

Summary

Company Data

Composition of Capital	2
Cash distribution	3

Individual Statements

Balance Sheet - Assets	4
Balance Sheet - Liabilities and Shareholders' Equity	5
Statements of Income	7
Statements of Comprehensive Income	8
Statements of Cash Flow	9
Statements of Changes in Shareholders' Equity	
Equity - 1/1/2020 to 6/30/2020	10
Equity - 1/1/2019 to 6/30/2019	11
Statements of Value Added	12

Consolidated Statements

Balance Sheet - Assets	13
Balance Sheet - Liabilities and Shareholders' Equity	14
Statements of Income	16
Statements of Comprehensive Income	18
Statements of Cash Flow	19
Statements of Changes in Shareholders' Equity	
Equity - 1/1/2020 to 6/30/2020	20
Equity - 1/1/2019 to 6/30/2019	21
Statements of Value Added	22

Management Report / Business Performance Analysis	23
--	-----------

Explanatory Notes	35
--------------------------	-----------

Report on the review of quarterly information	92
--	-----------

Statement from the Board of Executive Officers on the Interim Financial Statements	94
---	-----------

Statement from the Board of Executive Officers on the report of the independent auditors	95
---	-----------

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



ISEB3

Company Data / Capital Composition

QUANTITY OF SHARES (In Thousand)	CURRENT QUARTER 6/30/2020
PAID-UP CAPITAL	
COMMON - ON	795,590
PREFERRED - PN	0
TOTAL	795,590
TREASURY SHARES	
COMMON - ON	3,159
PREFERRED - PN	0
TOTAL	3,159

LOJAS RENNER S.A.

LOJAS RENNER CAMKADO YOUCOM realize



Company Data / Cash Distribution

EVENT	APPROVAL	TYPE	BEGINNING PAYMENT	SHARE'S TYPE	SHARE'S CLASS	AMOUNT PER SHARE
Board of Directors Meeting	3/18/2019	Interest on Equity	5/8/2020	ON		0.09295
General Shareholders Meeting	4/18/2019	Dividends	4/29/2019	ON		0.25419
Board of Directors Meeting	6/19/2019	Interest on Equity	5/8/2020	ON		0.07765
Board of Directors Meeting	9/19/2019	Interest on Equity	5/8/2020	ON		0.07859
Board of Directors Meeting	12/18/2019	Interest on Equity	5/8/2020	ON		0.07728
Board of Directors Meeting	4/29/2020	Dividends	5/8/2020	ON		0.01981
Board of Directors Meeting	3/16/2020	Interest on Equity		ON		0.07364
Board of Directors Meeting	6/18/2020	Interest on Equity		ON		0.07060

Individual Statements / Balance Sheet-Asset

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Current period 6/30/2020	Prior end of year 12/31/2019
1	Total Assets	10,534,422	9,275,753
1.01	Current assets	4,569,456	4,109,252
1.01.01	Cash and cash equivalents	1,550,216	844,755
1.01.02	Financial investments	152,927	167,099
1.01.02.01	Financial investments measured at fair value through profit	152,927	167,099
1.01.02.01.02	Fair Value Titles	152,927	167,099
1.01.03	Trade Accounts Receivable	576,753	1,912,774
1.01.03.01	Customers	576,753	1,912,774
1.01.04	Inventories	1,316,627	915,848
1.01.06	Recoverable Taxes	842,952	199,116
1.01.06.01	Recoverable Current Taxes	842,952	199,116
1.01.08	Other Current Assets	129,981	69,660
1.01.08.03	Others	129,981	69,660
1.01.08.03.02	Derivative financial instruments	38,952	4,244
1.01.08.03.03	Other Assets	71,531	53,195
1.01.08.03.04	Credits with related parties	19,498	12,221
1.02	Non-Current Assets	5,964,966	5,166,501
1.02.01	Long-Term Assets	841,653	155,111
1.02.01.07	Deferred Taxes	32,506	89,469
1.02.01.07.01	Deferred Income Tax and Social Contribution	32,506	89,469
1.02.01.09	Credits with related parties	1,448	1,098
1.02.01.09.02	Credits with subsidiaries	1,448	1,098
1.02.01.10	Other Non-Current Assets	807,699	64,544
1.02.01.10.04	Recoverable Taxes	793,878	51,326
1.02.01.10.05	Other Assets	13,821	13,218
1.02.02	Investments	1,603,359	1,383,276
1.02.02.01	Shareholdings	1,603,359	1,383,276
1.02.02.01.02	Investments in Subsidiaries	1,603,359	1,383,276
1.02.03	Fixed Assets	2,981,959	3,158,403
1.02.03.01	Fixed Assets in Operation	1,542,303	1,625,538
1.02.03.02	Right-of-Use in Progress	1,235,418	1,344,150
1.02.03.03	Fixed Assets in Progress	204,238	188,715
1.02.04	Intangible	537,995	469,711
1.02.04.01	Intangible	537,995	469,711
1.02.04.01.02	Others Intangibles	523,646	450,298
1.02.04.01.03	Intangible Leased	14,349	19,413

Individual Statements / Balance Sheet-Liabilities

(All amounts in thousands of Reals unless otherwise stated)

Code	Description	Current period 6/30/2020	Prior end of year 12/31/2019
2	Total Liabilities	10,534,422	9,275,753
2.01	Current Liabilities	3,094,315	3,094,101
2.01.01	Social and Labor Obligations	215,635	276,548
2.01.01.01	Social Obligations	94,838	72,510
2.01.01.01.01	Social charges	94,838	72,510
2.01.01.02	Labor obligations	120,797	204,038
2.01.01.02.01	Wages payable	120,797	204,038
2.01.02	Suppliers	567,886	953,371
2.01.02.01	National suppliers	567,886	953,371
2.01.03	Tax Obligations	75,852	466,977
2.01.03.01	Federal Tax Obligations	51,440	258,919
2.01.03.01.01	Income Tax and Social Contribution Payable	42,310	164,355
2.01.03.01.02	Other Federal Tax Obligations	9,130	94,564
2.01.03.02	State Tax Obligations	23,488	206,240
2.01.03.03	Municipal Tax Obligations	924	1,818
2.01.04	Borrowings, Financing and Debentures	1,658,562	632,134
2.01.04.01	Borrowings and Financing	1,148,439	321,175
2.01.04.01.01	In National Currency	359,027	45,217
2.01.04.01.02	In Foreign Currency	789,412	275,958
2.01.04.02	Debentures	510,123	310,959
2.01.05	Other obligations	526,803	707,157
2.01.05.01	Related Party Liabilities	581	1,279
2.01.05.01.02	Debts with Subsidiaries	581	1,279
2.01.05.02	Others	526,222	705,878
2.01.05.02.01	Dividends and Interest on equity Payable	101,263	237,259
2.01.05.02.05	Other obligations	60,932	55,610
2.01.05.02.06	Statutory Participation	-	5,855
2.01.05.02.07	Obligations with Card Administrators	6,051	26,919
2.01.05.02.08	Derivative financial instruments	-	6,680
2.01.05.02.09	Leases payable	357,976	373,555
2.01.06	Provisions	49,577	57,914
2.01.06.01	Labor, Civil, Security and Tax Provisions	49,577	57,914
2.01.06.01.04	Civil Provisions	16,897	22,996
2.01.06.01.05	Labor Provisions	32,680	34,918
2.02	Non-Current Liabilities	2,014,155	1,490,633
2.02.01	Borrowings, Financing and Debentures	899,701	406,086
2.02.01.01	Borrowings and Financing	4,868	6,086
2.02.01.01.01	In National Currency	4,868	6,086
2.02.01.02	Debentures	894,833	400,000
2.02.02	Other obligations	1,071,401	1,061,116
2.02.02.02	Others	1,071,401	1,061,116
2.02.02.02.04	Other obligations	-	247
2.02.02.02.05	Leases payable	983,090	1,060,869
2.02.02.02.06	Suppliers	88,311	-

Individual Statements / Balance Sheet-Liabilities

(All amounts in thousands of Reals unless otherwise stated)

Code	Description	Current period 6/30/2020	Prior end of year 12/31/2019
2.02.04	Provisions	43,053	23,431
2.02.04.01	Labor, Civil, Security and Tax Provisions	43,053	23,431
2.02.04.01.01	Tax Provisions	19,011	23,431
2.02.04.01.04	Civil Provisions	6,806	-
2.02.04.01.05	Labor Provisions	17,236	-
2.03	Shareholders Equity	5,425,952	4,691,019
2.03.01	Capital	3,795,901	3,795,634
2.03.02	Capital reserves	(42,592)	38,678
2.03.02.04	Granted Options	76,869	74,227
2.03.02.05	Treasury Shares	(119,461)	(35,549)
2.03.04	Profit Reserves	869,571	869,896
2.03.04.01	Legal reserve	54,955	54,955
2.03.04.07	Tax Incentive Reserve	97,539	97,539
2.03.04.08	Proposed Additional Dividend	-	282,546
2.03.04.10	Reserve for Investment and Expansion	717,077	434,856
2.03.05	Accumulated Profit / Loss	711,086	-
2.03.08	Other Comprehensive Results	91,986	(13,189)

Individual Statements / Income Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Quarter 4/1/2020 to 6/30/2020	Acumulated of Current Year 1/1/2020 to 6/30/2020	Same quarter of Last Year 4/1/2019 to 6/30/2019	Acumulated of Last Year 1/1/2019 to 6/30/2019
3.01	Revenue from Sale of Goods and / or Services	468,906	1,856,347	1,922,984	3,494,250
3.01.01	Net sales revenue from goods	468,906	1,840,413	1,839,683	3,322,623
3.01.02	Net revenue from financial products and services	-	15,934	83,301	171,627
3.02	Cost of Goods and / or Services Sold	(270,078)	(887,443)	(812,321)	(1,487,990)
3.02.01	Cost of sales with goods	(270,078)	(887,443)	(808,942)	(1,480,374)
3.02.02	Cost of financial products and services	-	-	(3,379)	(7,616)
3.03	Gross Profit	198,828	968,904	1,110,663	2,006,260
3.04	Operating Expenses / Revenues	217,376	(517,445)	(772,935)	(1,448,280)
3.04.01	Selling Expenses	(335,715)	(841,811)	(534,916)	(1,013,311)
3.04.02	General and Administrative Expenses	(161,515)	(355,709)	(190,864)	(370,426)
3.04.03	Losses due to non-recoverability of assets	18,756	40,652	(21,832)	(48,380)
3.04.04	Other Operating Income	793,650	802,577	5,613	35,045
3.04.05	Other Operating Expenses	(79,024)	(113,122)	(64,403)	(121,149)
3.04.06	Equity on Profit/Loss of Subsidiaries	(18,776)	(50,032)	33,467	69,941
3.05	Income Before Net Financial Expenses and Taxes	416,204	451,459	337,728	557,980
3.06	Net Financial expenses	499,844	458,966	(43,229)	(83,358)
3.06.01	Financial income	565,754	575,833	9,433	16,294
3.06.02	Financial expenses	(65,910)	(116,867)	(52,662)	(99,652)
3.07	Income Before Taxes on Profit	916,048	910,425	294,499	474,622
3.08	Income Tax and Social Contribution on Profit	(97,997)	(85,237)	(63,762)	(87,906)
3.08.01	Current	(42,310)	(42,346)	(70,664)	(84,601)
3.08.02	Deferred	(55,687)	(42,891)	6,902	(3,305)
3.09	Net Income from Continuing Operations	818,051	825,188	230,737	386,716
3.11	Profit / Loss for the Period	818,051	825,188	230,737	386,716
3.99.01	Basic Earnings per Share	1.0324	1.0406	0.3004	0.5205
3.99.01.01	ON	1.0324	1.0406	0.3004	0.5205
3.99.02	Diluted Earnings per Share	1.0302	1.0381	0.2993	0.5181
3.99.02.01	ON	1.0302	1.0381	0.2993	0.5181

Individual Statements / Comprehensive Income Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Quarter 4/1/2020 to 6/30/2020	Accumulated of Current Year 1/1/2020 to 6/30/2020	Same quarter of Last Year 4/1/2019 to 6/30/2019	Accumulated of Last Year 1/1/2019 to 6/30/2019
4.01	Net Income For The Period	818,051	825,188	230,737	386,716
4.02	Other Comprehensive Income	(16,217)	105,175	(9,095)	(5,235)
4.02.01	Cash Flow Hedge	(48,272)	41,388	(9,597)	6,207
4.02.02	Portion Of Other Comprehensive Income Of Subsidiaries	(3,365)	2,368	(71)	820
4.02.03	Taxes Related To Components Of Comprehensive Income	16,413	(14,072)	3,263	(2,110)
4.02.04	Cumulative Translation Adjustments	19,007	75,491	(2,690)	(10,152)
4.03	Total Comprehensive Income For The Period	801,834	930,363	221,642	381,481

Individual Statements / Cash Flow Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year	Acumulated of Last Year
		1/1/2020 to 6/30/2020	1/1/2019 to 6/30/2019
6.01	Net Cash From Operating Activities	40,567	491,967
6.01.01	Cash Flow From Operating Activities	(69,839)	785,369
6.01.01.01	Net Income For The Period	825,188	386,716
6.01.01.02	Depreciation And Amortization	310,987	296,462
6.01.01.05	Interest Expense and structuring costs Of Borrowing and leases	97,017	96,658
6.01.01.06	Interest on financing of operating services	2,561	-
6.01.01.07	Equity on Profit/Loss of Subsidiaries	50,032	(69,941)
6.01.01.09	Income Tax and Social Contribution	85,237	87,906
6.01.01.12	Estimated losses (Reversal) On Assets net	(25,685)	(21,239)
6.01.01.13	Other adjustments of Net Income	10,380	8,807
6.01.01.14	Exclusion of ICMS in the PIS and COFINS calculation base, net of taxes and Advocative hours	(1,363,029)	-
6.01.01.15	Discounts - leases payable	(62,527)	-
6.01.02	Changes In Assets And Liabilities	287,134	(128,687)
6.01.02.01	Trade Accounts Receivable	1,395,402	83,826
6.01.02.02	Inventories	(396,051)	15,971
6.01.02.03	Recoverable Taxes	(23,359)	(81,554)
6.01.02.04	Other assets	(19,424)	(77,518)
6.01.02.05	Financing - Financial Services Operations	-	357,168
6.01.02.06	Suppliers	(318,647)	(264,931)
6.01.02.07	Tax Obligations	(269,080)	(136,842)
6.01.02.11	Obligations With Card Administrators	(20,868)	(4,674)
6.01.02.12	Other obligations	(60,839)	(20,133)
6.01.03	Others	(176,728)	(164,715)
6.01.03.01	Subsidiaries Dividend Received	3,525	4,173
6.01.03.02	Payment of Income Tax and Social Contribution	(164,391)	(139,738)
6.01.03.03	Payment of interest on borrowings, debentures and leases	(19,733)	(24,946)
6.01.03.04	Interest paid on operating services financing	(10,301)	-
6.01.03.05	Financial investments	14,172	(4,204)
6.02	Net cash from investing activities	(371,242)	(314,079)
6.02.01	Acquisitions of fixed and intangible assets	(175,492)	(175,822)
6.02.03	Proceeds from disposal of fixed assets	31	674
6.02.04	Investments in subsidiaries	(195,781)	(138,931)
6.03	Net cash from financing activities	1,036,136	(356,240)
6.03.01	Capital increase	267	24,771
6.03.02	Repurchase of treasury stocks	(96,964)	-
6.03.03	Borrowings	1,853,231	401,447
6.03.04	Payments of borrowings and debentures	(344,281)	(240,518)
6.03.06	Leases payments	(125,808)	(146,995)
6.03.07	Interest on Equity and Dividends Paid	(250,309)	(394,945)
6.05	Increase (decrease) In Cash and Cash Equivalents	705,461	(178,352)
6.05.01	Cash And Cash Equivalents at the beginning of the period	844,755	716,761
6.05.02	Cash And Cash Equivalents at the end of the period	1,550,216	538,409

Individual Statements / Changes in Shareholder's Equity - 1/1/2020 to 6/30/2020

(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	3,795,634	38,678	869,896	-	(13,189)	4,691,019
5.03	Adjusted Initial Balances	3,795,634	38,678	869,896	-	(13,189)	4,691,019
5.04	Capital Transactions with Stockholders	267	(81,270)	-	(114,102)	-	(195,105)
5.04.01	Capital Increases	267	-	-	-	-	267
5.04.04	Treasury Stock Acquired	-	(96,964)	-	-	-	(96,964)
5.04.06	Prescribed dividends	-	-	-	191	-	191
5.04.07	Interest on Equity	-	-	-	(114,293)	-	(114,293)
5.04.09	Restricted Stock Plan	-	5,320	-	-	-	5,320
5.04.10	Stock option plan	-	10,374	-	-	-	10,374
5.05	Total Comprehensive Income	-	-	-	825,188	105,175	930,363
5.05.01	Net Income for the Period	-	-	-	825,188	-	825,188
5.05.02	Other Comprehensive income	-	-	-	-	105,175	105,175
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	41,388	41,388
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	2,368	2,368
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(14,072)	(14,072)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	75,491	75,491
5.06	Internal Changes in Shareholders' Equity	-	-	(325)	-	-	(325)
5.06.01	Reservation Constitution	-	-	(325)	-	-	(325)
5.07	Balances as of June 30, 2020	3,795,901	(42,592)	869,571	711,086	91,986	5,425,952

Individual Statements / Changes in Shareholder's Equity - 1/1/2019 to 6/30/2019

(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	1,136,821	(58,095)	(1,184,639)	(127,938)	-	(233,851)
5.04.01	Capital Increases	1,136,821	(72,050)	(1,040,000)	-	-	24,771
5.04.06	Prescribed dividends	-	-	-	327	-	327
5.04.07	Interest on Equity	-	-	-	(128,265)	-	(128,265)
5.04.08	Additional dividend resolution	-	-	(144,639)	-	-	(144,639)
5.04.09	Restricted Stock Plan	-	3,990	-	-	-	3,990
5.04.10	Stock option plan	-	9,965	-	-	-	9,965
5.05	Total Comprehensive Income	-	-	-	386,716	(5,235)	381,481
5.05.01	Net Income for the Period	-	-	-	386,716	-	386,716
5.05.02	Other Comprehensive income	-	-	-	-	(5,235)	(5,235)
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	6,207	6,207
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	820	820
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(2,110)	(2,110)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	(10,152)	(10,152)
5.07	Balances as of June 30, 2019	3,774,294	21,462	50,695	258,778	(3,087)	4,102,142

Individual Statements / Statement of Added Value

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Accumulated of Current	Accumulated of Last
		Year 1/1/2020 to 6/30/2020	Year 1/1/2019 to 6/30/2019
7.01	Income	3,259,778	4,538,225
7.01.01	Sales of Goods, Products and Services	2,409,985	4,544,624
7.01.02	Other Receives	809,141	41,981
7.01.04	Provision / Reversal of Credits Doubtful Settlement	40,652	(48,380)
7.02	Input Purchased From Third Parties	(1,531,169)	(2,258,374)
7.02.01	Cost Of Sales Of Goods, Financial Products And Services (Including Taxes)	(998,357)	(1,690,773)
7.02.02	Materials, Energy, Outsides Services And Others	(501,023)	(544,340)
7.02.03	Loss / Recovery of Assets	(31,789)	(23,261)
7.03	Gross Value Added	1,728,609	2,279,851
7.04	Retentions	(310,987)	(296,462)
7.04.01	Depreciation and Amortization	(310,987)	(296,462)
7.05	Value Added Net Produced	1,417,622	1,983,389
7.06	Value Added Received In Transfer	553,798	87,020
7.06.01	Equity on Profit/Loss of Subsidiaries	(50,032)	69,941
7.06.02	Financial income	603,830	17,079
7.07	Total Added Value to Distribute	1,971,420	2,070,409
7.08	Distribution of Added Value	1,971,420	2,070,409
7.08.01	Personnel Expenses	410,553	493,503
7.08.01.01	Compensation	305,313	370,621
7.08.01.02	Benefits	57,631	69,580
7.08.01.03	Government Severance Indemnity Fund For Employees	28,059	35,675
7.08.01.04	Others	19,550	17,627
7.08.01.04.01	Stock Option Plan	10,374	9,965
7.08.01.04.02	Management remuneration	9,176	7,662
7.08.02	Taxes, fees and contributions	587,637	979,346
7.08.02.01	Federal Taxes	239,993	329,160
7.08.02.02	State Taxes	320,673	623,218
7.08.02.03	Municipal Taxes	26,971	26,968
7.08.03	Remuneration of Third Party Capital	148,042	210,844
7.08.03.02	Rents	25,491	109,640
7.08.03.03	Others	122,551	101,204
7.08.03.03.01	Financial expenses	122,551	101,204
7.08.04	Remuneration of Shareholders' Equity	825,188	386,716
7.08.04.01	Interest on Equity	114,293	128,265
7.08.04.03	Retained Earnings / Loss for the Period	710,895	258,451

Consolidated Statements / Balance Sheet-Asset

(All amounts in thousands of Reals unless otherwise stated)

Code	Description	Current period 6/30/2020	Prior end of year 12/31/2019
1	Total Assets	12,828,071	11,552,902
1.01	Current assets	7,203,646	6,656,209
1.01.01	Cash and cash equivalents	1,716,249	980,954
1.01.02	Financial investments	622,923	391,348
1.01.02.01	Financial investments measured at fair value through profit	622,923	391,348
1.01.02.01.02	Fair Value Titles	622,923	391,348
1.01.03	Trade Accounts Receivable	2,231,722	3,825,961
1.01.03.01	Customers	2,231,722	3,825,961
1.01.04	Inventories	1,578,963	1,124,506
1.01.06	Recoverable Taxes	924,520	258,396
1.01.06.01	Recoverable Current Taxes	924,520	258,396
1.01.08	Other Current Assets	129,269	75,044
1.01.08.03	Others	129,269	75,044
1.01.08.03.02	Derivative financial instruments	41,594	4,382
1.01.08.03.03	Other Assets	87,675	70,662
1.02	Non-Current Assets	5,624,425	4,896,693
1.02.01	Long-Term Assets	1,074,188	304,058
1.02.01.07	Deferred Taxes	239,731	214,505
1.02.01.07.01	Deferred Income Tax and Social Contribution	239,731	214,505
1.02.01.10	Other Non-Current Assets	834,457	89,553
1.02.01.10.04	Recoverable Taxes	817,499	73,345
1.02.01.10.05	Other Assets	16,958	16,208
1.02.03	Fixed Assets	3,675,497	3,808,400
1.02.03.01	Fixed Assets in Operation	1,936,962	1,974,380
1.02.03.02	Right-of-Use in Progress	1,528,457	1,634,690
1.02.03.03	Fixed Assets in Progress	210,078	199,330
1.02.04	Intangible	874,740	784,235
1.02.04.01	Intangible	758,061	667,556
1.02.04.01.02	Others Intangibles	758,061	667,556
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 6/30/2020	Prior end of year 12/31/2019
2	Total Liabilities	12,828,071	11,552,902
2.01	Current Liabilities	4,783,009	4,765,317
2.01.01	Social and Labor Obligations	251,612	306,882
2.01.01.01	Social Obligations	108,038	81,263
2.01.01.01.01	Social charges	108,038	81,263
2.01.01.02	Labor obligations	143,574	225,619
2.01.01.02.01	Wages payable	143,574	225,619
2.01.02	Suppliers	638,396	1,081,785
2.01.02.01	National suppliers	638,396	1,081,785
2.01.03	Tax Obligations	145,368	636,723
2.01.03.01	Federal Tax Obligations	114,649	412,679
2.01.03.01.01	Income Tax and Social Contribution Payable	82,096	299,927
2.01.03.01.02	Other Federal Tax Obligations	32,553	112,752
2.01.03.02	State Tax Obligations	27,210	219,155
2.01.03.03	Municipal Tax Obligations	3,509	4,889
2.01.04	Borrowings, Financing and Debentures	2,213,070	894,018
2.01.04.01	Borrowings and Financing	1,702,947	583,059
2.01.04.01.01	In National Currency	724,162	98,625
2.01.04.01.02	In Foreign Currency	978,785	484,434
2.01.04.02	Debentures	510,123	310,959
2.01.05	Other obligations	1,474,622	1,778,274
2.01.05.02	Others	1,474,622	1,778,274
2.01.05.02.01	Dividends and Interest on equity Payable	101,263	237,259
2.01.05.02.05	Other obligations	121,571	94,413
2.01.05.02.06	Statutory Participation	-	5,855
2.01.05.02.07	Obligations with Card Administrators	817,712	985,298
2.01.05.02.08	Derivative financial instruments	-	7,764
2.01.05.02.09	Leases payable	434,076	447,685
2.01.06	Provisions	59,941	67,635
2.01.06.01	Labor, Civil, Security and Tax Provisions	59,941	67,635
2.01.06.01.04	Civil Provisions	25,343	30,868
2.01.06.01.05	Labor Provisions	34,598	36,767
2.02	Non-Current Liabilities	2,619,110	2,096,566
2.02.01	Borrowings, Financing and Debentures	1,242,364	751,011
2.02.01.01	Borrowings and Financing	347,531	351,011
2.02.01.01.01	In National Currency	347,531	311,152
2.02.01.01.02	In Foreign Currency	-	39,859
2.02.01.02	Debentures	894,833	400,000
2.02.02	Other obligations	1,331,445	1,315,787
2.02.02.02	Others	1,331,445	1,315,787
2.02.02.02.04	Other obligations	21,632	24,111
2.02.02.02.05	Leases payable	1,221,502	1,291,676
2.02.02.02.06	Suppliers	88,311	-

Consolidated Statements / Balance Sheet-Liabilities

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Current period 6/30/2020	Prior end of year 12/31/2019
2.02.03	Deferred Taxes	-	5,287
2.02.03.01	Deferred Income Tax and Social Contribution	-	5,287
2.02.04	Provisions	45,301	24,481
2.02.04.01	Labor, Civil, Security and Tax Provisions	45,301	24,481
2.02.04.01.01	Tax Provisions	21,259	24,481
2.02.04.01.04	Civil Provisions	6,806	-
2.02.04.01.05	Labor Provisions	17,236	-
2.03	Shareholders Equity	5,425,952	4,691,019
2.03.01	Capital	3,795,901	3,795,634
2.03.02	Capital reserves	(42,592)	38,678
2.03.02.04	Granted Options	76,869	74,227
2.03.02.05	Treasury Shares	(119,461)	(35,549)
2.03.04	Profit Reserves	869,571	869,896
2.03.04.01	Legal reserve	54,955	54,955
2.03.04.07	Tax Incentive Reserve	97,539	97,539
2.03.04.08	Proposed Additional Dividend	-	282,546
2.03.04.10	Reserve for Investment and Expansion	717,077	434,856
2.03.05	Accumulated Profit / Loss	711,086	-
2.03.08	Other Comprehensive Results	91,986	(13,189)

Consolidated Statements / Income Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of		Acumulated of Last	
		Quarter 4/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020	Same quarter of Last Year 4/1/2019 to 6/30/2019	Year 1/1/2019 to 6/30/2019
3.01	Revenue from Sale of Goods and / or Services	808,506	2,672,267	2,292,004	4,184,121
3.01.01	Net sales revenue from goods	539,636	2,089,816	2,019,374	3,669,711
3.01.02	Net revenue from financial products and services	268,870	582,451	272,630	514,410
3.02	Cost of Goods and / or Services Sold	(304,643)	(1,001,317)	(885,492)	(1,629,523)
3.02.01	Cost of sales with goods	(297,841)	(989,081)	(879,737)	(1,618,167)
3.02.02	Cost of financial products and services	(6,802)	(12,236)	(5,755)	(11,356)
3.03	Gross Profit	503,863	1,670,950	1,406,512	2,554,598
3.04	Operating Expenses / Revenues	(83,607)	(1,218,359)	(1,032,647)	(1,932,857)
3.04.01	Selling Expenses	(408,939)	(1,029,032)	(627,176)	(1,193,746)
3.04.02	General and Administrative Expenses	(191,824)	(414,977)	(212,433)	(414,379)
3.04.03	Losses due to non-recoverability of assets	(133,866)	(333,191)	(98,455)	(170,971)
3.04.04	Other Operating Income	794,373	804,686	11,648	41,080
3.04.05	Other Operating Expenses	(143,351)	(245,845)	(106,231)	(194,841)
3.05	Income Before Net Financial Expenses and Taxes	420,256	452,591	373,865	621,741
3.06	Net Financial expenses	493,605	443,838	(53,581)	(98,702)
3.06.01	Financial income	579,756	605,335	16,013	27,198
3.06.02	Financial expenses	(86,151)	(161,497)	(69,594)	(125,900)
3.07	Income Before Taxes on Profit	913,861	896,429	320,284	523,039
3.08	Income Tax and Social Contribution on Profit	(95,810)	(71,241)	(89,547)	(136,323)
3.08.01	Current	(82,130)	(115,449)	(111,363)	(153,864)

Consolidated Statements / Income Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of		Acumulated of Last	
		Quarter 4/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020	Same quarter of Last Year 4/1/2019 to 6/30/2019	Year 1/1/2019 to 6/30/2019
3.08.02	Deferred	(13,680)	44,208	21,816	17,541
3.09	Net Income from Continuing Operations	818,051	825,188	230,737	386,716
3.11	Profit / Loss for the Period	818,051	825,188	230,737	386,716
3.11.01	Attributed to Parent Company Shareholders	818,051	825,188	230,737	386,716
3.99.01	Basic Earnings per Share	1.0324	1.0406	0.3004	0.5205
3.99.01.01	ON	1.0324	1.0406	0.3004	0.5205
3.99.02	Diluted Earnings per Share	1.0302	1.0381	0.2993	0.5181
3.99.02.01	ON	1.0302	1.0381	0.2993	0.5181

Consolidated Statements / Comprehensive Income Statements

(All amounts in thousands of Reals unless otherwise stated)

Code	Description	Acumulated of		Acumulated of Last	
		Quarter 4/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020	Same quarter of Last Year 4/1/2019 to 6/30/2019	Year 1/1/2019 to 6/30/2019
4.01	Net Income For The Period	818,051	825,188	230,737	386,716
4.02	Other Comprehensive Income	(16,217)	105,175	(9,095)	(5,235)
4.02.01	Cash Flow Hedge	(53,370)	44,976	(9,705)	7,450
4.02.03	Taxes Related To Components Of Comprehensive Income	18,146	(15,292)	3,300	(2,533)
4.02.04	Cumulative Translation Adjustments	19,007	75,491	(2,690)	(10,152)
4.03	Total Comprehensive Income For The Period	801,834	930,363	221,642	381,481
4.03.01	Attributed to Parent Company Shareholders	801,834	930,363	221,642	381,481

Consolidated Statements / Cash Flow Statements

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Acumulated of Current Year	Acumulated of Last Year
		1/1/2020 to 6/30/2020	1/1/2019 to 6/30/2019
6.01	Net Cash From Operating Activities	(314,896)	502,897
6.01.01	Cash Flow From Operating Activities	186,874	996,542
6.01.01.01	Net Income For The Period	825,188	386,716
6.01.01.02	Depreciation And Amortization	379,875	342,722
6.01.01.05	Interest Expense and structuring costs Of Borrowing and leases	111,034	109,624
6.01.01.06	Interest on financing of operating services	17,596	-
6.01.01.09	Income Tax and Social Contribution	71,241	136,323
6.01.01.12	Estimated losses (Reversal) On Assets net	205,795	13,656
6.01.01.13	Other adjustments of Net Income	12,073	7,501
6.01.01.14	Exclusion of ICMS in the PIS and COFINS calculation base, net of taxes and Advocative hours	(1,363,029)	-
6.01.01.15	Discounts - leases payable	(72,899)	-
6.01.02	Changes In Assets And Liabilities	88,942	(550,283)
6.01.02.01	Trade Accounts Receivable	1,423,508	227,673
6.01.02.02	Inventories	(447,616)	(2,862)
6.01.02.03	Recoverable Taxes	(47,249)	(29,148)
6.01.02.04	Other assets	(4,402)	(83,828)
6.01.02.05	Financing - Financial Services Operations	-	(238,798)
6.01.02.06	Suppliers	(367,970)	(291,692)
6.01.02.07	Tax Obligations	(278,690)	(191,278)
6.01.02.11	Obligations With Card Administrators	(167,586)	47,696
6.01.02.12	Other obligations	(21,053)	11,954
6.01.03	Others	(590,712)	56,638
6.01.03.02	Payment of Income Tax and Social Contribution	(328,112)	(214,752)
6.01.03.03	Payment of interest on borrowings, debentures and leases	(20,724)	(26,861)
6.01.03.04	Interest paid on operating services financing	(10,301)	-
6.01.03.05	Financial investments	(231,575)	298,251
6.02	Net cash from investing activities	(230,805)	(244,609)
6.02.01	Acquisitions of fixed and intangible assets	(230,836)	(245,283)
6.02.03	Proceeds from disposal of fixed assets	31	674
6.03	Net cash from financing activities	1,283,858	(394,757)
6.03.01	Capital increase	267	24,771
6.03.02	Repurchase of treasury stocks	(96,964)	-
6.03.03	Borrowings	2,676,106	469,010
6.03.04	Payments of borrowings and debentures	(892,354)	(324,630)
6.03.06	Leases payments	(152,888)	(168,963)
6.03.07	Interest on Equity and Dividends Paid	(250,309)	(394,945)
6.04	Net Foreign Exchange Variation in Cash and Cash Equivalents	(2,862)	(1,955)
6.05	Increase (decrease) In Cash and Cash Equivalents	735,295	(138,424)
6.05.01	Cash And Cash Equivalents at the beginning of the period	980,954	785,130
6.05.02	Cash And Cash Equivalents at the end of the period	1,716,249	646,706

LOJAS RENNER S.A.



