annex III and Annex V.

Beginning in January 2019, the Company's income statements reflect the new accounting practices implemented by CPC 06 (R2) / IFRS 16. Therefore, to maintain the comparability of results (3Q19 vs. 3Q18 and 9M19 vs. 9M18), the income statement for the quarter ended September 30, 2018 (3Q18) is presented in comparable amounts. The reconciliation of the quarterly results and year 2018 is available on the Company's IR website (ri.b2w.digital).

The main effects of the new accounting practices are in the lines of expenses, depreciation and amortization, and financial result. In this way, the results of 3Q18 were adjusted in the following lines:

- Selling expenses: adjustment of R\$ 15.5 MM, from R\$ -328.3 MM to R\$ -312.8 MM
 - Depreciation and Amortization: adjustment of R\$ -13.1 MM, from R\$ -110.1 MM to R\$ -123.2 MM
 - Financial Expenses: adjustment of R\$ -5.3 MM, from R\$ -258.9 MM to R\$ -264.2 MM
 - Income Tax and Social Contribution: adjustment of R\$ 1.0 MM, from R\$ 54.4 MM to R\$ 55.4 MM
 - Net Result: adjustment of R\$ -1.9 MM, from R\$ -105.8 MM to R\$ -107.7 MM.
- **Total GMV:** In 3Q19, total GMV was R\$ 4,651.5 million, an increase of 28.4% compared to R\$ 3,622.7 million registered in 3Q18. For the 9M19, GMV reached R\$ 12,130.0 million, an increase of 22.2% from R\$ 9,926.9 million in 9M18.

The Marketplace continues to develop rapidly, increasing 50.4% (vs 3Q18) and representing 61.1% of Total GMV (vs. 52.2% in 3Q18). In 3Q19, we experienced the positive effects following the adjustments made in the 1P operation after the end of the "Lei do Bem" at the beginning of the year, a process of continuous assortment curation and review.

- **Gross Revenue:** In 3Q19, gross revenue totaled R\$ 2,098.8 million, compared with the R\$ 1,922.2 million registered in 3Q18. For the 9M19, gross revenue reached R\$ 5,550.7 million vs. R\$ 5,574.8 million registered in 9M18.
- **Net Revenue:** In 3Q19, net revenue totaled R\$ 1,681.2 million, compared with the R\$ 1,556.8 million registered in 3Q18. For the 9M19, net revenue was R\$ 4,441.6 million vs. R\$ 4,509.8 million in 9M18.
- **Adjusted Gross Profit:** In 3Q19, adjusted gross profit totaled R\$ 551.7 million, an increase of 16.0% vs. the R\$ 475.5 million registered in 3Q18. Adjusted gross margin expanded 2.3 p.p., from 30.5% in 3Q18 to 32.8% in 3Q19. For the 9M19, adjusted gross profit totaled R\$ 1,414.5 million, an increase of 9.0% vs. the R\$ 1,297.3 million in 9M18, with a margin expansion of 3.0 p.p, (31.8% vs. 28.8%).