CAMKAO

YOU COM

realize

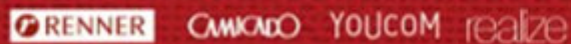


Consolidated Statements / Changes in Shareholder's Equity - 1/1/2020 to 6/30/2020

(All amounts in thousands of Reals 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	3,795,634	38,678	869,896	-	(13,189)	4,691,019	-	4,691,019
5.03	Adjusted Initial Balances	3,795,634	38,678	869,896	-	(13,189)	4,691,019	-	4,691,019
5.04	Capital Transactions with Stockholders	267	(81,270)	-	(114,102)	-	(195,105)	-	(195,105)
5.04.01	Capital Increases	267	-	-	-	-	267	-	267
5.04.04	Treasury Stock Acquired	-	(96,964)	-	-	-	(96,964)	-	(96,964)
5.04.06	Prescribed dividends	-	-	-	191	-	191	-	191
5.04.07	Interest on Equity	-	-	-	(114,293)	-	(114,293)	-	(114,293)
5.04.09	Restricted Stock Plan	-	5,320	-	-	-	5,320	-	5,320
5.04.10	Stock option plan	-	10,374	-	-	-	10,374	-	10,374
5.05	Total Comprehensive Income	-	-	-	825,188	105,175	930,363	-	930,363
5.05.01	Net Income for the Period	-	-	-	825,188	-	825,188	-	825,188
5.05.02	Other Comprehensive income	-	-	-	-	105,175	105,175	-	105,175
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	41,388	41,388	-	41,388
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	2,368	2,368	-	2,368
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(14,072)	(14,072)	-	(14,072)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	75,491	75,491	-	75,491
5.06	Internal Changes in Shareholders' Equity	-	-	(325)	-	-	(325)	-	(325)
5.06.01	Reservation Constitution	-	-	(325)	-	-	(325)	-	(325)
5.07	Balances as of June 30, 2020	3,795,901	(42,592)	869,571	711,086	91,986	5,425,952	-	5,425,952

LOJAS RENNER S.A.



Consolidated Statements / Changes in Shareholder's Equity - 1/1/2019 to 6/30/2019

(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	1,136,821	(58,095)	(1,184,639)	(127,938)	-	(233,851)	-	(233,851)
5.04.01	Capital Increases	1,136,821	(72,050)	(1,040,000)	-	-	24,771	-	24,771
5.04.06	Prescribed dividends	-	-	-	327	-	327	-	327
5.04.07	Interest on Equity	-	-	-	(128,265)	-	(128,265)	-	(128,265)
5.04.08	Additional dividend resolution	-	-	(144,639)	-	-	(144,639)	-	(144,639)
5.04.09	Restricted Stock Plan	-	3,990	-	-	-	3,990	-	3,990
5.04.10	Stock option plan	-	9,965	-	-	-	9,965	-	9,965
5.05	Total Comprehensive Income	-	-	-	386,716	(5,235)	381,481	-	381,481
5.05.01	Net Income for the Period	-	-	-	386,716	-	386,716	-	386,716
5.05.02	Other Comprehensive income	-	-	-	-	(5,235)	(5,235)	-	(5,235)
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	6,207	6,207	-	6,207
5.05.02.02	Taxes / Adjustments Financial Instruments	-	-	-	-	820	820	-	820
5.05.02.03	Equity on Other Comprehensive Net Income	-	-	-	-	(2,110)	(2,110)	-	(2,110)
5.05.02.04	Period Conversion Adjustments	-	-	-	-	(10,152)	(10,152)	-	(10,152)
5.07	Balances as of June 30, 2019	3,774,294	21,462	50,695	258,778	(3,087)	4,102,142	-	4,102,142

Consolidated Statements / Statement of Added Value

(All amounts in thousands of Reais unless otherwise stated)

Code	Description	Accumulated of Current Year 1/1/2020 to 6/30/2020	Accumulated of Last Year 1/1/2019 to 6/30/2019
7.01	Income	3,792,840	5,220,604
7.01.01	Sales of Goods, Products and Services	3,313,757	5,342,841
7.01.02	Other Receives	812,274	48,734
7.01.04	Provision / Reversal of Credits Doubtful Settlement	(333,191)	(170,971)
7.02	Input Purchased From Third Parties	(1,826,233)	(2,535,340)
7.02.01	Cost Of Sales Of Goods, Financial Products And Services (Including Taxes)	(1,117,562)	(1,844,310)
7.02.02	Materials, Energy, Outsides Services And Others	(674,775)	(667,701)
7.02.03	Loss / Recovery of Assets	(33,896)	(23,329)
7.03	Gross Value Added	1,966,607	2,685,264
7.04	Retentions	(379,875)	(342,722)
7.04.01	Depreciation and Amortization	(379,875)	(342,722)
7.05	Value Added Net Produced	1,586,732	2,342,542
7.06	Value Added Received In Transfer	633,373	28,061
7.06.02	Financial income	633,373	28,061
7.07	Total Added Value to Distribute	2,220,105	2,370,603
7.08	Distribution of Added Value	2,220,105	2,370,603
7.08.01	Personnel Expenses	515,474	578,210
7.08.01.01	Compensation	396,779	441,576
7.08.01.02	Benefits	66,018	78,516
7.08.01.03	Government Severance Indemnity Fund For Employees	32,496	40,074
7.08.01.04	Others	20,181	18,044
7.08.01.04.01	Stock Option Plan	10,374	9,965
7.08.01.04.02	Management remuneration	9,807	8,079
7.08.02	Taxes, fees and contributions	669,219	1,136,756
7.08.02.01	Federal Taxes	273,567	421,739
7.08.02.02	State Taxes	358,250	679,300
7.08.02.03	Municipal Taxes	37,402	35,717
7.08.03	Remuneration of Third Party Capital	210,224	268,921
7.08.03.02	Rents	42,220	141,469
7.08.03.03	Others	168,004	127,452
7.08.03.03.01	Financial expenses	168,004	127,452
7.08.04	Remuneration of Shareholders' Equity	825,188	386,716
7.08.04.01	Interest on Equity	114,293	128,265
7.08.04.03	Retained Earnings / Loss for the Period	710,895	258,451

Message from the Management

From the earliest stages of the COVID-19 outbreak, our actions were anchored in our convictions and values, prioritizing the health of our employees and clients, the Company being first in line to temporarily close all stores based on the belief that it was the best decision for that particular moment.

In parallel, we reacted rapidly and responsibly, adjusting our expenses, revising our Capex, and reinforcing our cash position through the strengthening of our capital structure and maintaining employment as well as supporting our commercial partner chain. In addition, we mobilized a large collaborative network for multiplying the efforts and investments in tackling the sanitary and economic crisis by providing assistance to both healthcare institutions and also communities. We then turned our focus on the levels of service, to do more rapidly and better, and principally, to adapt to changes in consumer behavior by accelerating the digital transformation at Renner.

We began the quarter with our entire bricks and mortar operation temporarily closed but on April 24, initiating a gradual reopening of the units, respecting rigorous health and hygiene protocols to ensure the safety of our employees and customers. Although customer traffic is limited due to reduced opening hours as well as to restrictions on the number of people instore, since the resumption of activities, conversion rates and the number of items per ticket have increased. Currently, 100% of the store network has reopened and as operations gradually return to normal at some locations, we have detected a notable recovery in footfall with improved performances at these units. Our conviction is based on results already recorded during the third quarter and in the past few days, where our initial sales budget has been exceeded.

In addition, during the course of 2Q20, we reinforced our online operations and accelerated the Company's digital transformation. Our teams are more mobilized than ever, anticipating projects and implementing solutions in record time. No efforts have been spared to improve the shopping experience through our digital channels both in services, which give greater autonomy to the customer, in production of content as well as participation in fashion and musical events. As a result of these and other initiatives, we have seen growing traffic flows in our e-commerce business, visits in July reporting a 190% increase. We have also seen some important advances in the app: the number of downloads at the end of the quarter more than trebled relative to 2019 and the participation both in visits as well as sales grew and currently represent approximately half of the channel's revenue. Again, the number of new customers has multiplied five times over last year, representing more than 75% of the total. Consequently, despite the reopening of the physical stores, digital channel sales continue on an upward trajectory with July registering year-on-year growth of 239% and a new record.

We have also accelerated solutions which facilitate the shopping experience for our customers and that leverage our omnichannel strategy. We implemented new forms of digital sales such as sales via Whatsapp - already in operation at 56 locations - and where sales have risen four times since launch and Social media sales (*Minha Sacola*) which have reached 12 thousand affiliated participants. Again, we have expanded forms of delivery with the drive thru pickup facility (at 216 units) and principally Ship from Store, a service already offered at more than 180 stores, permitting shorter delivery times with greater availability of inventory. The use of instore inventory for attending online purchases has been on the increase with more than 10% of online orders now being serviced from store inventories.

Employing the same agility as with retail, at Realize we introduced a series of improvements in the payment experience, finetuning the existing channels, launching others and digitizing customer consultations and payments. As a result, the number of clients interacting digitally with our relationship and payment platform increased during the pandemic from 35% of the active card base to about 80%. Currently, we have approximately 20 million monthly accesses in the cards section of the app. Additionally we have shown a positive trend in the way our customers perceive us with the NPS for the cards reporting a 10 p.p. improvement according to a survey by a company specialized in the electronic payment means market.

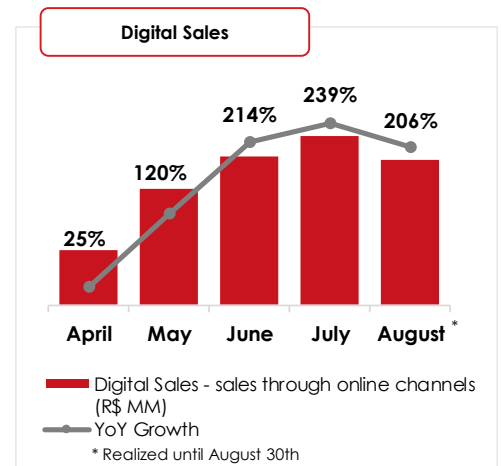
The more challenging period of the crisis is now behind us and currently our entire store network has resumed operations and reporting increasing traffic flows, while digital businesses grows exponentially. We have also anticipated markdowns since the reopening of the first stores as part of the commercial management of inventories. Capsules of the new collections are already in the stores and customer receptivity has been very positive. This gives us cause for optimism in the success of the incoming spring-summer collection in September and marking the beginning of a new phase for the Company. On the operational front, we are achieving new levels of efficiency, agility, and innovation. The daily performance of our employees is outstanding, and our suppliers are even closer to us and more engaged, ready to meet our requirements with even greater quality and agility.

And with all this, we believe that proprietary brands with content and a clear value proposition create competitive advantages and can establish the necessary basis for significant gains in market share. We remain committed to our long term projects and the sustainability of the businesses: we have ramped up our digital transformation, our target for store numbers by 2025 is unchanged and we continue alert to new possibilities to execute our strategy through a combination of our businesses and the development of the fashion and lifestyle ecosystem. In short, our Company has shown itself prepared to confront the current scenario and more especially, to move forward based on the lessons learnt to date and to emerge stronger than ever to resume our flight path!

Digital Transformation

DIGITAL SALES

- After a period when there was a conscious hiatus in sales at the end of March to adapt the operation so that the health and safety of the employees could be assured, an intense ramping up of the digital channels followed, this business growing by more than 200% and representing 36% of sales in 2Q20.
- We have expanded investments in content with a focus on complicity with our consumers through the medium of information and tutorials on fashion, behavioral and wellbeing themes, in addition to Renner Live Music and Renner Live Shop, fashion and beauty matters, with the support of experts on these areas of interest.
- In addition, a range of different improvements were implemented in the customer shopping experience geared to enhance customer autonomy such as requests for product exchanges and returns directly through the platform, flexibility, with the acceptance of new means of payment as well as in usability with the creation of tools such as the Ideal Bra Guide and tape measures.
- All these improvements were instrumental in increasing footfall, enhancing the representativity of the app and in the numbers of new customers:



- **Online traffic:** increased 95% in 2Q20 and more than 190% in July, approximately half through the medium of the app
- **New customers:** +251% in 2Q20 and +337% in July, representing more than 75% of the total base and +50% of the sales
- **Active customers:** nearly doubled in July against December 2019
- **App downloads:** +259% in 2Q20 and +304% in July, responsible for about half of digital sales

STRUCTURAL PROJECTS

- Many of the digital initiatives which had already been implemented prior to Covid-19 proved even more relevant during the pandemic scenario, such as the mobile checkout facility - currently accounting for 20% of store sales. Additionally, there were developments in new forms of digital sales, such as WhatsApp sales, social media sales and Fashion Delivery, as well as new ways of delivery through the ship from store and drive thru facilities:
 - **Digital sale** with +6 thousand transactions executed since implementation
 - **Self checkout (cashier):** participation of 12% in sales from the units in operation
 - **Sel checkout (Digital Payment – through the customer's mobile phone):** available at all stores
 - **Whatsapp sales:** +70 stores, sales volume having grown four times since launch
 - **Social sales (Minha Sacola):** 12 thousand affiliated participants and +47 thousand orders effected
 - **Drive thru:** available at 216 units with more than 13 thousand orders generated
 - **Ship from Store** facility available from 180 stores, reducing turn around time for preparing the order by 50% since April. More than 10% of online orders are serviced from instore inventories and in some regions, as much as 20%.
 - **Fashion Delivery** pilot operation using analytics for defining target public and sending a selection of items to the residence of the chosen customer based on their preferences.
 - **Infinite Aisle:** Available as of October, 2020.
 - **New omni CD:** Continuity of the construction in São Paulo, in line with the construction schedule.
- As to the use AI in the product lifecycle, currently 13% of the items are allocated with no human intervention and the target is to reach 17% by the end of the year.
- Finally, in the **Customer Single-view**, the contact points already with access to this unified information were increased and personalized campaigns begun using data on an automated basis through statistical modeling to predict behavior.

REALIZE CFI

- Realize continued to develop the financial products and services portfolio, improving the customer experience in the payments process, principally through digitization. Improvements were made to the app such as the possibility of issuing the private label Renner Card directly through the platform, contracting of loans with deposit in current account, sale of insurance products through the Co-Branded Meu Cartão, the increase of limits as well as installment facilities and agreements.
- All these improvements contributed to an important adherence to digital payment means: 80% of the active card base reported some digital interaction with Realize and the cards section of the app reached 20 million monthly accesses, generating opportunity traffic for the retail sector. In the case of Whatsapp, the chatbot was responsible for attending a million customers.
- Realize also accelerated the strategic definitions for renewal of the products portfolio and increased offerings of solutions that impact the lives of its customers. In this context, it expanded the coverage of the Co-Branded Meu Cartão, and now also offered to new customers, with no need of being a Private Label cardholder, and a partnership established with the benefits platform, making available advantages provided by more than 150 establishments for card holders. The first stage in the offer of investment solutions was launched through the structuring of a CDB. Central Bank authorization was also received for the issue of electronic currency and operation of a pre-payment account. Realize is also in the process of making the necessary adjustments for eventual participation in the PIX payment system.
- The result of the foregoing has been an improved perception of Realize on the part of customers with an increase of 10 pp in the cards' NPS, the highest growth in the apparel sector, according to a survey conducted by Cardmonitor and Medida Certa Pesquisa & Gestão Institute. This survey involved the interview of more than 12 thousand credit card holders with respect to their preferences when using the product.

Highlights in the Period

August 31, 2020 – LOJAS RENNER S.A. (B3: LREN3; USOTC: LRENY), the largest fashion retailer in Brazil, announces its results for the second quarter (2Q20) and the first half (1H20) of 2020. As per the current rule in force, as of January 2019, lease expenses, depreciation and interest reflect the effect of IFRS 16.

Consolidated Information (R\$ MM)	2Q20	2Q19	Var.	1H20	1H19	Var.
Net Revenue from Merchandise Sales	539.6	2,019.4	-73.3%	2,089.8	3,669.7	-43.1%
Growth in Same Store Sales	-74.1%	9.3%	-	-45.5%	10.8%	-
Gross Profit from Merchandise Sales	241.8	1,139.6	-78.8%	1,100.7	2,051.5	-46.3%
Gross Margin from Retailing Operation	44.8%	56.4%	-11.6p.p.	52.7%	55.9%	-3.2p.p.
Operating Expenses (SG&A) ¹	(421.5)	(678.3)	-37.9%	(1,086.8)	(1,287.7)	-15.6%
SG&A as a % of Net Revenue from Merchandise Sales	78.1%	33.6%	44.5p.p.	52.0%	35.1%	16.9p.p.
Other Operating Results	744.4	(8.8)	-	748.3	6.3	NA
Ajusted EBITDA from Retailing Operation	455.3	344.5	32.1%	541.0	554.9	-2.5%
Ajusted EBITDA Margin from Retailing Operation	84.4%	17.1%	67.3p.p.	25.9%	15.1%	10.8p.p.
Financial Products Result	52.8	91.1	-42.0%	73.5	188.8	-61.1%
Ajusted Total EBITDA (Retail + Financial Products)	508.1	435.6	16.6%	614.5	743.7	-17.4%
Ajusted Total EBITDA Margin	94.2%	21.6%	72.6p.p.	29.4%	20.3%	9.1p.p.
Net Income	818.1	230.7	254.6%	825.2	386.7	113.4%
Net Margin	151.6%	11.4%	140.2p.p.	39.5%	10.5%	29.0p.p.
ROIC LTM	25.5%	21.5%	4.0p.p.	25.5%	21.5%	4.0p.p.

¹ To facilitate analysis, Depreciation and Amortization expenses including Lease Depreciation have been excluded from the above table.

* As per explanatory note number 9, in May, the Company successfully promoted a legal action to exclude ICMS from the PIS and Cofins calculation base. As a result, a tax credit of R\$ 784.6 million (R\$ 735.4 million net of legal fees) was booked in 2Q20 to Other Operating Income with respect to the principal amount as well as a further R\$ 578.4 million (R\$ 553.3 million net of taxes) of interest to the Financial Result. The total amount was R\$ 1,363.0 million with net effect of R\$ 1,047.9 million on Net Income).

** The Company amended the method of calculating the discount rate of lease assets and liabilities pursuant to explanatory note number 3.6.1 and with this, the amounts of lease depreciation and interest were amended for the periods in the years 2019 and 2020, with no material changes.

Operating Highlights – 2Q20

<p>SSS -74.1%</p> <p>Digital Sales +121.8%</p>	<ul style="list-style-type: none"> Impact of temporary closure of all bricks and mortar stores in March Gradual reopening as of April 24 with a monthly improvement in performance and sales already close to last year in the past few weeks Accelerated growth in digital sales, representing 36% of total sales
<p>Gross Margin -11.6 p.p.</p>	<ul style="list-style-type: none"> Anticipation of markdowns in order to adjust inventory
<p>Operating Expenses -37.9%</p>	<ul style="list-style-type: none"> Significant adjustment in operating expenses, but in a lesser proportion than the reduction in sales
<p>Retail EBITDA R\$ 455.3 MM</p> <p>+32.1% yoy</p>	<ul style="list-style-type: none"> Booking of R\$ 735.4 MM with respect to the successful litigation involving exclusion of ICMS from the PIS and COFINS calculation base (ex-tax credit -R\$ 280.2 MM)
<p>Financial Products Result R\$ 52.8 MM</p> <p>-42.0%</p>	<ul style="list-style-type: none"> Slight reduction in the total portfolio due to the temporary closure of the stores Higher portfolio coverage and an increase in provisioning
<p>Net Income R\$ 818.1 MM</p> <p>+254.5% yoy</p>	<ul style="list-style-type: none"> Booking of R\$ 1.0 billion with respect to the aforesaid tax credit Reduction in retail EBITDA (ex-tax credits), impacted by lower sales Lower Financial Products Result
<p>Capex R\$ 141.4 MM</p>	<ul style="list-style-type: none"> Investments in technology

Businesses Breakdown

Businesses Breakdown	2Q20	2Q19	Var.	1H20	1H19	Var.
RENNER ¹						
Number of Stores	387	360	27	387	360	27
Inaugurations	0	6	-	0	6	-
Selling Area (thousand m²)	683.1	649.9	5.1%	683.1	649.9	5.1%
Net Revenue (R\$ MM)	480.9	1,853.6	-74.1%	1,885.8	3,351.2	-43.7%
Gross Margin	44.0%	56.5%	-12.6p.p.	52.6%	56.0%	-3.4p.p.

CAMICADO

Number of Stores	112	113	-1	112	113	-1
Inaugurations	0	4	-	1	8	-
Selling Area (thousand m²)	47.9	49.1	-2.5%	47.9	49.1	-2.5%
Net Revenue (R\$ MM)	49.0	117.2	-58.2%	157.1	230.7	-31.9%
Gross Margin	51.4%	52.4%	-1.0p.p.	52.0%	53.2%	-1.2p.p.

YOUCOM

Number of Stores	98	97	1	98	97	1
Inaugurations	0	4	-	0	4	-
Selling Area (thousand m²)	16.3	16.0	1.8%	16.3	16.0	1.8%
Net Revenue (R\$ MM)	9.7	48.6	-80.0%	46.9	87.8	-46.6%
Gross Margin	53.8%	62.3%	-8.5p.p.	58.8%	60.7%	-1.3p.p.

1 - Includes Ashua units and stores in Uruguay and Argentina.

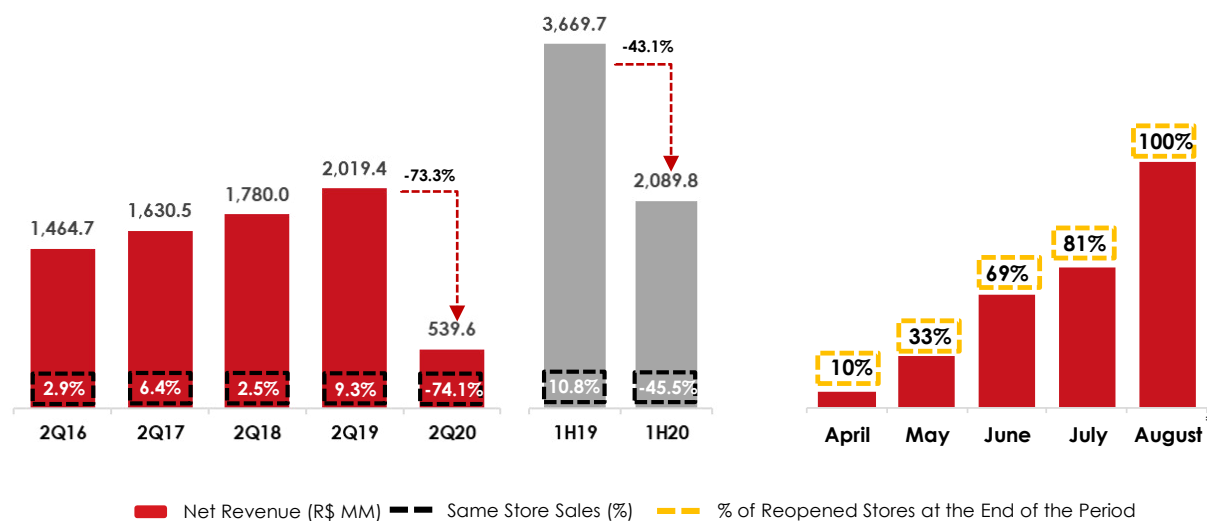
Closures: 1 Renner, 3 Camicado and 3 Youcom in 1H20. 1 Camicado and 1 Youcom in 2Q19 and 3 Camicado and 1 Youcom in 1H19.

* Net revenue of the reopened (by the end of the period: 259 Renner, 6 Ashua, 77 Camicado and 70 Youcom) bricks and mortar stores + e-commerce.

Net Revenue from Merchandise Sales

Net Revenue from Merchandise Sales and Same Store Sales

CAGR 2Q16 – 2Q20 = -22.1%

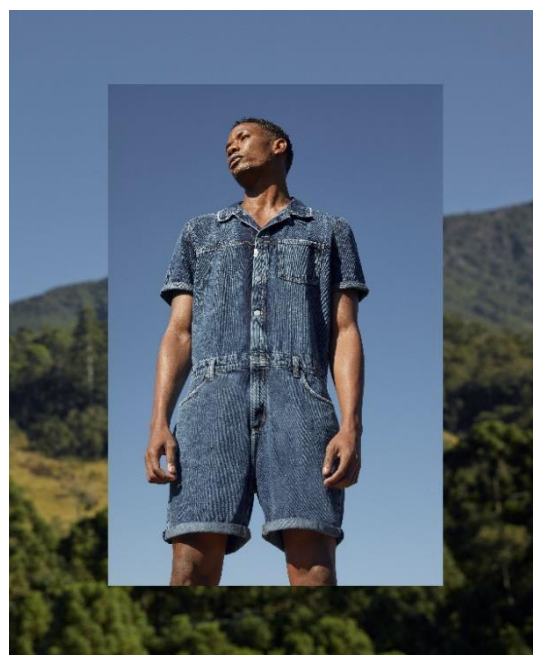
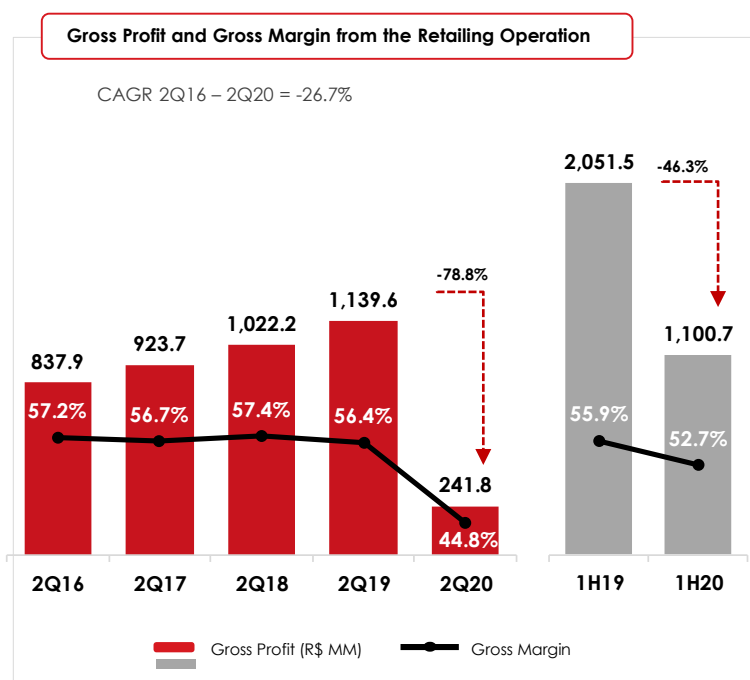


* Estimated August data (forecast)

- The second quarter began with all the stores still temporarily closed due to the Covid-19 outbreak in Brazil from mid March. On April 24, a process of gradual reopening of the bricks and mortar stores began with a monthly upward trend in the number of stores resuming business thereafter. Consequently, the Company was able to close the quarter with 69.0% of the units back in operation. Sales performance was therefore severely impacted in the period with a reduction of 74.1% in Same Store Sales but reporting a sequential improvement in the months of the quarter and thereafter. Currently, the store network has all reopened for business, thus providing a continual boost to Net Revenue for the months ahead.

- The units are operating with restrictions both in terms of opening hours as well as the number of instore customers at any one time. These limitations together with consumer behavior, now more hesitant about frequenting public spaces, resulted in a footfall well below normal. Conversely, conversion rates improved as well as the number of items per ticket. As the conditions of the pandemic have improved at some locations, consumer traffic through the stores has recovered and with it, average flows are currently close to those of 2019. This trend is most accentuated at the units in the North and the Northeast regions where footfall has normalized completely together with store performance. At the moment, more than 10 states are already reporting sales at levels at least equal to the same period in 2019. There should be a continuing improvement in this direction, especially after the reopening and normalization of opening hours in the South and the Southeast where the store network is most concentrated.
- Sales at Camicado and Youcom were also affected by the temporary closure of the physical stores, posting a reduction in Net Revenue of 58.2% and 80.0%, respectively.
- Sales conducted through the Digital Channels in turn recorded a growth of 121.8% in 2Q20, and showing a month-on-month acceleration during the quarter. In the quarter, there was an important increase in the number of active customers, in the use of the app and principally, in the number of new customers. The performance of Camicado warrants particular mention, the result of the greater focus on online content and stronger demand for home and décor products reflecting the longer periods spent in social isolation at home.
- In the first half of the year, the Company reported a reduction of 43.1% in Net Revenue and 45.5% in Same Store Sales, and again the outcome of the temporary closure of the bricks and mortar stores.

Gross Profit from the Retailing Operation



- The Company reported a higher level of markdowns due to the temporary closure of the stores in the quarter. Inventory adjustment began in April and as reopening occurred, the stores offering discounts on winter apparel and on selected collection items. Consequently, the consolidated Gross Margin reported a significant decline of 44.8%.
- At Renner, the Gross Margin was 12.6 p.p. less than in 2Q19, while at Youcom, there was an 8.5 p.p. decrease.
- In turn, Camicado recorded only a slight 1.0 p.p., decline in Margin following the improvement in commercial management and adjustment in inventory as well as the mix of products on offer.
- In 1H20, Gross Margin from the Retailing Operation fell 3.2 pp and again the result of store closures, but to a lesser degree than 2Q20, due to the good performance of Gross Margin in 1Q20, thanks to the management of the commercial operations and the quality of inventory.

Operating Expenses

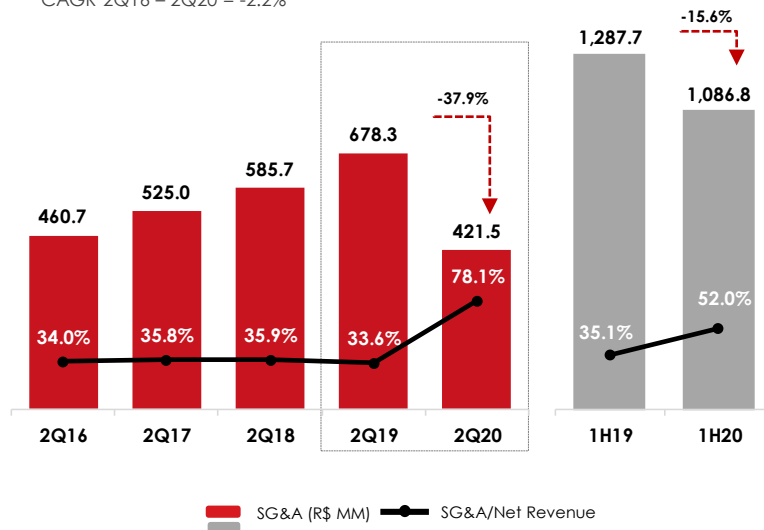
Operating Expenses (R\$ MM)	2Q20	2Q19	Var.	1H20	1H19	Var.
Operating Expenses (SG&A) ¹	(421.5)	(678.3)	-37.9%	(1,086.8)	(1,287.7)	-15.6%
% Over Net Revenue from Merchandise Sales	78.1%	33.6%	44.5p.p.	52.0%	35.1%	16.9p.p.
Selling Expenses	(271.0)	(495.8)	-45.3%	(746.1)	(935.0)	-20.2%
% Over Net Revenue from Merchandise Sales	50.2%	24.6%	25.6p.p.	35.7%	25.5%	10.2p.p.
General and Administrative Expenses	(150.5)	(182.5)	-17.5%	(340.7)	(352.7)	-3.4%
% Over Net Revenue from Merchandise Sales	27.9%	9.0%	18.9p.p.	16.3%	9.6%	6.7p.p.
Other Operating Results	744.4	(8.8)	-	748.3	6.3	NA
Profit Sharing Program	1.5	(18.7)	-	1.4	(31.6)	-104.6%
Recovery of Tax Credits	794.4	11.6	NA	804.7	41.1	NA
Other Operating Revenues/ (Expenses)	(51.5)	(1.8)	NA	(57.8)	(3.1)	NA
Total Operating Expenses	322.9	(687.1)	-147.0%	(338.6)	(1,281.4)	-73.6%

¹ Depreciation and Amortization expenses have been excluded from the table to facilitate analysis.

- As soon as the Company perceived weakening sales already in the first quarter with the onset of the COVID-19 pandemic, it implemented a plan of adjustments for adapting the operation accordingly, achieving some significant reductions with Operating Expenses (SG&A) reporting a decline of 37.9% when compared with 2Q19.
- The largest reductions were made in selling expenses which posted a decline of 45.3%, albeit still proportionally less than the decline in Revenue. The decrease in General and Administrative Expenses was lower at 17.5%.
- The increase in the Other Operating Expenses account was primarily the result of booking R\$ 735.4 MM of the principal amount, net of legal fees (in Other Operating Expenses), the outcome of the successful litigation involving the exclusion of ICMS sales taxes from the PIS and Cofins calculation base (further details to be found in Explanatory Note 9).
- In terms of the first six months of the year, Operating Expenses fell 15.6%, also a function principally of the adjustment in Selling Expenses.

Sales, General and Administrative Expenses

CAGR 2Q16 – 2Q20 = -2.2%



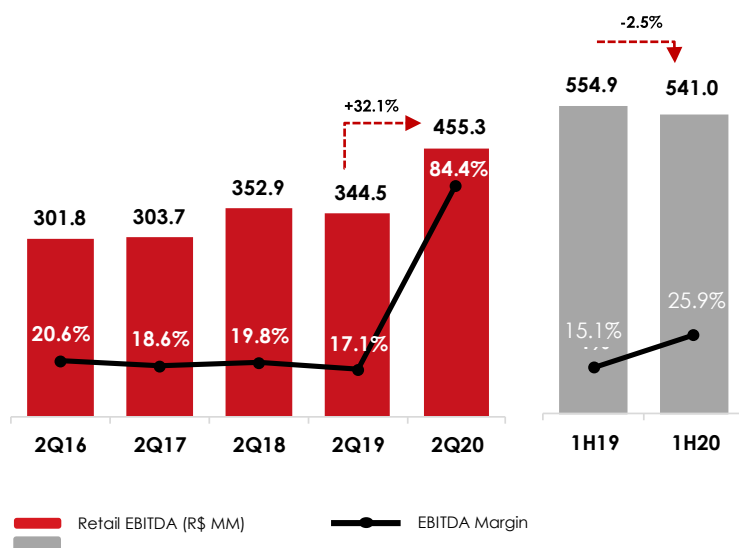
Leasing expenses, previously booked as "Occupation", as from 1Q19, are now being included in the depreciation and financial expenses lines.



Adjusted EBITDA from the Retailing Operation

EBITDA and EBITDA Margin from the Retailing Operation

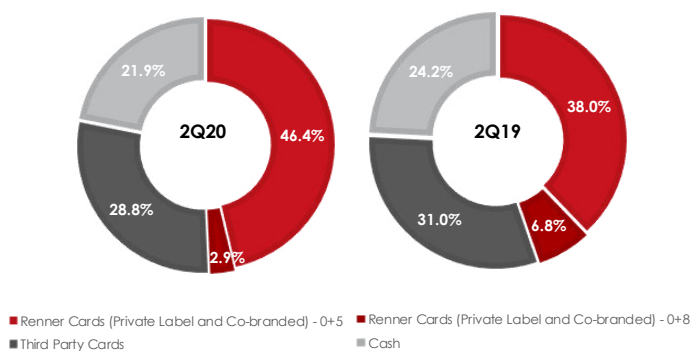
CAGR 2Q16 – 2Q20 = 10.8%



- In 2Q20, Adjusted EBITDA from the Retailing Operation (including Depreciation and Financial Expenses from Leasing) posted an increase of 32.1%, equivalent to a Margin of 84.4%, due to the booking of R\$ 735,4 MM in tax credits, previously mentioned. Excluding this effect, EBITDA from the Retailing Operation would have been negative at R\$ 280.2 million, reflecting the decrease in sales in the period.
- As to the first half of 2020, EBITDA from the Retailing Operation reached R\$ 541.0 million, again reflecting the tax credit. If this amount is excluded, then EBITDA would have been negative at R\$ 194.4 million, given reduced sales volume since March.

Payment Conditions

Sales Breakdown by Payment Conditions



- In 2Q20, the Company registered the issue of a total of 32.9 million cards, representing 49.3% of total merchandise sales, 4.5 p.p. more year-on-year. The share of the 0+5 interest free credit plan rose 8.4 p.p. largely due to the greater participation of e-commerce business as a percentage of total sales, a segment where sight payment is less common, and at the same time also strengthening the strategy for card sales through the digital channels. The increase in the interest free credit plan more than offset the lower penetration of the 0+8 interest-bearing option.



Financial Products Result

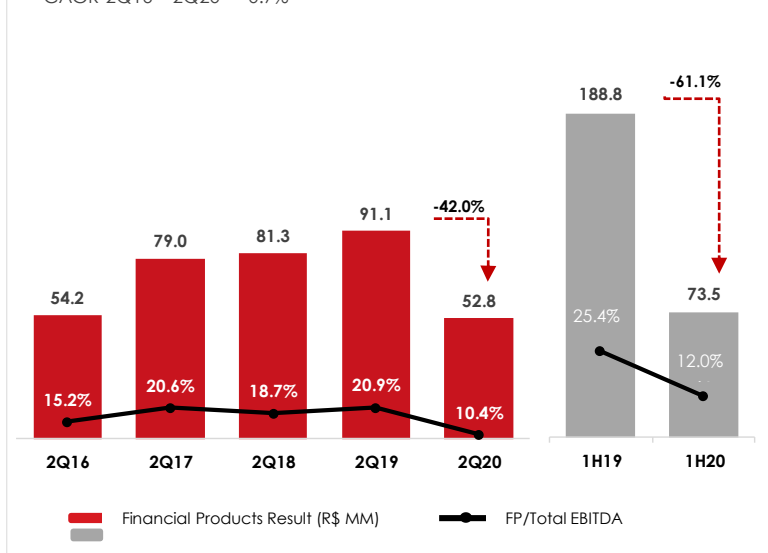
Financial Products Result (R\$ MM)	2Q20	2Q19	Var.	1H20	1H19	Var.
Revenues, Net of Funding and Taxes	262.1	266.9	-1.8%	570.2	503.1	13.4%
Renner Card (Private Label)	85.9	105.1	-18.2%	199.2	196.5	1.4%
Co-branded Card Meu Cartão	176.1	161.8	8.8%	371.0	306.5	21.0%
Credit Losses, Net of Recoveries	(133.9)	(98.5)	36.0%	(333.2)	(171.0)	94.9%
Renner Card (Private Label)	(56.7)	(40.1)	41.4%	(124.2)	(68.8)	80.5%
Co-branded Card Meu Cartão	(77.2)	(58.4)	32.2%	(209.0)	(102.2)	104.6%
Operating Expenses	(75.4)	(77.3)	-2.5%	(163.6)	(143.3)	14.2%
Financial Products Result	52.8	91.1	-42.0%	73.5	188.8	-61.1%
% of Company's Total Adjusted EBITDA	10.4%	20.9%	-10.5p.p.	12.0%	25.4%	-13.4p.p.

As from 1Q20, Saque Rápido revenues and losses were incorporated under the Private Label.

Credit Losses, Net of Recoveries include write offs, provisioning complemente/reversion and recovery of written off receivables in the period

Financial Products Result

CAGR 2Q16 – 2Q20 = -0.7%



- The Financial Products Result was R\$ 52.8 million, lower than the R\$ 91.1 million posted for 2Q19. This directly reflects the current scenario of high levels of portfolio provisioning as well as an increase in the level of coverage.
- The reduction of 1.8% in Revenue was in line with the evolution of the portfolio as a whole. Private Label revenue recorded a fall of 18.2% compared with 2Q19, reflecting portfolio reduction in the light of lower sales volumes. Conversely, Co-Branded Meu Cartão revenues were up by 8.8% due to 17.0% growth of this portfolio, although with an increase in volumes lower than usual by virtue of weaker consumer spending during the pandemic.
- In the context of Net Losses, the increase is due to higher levels of portfolio coverage from 13.1% in 2Q19 to 23.7% in 2Q20, in the light of macro-economic uncertainty. As from April 2019, Private Label business has also been impacted by the effect of the dragging method used for transferring these transactions to the books of Realize.
- In turn, Operating Expenses were down by 2.5% and reflecting budgetary reductions made with the advance of the Covid-19 pandemic.

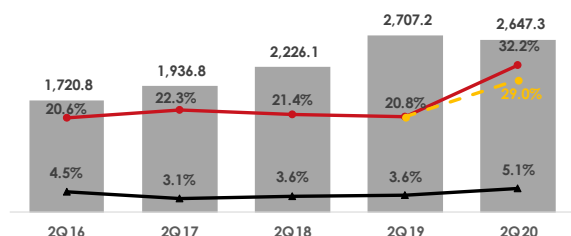
Customer Accounts Receivable

Customer Accounts Receivable (R\$ MM)	Jun.20	Dec.19	Jun.19
Renner Card (Private Label) - Net Portfolio	532.7	1,240.4	1,016.0
Renner Card (Private Label) - Total Portfolio ⁽¹⁾	789.6	1,394.8	1,130.8
Estimated Credit Losses	(250.9)	(132.8)	(98.7)
Present Value Adjustment	(6.0)	(21.6)	(16.2)
Co-branded (Meu Cartão) - Net Portfolio	1,487.3	1,782.7	1,337.4
Meu Cartão (Co-Branded) - Total Portfolio	1,866.4	2,078.4	1,597.3
Estimated Credit Losses	(376.4)	(287.9)	(255.2)
Present Value Adjustment	(2.7)	(7.8)	(4.6)
Total Third-Party Credit Card Companies	200.6	797.1	540.3
Other Accounts Receivable	11.2	5.8	3.1
Total Credit Portfolio, Net	2,231.7	3,826.0	2,896.8

- In June 2020, the total Customer Accounts Receivable was R\$ 2,231.7 million, a year-on-year reduction of 23.0% and largely reflecting reduced Private Label volumes and in the case of Third-Party Credit Card Companies, due to lower sales in the period. Of the Total Credit Portfolio Net, 66.7% related to the Co-Branded Meu Cartão, 23.9% to the Private Label, in addition to other receivables with respect to Third Party Credit Card Companies and Other Accounts Receivable.

Delinquency

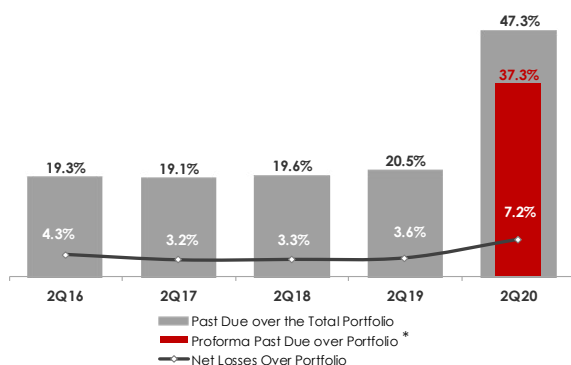
Total Portfolio



Coverage Ratio	7.6%	6.1%	12.8%	13.1%	23.7%
----------------	------	------	-------	-------	-------

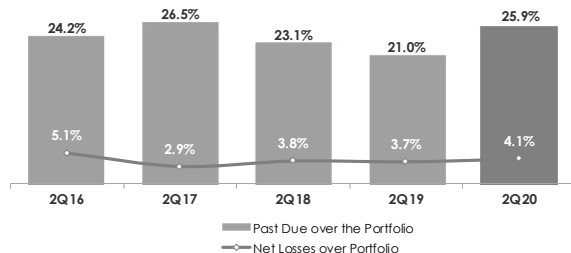
■ Total Portfolio (R\$ MM) ● Past Due over Total Portfolio
 — Net Losses over Total Portfolio ● Proforma Past Due over Total Portfolio *

Renner Card



From 1Q20, Saque Rápido business was incorporated in the Private Label portfolio.

Meu Cartão



* For the purposes of comparability, the proforma data relates to the receivables portfolio up to 180 days.

- The total Financial Products portfolio (Cartão Renner and Meu Cartão) recorded a slight reduction of 2.2% in 2Q20, this largely a reflection of the reduction in the Private Label portfolio. The Co-branded Meu Cartão portfolio in turn reported an increase although proportionally lower than usual and partially offset by the decrease in the Private Label portfolio.
- The increase in the percentage of net losses was mainly a consequence of the higher levels of portfolio coverage, generating a higher volume of provisioning expenses.
- The percentage of overdues rose principally as a function of the Private Label portfolio. Worthy of mention is the improvement in quality of new business included in the portfolio in relation to 2019 as well as the efficiency of collection.

- **Private Label (Renner Card):** The increase in the percentage of overdues is mainly due to the reduction of 29.7% in the portfolio and the writing off of assets over 360 days as opposed to 180 days in 1Q19. In addition, since a significant number of customers make payments through the bricks and mortar stores, there was a partial hiatus in bill settlement following the closure of the store network while clients made the transition to other payment channels. The level of receivables evolved over the months as store activity resumed and as more customers adopted the digital medium for effecting payments.

- The 3.6 p.p. growth in losses, net of recoveries, is due principally to the increase in provisioning of this portfolio both due to the higher levels of coverage adopted by the Company as well as the effect of the dragging method used for transferring transactions to Realize after April 2019. For provisioning purposes, the methodology involves the dragging of the entire outstanding balance to the worst classification for customer overdues.

- **Co-branded card (Meu Cartão):** The increase in the overdues ratio largely reflects the lower growth of the portfolio.
- The increase in net losses is mainly due to the higher coverage of the portfolio and the provisioning adapted by the Company in the light of the current economic scenario.

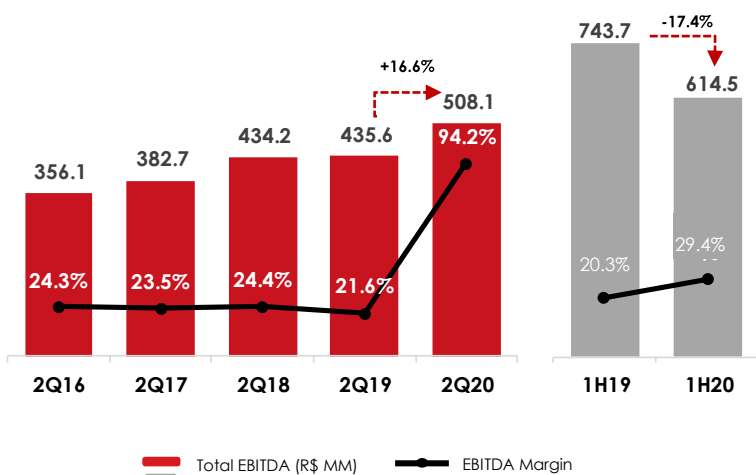
Total Adjusted EBITDA

EBITDA Reconciliation (R\$ MM)	2Q20	2Q19	Var.	1H19	1H18	Var.
Net Income	818.1	230.7	254.5%	825.2	386.7	113.4%
(+) Income and Social Contribution Taxes	95.8	89.5	7.0%	71.2	136.3	-47.7%
(+) Financial Result, Net	(493.6)	53.6	-	(443.8)	98.8	-549.7%
(+) Depreciation and Amortization	183.0	164.9	11.0%	364.6	327.5	11.4%
Total EBITDA	603.3	538.7	12.0%	817.2	949.3	-13.9%
(-) Depreciation for Leasing (IFRS16)	(78.2)	(75.6)	3.5%	(160.0)	(149.7)	7.0%
(-) Financial Expenses for Leasing (IFRS16)	(31.7)	(33.0)	-3.7%	(62.3)	(66.7)	-6.5%
(+) Stock Option Plan	5.4	5.2	4.5%	10.4	10.0	4.1%
(+) Statutory Participation	(0.5)	-	-	(0.5)	-	-
(+) Result on Write-Off and Provision for Impairment of Fixed Assets	9.9	0.3	NA	9.7	0.8	NA
Total Adjusted EBITDA	508.1	435.6	16.6%	614.5	743.7	-17.4%
Total Adjusted EBITDA Margin*	94.2%	21.6%	72.6p.p.	29.4%	20.3%	9.1p.p.

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

EBITDA and Total Adjusted EBITDA Margin

CAGR 2T16 – 2Q20 = 9.3%



- With the adoption of IFRS 16, for the purposes of comparability, the Company now reports EBITDA also adjusted for Depreciation and Financial Expenses relative to the adoption of the IFRS since the cash flows originating from the leasing agreements are similar.
- The Total Adjusted EBITDA amounted to R\$ 508.1 million, an increase of 16.6% against 2Q19 and equivalent to an EBITDA Margin of 94.2%. This performance was essentially due to the tax credit already discussed above. If this amount is excluded, then the Total Adjusted EBITDA would have been negative at R\$ 227.4 million due to the lower operating result from retailing as well as the reduction in the Financial Products Result.
- In 1H20, Total Adjusted EBITDA was R\$ 614.5 million, a decrease of 17.4%. Excluding the tax credit, Total Adjusted Credit would have been a negative R\$ 121.0 million, reflecting the same factors impacting this item in 2Q20.

Financial Result, Net

Financial Result, Net (R\$ MM)	2Q20	2Q19	Var.	1H20	1H19	Var.
Financial Revenue	564.8	10.1	NA	575.1	17.7	NA
Gains on Cash Equivalents	11.2	9.9	13.0%	20.7	17.1	21.0%
Other financial revenue	553.6	0.2	NA	554.4	0.5	NA
Financial Expenses	(61.4)	(60.5)	1.4%	(111.9)	(114.5)	-2.3%
Interest on Loans, Borrowings and Swap	(25.5)	(23.0)	10.8%	(40.1)	(39.1)	2.5%
Other Financial Expenses	(3.2)	(3.4)	-6.1%	(7.4)	(6.6)	12.7%
Financial Expenses for Leasing (IFRS16)	(32.7)	(34.1)	-4.1%	(64.4)	(68.9)	-6.4%
Foreing Exchange, Net	(9.8)	(3.2)	212.0%	(19.4)	(1.8)	967.7%
Financial Result, Net	493.6	(53.6)	-	443.8	(98.7)	-

- The Financial Result Net was a positive R\$ 493.6 million, largely reflecting the interest on tax credits of R\$ 553.3 million and booked in the period. If this amount is excluded, the result would have been a negative R\$ 59.7 million in 2Q20 versus R\$ 53.6 million in 2Q19, mainly because of the increase in negative Monetary Restatement from foreign trade payment flows and the execution of the currency hedge.

Free Cash Flow

Cash Flow (R\$ MM)	2Q20	2Q19	Var.	1H20	1H19	Var.
Total Adjusted EBITDA	508.1	435.6	72.5	614.5	743.7	(129.2)
(+/-) Income and Social Contribution Taxes/Others	524.8	(11.3)	536.1	213.1	(210.3)	423.4
Operating Cash Flow	1,032.9	424.3	608.6	827.6	533.4	294.2
(+/-) Changes in Working Capital	(979.6)	19.0	(998.6)	(1,058.4)	(233.9)	(824.5)
Accounts Receivable	780.9	(193.4)	974.4	1,594.2	272.0	1,322.2
Inventories	(173.3)	99.3	(272.6)	(454.5)	(37.9)	(416.6)
Suppliers	(124.9)	47.1	(172.0)	(355.1)	(290.8)	(64.2)
Taxes	(1,406.8)	28.8	(1,435.7)	(1,676.0)	(153.2)	(1,522.8)
Other Accounts Receivable/Payable	(55.5)	37.2	(92.8)	(167.0)	(24.0)	(143.1)
(-) Capex	(141.4)	(166.4)	25.0	(230.8)	(245.3)	14.4
(=) Free Cash Flow	(88.1)	276.9	(365.0)	(461.6)	54.2	(515.8)

As from 1Q20, Financing of Customer Credit Operations was excluded from Changes in Working Capital.

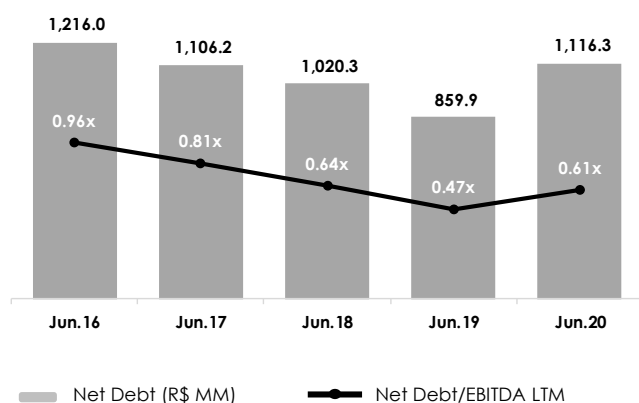
- Operating Cash Flow benefited from R\$ 1,288.8 million resulting from the legal action for recovering PIS and Cofins tax credits. This amount was neutralized by the increase in the Taxes account.
- Consequently, the lower generation of Free Cash Flow was largely due to the lower Adjusted EBITDA in the period in spite of the decreased need for working capital (ex-pisco), above all because of a reduction in Accounts Receivable, in turn reflecting lower sales in the period under review.

Net Debt

Net Debt (R\$ MM)	Jun.20	Dec.19	Jun.19
Borrowings and Financing	(2,597.8)	(1,153.7)	(1,194.8)
Current	(1,698.1)	(709.0)	(748.6)
Noncurrent	(899.7)	(444.6)	(446.2)
Credit Operations to Customers Financing	(857.6)	(491.4)	(612.8)
Current	(515.0)	(185.0)	(469.5)
Noncurrent	(342.7)	(306.4)	(143.3)
Gross Debt	(3,455.4)	(1,645.0)	(1,807.6)
Cash and Cash Equivalents and Financial Investments	2,339.2	1,372.3	947.7
Net Debt	(1,116.3)	(272.7)	(859.9)
Net Debt / Total Adjusted EBITDA (LTM)	0.61x	0.14x	0.47x

- As at June 30, 2020, the Company's Net Debt stood at R\$ 1,116.3 million, an increase of 29.8% compared to outstanding debt at the end of the same quarter 2019, more especially due to the lower operating cash generation in the period.
- In the light of the current scenario, the Company opted to strengthen its cash position through the issue of debentures worth a total of R\$ 1.0 billion in April and May.

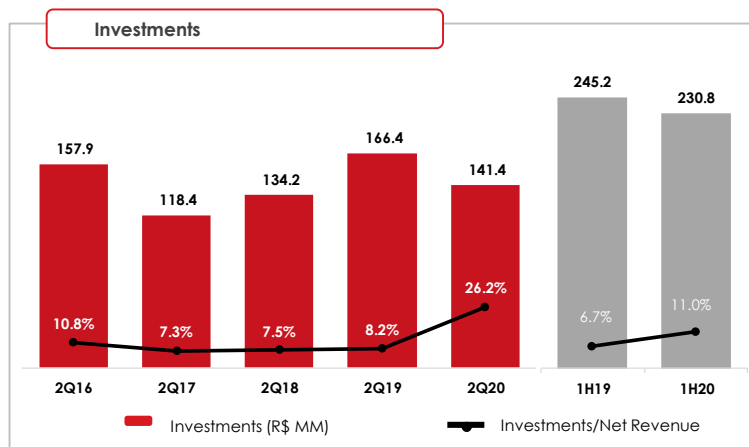
Net Debt



Operating 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. Operating Financing relative to Financial Products is reflected in the Operating Result.



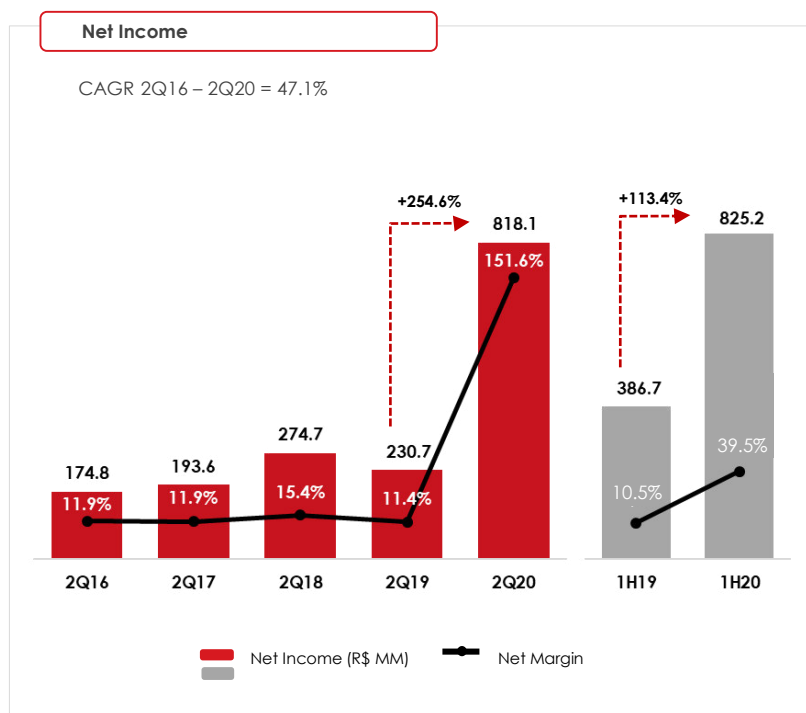
Investments



CAPEX Summary (R\$ MM)	2Q20	2Q19	1H20	1H19
New Stores	12.8	59.4	62.3	87.3
Remodeling of Installations	5.9	34.2	17.6	51.6
IT Equipment & Systems	103.5	64.0	128.5	92.7
Distribution Centers	18.9	8.5	21.7	12.0
Others	0.4	0.3	0.7	1.6
Total Capex	141.4	166.4	230.8	245.2

- Out of the total investments for the quarter, 73.1% were invested in IT systems and equipment, 13.4% in Distribution Centers and 13.2% in the opening of new stores and remodeling.
- In June 2020, Renner had a network of 387 stores, including 9 in Uruguay, 4 in Argentina and 8 units under the Ashua name with a total square meterage of 683.1 thousand m². Units trading under the Camicado banner totaled 112 with a total sales area of 47.9 m² while Youcom, in turn was operating 98 stores with a total sales area of 16.3 thousand m².
- Depreciation and Amortization expenses amounted to R\$ 104.6 million in 2Q20, 17.4% greater than 2Q19, mainly reflecting the ongoing expansion plan and the increase in IT system assets. For the first half of 2020, these expenses totaled R\$ 204.3 million, an increase of 15.1% compared with the same period in 2019.

Net Income and Dividends



- Net Income totaled R\$ 818.1 million in 2Q20, representing an increase of 254.6% compared with 2Q19 and reflecting the clawback of the tax credit. Excluding this amount, the Company's Net Income would have been negative at R\$ 228.0 million, reflecting the lower Total EBITDA in the quarter as well as increased depreciation expenses originating from the fixed assets and investments executed in previous periods.
- Net Income for the first six months reported R\$ 825.2 million, equivalent to a Margin of 39.5%. When adjusted for tax credits, Net Income would have been a negative R\$ 220.9 million reflecting the same reasons as indicated for 2Q20.
- In 2Q20, Lojas Renner credited shareholders with dividends in the form of Interest on Shareholders' Equity amounting to R\$ 55.9 million, corresponding to R\$ 0.070596 per share based on a quantity of 792,430,877 common shares, from which were excluded those shares held as treasury stock. For the full six months from January to June, Interest on Shareholders' Equity amounted to R\$ 114.3 million, corresponding to R\$ 0.1442 per share.

LOJAS RENNER S.A.

**1 OPERATIONS**

Lojas Renner S.A. ("Parent Company") - corporation with head office at Av. Joaquim Porto Villanova, 401, Porto Alegre (RS), listed in B3 S.A.-Brasil, Bolsa e Balcão under the code LREN3 and its direct and indirect subsidiaries, individually or jointly (the "Company" or the "Consolidated"), are mainly engaged in:

- i) Retail trade of clothes and sports products, shoes, accessories, perfumery, housewares, towels & linen, furniture, and decoration articles;
- ii) Granting of quick withdrawals, financing of purchases, insurance and operations inherent to credit companies, among others.