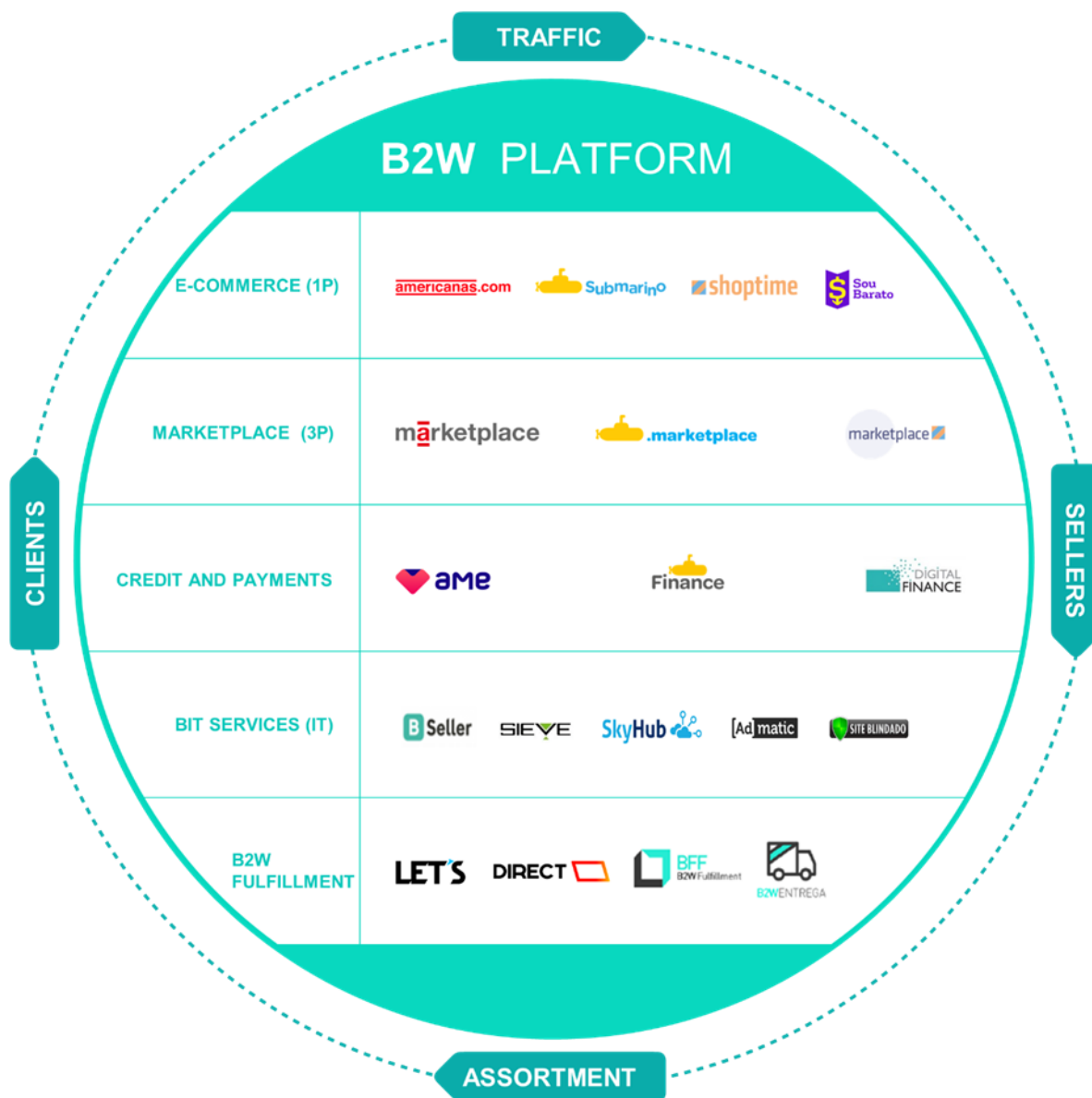
- **Adjusted Selling, General and Administrative (SG&A) Expenses:** In 3Q19, adjusted expenses totaled R\$ -399.4 million vs. the R\$ -343.5 million registered in 3Q18. The SG&A as a percentage of GMV decreased by 0.9 percentage points, from 9.5% in 3Q18 to 8.6% in 3Q19. For the 9M19, adjusted expenses totaled R\$ -1,068.8 million vs. R\$ -989.5 million registered in 9M18. The SG&A as a percentage of GMV decreased by 1.2 percentage points, from 10.0% in 9M18 to 8.8% in 9M19.
- **Adjusted EBITDA:** In 3Q19, Adjusted EBITDA reached R\$ 152.3 million, an increase of 15.3% compared with the R\$ 132.1 million registered in 3Q18. Adjusted EBITDA margin varied from 8.5% in 3Q18 to 9.1% in 3Q19, an increase of 0.6 p.p. For the 9M19, Adjusted EBITDA reached R\$ 345.7 million, an increase of 12.3% compared with the R\$ 307.9 million registered in 9M18. Adjusted EBITDA margin expanded 1.0 p.p., from 6.8% in 9M18 to 7.8% in 9M19.
- **Net Financial Result:** In 3Q19, the net financial result was R\$ -151.5 million (vs. R\$ -158.2 million in 3Q18). The net financial result went from R\$ -423.9 million in 9M18 to R\$ -466.0 million in 9M19.
- **Net Result:** In 3Q19, the net result was R\$ -102.5 million vs. R\$ -107.8 million in 3Q18. In the 9M19, the net result was R\$ -369.3 million (vs. R\$ -335.6 million in 9M18).
- **Cash Management:**
 - **Cash Generation:** In 3Q19, cash generation was R\$ 89.4 MM, an evolution of R\$ 31.7 MM vs. cash generation of R\$ 57.7 MM registered in 3Q18.
 - As a way of capturing all effects, cash generation / consumption is measured by the variation of net debt in relation to the previous quarter, always disregarding possible impact of capital increase operations. In the quarter, to calculate cash generation, the R\$2,459.4 MM received in September/19 from the capital increase is disregarded.
 - **Working Capital:** -16 days in September/ 19 (improvement of 60 days vs. 3Q18). This result reflects the 1P assortment curation and assortment review process, the optimization of the merchandise planning, as well as the increased 3P (Marketplace) share of total sales.
 - It is important to remember that Marketplace (whose credit card transactions are approved on the B2W platform and make up the gross balance of receivables) does not demand Working Capital (B2W is an intermediary and receives a commission on realized sales).
 - **CAPEX:** B2W uses its cash generation by prioritizing investments that present optimal returns to shareholders. Accordingly, in 3Q19, CAPEX totaled R\$ 117.6 MM, representing 2.5% of Total GMV Total.
- **Capital Increase**
 - The Capital Increase of R\$ 2.5 Bn had nearly 100% participation by the Company's shareholders. Lojas Americanas participated with R\$ 1,564.5 MM and minority shareholders acceded with the remaining R\$ 935.5 MM (R\$ 2,459.4 MM cash in 3Q19 and the remaining R\$ 40.6 MM in 4Q19).
 - On August 19, 2019, a meeting of the Board of Directors was held with the objective of approving the proposal to increase the company's capital, in the amount of R \$2,500,000,035.00 (two billion, five hundred million, and thirty five reais), for private subscription of 64,102,565 new common shares, all nominative and with no par value, for the issuance price of R\$ 39,00 (thirty nine reais) per share.
 - The Capital Increase will improve our capital structure, while maintaining our commitment for cash generation, enabling us to continue investing in our powerful digital platform and accelerating the growth through a differentiated ecosystem, including LET`S (Flexible Fulfillment Platform), Ame (Mobile Business Platform), and initiatives such as O2O (Online to Offline) and Digital Services, as detailed in presentation also made available to Messrs. Shareholders on this date as an attachment to the Minutes of the Board of Directors' Meeting that approved the Capital Increase (both made available through IPE Module of Empresas.Net System, at www.cvm.gov.br and at www.b3.com.br, and at the Company's Investors Relations website - ri@b2wdigital.com).
 - The shareholders had from August 23, 2019 to September 21, 2019 the right to exercise preference in the subscription of the new shares issued, in proportion of their participation in the capital of the company at the closing of the trading session on August 22, 2019. The assessment of additional leftovers occurred between September 30 and October 07, 2019.