2 HIGHLIGHTS

Below, management emphasizes certain important matters in this disclosure:

2.1 IMPACTS OF COVID-19

The Company management has been following-up on all Covid-19 developments, with daily monitoring of the situation and of the guidance provided by Government authorities. From the operation's standpoint, at this moment of uncertainty, measures related to supply, demand and financial management are being adjusted according to the new reality. According to Memorandum Circulars No. 02/20 and No. 03/20 issued by the Brazilian Securities and Exchange Commission (CVM) and taking into account the economic scenario and the risks and uncertainties arising from the impacts of Covid-19, the accounting estimates below were reviewed and our assessments were included in respective explanatory notes, as well as other measures that were adopted due to this new economic reality:

Estimate	Note
Estimated credit losses	7.3
Estimated inventory losses	8.3
Discount rate applied to adjustment to present value	7.1, 8.1, 18.1 and 19.1
Realization of deferred income and social contribution taxes	11.4
Definition of the useful life of the fixed and intangible assets	13.1
Evaluation of impairment of intangible assets with indefinite useful life	15.2
Provisions for tax, civil and labor risks	22.2
Determination of fair values of derivative financial instruments and stock option plans	23.3 and 29.6
Other measures	Note
Exchange rate risk	5.1.1
Liquidity risk (Covenants)	5.2
Capital management	5.3
Inventories	8
Recoverable taxes	9
Borrowings, financing and debentures	16.2
Suppliers	19.2
Events after the reporting period	37

2.2. DEBENTURES ISSUES

In 2Q20, the 10th and 11th debentures ISSUES of the Parent Company took place. Further details of the characteristics of the debentures are presented in Note 16.2.

2.3 ICMS IN THE PIS/COFINS TAX BASE

In May 2020, a final decision was handed down on the Parent Company lawsuit, granting the exclusion of ICMS from the PIS and COFINS tax base. Further details are presented in Note 9.

2.4 IFRS AMENDMENT AND CVM RESOLUTION NO. 859/2020

In May 2020, the IASB issued an amendment to the IFRS 16 standard, which provides for a practical expedient that allows the lessee to account for the benefits granted in P&L over the period impacted by the Covid-19 pandemic. On July 7, 2020, through Resolution No. 859/20, the CVM approved changes to Accounting Pronouncement CPC 06 (R2) – Leases, corresponding to amendment to IFRS16 issued by the IASB. Further details are presented in Note 4.3.

2.5 CHANGES IN COMPARATIVE BALANCES

Management identified the need to reassess its lease accounting policy in relation to the discount rate in measurement of the agreements, and classification of the exclusive investment fund as short-term investments. Further details are presented in Note 3.6.1.

3 BASIS FOR THE PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS

3.1 STATEMENT OF CONFORMITY

These interim financial statements were approved by Company's management on August 28, 2020, and were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP), including CPC 21 (R1) – Interim Financial Reporting, issued by the Accounting Pronouncements Committee ("CPC") and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), in addition to considering pronouncements, guidance and interpretations issued by the CPC, approved by the Brazilian Securities and Exchange Commission (CVM) and the provisions of Corporation Law.

3.2 STATEMENT OF RELEVANCE

The Company's management affirms that applied technical guideline OCPC 7 and CVM Resolution 727/14 by complying with the minimum requirements and disclosing only relevant information that helps users make decisions. Therefore, all relevant information used in business management is highlighted in this document.

3.3 BASIS OF MEASUREMENT

These 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 23.3).

3.4 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Real (R\$), functional currency of the Company and balances were 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 statements of profit or loss are translated into Brazilian Reais at the average monthly exchange rate, assets and liabilities are translated at the closing rate and 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.

3.5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Since the preparation of financial statement requires management's assumptions and estimates related to the probability of future events, affecting the balances of assets and liabilities and other transactions, results obtained may differ from these estimates.

Significant accounting estimates are essential to produce the best possible information on Profit or Loss and Equity, even with the subjectivity, complexity, and non-precision, and have a significant impact on the information already presented in Note 2.

3.6 ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these interim financial statements are presented and summarized in the respective notes and were applied consistently in the periods.

3.6.1 Changes in comparative balances

Management identified the need to reassess its lease accounting policy in relation to the discount rate in measurement of the agreements, and form of presentation of the exclusive investment fund as short-term investments.

3.6.1.1 Leases

During 2019 and in the first quarter of 2020, the Company management adopted the accounting policy for lease agreements, applying the effective rate and effective flow, seeking to preserve the consistency between flow and rate. However, it is necessary to recognize the fact that most of the companies that operate in the Brazilian market opted for the use of a nominal incremental rate when adopting CPC 06 (R2)/IFRS 16, in line with the Brazilian and international accounting practices, in strict compliance with its requirements, including entities operating in the same segment as the Company.

In this regard, given such comparability, management identified that it would be better to reassess its accounting policy in relation to the matter, using nominal discount rates in its lease agreements, with the main objective of aligning its accounting policy with the practice mostly adopted by the market, including comparable companies in Brazil and abroad, as well as the international standard. This change, in

LOJAS RENNER S.A.



CAMICADO

YOU COM

realize



ISEB3

management's understanding, brings benefits to users of the financial statements because, as already mentioned, it allows full alignment with the standard and greater comparability with other companies in the market.

With such objectives, therefore, management changed its accounting policy, fully complying with the requirements of CPC 06 (R2)/IFRS 16 regarding use of the nominal incremental rate to discount the flows and restating all comparative amounts to reflect such change.

3.6.1.2 Classification of the Exclusive Investment Fund

Upon analysis of the breakdown of the Brasil Plural Retail FI fund balance, management identified the need to change its form of presentation of the investment fund. Part of the assets of the Brasil Plural Retail FI fund is allocated in securities whose liquidity is not guaranteed through repurchase commitment by the issuer, but through a secondary market and, as such, for the benefit of comparability with other assets with the same characteristics, such as government bonds, these were reclassified from cash equivalents to Interest-Earning Bank Deposits. Such reclassification, however, has not changed the Company's cash management, capital management and debt covenants.

3.6.2 Restatement of previously disclosed amounts considered immaterial

In accordance with CPC 23/IAS 8, the Company management is presenting the impacts and restating the statement of financial position and statement of changes in equity balances for the year ended in 2019. For comparative periods of the quarter ended as of June 30, 2019, it is presenting the impacts and restating the balances of the statements of profit or loss, of other comprehensive income, of changes in equity, of value added, of cash flows, and of the notes impacted by such restatement. As regards the impacts of the change in the lease accounting policy, although there are changes between the components of operating activities of cash flow statements, these changes did not generate differences in the totals of operating, investing and financing activities for the period presented.

3.6.2.1 Impacts on the Balance Sheet

	Note	Parent Company 12/31/2019		
		Disclosed	Adjustment	Restated
Assets				
Current assets		4,109,252	-	4,109,252
Cash and cash equivalents	3.6.1.2	1,011,854	(167,099)	844,755
Interest-Earning Bank Deposits	3.6.1.2	-	167,099	167,099
Other current assets		3,097,398	-	3,097,398
Noncurrent assets		5,353,003	(186,502)	5,166,501
Deferred income and social contribution taxes	3.6.1.1	83,401	6,068	89,469
Investments	3.6.1.1	1,385,092	(1,816)	1,383,276
Right-of-use asset	3.6.1.1	1,534,904	(190,754)	1,344,150
Lease with right to purchase option (*)		26,402	-	26,402
Lease	3.6.1.1	1,508,502	(190,754)	1,317,748
Other noncurrent assets		2,349,606	-	2,349,606
Total assets		9,462,255	(186,502)	9,275,753
Liabilities and equity				
Current liabilities		3,098,029	(3,928)	3,094,101
Lease payable	3.6.1.1	377,777	(4,222)	373,555
Lease with right to purchase option (*)		4,184	-	4,184
Lease	3.6.1.1	373,593	(4,222)	369,371
Trade accounts payable	3.6.1.1	953,077	294	953,371
Other current liabilities		1,767,175	-	1,767,175
Noncurrent liabilities		1,659,612	(168,979)	1,490,633
Lease payable	3.6.1.1	1,229,848	(168,979)	1,060,869
Lease with right to purchase option (*)		31,244	-	31,244
Lease	3.6.1.1	1,198,604	(168,979)	1,029,625
Other current liabilities		429,764	-	429,764
Total liabilities		4,757,641	(172,907)	4,584,734
Income reserves	3.6.1.1	882,788	(12,892)	869,896
Investment and expansion reserve	3.6.1.1	447,748	(12,892)	434,856
Other income reserves		435,040	-	435,040
Other comprehensive income	3.6.1.1	(12,486)	(703)	(13,189)
Other equity items		3,834,312	-	3,834,312
Total equity		4,704,614	(13,595)	4,691,019
Total liabilities and equity		9,462,255	(186,502)	9,275,753

% Impacts – Total assets disclosed -1.97%

% Impactos – Total equity disclosed -0.29%

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



ISEB3

	Note	Consolidated		
		Disclosed	Adjustment	Restated
Assets				
Current assets		6,656,209	-	6,656,209
Cash and cash equivalents	3.6.1.2	1,148,053	(167,099)	980,954
Interest-Earning Bank Deposits	3.6.1.2	224,249	167,099	391,348
Other current assets		5,283,907	-	5,283,907
Noncurrent assets		5,135,526	(238,833)	4,896,693
Deferred income and social contribution taxes	3.6.1.1	208,067	6,438	214,505
Right-of-use asset	3.6.1.1	1,879,961	(245,271)	1,634,690
Lease with right to purchase option (*)		26,402	-	26,402
Lease	3.6.1.1	1,853,559	(245,271)	1,608,288
Other noncurrent assets		3,047,498	-	3,047,498
Total assets		11,791,735	(238,833)	11,552,902
Liabilities equity				
Current liabilities		4,768,397	(3,080)	4,765,317
Lease payable	3.6.1.1	450,151	(2,466)	447,685
Lease with right to purchase option (*)		4,184	-	4,184
Lease	3.6.1.1	445,967	(2,466)	443,501
Trade accounts payable	3.6.1.1	1,082,399	(614)	1,081,785
Other current liabilities		3,235,847	-	3,235,847
Noncurrent liabilities		2,318,724	(222,158)	2,096,566
Lease payable	3.6.1.1	1,513,284	(221,608)	1,291,676
Lease with right to purchase option (*)		31,244	-	31,244
Lease	3.6.1.1	1,482,040	(221,608)	1,260,432
Deferred income and social contribution taxes	3.6.1.1	5,837	(550)	5,287
Other current liabilities		799,603	-	799,603
Total liabilities		7,087,121	(225,238)	6,861,883
Income reserves	3.6.1.1	882,788	(12,892)	869,896
Investment and expansion reserve	3.6.1.1	447,748	(12,892)	434,856
Other income reserves		435,040	-	435,040
Other comprehensive income	3.6.1.1	(12,486)	(703)	(13,189)
Other equity items		3,834,312	-	3,834,312
Total equity		4,704,614	(13,595)	4,691,019
Total liabilities and equity		11,791,735	(238,833)	11,552,902
% Impacts – Total assets disclosed				-2.03%
% Impactos – Total equity disclosed				-0.29%

(*) Corresponds to the administrative headquarters building with a contractually implicit discount rate.

3.6.2.2 Impacts on the income statements

	Parent Company					
	2Q19			6M19		
	Disclosed	Adjustment	Restated	Disclosed	Adjustment	Restated
Gross profit	1,110,663	-	1,110,663	2,006,260	-	2,006,260
Sales	(542,235)	7,319	(534,916)	(1,028,361)	15,050	(1,013,311)
Depreciation - right of use	(72,558)	14,471	(58,087)	(144,230)	29,125	(115,105)
Other selling expenses (*)	(469,677)	(7,152)	(476,829)	(884,131)	(14,075)	(898,206)
General and administrative expenses	(191,769)	905	(190,864)	(371,359)	933	(370,426)
Depreciation - right of use	(8,231)	1,726	(6,505)	(15,554)	2,554	(13,000)
Other general and administrative expenses (*)	(183,538)	(821)	(184,359)	(355,805)	(1,621)	(357,426)
Credit losses, net	(21,832)	-	(21,832)	(48,380)	-	(48,380)
Other operating income (expenses)	(58,790)	-	(58,790)	(86,104)	-	(86,104)
Other expenses	(58,790)	-	(58,790)	(86,104)	-	(86,104)
Equity pickup	34,716	(1,249)	33,467	71,904	(1,963)	69,941
Operating income (expenses), net	(779,910)	6,975	(772,935)	(1,462,300)	14,020	(1,448,280)
Operating income before finance income (costs)	330,753	6,975	337,728	543,960	14,020	557,980
Finance income	9,433	-	9,433	16,294	-	16,294
Finance costs (*)	(39,650)	(13,012)	(52,662)	(71,449)	(28,203)	(99,652)
Finance income (costs), net	(30,217)	(13,012)	(43,229)	(55,155)	(28,203)	(83,358)
Income before income and social contribution taxes	300,536	(6,037)	294,499	488,805	(14,183)	474,622
Current	(70,664)	-	(70,664)	(84,601)	-	(84,601)
Deferred	5,274	1,628	6,902	(7,460)	4,155	(3,305)
Income and social contribution taxes, net	(65,390)	1,628	(63,762)	(92,061)	4,155	(87,906)
Net income (loss) for the period	235,146	(4,409)	230,737	396,744	(10,028)	386,716
Basic earnings per share - R\$	0.3057	(0.0053)	0.3004	0.5326	(0.0121)	0.5205
Diluted earnings per share - R\$	0.3045	(0.0052)	0.2993	0.5302	(0.0121)	0.5181
% impact on net income disclosed			-1.88%			-2.53%

In the statement we present effects mentioned in explanatory note 3.6.1.1.

(*) Considering the distribution of the PIS/COFINS credit provided for in CVM Memorandum Circular No. 02/19 of December 18, 2019.

LOJAS RENNER S.A.



CAMICADO YOU COM realize



	Consolidated					
	2Q19			6M19		
	Disclosed	Adjustment	Restated	Disclosed	Adjustment	Restated
Gross profit	1,406,512	-	1,406,512	2,554,598	-	2,554,598
Sales	(635,676)	8,500	(627,176)	(1,211,977)	18,231	(1,193,746)
Depreciation - right of use	(84,738)	16,433	(68,305)	(168,657)	33,524	(135,133)
Other selling expenses (*)	(550,938)	(7,933)	(558,871)	(1,043,320)	(15,293)	(1,058,613)
General and administrative expenses	(213,061)	628	(212,433)	(414,742)	363	(414,379)
Depreciation - right of use	(8,692)	1,460	(7,232)	(16,424)	2,004	(14,420)
Other general and administrative expenses (*)	(204,369)	(832)	(205,201)	(398,318)	(1,641)	(399,959)
Credit losses, net	(98,455)	-	(98,455)	(170,971)	-	(170,971)
Other operating income (expenses)	(94,626)	43	(94,583)	(153,812)	51	(153,761)
Depreciation - right of use	(269)	43	(226)	(364)	51	(313)
Other expenses	(94,357)	-	(94,357)	(153,448)	-	(153,448)
Operating income (expenses), net	(1,041,818)	9,171	(1,032,647)	(1,951,502)	18,645	(1,932,857)
Operating income before finance income (costs)	364,694	9,171	373,865	603,596	18,645	621,741
Finance income	16,013	-	16,013	27,198	-	27,198
Finance costs (*)	(54,177)	(15,417)	(69,594)	(92,771)	(33,129)	(125,900)
Finance income (costs), net	(38,164)	(15,417)	(53,581)	(65,573)	(33,129)	(98,702)
Income before income and social contribution taxes	326,530	(6,246)	320,284	537,523	(14,484)	523,039
Current	(111,363)	-	(111,363)	(153,864)	-	(153,864)
Deferred	19,979	1,837	21,816	13,085	4,456	17,541
Income and social contribution taxes, net	(91,384)	1,837	(89,547)	(140,779)	4,456	(136,323)
Net income (loss) for the period	235,146	(4,409)	230,737	396,744	(10,028)	386,716
Basic earnings per share - R\$	0.3057	(0.0053)	0.3004	0.5326	(0.0121)	0.5205
Diluted earnings per share - R\$	0.3045	(0.0052)	0.2993	0.5302	(0.0121)	0.5181
% impact on net income disclosed			-1.88%			-2.53%

In the statement we present effects mentioned in explanatory note 3.6.1.1.

(*) Considering the distribution of the PIS/COFINS credit provided for in CVM Memorandum Circular No. 02/19 of December 18, 2019.

3.6.2.3 Impact on the statements of other comprehensive income

	Parent Company and Consolidated					
	2Q19			6M19		
	Disclosed	Adjustment	Restated	Disclosed	Adjustment	Restated
Net income	235,146	(4,409)	230,737	396,744	(10,028)	386,716
Equity adjustments	(6,405)	-	(6,405)	4,917	-	4,917
Accumulated translation adjustments and monetary restatement due to hyperinflation	(2,626)	(64)	(2,690)	(10,072)	(80)	(10,152)
Total comprehensive income for the period	226,115	(4,473)	221,642	391,589	(10,108)	381,481

In the statement we present effects mentioned in explanatory note 3.6.1.1.

3.6.2.4 Impacts on the statements of value added

	Parent Company			Consolidated		
	6M19			6M19		
	Disclosed	Adjustment	Restated	Disclosed	Adjustment	Restated
(+) Revenue	4,538,225	-	4,538,225	5,220,604	-	5,220,604
(-) Inputs purchased from third parties	(2,255,184)	(3,190)	(2,258,374)	(2,531,920)	(3,420)	(2,535,340)
(=) Gross value added	2,283,041	(3,190)	2,279,851	2,688,684	(3,420)	2,685,264
Depreciation and amortization	(313,997)	17,535	(296,462)	(362,919)	20,197	(342,722)
(=) Net value added produced by the Company	1,969,044	14,345	1,983,389	2,325,765	16,777	2,342,542
(+) Value added received in transfer	88,983	(1,963)	87,020	28,061	-	28,061
(=) Total value added to be distributed	2,058,027	12,382	2,070,409	2,353,826	16,777	2,370,603
(=) Distribution of value added	2,058,027	12,382	2,070,409	2,353,826	16,777	2,370,603
Personnel	493,503	-	493,503	578,210	-	578,210
Taxes, fees and contributions	986,691	(7,345)	979,346	1,144,632	(7,876)	1,136,756
Debt remuneration	181,089	29,755	210,844	234,240	34,681	268,921
Equity remuneration	396,744	(10,028)	386,716	396,744	(10,028)	386,716

In the statement we present effects mentioned in explanatory note 3.6.1.1.

3.6.2.5 Statement of changes in shareholders' equity 2019

	Capital	Capital reserves, options granted and treasury shares	Income reserves	Other comprehensive income	Retained earnings	Total
		Restated (*)	Restated (*)	Restated (*)	Restated (*)	
Balance at January 1, 2019	2,637,473	79,557	1,235,334	2,148	-	3,954,512
Net income for the year	-	-	-	-	1,099,093	1,099,093
Income adjustment – change in accounting policy	-	-	-	-	(12,892)	(12,892)
Capital increase	1,158,161	(72,050)	(1,040,000)	-	-	46,111
Disposal/transfer of shares	-	4	-	-	-	4
Stock option plan	-	21,074	-	-	-	21,074
Restricted stock option plan	-	10,093	-	-	-	10,093
Equity adjustments	-	-	-	181	-	181
Cumulative translation adjustments	-	-	-	(14,815)	-	(14,815)
Impact of changes in accounting policy	-	-	-	(703)	-	(703)
Approval of additional dividends proposed	-	-	(144,639)	-	-	(144,639)
Dividends expired	-	-	-	-	327	327
Allocation of net income:	-	-	819,201	-	(1,086,528)	(267,327)
Legal reserve	-	-	54,955	-	(54,955)	-
Reserve for investment and expansion	-	-	397,053	-	(397,053)	-
Allocation adjustment – change in accounting policy	-	-	(12,892)	-	12,892	-
Tax incentive reserve	-	-	97,539	-	(97,539)	-
Dividends (R\$0.375338 per share)	-	-	282,546	-	(297,916)	(15,370)
Interest on equity (R\$0.326461 per share)	-	-	-	-	(251,957)	(251,957)
Balance at December 31, 2019	3,795,634	38,678	869,896	(13,189)	-	4,691,019

(*) In the statement we present effects mentioned in explanatory note 3.6.1.1.

3.6.2.6 Statement of changes in shareholders' equity 6M19

	Capital	Capital reserves, options granted and treasury shares	Income reserves	Other comprehensive income	Retained earnings	Total
		Restated (*)	Restated (*)	Restated (*)	Restated (*)	
Balance at January 1, 2019	2,637,473	79,557	1,235,334	2,148	-	3,954,512
Net income for the period	-	-	-	-	396,744	396,744
Income adjustment – change in accounting policy	-	-	-	-	(10,028)	(10,028)
Capital increase	1,136,821	(72,050)	(1,040,000)	-	-	24,771
Stock option plan	-	9,965	-	-	-	9,965
Restricted stock option plan	-	3,990	-	-	-	3,990
Equity adjustments	-	-	-	4,917	-	4,917
Cumulative translation adjustments	-	-	-	(10,072)	-	(10,072)
Impact of changes in accounting policy	-	-	-	(80)	-	(80)
Approval of additional dividends proposed	-	-	(144,639)	-	-	(144,639)
Dividends expired	-	-	-	-	327	327
Allocation of net income:	-	-	-	-	(128,265)	(128,265)
Interest on equity (R\$0.170595 per share)	-	-	-	-	(128,265)	(128,265)
Balance at June 30, 2019	3,774,294	21,462	50,695	(3,087)	258,778	4,102,142

(*) In the statement we present effects mentioned in explanatory note 3.6.1.1.

3.6.2.7 Impacts on the statements of cash flows

	Parent Company			Consolidated		
	6M19			6M19		
	Disclosed	Adjustment	Restated	Disclosed	Adjustment	Restated
Net cash from operating activities	496,171	(4,204)	491,967	507,101	(4,204)	502,897
Net cash used in investing activities	(314,079)	-	(314,079)	(244,609)	-	(244,609)
Net cash used in financing activities	(356,240)	-	(356,240)	(394,757)	-	(394,757)
Effect of foreign exchange differences on cash and cash equivalents balance	-	-	-	(1,955)	-	(1,955)
Decrease in cash and cash equivalents	(174,148)	(4,204)	(178,352)	(134,220)	(4,204)	(138,424)
Cash and cash equivalents at beginning of period	876,302	(159,541)	716,761	944,671	(159,541)	785,130
Cash and cash equivalents at end of the period	702,154	(163,745)	538,409	810,451	(163,745)	646,706
Decrease in cash and cash equivalents	(174,148)	(4,204)	(178,352)	(134,220)	(4,204)	(138,424)

In the statement we present effects mentioned in explanatory note 3.6.1.2.

LOJAS RENNER S.A.





















RENNER CAMICADO YOUCOM realize



3.6.3 Consolidation

In the preparation of these statements, interim financial statements of subsidiaries closed on the same reporting date were used. The Company's consolidated interim financial statements include the companies below, where the direct and indirect interest represents **100.0%** as of June 30, 2020 and December 31, 2019:

Direct Subsidiaries

  <p>Dromegon Participações Ltda. ("Dromegon") owner of some properties used in the Company's operations and its revenues are limited to rents.</p>	  <p>Renner Administradora de Cartões de Crédito Ltda. ("RACC") engaged in rendering intermediation financial services (up to 2018) by means of agreement with financial institutions to grant personal loans by means of contract on bank correspondent.</p>	  <p>Maxmix Comercial Ltda. ("Camicado") is engaged in retail trade of domestic appliances, towel and linen, and decoration articles.</p>	  <p>Realize Crédito Financiamento e Investimento S.A. ("Realize CFI") is engaged in operations inherent to credit companies, financing and investment, in accordance with legal and regulatory provisions in force.</p>
  <p>Fashion Business Comércio de Roupas Ltda. ("Youcom") is engaged in trade of clothing, shoes and accessories.</p>	  <p>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.</p>	  <p>Lojas Renner Shanghai Trading Co. Ltd. ("LRS") is engaged in 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.</p>	
  <p>Lojas Renner Uruguay S.A. ("LRU") operates in the retail trade in clothing, sports and footwear, perfumery, cosmetics, accessories.</p>	  <p>Lojas Renner Trading Uruguay S.A. is engaged in carrying out purchase and sales operations for Company's companies based in Latin America, except Brazil.</p>	  <p>Lojas Renner Argentina S.A.U. ("LRA") operates in the retail trade in clothing, sports and footwear, perfumery, cosmetics, accessories.</p>	

3.6.4 CPC 42/IAS 29 Financial Reporting in Hyperinflationary Economies

Pursuant to CPC 42/IAS 29, non-monetary assets and liabilities, equity and statements of profit or loss of companies operating in highly inflationary Economies must be corrected for the changes in purchasing power according to each country's general price index. The updates made in LRA are based on the Consumer Price Index (CPI), resulting from the combination of CPI published by the National Institute of Statistics and Census (INDEC) and the Internal Wholesale Price Index (IPIM) according to Resolution No. 539/18 issued by the Argentine Federation of Economic Sciences Professionals Council (FACPCE).

With the start of operations in 2019, these statements are restated in accordance with CPC 42/IAS 29.

LOJAS RENNER S.A.

**4 STANDARDS AND INTERPRETATIONS IN FORCE AND NOT IN FORCE****4.1 AMENDMENTS TO CPC 38, CPC 40 (R1) AND CPC 48 (CVM RESOLUTION NO. 854/2020)**

CVM Resolution No. 854/2020 came into effect as of January 1, 2020. It addresses changes in Accounting Pronouncements CPC 38, CPC 40 (R1) and CPC 48, issued by the Accounting Pronouncements Committee (CPC), as a result of the change in the benchmark interest rate, related to the forecast to discontinue the use of the London Interbank Offered Rate (Libor) as a reference interest rate after 2021. The Company is assessing the impacts of the applicability of these changes.

4.2 AMENDMENTS TO CPC 26/IAS 1 AND CPC 23/IAS 8 – DEFINITION OF MATERIALITY

The amendments to CPC 26/IAS 1 and CPC 23/IAS 8 clarify the definition of materiality and align the definition used in the conceptual framework and in other accounting standards. These amendments became effective on January 1, 2020. Management understands that these amendments will not have a significant impact on the Company's financial statements, as it applies technical guidance OCPC 7 and, accordingly, discloses only relevant information (Note 3.2).

4.3 IFRS 16 AMENDMENT AND CVM RESOLUTION NO. 859/2020

In May 2020, the IASB approved an amendment to IFRS 16 that grants benefits in P&L during the period impacted by Covid-19 to lessees, not treated as a contract modification. On July 7, 2020, CVM published Resolution No. 859/2020 that approves the amendment to CPC 06 (R2)/IFRS 16, effective as from January 1, 2020.

The Company opted for the practical expedient and recognized the amount of R\$62,527 in the Parent Company and R\$72,899 in the Consolidated statements in P&L for the three and six-month periods ended June 30, 2020 (see Notes 18.3 and 33).

5 RISK MANAGEMENT

A multidisciplinary structure manages the Company's risks and enables the Executive Board to assess the alignment of business management with the policies and guidelines defined by management. In April 2012, the Board of Directors created the Audit and Risk Management Committee, identifies and monitors the main risk factors to which the Company is exposed in the normal course of operations:

- i) Market risk (including foreign exchange risk and interest rate risk);
- ii) Credit risk (Notes 6.4, 7.4 and 23.5);
- iii) Liquidity risk; and
- iv) Capital management.

5.1 MARKET RISKS**5.1.1 Exchange rate risk**

It arises from current and future business operations - mainly from the import of goods in US dollars and obtaining a borrowing in foreign currency.

The policy on foreign exchange risk management formulated by the management is to hedge up to 100% of its imports by means of currency forwards purchase contracts such as Non-Deliverable Forward (NDF) and Swap operations related to contracted amount of borrowing in foreign currency (Bacen [Central Bank of Brazil] Law No. 4131). For setting the US dollar and Euro 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.

The effective net exposure is mostly related to the estimate of future cash flows, which can be adjusted through the composition of prices adopted in retail to offset the impact of a possible appreciation of the USD on costs. Effective results will be noted, substantially, only upon the settlement of import requests, since imported goods are paid over time, i.e. after their recording in inventories.

Fixed asset items, foreign currency loans and Swaps will be affected at the time of settlement.

LOJAS RENNER S.A.







5.2 LIQUIDITY RISK

Based on the cash cycle of retail operations, as well as on the minimum capital required to guarantee the credit operations, the Company manages its cash and cash equivalents by setting a minimum strategic cash amount aiming at:

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

Management monitors the continuous forecasts of liquidity requirements considering the debt finance plans to ensure the Company has enough cash to meet its operational needs.

The Company has borrowings with covenants that require the maintenance of financial indicators, as follows and quarterly monitors them and confirmed the compliance.

Instrument	Issue Date	1° Indicator	2° Indicator
BNDES Prodesign	8/12/2016	$\frac{\text{Consolidated Net Debt}}{\text{EBITDA}} \leq 3,0$	$\frac{\text{EBITDA}}{\text{Financial Net Income}} \geq 2,0$
9th issue of debentures	3/18/2019		
11th issue of debentures	5/8/2020		
Borrowing 4.131	1/9/2019		
Borrowing 4.131	7/30/2019		
Borrowing 4.131	11/22/2019		
Borrowing 4.131	1/27/2020		

On June 30, 2020, the Company's management assessed the effects of Covid-19 on covenants and identified that the drop in EBITDA and the increase in indebtedness increased leverage, however, as the Company operated with relatively low levels of leverage, the covenant indicators on June 30, 2020 were below the established limits, with a good safety margin.

The contractual cash flows of the financial liabilities (Consolidated) are shown below:

	Book balance	Contractual cash flow	Less than 3 months	4-6 months	7-12 months	1-2 years	3-5 years	> 5 years
Borrowings, financing and debentures	2,597,809	2,635,500	467,822	183,426	1,076,792	304,395	603,065	-
Financing - financial service operations	857,625	881,913	250,832	154,080	10,422	466,579	-	-
Leases payable	1,655,578	2,297,902	107,321	105,302	209,460	378,308	788,994	708,517
Suppliers	726,707	729,896	585,188	45,278	11,119	31,976	56,335	-
Obligations with credit card administrators	817,712	817,712	583,899	153,497	80,316	-	-	-
Total on June 30, 2020	6,655,431	7,362,923	1,995,062	641,583	1,388,109	1,181,258	1,448,394	708,517

	Book balance	Contractual cash flow	Less than 3 months	4-6 months	7-12 months	1-2 years	3-5 years	> 5 years
Borrowings, financing and debentures	1,153,663	1,219,144	465,204	12,240	291,882	23,012	426,806	-
Financing - financial service operations	491,366	545,170	37,740	-	152,855	-	354,575	-
Leases payable (*)	1,739,361	2,434,655	115,160	106,431	205,734	388,194	840,842	778,294
Suppliers (*)	1,081,785	1,086,997	1,053,462	33,282	253	-	-	-
Obligations with credit card administrators	985,298	985,298	772,122	151,619	61,557	0	-	-
Derivative financial instruments	7,764	7,764	5,228	2,489	47	-	-	-
Total on December 31, 2019	5,459,237	6,279,028	2,448,916	306,061	712,328	411,206	1,622,223	778,294

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

Contractual cash flow includes principal plus future estimated interest. Additionally, the rating agency Standard & Poor's rated the Company credit as brAAA- in the national scale category (Brazil).

LOJAS RENNER S.A.



5.3 CAPITAL MANAGEMENT

In addition to equity, the Company uses third parties to finance its activities, optimizing its capital structure. Debt levels are monitored in relation to its cash generation capacity and capital structure. Net debt reflects total Company exposure of the obligations contracted from the financial system and the capital market, which justifies the non-inclusion of liabilities related to leases payable.

The increase in net debt in 1H20 is a reflection of the actions taken by the Company to face the adverse scenario arising from Covid-19 and its impacts. The expectation of cash generation for the subsequent quarters was sensitized, which led the Company to strengthen its cash, intensifying the use of third party capital. This decision was supported by the low financial leverage of the Company, in addition to the ample access to financing lines via the financial system.

	Consolidated	
	6/30/2020	12/31/2019
Borrowings and financing	(2,597,809)	(1,153,663)
Current	(1,698,108)	(709,022)
Noncurrent	(899,701)	(444,641)
Operating financing	(857,625)	(491,366)
Current	(514,962)	(184,996)
Noncurrent	(342,663)	(306,370)
Gross indebtedness	(3,455,434)	(1,645,029)
Cash, Cash Equivalents and Interest-Earning Bank Deposits (*)	2,339,172	1,372,302
Net indebtedness	(1,116,262)	(272,727)
Equity (**)	5,425,952	4,691,019
Leverage ratio	20.57%	5.81%

(*) Restatement of comparative balances in view of the change in the accounting policy for classification of exclusive investment funds, as described in Note 3.6.1.2.

(**) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

6 CASH, CASH EQUIVALENTS AND INTEREST-EARNING BANK DEPOSITS

6.1 ACCOUNTING POLICY

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

Interest-earning bank deposits not classified as cash equivalents are investments that do not have repurchase guarantees by the issuer in the primary market, only in the secondary market and they 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	
			6/30/2020	12/31/2019	6/30/2020	12/31/2019
				Restated (*)		Restated (*)
Cash and banks			33,276	121,471	83,907	181,686
Cash equivalents						
CDB	CDI	103.7%	1,514,503	632,733	1,615,120	676,527
Investment funds	CDI	52.7%	14	68,759	13,874	100,919
Repo operations in debentures	CDI	86.5%	-	23	925	23
Automatic Investment	CDI	10.0%	2,395	21,758	2,395	21,758
Fund - BACEN Jud	CDI	61.3%	28	41	28	41
Total			1,550,216	844,755	1,716,249	980,954

(*) Restatement of comparative balances in view of the change in the accounting policy for classification of exclusive investment funds, as described in Note 3.6.1.2.

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



6.3 BREAKDOWN OF INTEREST-EARNING BANK DEPOSITS

	Index	Weighted average rate p.a.	Parent Company		Consolidated	
			6/30/2020	12/31/2019	6/30/2020	12/31/2019
				Restated (*)		Restated(*)
Financial National Treasury Bills	SELIC	100.0%	-	-	469,996	224,249
Exclusive investment fund (i)						
Financial Bills	CDI	104.7%	126,848	149,978	126,848	149,978
National Financial Treasury Bills	Selic	100.0%	22,497	17,121	22,497	17,121
CDB	CDI	104.8%	2,601	-	2,601	-
Financial Bills - Fixed		705.0%	981	-	981	-
Total			152,927	167,099	622,923	391,348

(i) The exclusive investment fund Brasil Plural Retail FI is a private fixed income fund managed and administered by BNY Mellon Serviços Financeiros DTVM S.A., and was set up for the sole purpose of the Parent Company's participation. Thus, the fund's investment was fully consolidated to these Interim Financial Statements, and is in accordance with CVM Normative Ruling No. 408/04. The other obligations related to this fund refer substantially to administrative fees for portfolio maintenance. The income recognized reflects the daily marking in the fund position and assets have liquidity through the secondary market.

(*) Restatement of comparative balances in view of the change in the exclusive investment fund accounting policies, as described in Note 3.6.1.2.

6.4 CREDIT RISK

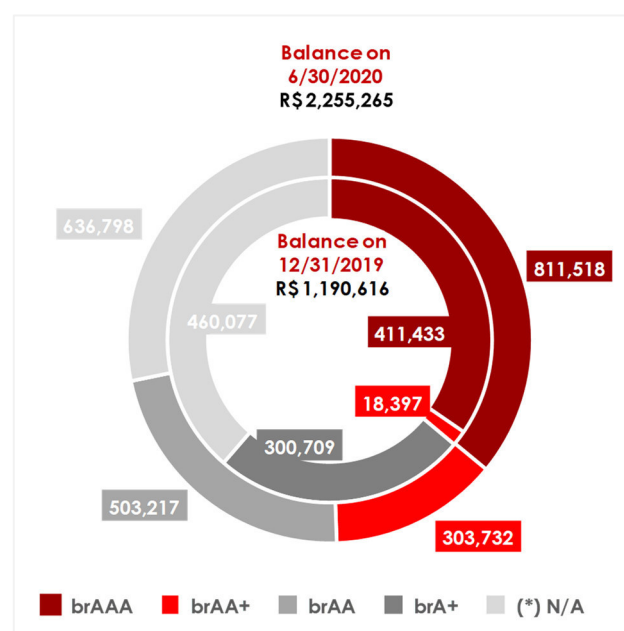
According to the Company's financial policy, cash equivalents and short-term investments must be invested in financial institutions with a long-term rating on a national scale classified as having low credit risk and with recognized market soundness.

The ratings of cash equivalents and interest-earning bank deposits are according to the main risk rating agencies.

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

(*) Not applicable, since there is no classification of risk in the main risk rating agencies for Funds – Brasil Plural Crédito Privado Retail FIRF, Western Assets and National Treasury Bills in national scale.

However, the assets of balances of these funds and National Treasury Bills that make up the funds' balance have a AAA risk rating in at least one rating agency.



7 TRADE ACCOUNTS RECEIVABLE

7.1 ACCOUNTING POLICY

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

Fixed installment sales were brought to present value on the transaction date based on the estimated rate of the weighted average cost of capital of the Company. The present value adjustment is offset against the trade accounts receivable account and its realization is recorded as sales revenue over the term. The discount rate used involves the analysis of the capital structure and the uncertainties of the macroeconomic context, calculated at 0.87% p.m. for the Parent Company and 1.02% for the subsidiaries (0.99% p.m. as of December 31, 2019). In view of the economic scenario due to Covid-19, management reviewed these rates and did not identify the need for an update for the period ended June 30, 2020.

LOJAS RENNER S.A.



7.2 BREAKDOWN

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Renner credit card (Private Label)	296,251	973,555	789,583	1,394,809
Co-branded card ("Meu Cartão")	113,897	334,785	1,866,412	2,078,378
Third-party cards	138,648	644,540	205,334	816,477
Exports - Related parties	38,731	29,173	-	-
Other receivables	1,119	1,995	11,137	5,819
(-) Estimated credit losses	(102)	(25,965)	(627,220)	(420,705)
(-) Adjustment to present value	(11,791)	(45,309)	(13,524)	(48,817)
Total	576,753	1,912,774	2,231,722	3,825,961

7.3 ESTIMATED CREDIT LOSSES

The estimated credit loss is an amount considered enough by management to cover any losses in the recovery of receivables based on client balance.

In view of the scenario of uncertainties in the Economy caused by the Covid-19 pandemic and in compliance with Memorandum Circulars CVM/SNC/SEP No. 02/2020 and No. 03/2020, the Company analyzed the variables included in the estimated loss measurement methodology, through projection of the rollover of each range of the portfolio, capturing the estimates of impacts on default and credit recovery for the coming months, resulting in an increase in the coverage of estimated losses in all portfolios, as observed in Note 7.3.2. It is worth mentioning that management is attentive, monitoring the economic scenario and assessing any impacts that may affect the performance of the portfolios and, consequently, the measurement of estimated losses.

The portfolios of Co-branded card (Meu Cartão) and Renner credit card (Private Label) recorded at the subsidiary Realize CFI, with a maturity over 360 days are written off from the balance of trade accounts receivable against estimated losses in credit, in line with the practices of financial institutions.

7.3.1 Changes in estimated credit losses

	Balances on 1/1/2019	Estimated (losses), net	Write-offs	Balances on 12/31/2019	Estimated (losses) reversals, net	Write-offs	Balances on 6/30/2020
Renner credit card (Private Label)	(65,406)	(159,539)	198,980	(25,965)	289	25,574	(102)
Total Parent Company	(65,406)	(159,539)	198,980	(25,965)	289	25,574	(102)
Co-branded card	(232,007)	(280,563)	224,678	(287,892)	(239,688)	151,227	(376,353)
Renner credit card (Private Label)	(8,353)	(107,245)	8,750	(106,848)	(166,879)	22,962	(250,765)
Total Consolidated	(305,766)	(547,347)	432,408	(420,705)	(406,278)	199,763	(627,220)

7.3.2 Coverage of losses per delay ranges and credit product

Estimated credit losses are recognized based on the risk rating of the operations, in accordance with the criteria defined by the Central Bank of Brazil (Res. No. 2,682), considering the balance realization history and recovery of receivables in arrears for up to 360 days, plus expected losses in accordance with CPC 48/ IFRS 9.

			Consolidated		
			6/30/2020	12/31/2019	
Renner credit card (Private Label)			Estimated losses	Estimated losses	% Coverage
A	0-14 days	Balance	(8,499)	(21,373)	1.9%
B	15-30 days	30,594	(811)	(1,314)	2.2%
C	31-60 days	38,185	(2,157)	(2,199)	5.2%
D	61-90 days	63,914	(6,391)	(5,147)	17.1%
E	91-120 days	79,279	(23,784)	(13,572)	40.5%
F	121-150 days	65,704	(32,855)	(21,206)	62.1%
G	151-180 days	59,899	(45,068)	(27,455)	80.4%
H	>180 days	131,302	(131,302)	(40,547)	100.0%
Total		789,583	(250,867)	(132,813)	9.5%

Estimated losses x Minimum required (Central Bank of Brazil)

104.8%

130.1%

LOJAS RENNER S.A.



CAMICADO

YOU COM

realize



ISEB3

		Consolidated					
		6/30/2020			12/31/2019		
		Estimated			Estimated		
Co-branded card ("Meu Cartão")		Balance	losses	% Coverage	Balance	losses	% Coverage
A	0-14 days	1,193,275	(31,622)	2.7%	1,566,336	(29,917)	1.9%
B	15-30 days	47,979	(1,271)	2.7%	62,486	(1,193)	1.9%
C	31-60 days	50,889	(2,875)	5.6%	64,118	(2,007)	3.1%
D	61-90 days	129,958	(12,996)	10.0%	75,719	(8,003)	10.6%
E	91-120 days	98,346	(29,504)	30.0%	49,900	(15,933)	31.9%
F	121-150 days	69,948	(34,974)	50.0%	42,698	(22,587)	52.9%
G	151-180 days	52,039	(39,133)	75.2%	33,397	(24,528)	73.4%
H	>180 days	223,978	(223,978)	100.0%	183,724	(183,724)	100.0%
Total		1,866,412	(376,353)	20.2%	2,078,378	(287,892)	13.9%

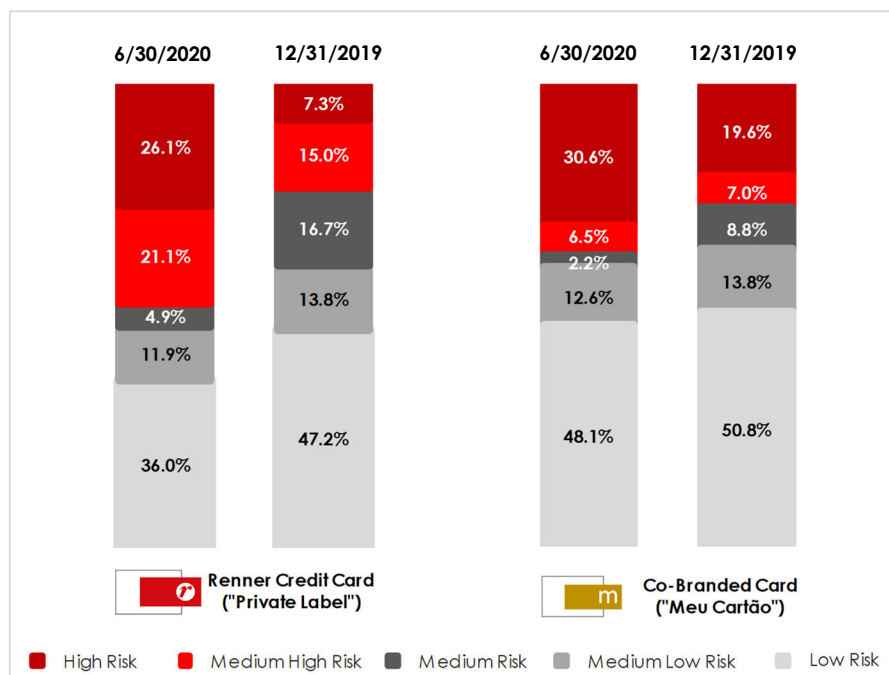
Estimated losses x Minimum required (Central Bank of Brazil)

108.8%

110.1%

7.4 CREDIT RISK

The sales and credit grant policies of the Company aim at minimizing problems arising from the default of its clients through a judicious selection of the client balance, which takes into consideration their capacity to pay (creditworthiness) and diversification of its operations (risk spread). These policies are subordinated to the credit, set out by its management, supported by advanced technology systems and processes, related to the risk and fraud area.



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

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

The receivables from sales with third-party credit cards are not included in the analysis above because they are receivables with low risk of default, with no history of loss in the Company.

The Company's receivables derive from 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. The amounts recorded in accounts receivable represent the appropriate size of the Company's exposure to credit risk.

8 INVENTORIES

8.1 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 equity.

Inventories are valued at weighted average cost and deducted from estimated losses and from present value adjustment on the transaction date, based on the estimated rate of the weighted average cost of capital of the Company, as applicable. Present value adjustment is offset

LOJAS RENNER S.A.



against the inventories account and is recorded as cost of sales upon realization. The discount rate used involves the analysis of the capital structure and the uncertainties of the macroeconomic context, calculated at 0.87% p.m. for the Parent Company and 1.02% for the subsidiaries (0.99% p.m. as of December 31, 2019). In view of the economic scenario due to Covid-19, management reviewed these rates and did not identify the need for an update for the period ended June 30, 2020.

8.2 BREAKDOWN

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Goods for resale	1,218,014	779,948	1,445,734	956,330
Imports in transit	99,297	165,611	135,980	199,083
Advances to suppliers	28,754	3,777	28,986	3,947
Auxiliary materials and warehouse	4,549	5,226	7,018	10,742
Adjustment to present value	(21,730)	(17,582)	(23,825)	(19,285)
Estimated losses	(12,257)	(21,132)	(14,930)	(26,311)
Total	1,316,627	915,848	1,578,963	1,124,506

The Company has a balance of advances related to confirming agreement with a balance of R\$ 27,382 on June 30, 2020 in the Parent Company and Consolidated (R\$ 3,777 on December 31, 2019), fully effected into inventory goods.

8.3 ESTIMATED INVENTORY LOSSES

The Company has been improving its inventory management, accelerating solutions that facilitate the customer shopping experience through new forms of digital sales, with leverage of the omni strategy, expanding the ways of delivery to the customer, thus achieving better turnover efficiency, and such measures have contributed to better coping with the current scenario.

Losses are estimated based on historical levels and recorded only upon realization of inventories, which will reflect the Company's operating model and will serve as a basis for updating the estimate. Inventories are stored in a good state of conservation and safety and are fashion products with a low risk of obsolescence in the short term. Accordingly, there are no elements, at this moment, that justify the set-up of an additional loss estimate or the need to change the loss estimates arising from the impacts of Covid-19.

	Parent Company	Consolidated
Balance on January 1, 2019	(61,805)	(69,092)
(-) Estimated losses, net	(57,356)	(62,240)
(+) Actual loss	98,029	104,625
(+/-) Translation adjustment	-	396
Balance on December 31, 2019	(21,132)	(26,311)
(-) Estimated losses, net	(22,810)	(24,157)
(+) Actual loss	31,685	33,932
(+/-) Translation adjustment	-	1,606
Balance on June 30, 2020	(12,257)	(14,930)

From the implementation of the RFID (Radio Frequency Identification) system at the Parent Company, it was possible to increase the frequency of realization of inventories for most of the inventories and, with that, we started to recognize the effects directly on P&L, without running through the estimated losses account.

9 RECOVERABLE TAXES

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
State VAT (ICMS)	176,522	146,604	221,361	185,636
ICMS – Fixed assets	47,928	53,736	53,955	60,771
Income and social contribution taxes	15,688	11,778	21,071	17,187
PIS and COFINS (i)	1,385,352	8,821	1,390,173	9,324
Tax credits from foreign subsidiaries	-	-	43,264	27,673
Other recoverable taxes	11,340	29,503	12,195	31,150
Total	1,636,830	250,442	1,742,019	331,741
Current assets	842,952	199,116	924,520	258,396
Noncurrent assets	793,878	51,326	817,499	73,345
Total	1,636,830	250,442	1,742,019	331,741

LOJAS RENNER S.A.



CAMICADO

YOU COM

realize



- (i) A favorable final decision on Parent Company's lawsuit for recognition of the right to exclude ICMS from the PIS and COFINS tax base, as well as the offset of amounts unduly paid, was granted in May 2020, determining the exclusion of ICMS disclosed in the invoices from the mentioned tax base.

The amount validated for offset with the Brazilian IRS regarding the periods from 11/2001 to 02/2017 is R\$1,363,029 (R\$784,619 classified as other operating income note 33.3 and R\$578,410 related to monetary restatement and interest classified as finance income note 34). The amounts related to the computation periods of 03/2017 onwards have been recognized in P&L since then.

Management expects these tax credit, whose balance as of June 30, 2020, net of offsets already made, totals R\$ 1,353,924, will be offset up until first quarter of 2022. The Company assessed the realization of recoverable taxes due to Covid-19 and understands that the impacts are short-term and do not jeopardize their recoverability.

10 OTHER ASSETS

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Prepaid expenses	19,257	8,241	21,007	9,414
Judicial deposits	9,489	9,496	9,603	9,610
Advances to third parties	23,748	18,420	40,678	29,289
Advances to employees	12,168	4,395	13,821	5,036
Credits from agreement with suppliers	9,770	8,176	9,770	8,176
Insurance indemnities in progress	972	1,162	1,098	1,402
Insurance commissions receivable	3	197	4,113	5,479
Amounts receivable – operating financial services agreement	-	7,567	-	7,567
Other accounts receivable	9,945	8,759	4,543	10,897
Total	85,352	66,413	104,633	86,870
Current assets	71,531	53,195	87,675	70,662
Noncurrent assets	13,821	13,218	16,958	16,208
Total	85,352	66,413	104,633	86,870

11 INCOME AND SOCIAL CONTRIBUTION TAXES

11.1 ACCOUNTING POLICY

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

In determining the current and deferred income tax, the Company takes into consideration the impact of uncertainties regarding the tax decisions made. The Company believes the provision for income taxes in liabilities is adequate for all outstanding tax periods based on its assessment of several factors, including interpretations of tax laws and the opinion of its legal advisors.

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



11.2 BREAKDOWN

11.2.1 Parent Company

	6/30/2020		12/31/2019	
			Restated (*)	
Deferred income tax/social contribution tax calculation bases	IRPJ	CSLL	IRPJ	CSLL
Estimated losses in assets	34,761	34,761	63,941	63,941
Provisions for tax, civil and labor risks	96,526	96,526	84,957	84,957
Adjustment to present value	30,454	30,454	58,086	58,086
Provision employee profit sharing	-	-	68,227	68,227
Restricted share plan	22,755	22,755	39,664	39,664
Income and social contribution tax losses (*)	250,149	248,513	-	-
Equity valuation adjustments – hedge	-	-	2,436	2,436
Swap from borrowing	-	-	2,115	2,115
Lease payable (*)	95,290	95,290	81,543	81,543
Other provisions	706	11	702	11
Deferred tax assets base	530,641	528,310	401,671	400,980
Review of the useful life	(155,700)	(155,700)	(124,167)	(124,167)
Equity valuation adjustments – hedge	(38,952)	(38,952)	-	-
Swap from borrowing	(231,601)	(231,601)	-	-
Other provisions	(8,164)	(8,164)	(14,176)	(14,176)
Deferred tax liabilities basis	(434,417)	(434,417)	(138,343)	(138,343)
Total	96,224	93,893	263,328	262,637
Nominal rates	25%	9%	25%	9%
Deferred income and social contribution tax assets	24,056	8,450	65,832	23,637

(*) Restatement of comparative balances due to change in the lease accounting policy, as described in Note 3.6.1.

11.2.2 Consolidated

	6/30/2020		12/31/2019	
			Restated (*)	
Deferred income tax/social contribution tax calculation bases	IRPJ	CSLL	IRPJ	CSLL
Estimated losses in assets	374,232	373,355	283,738	282,316
Provisions for tax, civil and labor risks	113,875	113,875	100,754	100,754
Adjustment to present value	34,160	34,160	62,890	62,890
Provision employee profit sharing	-	-	69,864	69,864
Restricted share plan	22,755	22,755	39,664	39,664
Income and social contribution tax losses (i) (*)	569,272	518,896	178,105	168,610
Equity valuation adjustments – hedge	-	-	3,382	3,382
Swap from borrowing	2,646	2,646	-	-
Lease payable (*)	113,422	100,569	91,392	89,041
Other provisions	33,459	11	20,707	2,126
Deferred tax assets base	1,263,821	1,166,267	850,496	818,647
Goodwill on acquisition of equity interest	(86,700)	(86,700)	(76,707)	(76,707)
Appreciation of assets	(28,709)	(28,709)	(28,888)	(28,888)
Review of the useful life	(176,403)	(176,403)	(138,639)	(138,639)
Equity valuation adjustments - hedge	(41,594)	(41,594)	-	-
Swap from borrowing	(250,506)	(250,506)	(1,471)	(1,471)
Other provisions	(11,837)	(8,907)	(21,647)	(15,050)
Deferred tax liabilities basis	(595,749)	(592,819)	(267,352)	(260,755)
Total	668,072	573,448	583,144	557,892
Weighted nominal rates (ii)	25%	12,68%	25%	11,37%
Deferred income and social contribution tax assets and liabilities (iii)	167,018	72,713	145,786	63,432

(*) Restatement of comparative balances due to change in the lease accounting policy, as described in Note 3.6.1.1.

LOJAS RENNER S.A.



- (i) Credits recognized on income and social contribution taxes losses of the Parent Company and subsidiaries Camicado, Youcom, LRS, LRU and LRA.
- (ii) The weighted nominal rate of Social Contribution (CSLL) is greater than the general rate of 9% due to the consolidation of the balances of the indirect subsidiary Realize CFI.
- (iii) The management individually offsets deferred assets against the deferred liabilities of the Parent Company and subsidiaries.

11.3 CHANGES IN DEFERRED TAXES, NET

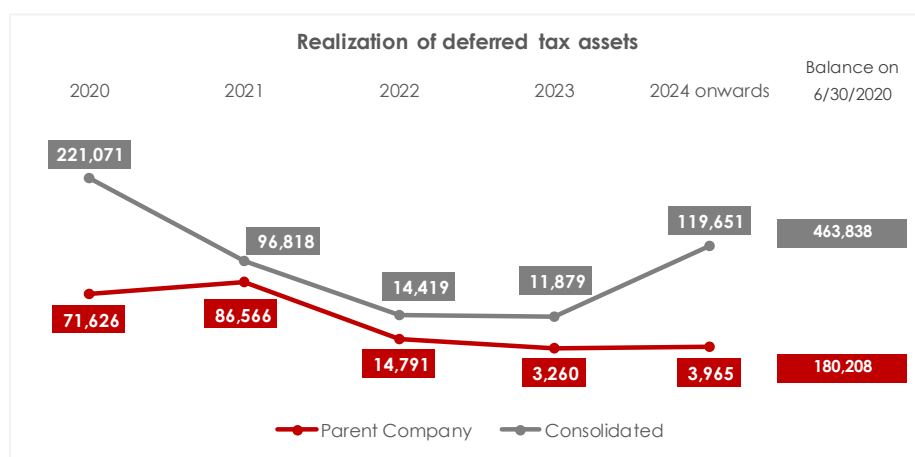
Below are the changes in deferred taxes, recognized at weighted nominal tax rates:

	Parent Company	Consolidated
Balance on January 1, 2019	71,451	142,244
Recognized in profit or loss	18,140	67,041
Recognized in other comprehensive income	(122)	(93)
Translation adjustments	-	26
Balance on December 31, 2019 – Restated (*)	89,469	209,218
Recognized in profit or loss	(42,891)	44,208
Recognized in other comprehensive income	(14,072)	(15,292)
Translation adjustments	-	1,597
Balance on June 30, 2020	32,506	239,731

(*) Restatement of comparative balances due to change in the lease accounting policy, as described in Note 3.6.1.1.

11.4 REALIZATION OF DEFERRED TAX ASSETS

The recoverability of deferred tax asset balances is reviewed at the end of each year and, when it is no longer probable that future taxable profits will be available to recover the asset, in whole or in part. Management's evaluation, the current scenario impacted by Covid-19 did not affect projections of future taxable earnings, which are based on technical feasibility studies, allowing for an estimate of the recovery of credits within a period of no more than 10 years. Also, estimated deferred tax realization involves uncertainties of other estimates.



LOJAS RENNER S.A.






11.5 ANALYSIS OF THE EFFECTIVE RATE FOR THE INCOME AND SOCIAL CONTRIBUTION TAXES

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

	Parent Company			
	2Q20	6M20	2Q19 Restated (*)	6M19 Restated (*)
Profit or loss before income and social contribution taxes (*)	916,048	910,425	294,499	474,622
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	(311,456)	(309,545)	(100,130)	(161,371)
Permanent (additions) exclusions:				
Stock option plan expense	(1,833)	(3,527)	(1,754)	(3,388)
Profit or loss from ownership interest	(6,384)	(17,011)	11,379	23,779
Interest on equity	19,019	38,858	20,909	43,610
Management fees	129	129	-	-
Tax benefits	1,234	1,234	2,056	2,462
Investment grant (i)	5,164	8,886	3,985	7,513
Other exclusions (additions) (ii)	196,130	195,739	(213)	(523)
Exempt portion of the 10% surtax	-	-	6	12
Income and social contribution taxes in P&L for the period	(97,997)	(85,237)	(63,762)	(87,906)
Current	(42,310)	(42,346)	(70,664)	(84,601)
Deferred	(55,687)	(42,891)	6,902	(3,305)
Alíquota efetiva	10,70%	9,36%	21,65%	18,52%

	Consolidated			
	2Q20	6M20	2Q19 Restated (*)	6M19 Restated (*)
Profit or loss before income and social contribution taxes (*)	913,861	896,429	320,284	523,039
Combined tax rate	34%	34%	34%	34%
Tax expense at nominal rate	(310,713)	(304,786)	(108,897)	(177,833)
Permanent (additions) exclusions:				
Stock option plan expense	(1,833)	(3,527)	(1,754)	(3,388)
Interest on equity	19,019	38,858	20,909	43,610
Management fees	129	129	-	-
Tax benefits	1,338	1,369	2,089	2,525
Investment grant (i)	5,242	9,258	4,116	8,348
Income and social contribution tax differences of subsidiaries	(3,633)	(5,286)	(5,246)	(7,705)
Other exclusions (additions) (ii)	194,623	192,708	(782)	(1,916)
Exempt portion of the 10% surtax	18	36	18	36
Income and social contribution taxes in P&L for the period	(95,810)	(71,241)	(89,547)	(136,323)
Current	(82,130)	(115,449)	(111,363)	(153,864)
Deferred	(13,680)	44,208	21,816	17,541
Effective tax rate (ii)	10.48%	7.95%	27.96%	26.06%

(i) ICMS tax incentives and benefits, considered investment subsidies, under the terms of Supplementary Law 160/2017.

(ii) Refers substantially to the exclusion made based on court decision that recognizes the non-levy of income and social contribution taxes on *Selic* ("Basic interest rate of Brazil") interest received in the claim for refund of undue payment.

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

LOJAS RENNER S.A.



CAMICADO

YOUCOM

realize



ISEB3

12 INVESTMENTS

12.1 BREAKDOWN

	Parent Company	
	6/30/2020	12/31/2019 Restated (*)
Investments in subsidiaries	1,602,069	1,381,986
Goodwill on asset appreciation	1,290	1,290
Total	1,603,359	1,383,276

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

12.2 CHANGES IN INVESTMENTS IN SUBSIDIARIES

Subsidiaries	Balance on 12/31/2019 (*)	Capital contribution	Equity on profit/loss of subsidiaries	Other comprehensive income	Dividends	Balance on 6/30/2020
RACC	1,647	-	2,093	-	(1,643)	2,097
Dromegon	11,443	-	1,501	-	(1,882)	11,062
Camicado	406,766	125,070	(29,081)	2,102	-	504,857
Youcom	142,244	28,716	(19,008)	266	-	152,218
LRS	9,750	-	(1,339)	1,785	-	10,196
Realize Participações S.A.	550,744	-	32,337	-	-	583,081
LRU	142,631	16,900	(11,805)	30,074	-	177,800
LRA	114,820	25,095	(24,336)	43,025	-	158,604
Realize CFI	3	-	-	-	-	3
Lojas Renner Trading Uruguay	1,938	-	(394)	607	-	2,151
Total	1,381,986	195,781	(50,032)	77,859	(3,525)	1,602,069

Subsidiaries	Balance on 1/1/2019	Capital contribution	Equity on profit/loss of subsidiaries (*)	Other comprehensive income (*)	Dividends	Balance on 12/31/2019 (*)
RACC	2,167	-	7,597	-	(8,117)	1,647
Dromegon	11,573	-	6,101	-	(6,231)	11,443
Camicado	413,838	-	(7,051)	(21)	-	406,766
Youcom	122,949	20,000	(669)	(36)	-	142,244
LRS	7	6,776	2,562	405	-	9,750
Realize Participações S.A.	283,938	50,000	216,806	-	-	550,744
LRU	120,967	37,141	(3,189)	(12,288)	-	142,631
LRA	11	125,806	(7,340)	(3,657)	-	114,820
Realize CFI	2	-	1	-	-	3
Lojas Renner Trading Uruguay	-	2,001	(85)	22	-	1,938
Total	955,452	241,724	214,733	(15,575)	(14,348)	1,381,986

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

LOJAS RENNER S.A.



13 FIXED ASSETS AND INTANGIBLE ASSETS

13.1 ACCOUNTING POLICY

Recorded at the cost of acquisition, formation or installation of stores, less accumulated depreciation or amortization, calculated using the straight-line method that takes into account the estimated useful life of the assets, as shown in the table beside.

The Company has as a procedure, to annually review the fixed and intangible assets based on technical evaluations of specialists and with the objective of:

- i) Identifying evidence that its assets may be impaired; and
- ii) Identifying changes in the form of use and maintenance that may affect the useful life of its fixed and intangible assets.

Category	Parent Company and Consolidated	
	Average annual rate	Average useful life
Property, plant and equipment		
Buildings	1.66%	60 years
Furniture and utensils	10% to 25%	4 a 10 years
installations	5% to 10%	10 a 20 years
Machines and equipment	5% to 10%	10 a 20 years
Improvements in Third Party Buildings	10%	10 years
Vehicles	20%	5 years
Computers and peripherals	10% to 33.3%	3 to 10 years
Intangible		
IT systems	12.5% to 20%	5 to 8 years
Right to use properties	10%	10 years

On June 30, 2020, due to the impacts of Covid-19, management reviewed the future projections of its cash-generating units (CGU) and did not identify the need for estimated loss on assets, as there is no revaluation or idleness regarding fixed assets.