ANNEX I: ABOUT B2W DIGITAL

B2W Digital is the leader in e-commerce in Latin America and its purpose is to **CONNECT PEOPLE, BUSINESS, PRODUCTS AND SERVICES IN A DIGITAL PLATFORM.**

The Company has the largest and most beloved Internet brands (Americanas.com, Submarino, Shoptime and Sou Barato) and a fast growing Marketplace operation. The platform built over the years allows B2W to also offer technology, logistics, distribution, customer service and payments.

DIGITAL PLATFORM AND B2W VIRTUOUS CYCLE:



ANNEX II: FINANCIAL STATEMENTS

EXCLUDING THE EFFECTS OF B2W DIGITAL'S TRANSPORTATION SUBSIDIARIES

B2W - Companhia Digital Income Statements ¹ (in million of Brazilian reais)	Consolidated Period ended on September 30			Consolidated Period ended on September 30		
	3Q19	3Q18	Variation	9M19	9M18	Variation
		w/ IFRS 16			w/ IFRS 16	
Gross Merchandise Volume (GMV)	4,651.5	3,622.7	28.4%	12,130.0	9,926.9	22.2%
Gross Sales and Services Revenue	2,098.8	1,922.2	9.2%	5,550.7	5,574.8	-0.4%
Taxes on sales and services	(417.6)	(365.4)	14.3%	(1,109.1)	(1,065.0)	4.1%
Net Sales and Services Revenue	1,681.2	1,556.8	8.0%	4,441.6	4,509.8	-1.5%
Cost of goods and services sold	(1,129.4)	(1,081.3)	4.5%	(3,027.1)	(3,212.5)	-5.8%
Gross Profit	551.7	475.5	16.0%	1,414.5	1,297.3	9.0%
<i>Gross Margin (% NR)</i>	32.8%	30.5%	2.3 p.p.	31.8%	28.8%	3.0 p.p.
Operating Revenue (Expenses)	(529.3)	(466.7)	13.4%	(1,453.1)	(1,346.4)	7.9%
Selling expenses	(344.9)	(312.8)	10.3%	(932.2)	(896.0)	4.0%
General and administrative expenses	(54.5)	(30.7)	77.5%	(136.6)	(93.5)	46.1%
Depreciation and amortization	(129.8)	(123.2)	5.4%	(384.4)	(357.0)	7.7%
Operating Result before Net Financial Result and Equity Accounting	22.4	8.8	154.5%	(38.6)	(49.1)	-21.4%
Net Financial Result	(151.5)	(158.2)	-4.3%	(466.0)	(423.9)	9.9%
Financial revenues	124.4	106.0	17.4%	366.2	340.5	7.5%
Financial expenses	(275.9)	(264.2)	4.4%	(832.2)	(764.4)	8.9%
Non-controlling shareholder participation	(1.2)	0.1	-1300.0%	(1.2)	0.2	-700.0%
Other operating income (expenses)	(15.6)	(13.8)	13.0%	(39.9)	(30.8)	29.5%
Income tax and social contribution	43.3	55.4	-21.8%	176.4	168.1	4.9%
Net Result	(102.5)	(107.8)	-4.9%	(369.3)	(335.6)	10.0%
<i>Net Margin (% NR)</i>	-6.1%	-6.9%	0.8 p.p.	-8.3%	-7.4%	-0.9 p.p.
Adjusted EBITDA	152.3	132.1	15.3%	345.7	307.9	12.3%
<i>Adjusted EBITDA Margin (% NR)</i>	9.1%	8.5%	0.6 p.p.	7.8%	6.8%	1.0 p.p.

¹Reflecting adjustments to CPC 06 (R2) / IFRS 16, as indicated on page 9 (Financial Highlights section)

Effects of the consolidation of B2W Digital's transportation subsidiaries.

NON-EXCLUDING THE CONSOLIDATION OF B2W DIGITAL'S TRANSPORTATION SUBSIDIARIES

B2W - Companhia Digital Income Statements ¹ (in million of Brazilian reais)	Consolidated Period ended on September 30			Consolidated Period ended on September 30		
	3Q19	3Q18	Variation	9M19	9M18	Variation
		w/ IFRS 16			w/ IFRS 16	
Gross Merchandise Volume (GMV)	4,651.5	3,622.7	28.4%	12,130.0	9,926.9	22.2%
Gross Sales and Services Revenue	2,098.8	1,922.2	9.2%	5,550.7	5,574.8	-0.4%
Taxes on sales and services	(417.6)	(365.4)	14.3%	(1,109.1)	(1,065.0)	4.1%
Net Sales and Services Revenue	1,681.2	1,556.8	8.0%	4,441.6	4,509.8	-1.5%
Cost of goods and services sold	(1,184.8)	(1,151.0)	2.9%	(3,199.8)	(3,386.3)	-5.5%
Gross Profit	496.4	405.8	22.3%	1,241.8	1,123.5	10.5%
<i>Gross Margin (% NR)</i>	29.5%	26.1%	3.4 p.p.	28.0%	24.9%	3.1 p.p.
Operating Revenue (Expenses)	(473.9)	(397.0)	19.4%	(1,280.4)	(1,172.7)	9.2%
Selling expenses	(289.6)	(243.0)	19.2%	(759.5)	(722.2)	5.2%
General and administrative expenses	(54.5)	(30.7)	77.5%	(136.6)	(93.5)	46.1%
Depreciation and amortization	(129.8)	(123.2)	5.4%	(384.4)	(357.0)	7.7%
Operating Result before Net Financial Result and Equity Accounting	22.4	8.8	154.5%	(38.6)	(49.1)	-21.4%
Net Financial Result	(151.5)	(158.2)	-4.3%	(466.0)	(423.9)	9.9%
Financial revenues	124.4	106.0	17.4%	366.2	340.5	7.5%
Financial expenses	(275.9)	(264.2)	4.4%	(832.2)	(764.4)	8.9%
Non-controlling shareholder participation	(1.2)	0.1	-1300.0%	(1.2)	0.2	-700.0%
Other operating income (expenses)	(15.6)	(13.8)	13.0%	(39.9)	(30.8)	29.5%
Income tax and social contribution	43.3	55.4	-21.8%	176.4	168.1	4.9%
Net Result	(102.5)	(107.8)	-4.9%	(369.3)	(335.6)	10.0%
<i>Net Margin (% NR)</i>	-6.1%	-6.9%	0.8 p.p.	-8.3%	-7.4%	-0.9 p.p.
Adjusted EBITDA	152.3	132.1	15.3%	345.7	307.9	12.3%
<i>Adjusted EBITDA Margin (% NR)</i>	9.1%	8.5%	0.6 p.p.	7.8%	6.8%	1.0 p.p.