13.2 BREAKDOWN OF FIXED ASSETS

	Parent Company					
	6/30/2020			12/31/2019		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	288	288	-	288
Properties	61,898	(3,025)	58,873	61,898	(2,613)	59,285
Furniture and fixtures	474,119	(257,275)	216,844	469,412	(237,546)	231,866
Facilities	525,137	(260,683)	264,454	514,051	(247,698)	266,353
Machinery and equipment	270,894	(153,114)	117,780	274,080	(146,160)	127,920
Leasehold improvements	1,731,352	(955,762)	775,590	1,710,288	(883,821)	826,467
Vehicles	1,589	(526)	1,063	1,589	(425)	1,164
Computers and peripherals	282,657	(175,246)	107,411	271,695	(159,500)	112,195
Fixed assets in progress	204,238	-	204,238	188,715	-	188,715
Total	3,552,172	(1,805,631)	1,746,541	3,492,016	(1,677,763)	1,814,253

	Consolidated					
	6/30/2020			12/31/2019		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land	288	-	288	288	-	288
Properties	76,965	(8,905)	68,060	76,965	(8,493)	68,472
Furniture and fixtures	556,512	(286,281)	270,231	540,693	(262,862)	277,831
Facilities	584,243	(284,007)	300,236	570,394	(269,276)	301,118
Machinery and equipment	293,071	(156,299)	136,772	291,320	(148,498)	142,822
Leasehold improvements	2,070,872	(1,034,070)	1,036,802	2,003,402	(945,061)	1,058,341
Vehicles	1,589	(525)	1,064	1,589	(424)	1,165
Computers and peripherals	308,643	(185,134)	123,509	291,164	(166,821)	124,343
Fixed assets in progress	210,078	-	210,078	199,330	-	199,330
Total	4,102,261	(1,955,221)	2,147,040	3,975,145	(1,801,435)	2,173,710

13.3 RECONCILIATION OF NET BOOK VALUE OF FIXED ASSETS

13.3.1 Parent Company

Book value	Balance on 1/1/2019	Additions	Transf.	Write- offs	Estimated losses	Transf. CPC 06 (R2)/IFRS 16	Depreciation	Balance on 12/31/2019	Additions	Transf.	Write- offs	Estimated losses (*)	Depreciation	Balance on 6/30/2020
Land	288	-	-	-	-	-	-	288	-	-	-	-	-	288
Properties	87,131	-	-	-	-	(27,021)	(825)	59,285	-	-	-	-	(412)	58,873
Furniture and fixtures	230,385	2,103	49,958	(1,307)	(8,204)	-	(41,069)	231,866	4,295	2,380	-	(1,481)	(20,216)	216,844
Facilities	264,322	1,365	25,868	(101)	(256)	-	(24,845)	266,353	3,093	8,118	(12)	-	(13,098)	264,454
Machinery and equipment	123,437	958	17,271	(43)	(206)	-	(13,497)	127,920	583	1,666	(23)	(5,289)	(7,077)	117,780
Leasehold improvements	825,918	7,939	132,421	(621)	(1,795)	-	(137,395)	826,467	12,783	9,129	-	-	(72,789)	775,590
Vehicles	1,718	311	-	(628)	-	-	(237)	1,164	-	-	-	-	(101)	1,063
Computers	95,011	512	53,773	(2,242)	(5,499)	-	(29,360)	112,195	1,644	12,096	(67)	(2,284)	(16,173)	107,411
Fixed assets in progress	89,662	378,927	(279,291)	(581)	(2)	-	-	188,715	48,947	(33,389)	(35)	-	-	204,238
Total	1,717,872	392,115	-	(5,523)	(15,962)	(27,021)	(247,228)	1,814,253	71,345	-	(137)	(9,054)	(129,866)	1,746,541

13.3.2 Consolidated

Book value	Balance on 1/1/2019	Additions	Transf.	Write- offs	Estimated losses	Transf. CPC 06 (R2)/IFRS 16	Deprec.	Translation adjustment	Balance on 12/31/2019	Additions	Transf.	Write- offs	Estimated losses (*)	Deprec.	Translation adjustment	Balance on 6/30/2020
Land	288	-	-	-	-	-	-	-	288	-	-	-	-	-	-	288
Properties	96,188	131	-	-	-	(27,021)	(826)	-	68,472	-	-	-	-	(412)	-	68,060
Furniture and fixtures	272,596	2,577	60,643	(1,128)	(8,654)	-	(47,844)	(359)	277,831	5,208	10,367	104	(1,481)	(23,700)	1,902	270,231
Facilities	295,597	4,232	31,360	(81)	(896)	-	(28,730)	(364)	301,118	3,804	10,188	31	-	(15,397)	492	300,236
Machinery and equipment	130,222	952	26,222	(63)	(267)	-	(14,107)	(137)	142,822	800	2,956	8	(5,289)	(7,769)	3,244	136,772
Leasehold improvements	993,626	8,797	226,442	(4,625)	(4,207)	-	(159,162)	(2,530)	1,058,341	14,699	23,252	82	-	(90,167)	30,595	1,036,802
Vehicles	1,718	311	-	(626)	-	-	(238)	-	1,165	-	-	-	-	(101)	-	1,064
Computers	103,851	1,283	57,558	(671)	(5,574)	-	(31,857)	(247)	124,343	2,170	16,937	(336)	(2,284)	(18,309)	988	123,509
Fixed assets in progress	100,363	501,678	(402,225)	-	(2)	-	-	(484)	199,330	72,604	(63,700)	(686)	-	-	2,530	210,078
Total	1,994,449	519,961	-	(7,194)	(19,600)	(27,021)	(282,764)	(4,121)	2,173,710	99,285	-	(797)	(9,054)	(155,855)	39,751	2,147,040

(*) Estimated losses at the Parent Company and Consolidated reflect the impact of fixed asset inventories being taken this year. The main natures that make up the group of fixed assets in progress refer to inaugurations of the Company's stores and distribution centers.

LOJAS RENNER S.A.



CAMICADO

YOU COM

realize



13.4 BREAKDOWN OF INTANGIBLE ASSETS

Parent Company

	6/30/2020			12/31/2019		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	899,404	(485,727)	413,677	765,947	(451,475)	314,472
Right-of-use properties	69,299	(50,300)	18,999	69,760	(49,150)	20,610
Trademarks and patents	6,597	(83)	6,514	6,519	(83)	6,436
Intangible assets in progress	98,805	-	98,805	128,193	-	128,193
Total	1,074,105	(536,110)	537,995	970,419	(500,708)	469,711

Consolidated

	6/30/2020			12/31/2019		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
IT systems	1,110,944	(541,291)	569,653	947,069	(494,796)	452,273
Right-of-use properties	104,332	(62,404)	41,928	98,555	(59,459)	39,096
Trademarks and patents	35,350	(83)	35,267	34,851	(83)	34,768
Intangible assets - others	3,500	(3,500)	-	3,500	(3,500)	-
Intangible assets in progress	111,213	-	111,213	141,419	-	141,419
Goodwill - Camicado	116,679	-	116,679	116,679	-	116,679
Total	1,482,018	(607,278)	874,740	1,342,073	(557,838)	784,235

13.5 RECONCILIATION OF NET BOOK VALUE OF INTANGIBLE ASSETS

13.5.1 Parent Company

Book value	Balance on 12/31/2019	Additions	Transf.	Amort.	Balance on 6/30/2020
IT systems	314,472	57,200	76,257	(34,252)	413,677
Right-of-use properties	20,610	-	-	(1,611)	18,999
Trademarks and patents	6,436	78	-	-	6,514
Intangible assets in progress	128,193	46,869	(76,257)	-	98,805
Total	469,711	104,147	-	(35,863)	537,995

Book value	Balance on 1/1/2019	Additions	Transf.	Write-offs	Estimated losses	Amort.	Balance on 12/31/2019
IT systems	271,020	284	142,397	(38,829)	(10)	(60,390)	314,472
Right-of-use properties	17,396	2	7,159	-	(872)	(3,075)	20,610
Trademarks and patents	5,934	502	-	-	-	-	6,436
Intangible assets in progress	118,659	160,129	(149,556)	(1,039)	-	-	128,193
Total	413,009	160,917	-	(39,868)	(882)	(63,465)	469,711

The main natures that make up the group of intangible accounts in progress refer to the development and implementation of Information Technology systems and licensing.

LOJAS RENNER S.A.






13.5.2 Consolidated

Book value	Balance on 12/31/2019	Additions	Transf.	Write-offs	Amort.	Translation adjustment	Balance on 6/30/2020
IT systems	452,273	71,845	87,352	(568)	(45,137)	3,888	569,653
Right-of-use properties	39,096	354	3,965	1	(3,293)	1,805	41,928
Trademarks and patents	34,768	499	-	-	-	-	35,267
Intangible assets in progress	141,419	58,853	(91,317)	-	-	2,258	111,213
Goodwill - Camicado	116,679	-	-	-	-	-	116,679
Total	784,235	131,551	-	(567)	(48,430)	7,951	874,740

Book value	Balance on 1/1/2019	Additions	Transf.	Write-offs	Estimated losses	Amort.	Translation adjustment	Balance on 12/31/2019
IT systems	326,320	50,104	149,295	(176)	(11)	(72,735)	(524)	452,273
Right-of-use properties	33,358	2	12,874	16	(1,497)	(5,431)	(226)	39,096
Trademarks and patents	34,265	503	-	-	-	-	-	34,768
Intangible assets in progress	124,454	180,858	(162,169)	(1,550)	-	-	(174)	141,419
Goodwill - Camicado	116,679	-	-	-	-	-	-	116,679
Total	635,076	231,467	-	(1,710)	(1,508)	(78,166)	(924)	784,235

14 RIGHT-OF-USE

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

14.1 RIGHT-OF-USE

14.1.1 Accounting policy

The Company's management chose to use the practical measure for transition and to not consider initial costs for measurement of right-of-use asset corresponds to initial lease liability value plus initial direct costs incurred, thus maintaining the initial lease liability value. Depreciation is calculated using the straight-line method according to the remaining term of contracts.

14.1.1.1 Breakdown of right-of-use

Lease with call option (*) USEFUL LIFE: 43 YEARS	Lease (**) USEFUL LIFE: 2-13 years	Balance at 06/30/2020
26,092	1,209,326	1,235,418
26,092	1,502,365	1,528,457
Parent Company	Consolidated	

(*) Corresponds to the administrative headquarters building.

(**) Corresponds to the rental of commercial space and distribution centers.

LOJAS RENNER S.A.



CAMICADO

YOU COM

realize



14.1.1.2 Changes in right-of-use

14.1.1.2.1 Parent Company

	Balance at 12/31/2019 (*)	(+) Remeasurement	(-) Depreciation	Balance at 6/30/2020
Lease	1,317,748	36,526	(144,948)	1,209,326
Lease with purchase option	26,402	-	(310)	26,092
Total	1,344,150	36,526	(145,258)	1,235,418

	Balance at 1/1/2019	(-) Adjustment – Rate change	(+) Remeasure- ment	(+/-) New agreements / Terminated agreements	(-) Depreciation	Balance at 12/31/2019 (*)
Lease	1,719,658	(221,210)	59,580	45,999	(286,279)	1,317,748
Lease with purchase option	27,021	-	-	-	(619)	26,402
Total	1,746,679	(221,210)	59,580	45,999	(286,898)	1,344,150

14.1.1.2.2 Consolidated

	Balance at 12/31/2019 (*)	(+) Remeasurement	(+/-) New agreements Terminated agreements	(-) Depreciation	(+/-) Translation adjustment	Balance at 6/30/2020
Lease	1,608,288	56,525	7,216	(175,280)	5,616	1,502,365
Lease with purchase option	26,402	-	-	(310)	-	26,092
Total	1,634,690	56,525	7,216	(175,590)	5,616	1,528,457

	Balance at 1/1/2019	(-) Adjustment – Rate change	(+) Remeasurement	(+/-) New agreements Terminated agreements	(-) Depreciation	(+/-) Translation adjustment	Balance at 12/31/2019 (*)
Lease	1,993,746	(273,801)	68,916	159,056	(340,012)	383	1,608,288
Lease with purchase option	27,021	-	-	-	(619)	-	26,402
Total	2,020,767	(273,801)	68,916	159,056	(340,631)	383	1,634,690

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1

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 on Camicado is R\$ 144,741 (R\$ 144,741 on December 31, 2019).

To determine the recoverable value of Camicado, the Company used cash flow projections before income and social contribution taxes, based on financial budgets approved by management for a period of 10 years, considering measures such as improvements in the product mix, opening growing number of stores in synergy with the Parent Company, aligned with the brand value proposition and the dilution of costs provided by the growth. These are indications that support Camicado's business plan, approved by the Parent Company.

The Company carried out review tests on June 30, 2020 and concluded that there are no factors that indicate the need for impairment losses, since the recoverable amount exceeded the book value.

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



16 BORROWINGS, FINANCING AND DEBENTURES

16.1 ACCOUNTING POLICY

Balances of borrowing, financing and debentures are initially recognized at fair value upon receipt and subsequently, they start to be measured at amortized cost as provided for in contract (plus charges, interest calculated at effective rate, inflation adjustment, exchange-rate change, and amortization charges incurred up to statement of financial position dates).

Balance of working capital borrowing – Law 4131 in foreign currency is measured at fair value, reflecting current market expectations of future values using the discounted cash flow evaluation techniques (conversion of future cash flows into a single value). Borrowings of the same financing line 4131 but in domestic currency are measured at amortized cost.

16.2 BREAKDOWN OF BORROWINGS, FINANCING AND DEBENTURES

Description	Charges (p.a.)	Maturity	Parent Company		Consolidated	
			6/30/2020	12/31/2019	6/30/2020	12/31/2019
In domestic currency						
Debentures 7 th issue – single series (i)	-	-	-	306,537	-	306,537
Debentures 9 th issue - single series (i)	103.9% of CDI	10/10/2022	402,602	404,466	402,602	404,466
Debentures 10 th issue - single series (i)	CDI + 2.96%	04/13/2021	506,227	-	506,227	-
Debentures 11 th issue – 1 st series (i)	CDI + 3.00%	05/05/2022	302,432	-	302,432	-
Debentures 11 th issue – 2 nd series (i)	CDI + 3.04%	11/05/2022	201,633	-	201,633	-
Debentures - Structuring costs	-	-	(7,938)	(44)	(7,938)	(44)
Fundo do Nordeste - FNE (ii)	6.97%	06/30/2023	7,303	8,524	7,303	8,524
Fundo do Nordeste - FNE (ii)	-	-	-	-	-	684
BNDES (iii)	Selic + 2.50%	07/15/2020	478	3,289	478	3,289
BNDES (iii)	TJLP + 2.12%	07/15/2020	250	1,750	250	1,750
Working capital – overdraft facility	-	-	-	-	-	51,420
Working capital – type 4131 (iv)	108.61% of CDI	07/13/2020	50,860	-	50,860	-
Working capital - type 4131 (iv)	CDI + 3.28%	03/24/2021	305,004	-	305,004	-
Foreign currency						
Working capital - type 4131 (v)	US\$ + 2.74%	08/03/2020	136,658	101,039	136,658	101,039
Working capital - type 4131 (v)	US\$ + 2.51%	11/19/2020	235,225	172,804	235,225	172,804
Working capital - type 4131 (v)	US\$ + 2.46%	01/27/2021	41,834	-	41,834	-
Working capital - type 4131 (v)	US\$ + 3.70%	01/07/2021	-	-	58,451	43,140
Working capital - type 4131 (v)	US\$ + 1.95%	07/13/2020	226,659	-	226,659	-
Working capital - type 4131 (v)	US\$ + 1.27%	09/17/2020	162,981	-	162,981	-
Working capital - type 4131 (v)	US\$ + 1.80%	01/22/2021	217,656	-	217,656	-
Working capital - type 4131 (v)	-	-	-	-	-	61,525
(+/-) Swap - working capital (vi)	104.40% CDI	08/03/2020	(41,553)	(5,546)	(41,553)	(5,546)
(+/-) Swap - working capital (vi)	105.20% CDI	11/19/2020	(55,250)	7,661	(55,250)	7,661
(+/-) Swap - working capital (vi)	108.60% CDI	01/27/2021	(9,595)	-	(9,595)	-
(+/-) Swap - working capital (vi)	106.95% CDI	01/07/2021	-	-	(18,905)	(3,281)
(+/-) Swap - working capital (vi)	109.00% CDI	07/13/2020	(56,747)	-	(56,747)	-
(+/-) Swap - working capital (vi)	106.00% CDI	09/17/2020	(19,122)	-	(19,122)	-
(+/-) Swap - working capital (vi)	112.00% CDI	01/22/2021	(49,334)	-	(49,334)	-
(+/-) Swap - working capital (vi)	-	-	-	-	-	(305)
Total			2,558,263	1,000,480	2,597,809	1,153,663
Current liabilities			1,658,562	594,394	1,698,108	709,022
Noncurrent liabilities			899,701	406,086	899,701	444,641
Total			2,558,263	1,000,480	2,597,809	1,153,663

(i) The funds obtained were used to strengthen working capital and maintain the minimum strategic cash level. In April and May 2020, the 10th and 11th issue of debentures took place.

(ii) 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 the region.

LOJAS RENNER S.A.



- (iii) The Company entered into a financing transaction with BNDES (Brazilian Bank for Economic and Social Development) using the Prodesign facility to invest in product development structure and processes.
- (iv) The Company entered into two contracts in Brazilian Reais (BRL) with Banco Santander in the 4131 financing line, raised in January and March 2020. These funds are used to maintain the strategic minimum cash.
- (v) In addition to the contracts existing as of December 31, 2019, the Company signed four foreign currency contracts: three with Citibank totaling US\$111,360, equivalent to R\$479,528, and one with Banco Tokyo in the amount of US\$7,600, equivalent to R\$32,034. These resources are intended for maintenance of minimum cash and support to the Company's Share Buyback Program (Note 29).
- (vi) Swap transactions in foreign currency (Law 4131) are hedging against foreign exchange rate fluctuations.

Changes in parent company's and consolidated borrowings are shown in Note 36.

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

17 FINANCING – FINANCIAL SERVICE OPERATIONS AND GUARANTEES

17.1 FINANCING - FINANCIAL SERVICE OPERATIONS

Financing	Charges	Maturity	Parent Company		Consolidated	
			6/30/2020	12/31/2019	6/30/2020	12/31/2019
In domestic currency						
Overdraft facility account	-	-	-	37,740	-	37,740
Interbank Deposit Certificates (i)	207.75% of CDI	09/2020	-	-	101,725	-
Interbank Deposit Certificates (i)	210.00% of CDI	04/2021	-	-	50,524	-
Interbank Deposit Certificates (i)	CDI + 3.50%	04/2021	-	-	101,078	-
Interbank Deposit Certificates (i)	181.0% of CDI	03/2021	-	-	50,357	-
Interbank Deposit Certificates (i)	209.0% of CDI	03/2021	-	-	50,807	-
Interbank Deposit Certificates (i)	240.0% of CDI	05/2021	-	-	10,090	-
Financial Bills (ii)	104.10% of CDI	08/2022	-	-	311,997	306,370
Bank Credit Note	CDI + 3.50%	05/2022	-	-	30,244	-
Bank Deposit Certificate	128.41% of CDI	06/2022	-	-	976	-
Foreign currency						
Working Capital – type 4131 (iii)	US\$ + 4.67%	08/2020	-	-	192,596	142,830
(+/-) Swap – Working Capital	101.80% of CDI	08/2020	-	-	(42,769)	4,426
Total			-	37,740	857,625	491,366
Current liabilities			-	37,740	514,962	184,996
Noncurrent liabilities			-	-	342,663	306,370
Total			-	37,740	857,625	491,366

- (i) Through its indirect subsidiary Realize CFI, the Company issued Interbank Deposit Certificates. These resources are intended to strengthen minimum cash and support the ordinary course of business, already considering possible impacts of Covid-19.
- (ii) Through its indirect subsidiary Realize CFI, the Company issued Financial Bills for private distribution to finance operations and the ordinary course of business.
- (iii) The indirect subsidiary Realize CFI entered into contract in modality 4.131 to finance operations and ordinary course of business, and the Parent Company is the guarantor.

17.2 GUARANTEES

The Parent Company is guarantor and principal payer, jointly and severally responsible for all obligations, whether principal or accessory, of the operations of the Overdraft Facility Account, Financial Bills, and Bank Credit Note, in addition to the Interbank Deposit Certificates with Banco Safra.

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



18 LEASES PAYABLE

18.1 ACCOUNTING POLICY

Of the agreements that fell under the scope of CPC 06 (R2)/IFRS16, management considered as a lease component only the fixed minimum lease amount for purposes of assessing the liability. Measurement of the lease liability corresponds to the total of future fixed lease payments (gross of taxes), discounted at an incremental interest rate. As mentioned in Note 3.6.1.1, management identified the need to reassess its accounting policy in relation to the matter, using nominal discount rates in the measurement of its lease agreements, with the main objective of aligning its accounting policy with the practice mostly adopted by the market, including comparable companies in Brazil and abroad. The nominal discount rate corresponds to market reference rates + risk spread for funding with amounts that represent the total investments to open new stores.

Management assessed possible impacts of Covid-19 and concluded that future fluctuations in the economic indices affected the composition of the discount rate only for six new lease agreements that became effective as from March 2020, as the inaugurations in the first quarter were prior to the events of Covid-19. Regarding the other discount rates, there is no change.

18.2. BREAKDOWN OF LEASE PAYABLE

Descriptions	Parent Company		Consolidated	
	6/30/2020	12/31/2019 Restated (*)	6/30/2020	12/31/2019 Restated (*)
Lease with purchase option (**)	36,452	35,428	36,452	35,428
Lease	1,304,614	1,398,996	1,619,126	1,703,933
Total	1,341,066	1,434,424	1,655,578	1,739,361
Current liabilities	357,976	373,555	434,076	447,685
Noncurrent liabilities	983,090	1,060,869	1,221,502	1,291,676
Total	1,341,066	1,434,424	1,655,578	1,739,361

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

(**) The discount rate for the lease with purchase option is in accordance with the lease agreement for the administrative headquarters, signed in July 2012, and adjusted based on the accumulated variation of the annual INPC (National Prices Index).

18.3 CHANGES IN LEASE PAYABLE

18.3.1 Parent Company

	Balance at 12/31/2019 (*)	(+) Remeasurement	(+) Lease charges	(-) Lease considerations (**)	Balance at 6/30/2020
Lease	1,398,996	36,526	56,292	(187,200)	1,304,614
Lease with purchase option	35,428	-	2,159	(1,135)	36,452
Total	1,434,424	36,526	58,451	(188,335)	1,341,066

	Balance at 1/1/2019	(-) Adjustment - Rate change	(+) Remeasurement	(+/-) New agreements/ Terminated agreements	(+) Lease charges	(-) Lease considerations	Balance at 12/31/2019 (*)
Lease	1,719,658	(221,210)	59,580	45,999	118,385	(323,416)	1,398,996
Lease with purchase option	33,940	-	-	-	4,423	(2,935)	35,428
Total	1,753,598	(221,210)	59,580	45,999	122,808	(326,351)	1,434,424

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



ISEB3

18.3.2 Consolidated

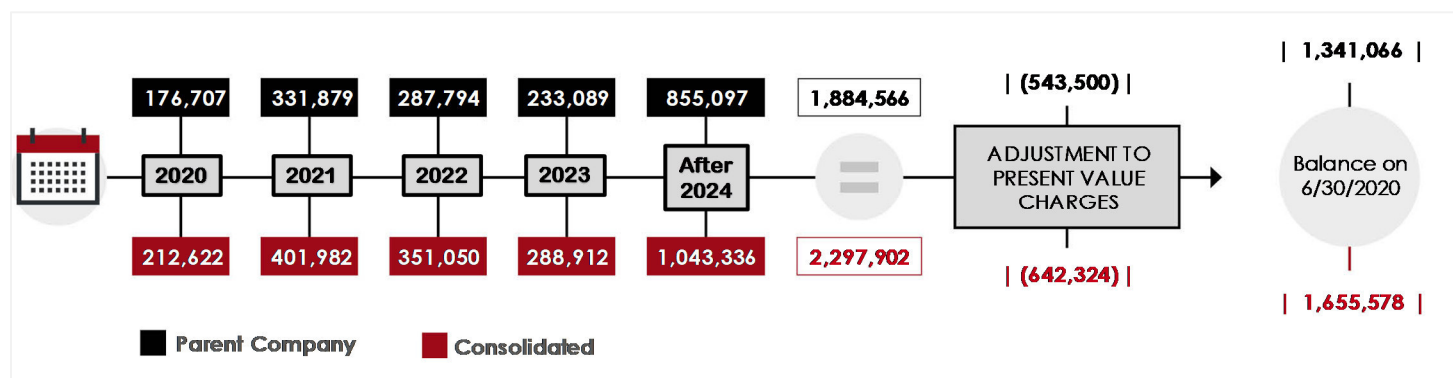
	Balance at 12/31/2019 (*)	(+) Remeasurement	(+/-) New agreements / Terminated agreements	(+) Lease charges	(-) Lease considerations (**)	(+/-) Translation adjustment	Balance at 6/30/2020
Lease	1,703,933	56,525	7,216	68,793	(224,652)	7,311	1,619,126
Lease with purchase option	35,428	-	-	2,159	(1,135)	-	36,452
Total	1,739,361	56,525	7,216	70,952	(225,787)	7,311	1,655,578

	Balance at 1/1/2019	(-) Adjustment - Rate change	(+) Remeasurement	(+/-) New agreements/ Terminated agreements	(+) Lease charges	(-) Lease considerations	(+/-) Translation adjustment	Balance at 12/31/2019 (*)
Lease	1,993,746	(273,801)	68,916	159,056	130,469	(374,379)	(74)	1,703,933
Lease with purchase option	33,940	-	-	-	4,423	(2,935)	-	35,428
Total	2,027,686	(273,801)	68,916	159,056	134,892	(377,314)	(74)	1,739,361

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

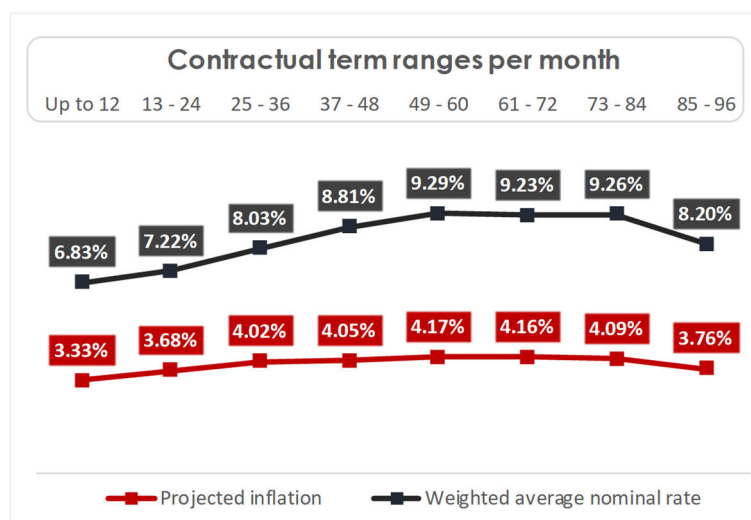
(**) Management opted for the practical expedient, as detailed in Note 4.3, and recognized consideration discounts in P&L in the amount of R\$62,527 in the Parent Company and R\$72,899 in the Consolidated statements.

18.4 FUTURE COMMITMENTS



18.4.1 Additional information

In order to comply with Memorandum Circular CVM/SNC/SEP No. 02/2019, we disclose the minimum inputs for purposes of projection of the nominal rate model and nominal cash flow recommended by the CVM. The nominal discount rate corresponds to the future market quotations obtained from B3 S.A. - Brazil, Bolsa, Balcão – reference in DI x Fixed + risk spread for funding in amounts that represent the total investments to open new stores. The projected inflation quotations use the same criteria as the discount rate and are shown for cash flow calculation purposes, as shown in the graph beside.



LOJAS RENNER S.A.



Below is the flow of payments according to the weighted average term that matches the respective rates shown in the graph above:

Consolidated						
Weighted average period (months) (*)	Contractual flow	2020	2021	2022	2023	2023 onwards
Up to 12	5,090	5,090	-	-	-	-
13 to 24	191,005	55,019	93,619	41,059	1,308	-
25 to 36	365,283	51,383	104,236	104,362	80,051	25,251
37 to 48	401,568	35,181	71,176	71,346	71,395	152,470
49 to 60	469,887	30,032	61,045	61,536	61,922	255,352
61 to 72	600,246	30,718	61,793	63,690	63,900	380,145
73 to 84	24,538	1,042	2,083	2,083	2,083	17,247
85 to 96	55,130	1,957	3,915	3,915	3,916	41,427
Above 97 (**)	185,155	2,200	4,115	3,059	4,337	171,444
Total	2,297,902	212,622	401,982	351,050	288,912	1,043,336

(*) The Company calculated the weighted average term for the purpose of rate quotation, as the agreements have monthly amortizations, reducing the average term of the transaction and the risk to the creditor.

(**) Refers to the future contractual flow of the lease with purchase option with an implicit discount rate in the agreement of 8.81% p.a., signed in July 2012, referring to the building of the administrative headquarters.

At June 30, 2020, the potential PIS and COFINS credit on the gross contractual flow is R\$212,556, and the amount adjusted to present value over the weighted average term is R\$156,632.

19 SUPPLIERS

19.1 ACCOUNTING POLICY

The installment purchase transactions were brought to present value on the transaction date, based on a discount rate that involves analysis of the capital structure and the uncertainties of the macroeconomic context, calculated at 0.87% p.m. for the Parent Company and 0.99% for the subsidiaries (0.99% as of December 31, 2019). In view of the economic scenario due to Covid-19, we reviewed these rates and did not identify the need for an update for the period ended June 30, 2020. The present value adjustment is recorded in the trade accounts payable accounts and its reversal is matched against the cost of sales account, over the term in the case of trade accounts payable. The trade accounts payable balance is measured at amortized cost, using the effective interest rate method.

19.2 BREAKDOWN

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
		Restated (*)		Restated (*)
Trade suppliers	416,191	742,264	447,331	822,149
Adjustment to present value	(3,067)	(4,805)	(3,189)	(5,212)
Suppliers - use and consumption	232,688	189,993	269,512	233,572
Rents payable	10,385	25,919	13,053	31,276
Total	656,197	953,371	726,707	1,081,785
Current liabilities	567,886	953,371	638,396	1,081,785
Noncurrent liabilities	88,311	-	88,311	-
Total	656,197	953,371	726,707	1,081,785

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

On June 30, 2020, pre-payments made to suppliers whose original maturity was subsequent to this date totaled R\$ 76,268 (R\$ 278,951 as of December 31, 2019). The discounts obtained from these pre-payments, for being related to supply of goods, are recorded as reduction of the cost of sales.

The Parent Company has a *confirming* agreement with financial institutions (Santander and Bradesco) to manage its commitments with suppliers, which remain as "Suppliers" until this obligation is terminated with a balance of R\$ 58,185 on June 30, 2020 (R\$ 47,217 on December 31, 2019). The composition of the operation's balance was reviewed, and it was concluded that there was no change in terms, prices or conditions and – as there are no impacts due to the charges practiced by the financial institution – the operation is shown in the "Suppliers" account.

In commitment to its supply chain, the Company took some actions to mitigate the impacts of Covid-19, not changing the payment policy and maintaining receivables operations to all resale suppliers, not passing on the increase in interest rates.

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



ISEB3

20 TAX LIABILITIES

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Income and social contribution taxes	42,310	164,355	82,096	299,927
ICMS payable	23,488	206,240	27,210	219,155
PIS/COFINS	-	80,830	19,471	92,701
Taxes payable - Foreign subsidiaries	-	-	2,020	1,684
Other taxes	10,054	15,552	14,571	23,256
Total	75,852	466,977	145,368	636,723

21 SOCIAL CHARGES AND LABOR LEGISLATION OBLIGATIONS

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Salaries payable	26,596	40,873	32,535	49,448
Profit sharing	-	91,815	-	93,239
Accrued vacation pay, 13 th monthly salary and bonuses	94,201	71,350	111,039	82,932
Social charges	94,838	72,510	108,038	81,263
Total	215,635	276,548	251,612	306,882

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

22.1 ACCOUNTING POLICY

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

22.1.1 Tax provisions

Taking into consideration individuality of each proceeding, classification of loss, and internal and external legal advisors' evaluation. For the classification of possible loss, management 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. For proceedings assessed as probable loss, provisions are set up for the total amount of the measured contingency.

22.1.2 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 there is a likelihood of outflow of funds to comply with these obligations.

22.2 PROVISIONS

Nature	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Civil	23,703	22,996	32,149	30,868
Labor	49,916	34,918	51,834	36,767
Tax	25,300	29,712	32,284	35,499
(-) Judicial deposits	(6,289)	(6,281)	(11,025)	(11,018)
	92,630	81,345	105,242	92,116
Current liabilities	49,577	57,914	59,941	67,635
Noncurrent liabilities	43,053	23,431	45,301	24,481
Total	92,630	81,345	105,242	92,116

LOJAS RENNER S.A.



Most significant tax provisions refer to:

- (i) Disallowance of ICMS credit right in acquisitions from suppliers considered disreputable;
- (ii) Disallowance of ICMS credit right on energy, acquisitions of goods, rate difference, among others;
- (iii) Increase in SAT (Occupational Accident Insurance) rate and establishment of FAP (Accident Prevention Factor);
- (iv) Disallowance of expense with payment of interest on equity of prior years; and
- (v) Requirement of Social Security (INSS)/Withholding Income Tax (IRPF) 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.

The Company's management assessed the impacts of Covid-19 and concluded that there are no factors that indicate the need to increase tax, civil and labor provisions.

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

Nature	Parent Company				
	Civil	Labor	Tax	(-) Judicial deposits	Total
Balance on January 1, 2020	22,996	34,918	29,712	(6,281)	81,345
Provisions / (Reversals)	707	14,998	(4,625)	-	11,080
Restatement	-	-	213	(8)	205
Balance on June 30, 2020	23,703	49,916	25,300	(6,289)	92,630

Nature	Consolidated				
	Civil	Labor	Tax	(-) Judicial deposits	Total
Balance on January 1, 2020	30,868	36,767	35,499	(11,018)	92,116
Provisions / (Reversals)	1,281	15,067	(3,480)	1	12,869
Restatement	-	-	265	(8)	257
Balance on June 30, 2020	32,149	51,834	32,284	(11,025)	105,242

22.4 TAX CONTINGENT LIABILITIES

According to our legal advisors, there is a likelihood of outflows of funds from contingent liabilities plus interest and inflation adjustment stated below:

Nature	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Tax	283,555	279,148	313,946	290,693

The significant lawsuits related to contingent liabilities on June 30, 2020 and December 31, 2019 are described below:

- i) ICMS – Disreputable suppliers – Proceedings related to supposed undue credit-taking of ICMS related to the acquisition of goods from suppliers considered disreputable by the tax authorities. The restated amount of the lawsuits was R\$ 139,645 in the Parent Company and R\$ 140,925 in the Consolidated (R\$ 138,440 in the Parent Company and R\$ 139,705 in the Consolidated as of December 31, 2019).
- ii) Social Security (INSS)/Withholding Income Tax (IRPF) non-wage installments – Refers to tax assessment notices filed for charging social security contribution on amounts considered by the Company as not taxable as well as application of ex-officio fine because income tax was not withheld on amounts. The restated amount was R\$ 37,927 in the Parent Company and in Consolidated (R\$ 37,544 in the Parent Company and in Consolidated as of December 31, 2019).
- iii) Corporate Income Tax (IRPJ)/Social Contribution Tax on Net Profit (CSLL) - Interest on equity of prior years - Refers to the disallowance of expenses with payment of interest on equity calculated based on prior year's equity. The restated amount was R\$ 28,092 in the Parent Company and in Consolidated (R\$ 26,883 in the Parent Company and in Consolidated as of December 31, 2019).
- iv) ICMS - Disallowance of third-party credits - Disallowance of ICMS credits acquired from third parties in Rio de Janeiro State. The restated amount was R\$ 19,280 in the Parent Company and in Consolidated (R\$ 19,132 in the Parent Company and in Consolidated as of December 31, 2019).
- v) ICMS – Inventory breakage – Tax notices and enforcement proceedings regarding payment of ICMS arising from differences between inventories for tax purposes and for accounting purposes, determined upon quantitative survey of inventories. The restated amount

LOJAS RENNER S.A.



totalated R\$20,866 in the Parent Company and R\$22,344 in the Consolidated statements (R\$20,969 in the Parent Company and R\$22,428 in the Consolidated statements as of December 31, 2019).

- vi) ICMS – Tax debit balance centralization - Tax assessment notices for the collection of ICMS due to alleged mistakes in the centralization of debit balances of centralized establishments into a centralizing business establishment. The restated amount was R\$ 18,927 in the Consolidated on June 30, 2020.
- vii) Other contingent liabilities with the restated amount totaling R\$ 37,745 in the Parent Company and R\$ 46,451 in Consolidated (R\$ 36,180 in the Parent Company and R\$ 45,001 in the Consolidated as of December 31, 2019) refer to various matters on federal, state and municipal scope.

22.5 CONTINGENT, CIVIL AND LABOR LIABILITIES

For civil and labor lawsuits, the history of obligations effectively settled is considered, since they refer to massified civil lawsuits of consumer civil nature and of diverse labor nature, in which lawsuit value frequently does not reflect contingency value. Thus, the provision corresponds to the exposure to this kind of risk.

22.6 CONTINGENT ASSETS

A favorable decision was handed down for subsidiary Camicado's lawsuit by the Federal Regional Court of the 3rd Chapter, monocratically, and the judgment of an interlocutory appeal filed by the Federal Government against such decision is pending decision. Given that a final court decision is still pending, it is not possible to recognize the assets related to the credits to be calculated in relation to the periods that precede five years from the date of filing of the lawsuits until 03/2017 (date of the decision of the STF), estimated at R\$16,007. The amounts related to the computation period of 03/2017 onwards, in relation to which the likelihood of loss is assessed as remote by the legal advisors, have been recognized in P&L since then.

23 FINANCIAL INSTRUMENTS

Pursuant to internal policy approved by management, derivative financial instruments are entered in order to hedge the foreign exchange risk taken in import orders and borrowings abroad. The classification of its non-derivative financial assets and liabilities is determined at the time of their initial recognition, pursuant to the business model in which the asset is managed and its characteristics of contractual cash flows in CPC 48/IFRS 9. Financial liabilities are measured according to their nature and purpose.

23.1 ACCOUNTING POLICY

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

Early in each transaction, the relationship between the hedge instruments and the hedge-protected items is documented, risk management objectives, strategy for conducting several hedge transactions and Company's evaluation on early and continued basis of the economic relation between the instrument and hedged item.

23.1.1 Cash flow hedge

The Company 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 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.

23.1.2 Swap

In the Swap transactions not designed for *hedge accounting*, gains or losses are recognized in the finance income (costs).

LOJAS RENNER S.A.



23.2 FINANCIAL INSTRUMENTS BY CATEGORY

23.2.1 Parent Company

	Amortized cost	Fair Value	Fair value through other comprehensive income (*)	Total
Financial assets				
Cash and cash equivalents	-	1,550,216	-	1,550,216
Interest-Earning Bank Deposits	-	152,927	-	152,927
Trade accounts receivable	576,753	-	-	576,753
Derivative financial instruments (hedge)	-	-	38,952	38,952
Financial liabilities				
Borrowings, financing and debentures	(1,768,851)	(789,412)	-	(2,558,263)
Leases payable	(1,341,066)	-	-	(1,341,066)
Suppliers	(656,197)	-	-	(656,197)
Obligations with credit card administrators	(6,051)	-	-	(6,051)
Total on June 30, 2020	(3,195,412)	913,731	38,952	(2,242,729)

	Amortized cost	Fair Value	Fair value through other comprehensive income (*)	Total
Financial assets				
Cash and cash equivalents (**)	-	844,755	-	844,755
Short-term investments (**)	-	167,099	-	167,099
Trade accounts receivable	1,912,774	-	-	1,912,774
Derivative financial instruments (hedge)	-	-	4,244	4,244
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(6,680)	(6,680)
Borrowings, financing and debentures	(724,522)	(275,958)	-	(1,000,480)
Financing - financial services and operations	(37,740)	-	-	(37,740)
Leases payable (**)	(1,434,424)	-	-	(1,434,424)
Suppliers (**)	(953,371)	-	-	(953,371)
Obligations with credit card administrators	(26,919)	-	-	(26,919)
Total on December 31, 2019	(1,264,202)	735,896	(2,436)	(530,742)

23.2.2 Consolidated

	Amortized cost	Fair Value	Fair value through other comprehensive income (*)	Total
Financial assets				
Cash and cash equivalents	-	1,716,249	-	1,716,249
Interest-earning bank deposits	-	622,923	-	622,923
Trade accounts receivable	2,231,722	-	-	2,231,722
Derivative financial instruments (hedge)	-	-	41,594	41,594
Financial liabilities				
Borrowings, financing and debentures	(1,768,851)	(828,958)	-	(2,597,809)
Financing - financial services and operations	(707,798)	(149,827)	-	(857,625)
Leases payable	(1,655,578)	-	-	(1,655,578)
Suppliers	(726,707)	-	-	(726,707)
Obligations with credit card administrators	(817,712)	-	-	(817,712)
Total on June 30, 2020	(3,444,924)	1,360,387	41,594	(2,042,943)

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



	Amortized cost	Fair Value	Fair value through other comprehensive income (*)	Total
Financial assets				
Cash and cash equivalents (**)	-	980.954	-	980.954
Interest-earning bank deposits (**)	-	391.348	-	391.348
Trade accounts receivable	3,825,961	-	-	3,825,961
Derivative financial instruments (hedge)	-	-	4,382	4,382
Financial liabilities				
Derivative financial instruments (hedge)	-	-	(7,764)	(7,764)
Borrowings, financing and debentures	(776,626)	(377,037)	-	(1,153,663)
Financing - financial services and operations	(344,110)	(147,256)	-	(491,366)
Leases payable (**)	(1,739,361)	-	-	(1,739,361)
Suppliers	(1,081,785)	-	-	(1,081,785)
Obligations with credit card administrators	(985,298)	-	-	(985,298)
Total on December 31, 2019	(1,101,219)	848,009	(3,382)	(256,592)

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

(*) Restatement of comparative balances in view of the change in the lease and exclusive investment fund accounting policies, as described in Notes 3.6.1.1 and 3.6.1.2.

23.3 MEASUREMENT AND HIERARCHY OF FAIR VALUES

The discounted cash flow evaluation technique is used 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 whose book balances are reasonably close to fair value, fair values are not determined as established in CPC 40/IFRS 7.

Regarding the impacts of Covid-19, management assessed and concluded that the future fluctuations in the CDI indexes, inflation and the dollar rate are already captured in the calculation methodology for measuring the fair values of financial instruments reflected in the positions of financial assets and liabilities.

Below, the fair value of debentures, working capital 4131 and financing – financial service operations for disclosure purposes.

23.3.1 Parent Company

Financial assets and liabilities	6/30/2020		12/31/2019	
	Fair Value	Book balance	Fair Value	Book balance
Debentures	(1,382,014)	(1,412,987)	(707,982)	(710,959)
Working capital – Law No, 4131 Bacen in reais	(345,689)	(355,864)	-	-
Financing - financial services and operations	-	-	(37,740)	(37,740)
Total	(1,727,703)	(1,768,851)	(745,722)	(748,699)

23.3.2 Consolidated

Ativos e passivos financeiros	6/30/2020		12/31/2019	
	Fair Value	Book balance	Fair Value	Book balance
Debentures	(1,382,014)	(1,412,987)	(707,982)	(710,959)
Working capital – Law No, 4131 Bacen in reais	(345,689)	(355,864)	-	-
Financing - financial services and operations	(689,590)	(707,798)	(343,857)	(344,110)
Total	(2,417,293)	(2,476,649)	(1,051,839)	(1,055,069)

Financial assets and liabilities of the Company are classified in “Level 2” of the fair value hierarchy versus book balances.

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

LOJAS RENNER S.A.



CMICADO

YOU COM

realize



23.4 DERIVATIVE FINANCIAL INSTRUMENTS

These instruments are managed through operating strategies, aimed at liquidity, profitability and security. Foreign currency exchange, Non-Deliverable Forward (NDF) and Swap contracts are used as a hedging instrument for its exposure to volatility of foreign currency exchange and investments in derivatives or any other financial instruments are not made on a speculative basis. Below, the breakdown of derivatives is segregated between designated to hedge accounting (cash flow hedge) and not designated to hedge accounting:

Description of derivatives	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Designated for hedge				
NDF (Import orders)	38,952	(2,436)	41,594	(3,382)
Not designated for hedge				
Exchange rate swap	231,601	(2,115)	293,275	(2,955)
Total	270,553	(4,551)	334,869	(6,337)

Swaps are stated in balance of borrowing, financing and debentures (Note 16.2) and Financing - financial service operations (Note 17.1) since they are following CPC 40/IFRS 7.

23.4.1 Derivatives for hedge accounting

23.4.1.1 NDF (Non-Deliverable Forward)

Maturity dates	Hedge Instrument			Hedge transactions	
	Currency	Notional amount	Fair value (*)	Transaction	Estimated maturity
From 7/31/2020 to 12/31/2020	US\$	56,500	35,862	Goods import order	From 7/31/2020 to 12/31/2020
August/2020	€	2,000	3,090	Contract for import of fixed assets	August/2020
Total Parent Company			38,952		
From 7/31/2020 to 11/30/2020	US\$	4,186	2,642	Goods import orders	From 7/31/2020 to 11/30/2020
Total consolidated			41,594		

(*) Non-Deliverable Forward methodology is the cash flow discount in 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 CPC 48/IFRS 9.

23.4.1.2 Cash flow

The cash flows related to import orders of goods for resale are initially recorded in inventories and subsequently throughout the operation, in profit or loss as cost of goods sold. In addition, NDF were taken out to cover cash flows for contracts for import of goods, initially recognized at fixed assets and subsequently in profit or loss considering the depreciation according to useful life.

Set out below are the expected cash flow from the import orders of future operations exposed to foreign currency hedged by derivatives:

	Consolidated		Total
	Up to 3 months	4-6 months	
Resale goods import orders (*)	83,039	247,712	330,751
Notional amount US\$	15,236	45,450	60,686

USD expected for next disclosure: R\$ 5.4502.

	Consolidated		Total
	Up to 3 months		
Contract for import of fixed assets (**)	12,267		12,267
Notional amount €	2,000		2,000

EUR expected for next disclosure: R\$ 6.1336.

LOJAS RENNER S.A.



23.4.2 Derivatives not for hedge accounting

23.4.2.1 Swaps

					Amount receivable (payable)	
Instrument	Maturity	Receivable p.a.	Payable p.a.	Notional Amount	6/30/2020	12/31/2019
Exchange rate swap						
Working capital– Law 4131	8/2020	US\$ + 2.7429%	104.4% CDI	US\$ 25,000	41,553	5,546
Working capital– Law 4131	11/2020	US\$ + 2.5097%	105.2% CDI	US\$ 42,900	55,250	(7,661)
Working capital– Law 4131	1/2021	US\$ + 2.4557%	108.6% CDI	US\$ 7,600	9,595	-
Working capital– Law 4131	7/2020	US\$ + 1.9546%	109.0% CDI	US\$ 41,360	56,747	-
Working capital– Law 4131	9/2020	US\$ + 1.2694%	106.0% CDI	US\$ 30,000	19,122	-
Working capital– Law 4131	1/2021	US\$ + 1.7972%	112.0% CDI	US\$ 40,000	49,334	-
Total Parent Company					231,601	(2,115)
Exchange rate swap						
Working capital– Law 4131	1/2021	US\$ + 3.6994%	106.95% CDI	US\$ 10,515	18,905	3,281
Working capital– Law 4131	8/2020	US\$ + 4.6678%	101.8% CDI	US\$ 33,000	42,769	(4,426)
Working capital– Law 4131					-	305
Total Consolidated					293,275	(2,955)

23.4.3 Change of the swaps

	Parent Company	Consolidated
Balance on January 1, 2019	37,181	39,833
Swap adjustment payment	2,855	4,978
Swap adjustment receipt	(33,580)	(41,773)
Change in the fair value	(8,571)	(5,993)
Balance on December 31, 2019	(2,115)	(2,955)
Swap adjustment payment	2,786	2,946
Swap adjustment receipt	(44)	(9,019)
Change in the fair value	230,974	302,303
Balance on June 30, 2020	231,601	293,275

23.5 CREDIT RISK

On the chart at the side, we present the credit risk of derivative assets according to the main risk rating agencies:

Rating - National Scale	Consolidated	
	6/30/2020	12/31/2019
brAAA	334,869	13,855
Total - Derivative financial instrument (assets)	334,869	13,855

24 OTHER OBLIGATIONS

	Parent Company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Prepaid revenues (i)	945	1,439	29,259	32,001
Obligations with customers (ii)	30,292	23,749	72,996	51,637
Obligations related to transactions with insurance (iii)	2,020	2,143	6,145	8,411
Transfer of operation of financial products (iv)	53	3,117	-	-
Acquisition of ICMS credits (v)	9,403	13,245	9,487	13,458
Marketplace partners (vi)	-	-	5,845	1,041
Other obligations (vi)	18,219	12,164	19,471	11,976
Total	60,932	55,857	143,203	118,524
Current liabilities	60,932	55,610	121,571	94,413
Noncurrent liabilities	-	247	21,632	24,111
Total	60,932	55,857	143,203	118,524

- i) Advance of payroll agreements from financial institution, insurance exclusivity premiums with the insurance company and Co-branded card ("Meu Cartão") incentive premium.
- ii) Balances in favor to clients (credits may be used as payment for purchases in the Company) and goods bought from bridal registries, but not yet delivered.
- iii) Advances related to insurance operations related to exclusivity contract and insurance premiums paid by clients to be transferred to the insurance company.
- iv) Transfers referring to Renner card operations with Realize CFI and transfers from Camicado's sales.
- v) Balances payable corresponding to the acquisition of ICMS credits.
- vi) Transfers to salespersons for Marketplace services.
- vii) Balances payable corresponding to royalties, payroll advance borrowings, among others.

25 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.

25.1 PARENT COMPANY'S CONTEXT

25.1.1 Rent agreements

In August 2018, we updated rent 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, effective for ten years, and may be renewed, amounts were set at, respectively, 4.29%, 4% and 4% of gross monthly sales of stores.

25.1.2 Quick withdrawal extension service agreement

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

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

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

25.1.4 Renner - Realize Credit Card Operations

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.

25.1.5 Agreement to apportion corporate costs and expenses

To optimize the corporate structure, Lojas Renner and its subsidiaries entered into agreements among themselves to share their structures, mainly focused on sharing back-office and corporate structure. For foreign subsidiaries, the sharing of corporate expenses is charged by the Parent Company in the form of service exports.

25.1.6 Import intermediation

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

25.1.7 Export of goods

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

25.1.8 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 R\$ 9,109 using a rate of 0.5% per month. These tax credits are in the process of approval for qualification with the Treasury Department of the State of São Paulo for transfer to the Parent Company, at which time the effect arising from the negative goodwill of this operation will be recognized. On May 20, 2020, the agreement was amended to change the taxable event and the deadline for transfer of the credits between interdependent companies until March 15, 2021.

25.2 CONSOLIDATED CONTEXT

25.2.1 Agreements or other significant obligations between the company and its management members

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

The Board of Directors, elected at Shareholders' Meeting, have unified terms of office of one year, re-election being permitted. The Board members in office are automatically considered appointed for re-election by their joint proposal. The Executive Board, with members who are elected and removable at any time by the Board of Directors, has a two-year term, with reelection permitted. It is related to the company through a service agreement, the remuneration of which comprises a fixed component adjusted annually according to the INPC index and a variable component according to the Company's financial performance.

25.2.2 Compensation of the members of the Board of Directors and Executive Board (the "Management")

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

The Annual Shareholders' Meeting held on April 29, 2020, approved the management members' overall compensation limit up to R\$ 38,800 for year 2020. This amount consists of funds that include fixed compensation of management members, variable compensation, which considers the participation in meetings and the statutory participation (article 34 of the Bylaws and paragraph 1 of article 152 of Law 6.404/76), and the cost of the share plan and the restricted share plan (Notes 29 and 30). Summary of amounts is as follows:

	Parent Company				Consolidated			
	2Q20	6M20	2Q19	6M19	2Q20	6M20	2Q19	6M19
Management compensation	(4,283)	(9,693)	(4,639)	(7,661)	(4,576)	(10,325)	(4,886)	(8,079)
Reversal of participation of management	517	517	-	-	517	517	-	-
Stock option plan	(2,976)	(5,669)	(1,959)	(4,381)	(2,976)	(5,669)	(1,959)	(4,381)
Restricted share plan	(760)	(1,708)	(78)	(1,176)	(760)	(1,708)	(78)	(1,176)
Total	(7,502)	(16,553)	(6,676)	(13,218)	(7,795)	(17,185)	(6,923)	(13,636)

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

25.3 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

25.3.1 Accounting policy

Transactions between subsidiaries, including unrealized balances, gains and losses on these transactions are eliminated. The accounting policies of the subsidiaries are consistent with the practices adopted by the Parent Company. The main balances of the statement of financial position and of profit or loss concerning transactions with related parties derive from transactions under contractual and usual market conditions.

LOJAS RENNER S.A.



CAMICADO

YOUCOM

realize



ISEB3

25.3.2 Balances with related companies

Operations - Assets (liabilities)	RACC	Dromegon	Camicado	Youcom	LRS	Realize Participações S.A.	LRU	LRA	Realize CFI	Total
Accounts receivable										
Export of goods for resale	-	-	-	-	-	-	18,103	20,628	-	38,731
Co-branded card ("Meu Cartão") operations	-	-	-	-	-	-	-	-	113,897	113,897
Renner credit card (New Private Label)	-	-	-	-	-	-	-	-	296,149	296,149
Other assets										
Renner credit card	-	-	-	-	-	-	-	-	1,647	1,647
Credit with related parties										
Sharing of expenses	122	12	666	1,109	1,448	4	2,026	4,361	11,198	20,946
Debit with related parties										
Sharing of expenses	-	-	-	-	(235)	-	-	-	-	(235)
Rents payable	-	(341)	(5)	-	-	-	-	-	-	(346)
Obligations with credit card administrators										
Co-branded card ("Meu Cartão") operations	(693)	-	-	-	-	-	-	-	(5,358)	(6,051)
Other obligations										
Renner credit card operations (Private Label)	-	-	-	-	-	-	-	-	(53)	(53)
Total on June 30, 2020	(571)	(329)	661	1,109	1,213	4	20,129	24,989	417,480	464,854
Accounts receivable										
Export of goods for resale	-	-	-	-	-	-	15,015	14,158	-	29,173
Co-branded card ("Meu Cartão") operations	-	-	-	-	-	-	-	-	334,785	334,785
Renner credit card (New Private Label)	-	-	-	-	-	-	-	-	943,091	943,091
Other assets										
Renner credit card	-	-	-	-	-	-	-	-	1,454	1,454
Credit with related parties										
Sharing of expenses	-	-	615	1,844	1,098	4	196	-	9,562	13,319
Debit with related parties										
Sharing of expenses	-	12	-	-	(235)	-	-	-	-	(223)
Rents payable	-	(1,030)	(26)	-	-	-	-	-	-	(1,056)
Obligations with credit card administrators										
Co-branded card ("Meu Cartão") operations	(988)	-	-	-	-	-	-	-	(25,931)	(26,919)
Other obligations										
Renner credit card operations (Private Label)	-	-	-	-	-	-	-	-	(3,117)	(3,117)
Total on December 31, 2019	(988)	(1,018)	589	1,844	863	4	15,211	14,158	1,259,844	1,290,507

25.3.3 Transactions with related companies

Type of revenue (expense)	RACC	Dromegon	Camicado	Youcom	LRS	LRU	LRA	Realize CFI	Total
Apportionment for corporate expenses	-	19	1,832	1,622	(843)	-	-	8,286	10,916
Intermediation commission	-	-	-	-	(3,723)	-	-	-	(3,723)
Property rent expenses	-	(639)	-	-	-	-	-	-	(639)
Revenue from rendering of services	-	-	-	-	-	910	-	1,831	2,741
Export of goods	-	-	-	-	-	11,175	6,211	-	17,386
Total 2Q20	-	(620)	1,832	1,622	(4,566)	12,085	6,211	10,117	26,681
Apportionment for corporate expenses	-	38	3,942	3,323	(1,376)	-	-	18,933	24,860
Intermediation commission	-	-	-	-	(7,790)	-	-	-	(7,790)
Property rent expenses	-	(1,730)	-	-	-	-	-	-	(1,730)
Revenue from rendering of services	-	-	-	-	-	2,674	-	22,017	24,691
Export of goods	-	-	-	-	-	20,111	7,000	-	27,111
Total 6M20	-	(1,692)	3,942	3,323	(9,166)	22,785	7,000	40,950	67,142

LOJAS RENNER S.A.



Type of revenue (expense)	RACC	Dromegon	Camigado	Youcom	LRS	LRU	LRA	Realize CFI	Total
Apportionment for corporate expenses	(1)	18	1,879	1,241	(413)	-	-	7,683	10,407
Intermediation commission	-	-	-	-	(2,599)	-	-	-	(2,599)
Property rent expenses	-	(1,732)	-	-	-	-	-	-	(1,732)
Revenue from rendering of services	-	-	-	-	-	1,038	-	8,274	9,312
Export of goods	-	-	-	-	-	15,601	113	-	15,714
Apportionment for corporate expenses	-	-	-	-	-	(732)	-	-	(732)
Total – 2Q19	(1)	(1,714)	1,879	1,241	(3,012)	15,907	113	15,957	30,370
Apportionment for corporate expenses	(42)	37	3,563	2,411	(1)	-	-	10,532	16,500
Intermediation commission	-	-	-	-	(6,348)	-	-	-	(6,348)
Property rent expenses	-	(3,150)	-	-	-	-	-	-	(3,150)
Revenue from rendering of services	-	-	-	-	-	1,770	-	13,798	15,568
Export of goods	-	-	-	-	-	26,904	113	-	27,017
Apportionment for corporate expenses	-	-	-	-	-	(2,504)	-	-	(2,504)
Total – 6M19	(42)	(3,113)	3,563	2,411	(6,349)	26,170	113	24,330	47,083

26 EQUITY**26.1 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 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 June 30, 2020, 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 By-laws and in accordance with articles 190 and 202 of Law 6404/76, which establish a minimum compulsory dividend of 25% of the adjusted profit or loss.

26.1.1 The changes in Capital are shown below:

	Share quantity (thousand)	Total
Balance on January 1, 2019	720,024	2,637,473
Capital increase, RCA on May 23, August 21, and November 21	3,532	46,111
Incorporation of capital reserves, SSM(*) as of April 30, 2019	-	72,050
Share bonus (incorporation of income reserves)	72,002	1,040,000
Balance on December 31, 2019	795,558	3,795,634
Capital increase, RCA of 21/05	32	267
Balance on June 30, 2020	795,590	3,795,901

(*) Special Shareholders' Meeting.

LOJAS RENNER S.A.

**26.2 TREASURY SHARES**

At a meeting of the Board of Directors held on March 10, 2020, the Share Buyback Program with no capital reduction was approved unanimously and without any restriction, with the possibility of acquiring up to 8,000,000 (eight million) common shares.

As of June 30, 2020, treasury shares balance is R\$ 119,461 (R\$ 35,549 as of December 31, 2019), corresponding to 3,158,685 (three million, one hundred and fifty-eight thousand, six hundred and eighty-five) common shares at average weighted cost of R\$ 37.82 (R\$ 19.42 as of December 31, 2019). Changes are stated on the side:

	Number of shares (in thousand)	Amount	Average price
Balance on January 1, 2019	2,085	44,536	21,36
Disposal of shares	(421)	(8,987)	21,35
Share bonus	167	-	-
Balance on December 31, 2019	1,831	35,549	19,42
Disposal of shares	(672)	(13,052)	19,42
Repurchase of shares	2,000	96,964	48,48
Balance on June 30, 2020	3,159	119,461	37,82

26.3 CAPITAL RESERVES**26.3.1 Stock option plan reserve and restricted share plan**

These are reserves to offset the expenses of the stock option plan and restricted shares (Notes 29 and 30), the allocation of which depends on resolution at the Special Shareholders' Meeting. The balance on June 30, 2020 is R\$ 76,869 (R\$ 74,227 on December 31, 2019).

26.4 INCOME RESERVES**26.4.1 Legal reserve**

In compliance with article 193 of Law 6404/76 and article 34, item (a) of the Company's By-laws, the legal reserve is set up at amount equivalent to 5% of the profit or loss for each year. The balance on June 30, 2020 is R\$ 54,955 (R\$ 54,955 on December 31, 2019).

26.4.2 Reserve for investment and expansion

This reserve is set up based on decision by management bodies to cover investments in the Company's expansion plan, as provided for in article 34, item (c) of the Articles of Incorporation. Considering the impacts of Covid-19, the additional dividends proposed in RCA on January 16, 2020 in the amount of R\$282,221 were reversed to the reserve for investment and expansion, as approved at the Annual General Meeting held on April 29, 2020. At June 30, 2020, the balance totals R\$717,077 (R\$434,856 as of December 31, 2019, restated according to the change in accounting policy described in Note 3.6.1.1).

26.4.3 Tax incentive reserve

The Company uses ICMS tax incentives in the form of "deemed credit," with its impacts on profit or loss. The management, in view of the publication of Supplementary Law 160/17 and in compliance with Law 6404/76, allocated them as tax incentive reserve. The balance on June 30, 2020 is R\$ 97,539 (R\$ 97,539 on December 31, 2019).

26.4.4 Additional dividend proposed

These refer to dividends proposed in addition to the mandatory minimum dividends, which were based on the distribution of 50% of the net income for 2019, decided in the RCA held on January 16, 2020. However, in the RCA of March 30, 2020, the aforementioned decision was revoked, with proposal for the distribution of minimum dividends of 25% of the adjusted net income for 2019, in line with initiatives to prepare the Company for the impacts of Covid-19 (Note 27.2), and the difference in the book value as of December 31, 2019 of R\$282,221 was reclassified to the reserve for investment and expansion. In May, 2020, the balance R\$325 was settled (R\$282,546 as of December 31, 2019).

26.5 OTHER COMPREHENSIVE INCOME

These are the accumulated translation adjustments, hyperinflation adjustment and the unrealized profit or loss on derivative financial instruments as equity valuation adjustments. The amount represents an accumulated balance of gain, net of taxes, of R\$ 91,986 on June 30, 2020 (R\$ 13,189 of loss, net of taxes, on December 31, 2019, restated, according to change in accounting estimate mentioned in Note 3.6.1.1).

27 DIVIDENDS AND INTEREST ON EQUITY**27.1 ACCOUNTING POLICY**

The bylaws and corporate law establish a distribution of dividends of a minimum of 25% of the adjusted annual profit or loss. If such limit was not attained by interim remunerations, we record a provision at the of the year in the amount of the minimum mandatory dividend that has

LOJAS RENNER S.A.



not yet been distributed. Dividends exceeding this limit are segregated in a specific account of equity denominated "Additional dividends proposed". When decided by management, interest on equity is calculated in dividends for the year. The tax benefit of interest on equity is recognized in profit or loss (Note 11.5).