¹Reflecting adjustments to CPC 06 (R2) / IFRS 16, as indicated on page 9 (Financial Highlights section)

BALANCE SHEET

B2W - Companhia Digital Balance Sheet (in million of Brazilian reais)	Consolidated	
	09/30/2019	06/30/2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,508.3	3,313.2
Marketable securities	3,266.2	2,156.7
Accounts receivable	610.8	480.1
Inventories	894.3	852.4
Recoverable taxes	552.9	513.6
Prepaid expenses and other accounts	378.3	385.5
Total Current Assets	10,210.8	7,701.5
NON CURRENT ASSETS		
Marketable Securities and other financial assets	112.5	92.4
Deferred income tax and social contribution	1,352.2	1,301.7
Recoverable taxes	1,259.5	1,295.7
Escrow deposits and other receivables	157.3	152.0
Investments	40.7	-
Plant, property and equipment	399.1	411.3
Intangible assets	3,002.0	3,014.4
Right of use asset	192.9	209.2
Total Non-Current Assets	6,516.0	6,476.7
TOTAL ASSETS	16,726.8	14,178.2
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Suppliers	2,229.4	1,961.9
Loans and financing	1,324.1	1,157.8
Debentures	12.0	8.0
Salaries and social contribution	71.1	62.3
Taxes payable	55.0	46.5
Deferred income tax and social contribution	9.9	3.6
Other accounts payable	371.3	325.5
Lease liability	68.5	69.2
Total Current Liabilities	4,141.3	3,634.8
NON-CURRENT LIABILITIES		
Loans and financing	6,411.2	6,733.5
Debentures	200.0	200.0
Related parties	21.3	15.6
Provision for contingencies and other accounts payable	152.0	158.0
Lease liability	163.5	178.4
Total Non-Current Liabilities	6,948.0	7,285.5
SHAREHOLDERS' EQUITY		
Capital	5,779.1	5,742.3
Advance for future capital increase	2,465.7	-
Capital reserves	37.4	57.7
Accumulated income (losses)	(2,644.7)	(2,542.2)
Total Shareholders' Equity	5,637.5	3,257.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,726.8	14,178.2