27.2 DISTRIBUTION OF DIVIDENDS – YEAR 2019

Considering the impacts of Covid-19, the Board members approved the distribution of the amount of R\$267,654, at the Board of Directors' meeting held on March 30, 2020, which corresponds to 25% of the Company's adjusted net income for 2019, and dividends expired in that year, to be distributed among the Company's shareholders. According to article 35 of the Articles of Incorporation, interest on equity of R\$251,957, decided during the year of 2019, was attributed to the amount of the mandatory dividend proposed by management and, as such, the amount to be paid as dividends totals R\$15,697, corresponding to R\$ 0.019809 per share. The distribution of dividends was approved at the Annual General Meeting held on April 29, 2020 and paid on May 8, 2020.

The sum of interest on equity plus dividends complies with the provisions of articles 201 and 202 of Law 6404/76 and article 36 of the Company's By-laws.

27.3 DISTRIBUTION OF INTEREST ON EQUITY– YEAR 2020

Period	Nature	Payment	Outstanding shares (thousand) (*)	R\$/share	6/30/2020	R\$/share	6/30/2019
1Q20	Interest on equity - RCA 3/16/2020	April/2021	792,399	0.073638	58,351	0.092945	66,768
2Q20	Interest on equity - RCA 6/18/2020	April/2021	792,431	0.070596	55,942	0.077650	61,497
Total				0.144234	114,293	0.170595	128,265

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

Interest on equity was deducted when calculating income and social contribution taxes. It is estimated that the tax benefits of this deduction for the three and six-month periods ended June 30, 2020 totaled approximately R\$19,019 and R\$38,858 (R\$20,909 and R\$43,610 as of June 30, 2019).

28 EARNINGS PER SHARE

We calculated the basic earnings per share dividing profit attributable to shareholders by the weighted average number of common shares issued during the period. Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding, presuming the conversion of all the potential diluted common shares for the stock option plans.

The number of shares calculated as described is compared to the number of issued shares, if the stock option plan is exercised. Basic and diluted earnings per share are as follows:

Basic/Diluted numerator	Parent Company and Consolidated			
	2Q20	6M20	2Q19	6M19
			Restated (*)	Restated (*)
Net income for the period (*)	818,051	825,188	230,737	386,716
Weighted average of common shares, net of treasury shares	792,413	792,994	768,026	743,024
Potential increase in common shares because of the option plan	1,638	1,944	2,949	3,435
Basic earnings per share - R\$ (*)	1.0324	1.0406	0.3004	0.5205
Diluted earnings per share - R\$ (*)	1.0302	1.0381	0.2993	0.5181

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.

29 STOCK OPTION PLAN

29.1 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. The Company maintains two stock option plans, totaling six programs and two ongoing contract grants. Details of stock option plans are as follows:

LOJAS RENNER S.A.



29.2 1ST PLAN (PROGRAMS 2005–2015 AND CONTRACT GRANTS)

All stock option plan arrangements granted through 2015 follow the stock option plan approved at the Special Shareholders' Meeting held on May 25, 2005 and amended by the next 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 four years (considering only the options comprising the same grant).

29.3 2ND PLAN (PROGRAMS 2016–2019 AND CONTRACT GRANTS)

On September 23, 2015, at the Special Shareholders' Meeting a new stock option plan was approved. Each program will have four tranches, with 25% being exercisable after one year and successively. On February 9, 2017 and February 7, 2019, a new contractual options granting was approved by the Chief Executive Officer, which provides for the same conditions of the 2nd Stock option plans.

29.4 COMMON FEATURES OF THE PLANS

Both establish the oversight by the Committee of Persons ("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 articles 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. This condition is restricted to the termination that occurs up to 12 months in case of the Plan approved in 2015.

29.5 POSITION OF STOCK OPTION PLAN

Grants	Fair Value	Exercise value	Grant Date	Grace period 1 st tranche	Grace period 2 nd tranche	Grace period 3 rd tranche	Grace period 4 th tranche	Position of grants (Quantity)	
								Balance on 6/30/2020	Balance on 12/31/2019
11 th grant	6.18	12.04	2/12/2015	2/11/2018	2/11/2019	-	-	249	249
Subtotal - 1 st Plan								249	249
1 st grant	9.40	14.00	2/4/2016	2/3/2017	2/3/2018	2/3/2019	2/3/2020	591	613
2 nd grant	10.15	19.73	2/9/2017	2/9/2018	2/9/2019	2/9/2020	2/8/2021	794	799
Contractual grant	10.15	19.73	2/9/2017	2/9/2018	2/9/2019	2/9/2020	2/8/2021	1,721	1,721
3 rd grant	15.36	32.91	2/8/2018	2/8/2019	2/8/2020	2/7/2021	2/7/2022	860	873
Contractual grant	19.21	38.62	2/7/2019	2/7/2020	2/6/2021	2/6/2022	2/6/2023	133	133
4 th grant	19.21	38.62	2/7/2019	2/7/2020	2/6/2021	2/6/2022	2/6/2023	909	940
5 th grant	24.45	57.70	2/5/2020	2/4/2021	2/4/2022	2/4/2023	2/4/2024	1,150	-
Subtotal - 2 nd Plan								6,158	5,079
Total								6,407	5,328

The closing share price of the Company as of June 30, 2020 is R\$ 41.80 (R\$ 56.19 as of December 31, 2019).

Each option corresponds to the right to subscribe one share of the Company. As of June 30, 2020, there were 5,257 thousand in-the-Money options. 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:

	6/30/2020	12/31/2019
		Restated (*)
Equity (*)	5,425,952	4,691,019
Number of shares - thousand	795,590	795,558
Book value per share – R\$ (*)	6.82	5.90
Equity, considering the in-the-Money options exercised (*)	5,555,390	4,822,488
Number of shares, considering the in-the-Money options exercised	800,847	800,886
Book value of the share, considering the in-the-Money options exercised (*)	6.94	6.02
% of decrease in the ownership interest of current shareholders, considering the in-the-Money options exercised (*)	0.66%	0.67%

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.

LOJAS RENNER S.A.

**29.6 ASSUMPTIONS TO FAIR VALUE MEASUREMENT OF STOCK OPTION PLAN**

Fair value of granted stock option plans is calculated at the date of grant using the Black&Scholes model. For determining it, the Company adopted assumptions as:

- i) Exercise value of option: weighted average rate over the last 30 share trading sessions of Lojas Renner S.A before the grant date.
- ii) Share price volatility: weighting of the trading history of the Company's share.
- iii) Risk-free interest rate: using CDI available on the grant date and projected for the maximum grace period of the option.
- iv) Estimated dividend: payment of dividends per share in relation to the market value of shares on the grant date.
- v) Vesting period: maximum period for beneficiaries to exercise their options.

Regarding the impacts of Covid-19, management assessed and concluded that future fluctuations in the share price and the CDI index did not affect the methodology for calculating the fair value of the options granted for the purchase of shares, since the pricing of the value of options was prior to the impacts of Covid-19.

29.7 CHANGES

	Amount (in thousands)
Balance on January 1, 2019	7,276
Options granted	1,092
Options exercised	(3,532)
Options canceled	(339)
Share bonus increase, SSM (Special Shareholders' Meeting) as of April 30	831
Balance on December 31, 2019	5,328
Options exercised	(32)
Options granted	1,166
Options canceled	(55)
Balance on June 30, 2020	6,407

In the three and six-month periods ended June 30, 2020, expenses with the stock option plan totaled R\$5,392 and R\$10,374 (R\$5,160 and R\$9,965 as of June 30, 2019) at the Parent Company and Consolidated.

30 RESTRICTED SHARE PLAN**30.1 ACCOUNTING POLICY**

The Company approved a restricted share plan for selected management members and executives whose expense is recorded at a *pro rata temporis* basis (on grant date and ends on the date in which the Company transfers the right of shares to the beneficiary) and corresponds to the number of issued shares multiplied by the share price on the grant date. The provision of social security contributions is updated monthly according to the closing price of the Company.

On September 23, 2015, a Restricted Shares Plan was approved at the Special Shareholders' Meeting, administered by the Committee – composed of independent members of the Board of Directors – which provides that the members of both bodies will not be eligible for the Restricted Shares contained therein.

30.2 MAIN CHARACTERISTICS

The Board of Directors may grant a number of registered and book-entry common shares of the Company, which are under treasury, not in excess of 1% of the totality of issued shares upon recommendation of the Committee, management members and executives who occupy strategic positions for the businesses.

The definite transfer of Restricted Shares to the participants is conditioned to the fulfillment of a grace period of three years for each grant, and at the end of the grace period, the participant shall have 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 articles 39, 40, 41 and 42 of the Bylaws, or in the hypothesis public offer is successful for acquisition of the Company's control, if any of these cases result in termination without cause of a Plan member at the Company's initiative, all restricted shares assigned to the participant and still within grace year will be transferred to the member by recommendation of the Committee and if approved by the Board of Directors.

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

LOJAS RENNER S.A.



30.3 POSITION OF RESTRICTED SHARE PLAN

Grants	Grant date	Grace period 1 st tranche	Position of grants (Quantity)	
			6/30/2020	12/31/2019
2 nd grant	2/9/2017	2/9/2020	-	345
Contractual grant	2/9/2017	2/9/2020	-	321
3 rd grant	2/8/2018	2/7/2021	249	263
Contractual grant	2/7/2019	2/6/2022	40	40
4 th grant	2/7/2019	2/6/2022	291	311
5 th grant	2/5/2020	2/4/2023	249	-
Total			829	1,280

30.4 CHANGES IN RESTRICTED SHARE PLAN

	Quantity (in thousands)
Balance on January 1, 2019	1,351
Options granted	355
Options canceled	(131)
Options exercised	(421)
Share bonus increase, SSM (Special Shareholders' Meeting) as of April 30, 2019	126
Balance on December 31, 2019	1,280
Options granted	254
Options canceled	(33)
Options exercised	(672)
Balance on June 30, 2020	829

In the three and six-month periods ended June 30, 2020, expenses with the restricted stock option plan, including principal and social charges, totaled R\$5,469 and R\$7,098 (R\$5,127 and R\$9,996 as of June 30, 2019).

31 INFORMATION PER BUSINESS SEGMENT

31.1 ACCOUNTING POLICY

The operating segments presented below are consistently organized with the internal report supplied to the Board of Directors, the main decision maker, in charge of allocating funds and evaluating performance of operating segments:

- Retail:** sale of garment items, perfumery, cosmetics, watches, as well as the home & decoration segment; including Renner, Camicado, Youcom, Ashua operations and also in Uruguay and Argentina.
- Financial products:** granting of quick withdrawals, financing of purchases and insurance, and the practice of assets and liabilities inherent to credit companies, such as branded card, among others.

	Retail		Financial Products		Consolidated	
	2Q20	6M20	2Q20	6M20	2Q20	6M20
Net operating revenue	539,636	2,089,816	268,870	582,451	808,506	2,672,267
Cost of sales	(297,841)	(989,081)	(6,802)	(12,236)	(304,643)	(1,001,317)
Gross profit	241,795	1,100,735	262,068	570,215	503,863	1,670,950
Sales	(368,016)	(943,545)	-	-	(368,016)	(943,545)
General and administrative	(162,913)	(364,466)	-	-	(162,913)	(364,466)
Losses on receivables, net	-	-	(133,866)	(333,191)	(133,866)	(333,191)
Other operating income (expenses)	744,410	748,300	(75,396)	(163,554)	669,014	584,746
Net income from segments	455,276	541,024	52,806	73,470	508,082	614,494
Depreciation and Amortization	(101,180)	(197,458)	(3,592)	(7,137)	(104,772)	(204,595)
Stock option plan					(5,392)	(10,374)
Income/loss from write-off and estimate of fixed assets losses					(9,905)	(9,737)
Management fees					517	517
Finance income (costs), net					525,331	506,124
Income and social contribution taxes					(95,810)	(71,241)
Net income for the period					818,051	825,188

LOJAS RENNER S.A.



	Retail		Financial Products		Consolidated	
	2Q19	6M19	2Q19	6M19	2Q19	6M19
Net operating revenue	2,019,374	3,669,711	272,630	514,410	2,292,004	4,184,121
Cost of sales	(879,737)	(1,618,167)	(5,755)	(11,356)	(885,492)	(1,629,523)
Gross profit	1,139,637	2,051,544	266,875	503,054	1,406,512	2,554,598
Sales(*)	(592,495)	(1,127,474)	-	-	(592,495)	(1,127,474)
General and administrative (*)	(193,678)	(375,403)	-	-	(193,678)	(375,403)
Losses on receivables, net	-	-	(98,455)	(170,971)	(98,455)	(170,971)
Other operating income (expenses) (*)	(8,900)	6,261	(77,365)	(143,312)	(86,265)	(137,051)
Net income from segments	344,564	554,928	91,055	188,771	435,619	743,699
Depreciation and Amortization (*)	(85,944)	(171,184)	(3,308)	(6,600)	(89,252)	(177,784)
Stock option plan					(5,160)	(9,965)
Income/loss from write-off and estimate of fixed assets losses					(289)	(789)
Finance income (costs), net					(20,634)	(32,122)
Income and social contribution taxes (*)					(89,547)	(136,323)
Net income for the period (*)					230,737	386,716

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

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

32 REVENUES

32.1 ACCOUNTING POLICY

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

- Identification of the contract with the customer;
- Identification of performance obligations;
- Determination of transaction price;
- The allocation of transaction price; and
- Revenue recognition upon satisfaction of performance obligation.

Considering these 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 per Note 7.1.

Sale of goods – retail: we operate both in e-commerce and at points of sale (stores), and revenue is recognized in profit or loss when the good is delivered to the customer. Sales are spot sales, in cash and debit cards, or forward sales through third-party cards, Renner card, through financing granted through the indirect subsidiary Realize CFI.

Sales of financial products and services: we carry 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 income, net is recognized considering effective interest rate, throughout contract validity and for agreed operations, according to the effective provision of services.

LOJAS RENNER S.A.



CAMICADO

YOU COM

realize



32.2 BREAKDOWN

	Parent Company			
	2Q20	6M20	2Q19	6M19
Gross operating revenue	655,199	2,589,216	2,662,172	4,832,434
Sales of goods	655,199	2,570,318	2,572,143	4,647,559
Financial products and services	-	18,898	90,029	184,875
Deductions	(186,293)	(732,869)	(739,188)	(1,338,184)
Returns and cancellations	(53,946)	(179,231)	(156,958)	(287,810)
Taxes on sales	(132,347)	(550,674)	(575,502)	(1,037,126)
Taxes on financial products and services	-	(2,964)	(6,728)	(13,248)
Net operating revenue	468,906	1,856,347	1,922,984	3,494,250

	Consolidated			
	2Q20	6M20	2Q19	6M19
Gross operating revenue	1,031,541	3,510,400	3,097,696	5,650,059
Sales of goods	747,075	2,895,151	2,807,673	5,102,754
Financial products and services	284,466	615,249	290,023	547,305
Deductions	(223,035)	(838,133)	(805,692)	(1,465,938)
Returns and cancellations	(58,474)	(196,643)	(166,312)	(307,218)
Taxes on sales	(148,965)	(608,692)	(621,987)	(1,125,825)
Taxes on financial products and services	(15,596)	(32,798)	(17,393)	(32,895)
Net operating revenue	808,506	2,672,267	2,292,004	4,184,121

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

33 EXPENSES PER TYPE

The Company's statement of profit or loss is shown per function. Below the expenditures are shown per nature.

33.1 SELLING EXPENSES

	Parent Company				Consolidated			
	2Q20	6M20	2Q19	6M19	2Q20	6M20	2Q19	6M19
			Restated (*)				Restated (*)	
Personnel	(118,926)	(310,779)	(184,891)	(357,902)	(144,513)	(376,415)	(216,036)	(419,303)
Occupancy	(44,889)	(97,142)	(55,877)	(108,790)	(54,796)	(120,280)	(70,200)	(137,329)
Discounts - lease	62,527	62,527	-	-	72,899	72,899	-	-
Third parties services	(21,423)	(37,864)	(18,334)	(37,838)	(30,227)	(52,683)	(21,489)	(44,848)
Utilities and services	(30,616)	(87,752)	(53,947)	(108,757)	(35,179)	(99,830)	(60,052)	(120,988)
Promotions	(53,180)	(86,419)	(61,434)	(92,225)	(59,808)	(101,870)	(69,658)	(106,601)
Depreciation and Amortization	(56,705)	(112,823)	(51,567)	(101,719)	(67,806)	(138,478)	(63,042)	(123,610)
Depreciation - Right-of-use (*)	(57,603)	(117,350)	(58,087)	(115,105)	(70,128)	(144,459)	(68,305)	(135,133)
Other expenses	(14,901)	(54,209)	(50,779)	(90,975)	(19,381)	(67,916)	(58,394)	(105,934)
Total	(335,715)	(841,811)	(534,916)	(1,013,311)	(408,939)	(1,029,032)	(627,176)	(1,193,746)

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

LOJAS RENNER S.A.



33.2 GENERAL AND ADMINISTRATIVE EXPENSES

	Parent Company				Consolidated			
	2Q20	6M20	2Q19	6M19	2Q20	6M20	2Q19	6M19
	Restated (*)				Restated (*)			
Personnel	(78,352)	(168,781)	(86,698)	(165,191)	(86,991)	(186,991)	(94,029)	(179,880)
Occupancy	(2,916)	(3,680)	(174)	(667)	(4,263)	(6,687)	(1,297)	(2,690)
Outsourced services	(34,510)	(85,606)	(49,776)	(96,304)	(40,921)	(101,942)	(56,868)	(110,911)
Utilities and services	(9,809)	(22,563)	(12,516)	(25,650)	(12,745)	(27,184)	(13,878)	(28,297)
Depreciation and Amortization	(26,737)	(50,929)	(23,138)	(47,361)	(33,219)	(58,670)	(22,747)	(47,264)
Depreciation – Right-of-use (*)	(7,137)	(14,214)	(6,505)	(13,000)	(8,127)	(15,565)	(7,232)	(14,420)
Other expenses	(2,054)	(9,936)	(12,057)	(22,253)	(5,558)	(17,938)	(16,382)	(30,917)
Total	(161,515)	(355,709)	(190,864)	(370,426)	(191,824)	(414,977)	(212,433)	(414,379)

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

33.3 OTHER OPERATING INCOME (EXPENSES)

	Controladora				Consolidado			
	2Q20	6M20	2Q19	6M19	2Q20	6M20	2Q19	6M19
	Restated (*)				Restated (*)			
Expenses with financial products and services	(15,109)	(41,154)	(37,067)	(71,878)	(74,857)	(162,428)	(76,757)	(142,412)
Depreciation and Amortization	(976)	(1,977)	(2,536)	(5,133)	(3,592)	(7,137)	(3,308)	(6,600)
Depreciation – Right-of-use (*)	-	-	-	-	(141)	(282)	(226)	(313)
Income (expenses) from write-off of fixed assets	(8,952)	(8,979)	(487)	(1,403)	(9,905)	(9,737)	(289)	(789)
Stock option plan	(5,392)	(10,374)	(5,160)	(9,965)	(5,392)	(10,374)	(5,160)	(9,965)
Management fees	517	517	-	-	517	517	-	-
Other operating income (expenses)	(51,254)	(53,297)	(1,026)	(1,682)	(51,452)	(57,847)	(1,814)	(3,124)
Recovery of tax credits (**)	793,650	802,577	5,613	35,045	794,373	804,686	11,648	41,080
Employee profit sharing	2,142	2,142	(18,127)	(31,088)	1,471	1,443	(18,677)	(31,638)
Total	714,626	689,455	(58,790)	(86,104)	651,022	558,841	(94,583)	(153,761)

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

(**) Refers mostly to other revenues in the amount of R\$784,619 related to the process that excludes ICMS from the PIS/COFINS tax base, as detailed in Note 9.

34 FINANCE INCOME (COSTS), NET

	Parent Company				Consolidated			
	2Q20	6M20	2Q19	6M19	2Q20	6M20	2Q19	6M19
	Restated (*)				Restated (*)			
Finance income	565,754	575,833	9,433	16,294	579,756	605,335	16,013	27,198
Gains on cash equivalents	11,052	20,246	9,187	15,849	11,175	20,735	9,892	17,141
Foreign exchange gains	1,214	1,662	43	167	7,971	19,069	5,468	9,065
Inflation adjustment	-	-	-	-	6,970	11,130	468	479
Selic interest on tax credits (**)	553,310	553,310	121	126	553,310	553,310	129	281
Finance income	178	615	82	152	330	1,091	56	232
Finance costs	(65,910)	(116,867)	(52,662)	(99,652)	(86,151)	(161,497)	(69,594)	(125,900)
Interest on borrowings, financing and Swap	(24,585)	(38,563)	(21,008)	(35,246)	(25,526)	(40,084)	(23,035)	(39,115)
Interest on leases (*)	(27,042)	(52,296)	(29,478)	(59,650)	(32,658)	(64,445)	(34,070)	(68,851)
Foreign exchange losses	(11,696)	(21,400)	(58)	(159)	(13,920)	(29,378)	(6,704)	(7,756)
Liability interest	(167)	(450)	(197)	(689)	(251)	(819)	(417)	(1,117)
Inflation adjustment	-	-	-	-	(10,851)	(20,179)	(2,383)	(3,601)
Other finance costs	(2,420)	(4,158)	(1,921)	(3,908)	(2,945)	(6,592)	(2,985)	(5,460)
Finance income (costs), net	499,844	458,966	(43,229)	(83,358)	493,605	443,838	(53,581)	(98,702)

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.1.

(**) Refers mostly to restatement of the process that excludes ICMS from the PIS/COFINS tax base, as detailed in Note 9.

LOJAS RENNER S.A.



Net finance income (costs) was atypically sensitized in 1H20 mostly due to recognition of Selic interest on tax credits referring to the process on ICMS on the PIS and COFINS tax base, and also due to the effects of Covid-19. In the latter case, the exchange difference payable expenses were impacted mainly due to the fluctuation of the dolar exchange rate against the Brazilian real between the clearance and the closing of the exchange rate for payments of imported goods, according to the flow implemented for payment of foreign trade transactions and realization of currency hedge derivative instruments.

35 INSURANCE COVERAGE

The Company and its subsidiaries have insurance policies taken out with the main insurance companies in Brazil, which were determined as per guidance provided by experts and take into consideration the nature and the value of risk involved. As of June 30, 2020, 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 on the side:

	■ 6/30/2020	■ 12/31/2019
Vehicles	8,280	8,422
Properties and Inventories	4,970,458	4,768,048
Civil liabilities and D&O	98,000	98,000
Total	5,076,738	4,874,470

36 SUPPLEMENTARY INFORMATION TO THE CASH FLOW

36.1 PARENT COMPANY

	Capital	Treasury shares	Leases payable	Loans, financing, debentures and operating financing	Statutory payables	Total
Balance on January 1, 2019	2,637,473	(44,536)	33,940	906,725	242,995	3,776,597
	Restated (*)					
Changes affecting cash	24,771	-	(146,995)	135,983	(403,239)	(389,480)
Capital increase/Disposal and/or transfer of treasury shares	24,771	-	-	-	-	24,771
(Amortization) funding of borrowings and lease consideration	-	-	(146,995)	160,929	-	13,934
Interest paid on loans, debentures and operating financing	-	-	-	(24,946)	-	(24,946)
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(394,945)	(394,945)
Management fees	-	-	-	-	(8,294)	(8,294)
Changes not affecting cash	1,112,050	8,987	1,580,561	35,456	272,577	3,009,631
First-time adoption - CPC 06 (R2)/ IFRS 16 and contractual remeasurement (*)	-	-	1,519,359	-	-	1,519,359
Share bonus and incorporation of capital reserves	1,112,050	-	-	-	-	1,112,050
Disposal/ transfer of shares	-	8,987	-	-	-	8,987
Interest expenses on borrowings, structuring costs and operating financing (*)	-	-	61,202	35,456	-	96,658
Distribution of interest on equity and dividends	-	-	-	-	272,577	272,577
Balance on June 30, 2019	3,774,294	(35,549)	1,467,506	1,078,164	112,333	6,396,748
Balance on January 1, 2020	3,795,634	(35,549)	1,434,424	1,000,480	243,114	6,438,103
Changes affecting cash	267	(96,964)	(125,808)	1,478,916	(256,144)	1,000,267
Capital increase	267	-	-	-	-	267
Share buyback	-	(96,964)	-	-	-	(96,964)
(Amortization) funding of borrowings and lease consideration	-	-	(125,566)	1,508,950	-	1,383,384
Interest paid on loans, debentures and operating financing	-	-	-	(30,034)	-	(30,034)
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(250,309)	(250,309)
Management profit sharing	-	-	-	-	(5,835)	(5,835)
Changes not affecting cash	-	13,052	32,450	78,867	114,293	238,662
Contractual remeasurement	-	-	36,526	-	-	36,526
Discounts – lease payable	-	-	(62,527)	-	-	(62,527)
Disposal/ transfer of shares	-	13,052	-	-	-	13,052
Interest expenses on borrowings, structuring costs and operating financing	-	-	58,451	41,127	-	99,578
Distribution of interest on equity and dividends	-	-	-	-	114,293	114,293
Financing – financial services and operations	-	-	-	37,740	-	37,740
Balance on June 30, 2020	3,795,901	(119,461)	1,341,066	2,558,263	101,263	7,677,032

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.

LOJAS RENNER S.A.



CAMICADO YOU COM realize



36.2 CONSOLIDATED

	Capital	Treasury shares	Leases payable	Loans, financing, debentures and operating financing	Statutory payables	Total
Balance on January 1, 2019	2,637,473	(44,536)	33,940	1,038,062	242,995	3,907,934
			Restated (*)			
Changes affecting cash	24,771	-	(168,963)	117,519	(403,239)	(429,911)
Capital increase	24,771	-	-	-	-	24,771
(Amortization) funding of borrowings and lease consideration	-	-	(168,963)	144,380	-	(24,583)
Interest paid on loans, debentures and operating financing	-	-	-	(26,861)	-	(26,861)
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(394,945)	(394,945)
Management fees	-	-	-	-	(8,294)	(8,294)
Changes not affecting cash	1,112,050	8,987	1,827,463	39,220	272,577	3,260,297
First-time adoption - CPC 06 (R2)/ IFRS 16 and contractual remeasurement (*)	-	-	1,757,059	-	-	1,757,059
Share bonus and incorporation of capital reserves	1,112,050	-	-	-	-	1,112,050
Disposal/ transfer of shares	-	8,987	-	-	-	8,987
Interest expenses on borrowings, structuring costs and operating financing (*)	-	-	70,404	39,220	-	109,624
Distribution of interest on equity and dividends	-	-	-	-	272,577	272,577
Balance on June 30, 2019	3,774,294	(35,549)	1,692,440	1,194,801	112,333	6,738,319
Balance on January 1, 2020	3,795,634	(35,549)	1,739,361	1,153,663	243,114	6,896,223
Changes affecting cash	267	(96,964)	(152,888)	1,752,727	(256,144)	1,246,998
Capital increase	267	-	-	-	-	267
Disposal/ transfer of shares	-	(96,964)	-	-	-	(96,964)
(Amortization) funding of borrowings and lease consideration	-	-	(152,888)	1,783,752	-	1,630,864
Interest paid on loans, debentures and operating financing	-	-	-	(31,025)	-	(31,025)
Interest on equity, dividends paid and income tax on interest on equity	-	-	-	-	(250,309)	(250,309)
Management profit sharing	-	-	-	-	(5,835)	(5,835)
Changes not affecting cash	-	13,052	69,105	549,044	114,293	745,494
Contractual remeasurement/new agreements and transaction adjustments	-	-	71,052	-	-	71,052
Discounts – lease payable	-	-	(72,899)	-	-	(72,899)
Disposal/ transfer of shares	-	13,052	-	-	-	13,052
Interest expenses on borrowings, structuring costs and operating financing	-	-	70,952	57,678	-	128,630
Distribution of interest on equity and dividends	-	-	-	-	114,293	114,293
Financing – financial services and operations	-	-	-	491,366	-	491,366
Balance on June 30, 2020	3,795,901	(119,461)	1,655,578	3,455,434	101,263	8,888,715

(*) Restatement of comparative balances in view of the change in the lease accounting policy, as described in Note 3.6.1.

LOJAS RENNER S.A.



CAMICADO

YOU COM

realize

**37 EVENTS AFTER THE REPORTING PERIOD****37.1 FUNDING**

On July 7, 2020, a CCB loan was contracted with Banco Safra, in the amount of R\$150,000, at CDI rate + 2.65% p.a., maturing on July 7, 2022, which will be used to strengthen working capital and maintain the Company's minimum strategic cash level.

37.2 BUSINESS CONTINUITY

After all the measures and impacts of Covid-19 mentioned throughout these Interim Financial Statements, we are still preparing for operating expenses to be adjusted to a new sales reality, and with that, in addition to the adoption of MP No. 936/2020 and reinforcement of the Company's cash, we implemented a series of actions to review rent and service contracts, and review the investment plan, among other measures. The Company has been permanently monitoring the scenario and maintains a dynamic adjustment plan, adaptable according to the evolution of the economic scenario and internal opportunities.

We understand that this moment of isolation and mobility restriction will make consumers get accustomed to the use of e-commerce more quickly, which is beneficial for our digital transformation. We have accelerated alternative forms of sales that, in addition to e-commerce, allow customers to buy products without leaving home, contributing to the income of our employees. Since April, we have been testing deliveries from stores, social sales and WhatsApp.

We gradually started to reopen the units and since the beginning of the process, the conversion of sales by customers who visit the stores has been higher, as well as the number of pieces per ticket, and as activities gradually resume to their normality, we are noticing an important recovery in the flow of customers, with improvement in sales performance.

Considering these factors, we understand that these initiatives contribute to the Company's operational continuity plan.

LOJAS RENNER S.A.



A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated interim financial information prepared in accordance with NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting.

INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

The Shareholders, Board of Directors and Officers

Lojas Renner S.A.

Porto Alegre - RS

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Lojas Renner S.A. (the "Company") for the quarter ended June 30, 2020, comprising the statement of financial position as of June 30, 2020 and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information form referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

LOJAS RENNER S.A.



CAMICADO

YOU COM

realize



Corresponding amounts

The corresponding amounts for the year ended December 31, 2019 and the quarter ended June 30, 2019, presented for comparison purposes in the interim financial information for the current period, were restated in relation to the full individual and consolidated financial statements originally disclosed for the year ended December 31, 2019 and to the individual and consolidated interim financial information (ITR) originally disclosed for the quarter ended June 30, 2019, which were audited and reviewed, respectively, by another independent auditor. The corresponding amounts for the year ended December 31, 2019 and the quarter ended June 30, 2019, now restated as a result of the matters described in Note 3.6.1, were audited and reviewed, respectively, by another independent auditor, who issued unmodified audit and review reports dated August 28, 2020.

Porto Alegre, August 28, 2020.

ERNST & YOUNG

Auditores Independentes S.S.

CRC-2SP15199/O-6

Guilherme Ghidini Neto

Accountant CRC-RS 067795/O-5

LOJAS RENNER S.A.



CMICADO

YOUCOM

realize



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 Interim Financial Information for the quarter ended on June 30, 2020, authorizing their conclusion as of this date.

Porto Alegre, August 28, 2020.

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

LOJAS RENNER S.A.



CMICADO

YOUCOM

realize



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 Interim Financial Information for the quarter ended on June 30, 2020, 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 Interim Financial Information - ITR.

Porto Alegre, August 28, 2020.

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