CASH FLOW STATEMENT

B2W - Companhia Digital			
Cash Flow Statement			
(in million of reais)			
	Consolidated		
	09/30/2019	09/30/2018	Variation
		w/ IFRS 16	
Operating Activities			
Net Result for the Period	(369.3)	(335.8)	33.5
Adjustment to the Net Result:			
Depreciation and amortization	386.6	359.0	(27.6)
Deferred income tax and social contribution	(187.8)	(184.0)	3.8
Interest, monetary and currency changes	426.9	414.4	(12.5)
Equity accounting	1.2	-	(1.2)
Others	(5.4)	(48.3)	(42.9)
Adjusted Net Result	252.2	205.2	(47.0)
Change in Working Capital:			
Accounts receivable	(321.6)	227.2	548.8
Inventories	(9.9)	364.8	374.7
Suppliers	108.8	(354.9)	(463.7)
Change in Working Capital:	(222.7)	237.1	459.8
Change in Assets:			
Prepaid expenses	8.6	3.4	(5.2)
Escrow deposits	(22.2)	(22.2)	-
Recoverable taxes	(52.9)	(113.1)	(60.2)
Other accounts receivable (current and non-current)	78.9	(43.4)	(122.3)
Change in Assets:	12.4	(175.3)	(187.7)
Change in Liabilities			
Salaries and social security charges	13.3	16.6	3.3
Recoverable taxes (current and non-current)	(2.7)	0.3	3.0
Other liabilities (current and non-current)	13.7	48.1	34.4
Accounts payable/receivable (related companies)	62.3	35.1	(27.2)
Change in Liabilities:	86.6	100.1	13.5
Interest Expense on Loans and Debentures	(366.1)	(315.4)	50.7
Settlement of interest in leases	(15.5)	(15.5)	-
Paid Income Tax and Social Contribution	(7.0)	(10.6)	(3.6)
Cash Flow from Operating Activities	(260.1)	25.6	285.7
Investing Activities			
Marketable securities	(1,450.1)	1,107.3	2,557.4
Purchases of property, plant and equipment assets	(8.2)	(14.2)	(6.0)
Intangible assets	(336.3)	(235.8)	100.5
Value paid for the acquisition of subsidiaries	(1.3)	(8.0)	(6.7)
Cash Flow from Investing Activities	(1,795.9)	849.2	2,645.1
Financing Activities			
Funding	2,037.8	2,214.6	176.8
Payments	(1,021.0)	(1,418.9)	(397.9)
Payment of lease liabilities	(47.7)	(27.7)	20.0
Capital increase cash	9.6	0.6	(9.0)
Advance for future capital increase	2,465.7	9.7	(2,456.0)
Cash Flow from Financing Activities	3,444.4	778.3	(2,666.1)
Change in cash balance	1,388.4	1,653.4	265.0
Beginning Cash Balance	3,119.9	1,469.5	(1,650.4)
Ending Cash Balance	4,508.3	3,122.9	(1,385.4)

ANNEX III: NOTE REGARDING FINANCIAL STATEMENT

Effects in the consolidation of B2W Digital's transportation subsidiaries

BFF Logistics and Distribution, a subsidiary of B2W Digital, provides merchandise distribution services to the Company, generating an elimination effect in consolidated gross revenue and selling, general and administrative expenses (distribution expenses), according to the present accounting rules.

Consolidated gross profit is reduced in proportion to the positive effect observed on selling, general and administrative expenses, but no effect on Adjusted EBITDA and Adjusted EBITDA Margin.

Adjusted EBITDA

On October 4th, 2012, Brazilian Securities Exchange Commission (CVM) enacted Instruction 527/12, regarding the voluntary disclosure of non-accounting information such as EBITDA. The Instruction aims to standardize the disclosure, in order to improve the understanding of this information and make it comparable among publicly listed companies.

In order to maintain consistency and comparability between previous periods, we present the reconciliation of EBITDA.

In 3Q19, Adjusted EBITDA was R\$ 152.3 million. Including other operating income and expenses, EBITDA, according to CVM Instruction 527/12, would be R\$ 136.6 million in 3Q19 (8.1% of NR) vs. R\$ 118.3 MM in 3Q18 (7.6% of NR).

Consolidated EBITDA Reconciliation - R\$ MM	3Q19	3Q18	Δ %
		w/ IFRS 16	
(=) Adjusted EBITDA	152.3	132.1	15.3%
(+) Other Operating Income (Expenses)	(15.6)	(13.8)	13.0%
(=) EBITDA (CVM 527/12)	136.7	118.3	15.6%

ANNEX IV: INDEBTEDNESS

	Including FIDC Effects		Excluding FIDC Effects	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Consolidated Indebtedness - R\$ MM				
Short Term Debt	1,324.1	1,120.5	1,052.6	1,120.5
Short Term Debentures	12.0	12.4	12.0	12.4
Short Term Indebtedness	1,336.1	1,132.8	1,064.6	1,132.8
Long Term Debt	6,411.2	5,871.3	6,411.2	5,871.3
Long Term Debentures	200.0	200.0	200.0	200.0
Long Term Indebtedness	6,611.2	6,071.3	6,611.2	6,071.3
Gross Debt (1)	7,947.3	7,204.1	7,675.8	7,204.1
Cash and Equivalents	7,887.0	5,085.8	7,887.0	5,085.8
Credit Card Accounts Receivables Net of Discounts	525.1	198.4	253.6	198.4
Total Cash (2)	8,412.1	5,284.2	8,140.6	5,284.2
Net Debt (Cash) (2) - (1)	464.8	(1,919.9)	464.8	(1,919.9)
Cash Generation (Consumption) ¹	89.4	57.7	89.4	57.7
Average Maturity of Debt (days)	1,092	862	1,125	862

¹Excludes the R\$ 2,459.4 MM proceeds from the capital raise.

Accounts receivable are mainly composed of credit card receivables, net of the discounted value, which have immediate liquidity and can be considered as cash.

In December/18, the Board of Directors approved the structuring of the FIDC (Credit Card Receivables Advance Fund) with shareholders' equity of R\$ 1.1 billion. The FIDC is a unique tool in the market, representing an important source of fundraising.

The composition of accounts receivable from B2W is shown in the following table:

	Including FIDC Consolidation		Excluding FIDC Consolidation	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Consolidated Accounts Receivable Reconciliation - R\$ MM				
Gross Credit Cards Receivables	4,516.0	3,696.6	4,516.0	3,696.6
Discounted Receivables	(3,990.9)	(3,498.3)	(4,262.4)	(3,498.3)
Credit Card Receivables - Net of Discounted Amount	525.1	198.4	253.6	198.4
Present Value Adjustment	(7.8)	(3.5)	(7.8)	(3.5)
Allowance for Doubtful Accounts	(56.2)	(44.4)	(56.2)	(44.4)
Other Accounts Receivable	149.6	139.4	149.6	139.4
Net Accounts Receivable - Consolidated	610.8	289.8	339.2	289.8

ANNEX V: DEFINITIONS

- **Adjusted EBITDA:** Operational earnings before interest, taxes, depreciation and amortization and excluding other operational revenues/expenses and equity accounting.
- **Adjusted Gross Profit:** Gross profit excluding the effects of the consolidation of B2W Digital's transportation subsidiaries.
- **Adjusted Selling, General, and Administrative (SG&A):** SG&A excluding the effects of the consolidation of B2W Digital's transportation subsidiaries.
- **GMV (Gross Merchandise Volume):** Sales of own merchandise, sales realized on the Marketplace, and other revenues (excluding commissions from Marketplace sales), after returns and including taxes.
- **Marketplace Participation:** Marketplace sales as a percentage of total consolidated GMV.
- **Market Share:** Total sales on B2W sites, including those made on the Marketplace, divided by total market sales (source: e-Bit).
- **Net Debt (Cash):** Calculated as the sum of short-term and long-term indebtedness, less the sum of cash & equivalents and credit card accounts receivables (net of the discounted balance).
- **New Customers:** Increase in active customer base during the trailing 12 months.
- **Working Capital:** Calculated as the sum of days of trade accounts receivable (using GMV as a basis) and inventory days, minus vendor days, considering GMV and CMV in the last 12 months.

INFORMATION ABOUT THE WEBCAST AND CONFERENCE CALL

Conference calls with simultaneous translation into English, followed by a bilingual Q&A session, will be held through the instructions below.



Eventos 3T19

Divulgação de Resultados

30 de outubro de 2019 (quarta-feira)
após fechamento da Bolsa

Teleconferência com Webcast

(em português - tradução simultânea para inglês)

31 de outubro de 2019 (quinta-feira)
12:00h (Horário de Brasília)
Acesso: +55 (11) 3181-8565
ou +55 (11) 4210-1803
Código: B2W
Link para Webcast:

www.b2wdigital.com/webcast3T19

Replay: Até 6 de novembro de 2019
Acesso: +55 (11) 3193-1012
Código: 8823339#

Palestrante:
Fábio Abrate - CFO e DRI

Equipe de Relações
com Investidores
ri@b2wdigital.com
+55 (21) 2206-6000

3Q19 Events

Earnings Release

October 30th, 2019 (Wednesday)
after B3 trading hours

Conference Call and Webcast

(in Portuguese - simultaneous translation into English)

October 31st, 2019 (Thursday)
11:00 a.m. (Eastern Time)
Connection: +1 412 717-9627
Code: B2W
Link to Webcast:

www.b2wdigital.com/webcast3Q19

Replay: Until November 6th, 2019
Access: +55 (11) 3193-1012
Code: 0764991#

Speaker:
Fábio Abrate - CFO and IRO

Investor Relations Team
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