

Interim Financial Information

Marisa Lojas S.A. and Subsidiaries

September 30, 2022

with Independent Auditor's Review Report

Marisa Lojas S.A. and Subsidiaries

Interim financial information

September 30, 2022

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A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with the rules issued by Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information Form (ITR)

Independent auditor's report on review of interim financial statements

The Shareholders and Officers

Marisa Lojas S.A.

São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Marisa Lojas S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2022, comprising the statement of financial position as of September 30, 2022 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods the ended, and of changes in equity and cash flows for the nine-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 Federal Accounting Counsel ("CFC") and International Accounting Standards Board (IASB), respectively, 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 individual and consolidated 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 was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (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 statements of value added (SVA) for the nine-month period ended September 30, 2022, 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.

São Paulo, November 10, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Patricia Nakano Ferreira
Accountant CRC-1SP234620/O-4

Marisa Lojas S.A. and Subsidiaries

Statements of financial position
September 30, 2022 and December 31, 2021
(In thousands of reais - R\$)

	Note	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalents	6.2	17,818	49,443	183,281	261,974
Marketable securities	6.4	32,996	31,085	32,996	31,085
Financial instruments		537	3,367	537	3,367
Trade accounts receivable	7.2	197,106	379,960	732,572	860,755
Inventories	8.2	420,376	369,329	420,376	369,329
Related parties	11.2	17,109	26,710	-	-
Taxes recoverable	9.2	169,149	143,318	218,199	187,258
Other current assets	32.5	32,861	25,847	55,555	63,540
Total current assets		887,952	1,029,059	1,643,516	1,777,308
Noncurrent assets					
Trade accounts receivable	7.2	19,953	-	19,953	-
Marketable securities	6.4	32,294	38,740	39,082	45,693
Taxes recoverable	9.2	555,672	584,651	601,520	638,297
Other noncurrent assets	32.5	1,006	1,103	2,578	3,496
Deferred income and social contribution taxes	10.3	-	-	122,682	69,482
Judicial deposits	20.2	108,995	100,970	141,877	134,024
Total noncurrent assets		717,920	725,464	927,692	890,992
Investments	12.2	362,313	389,007	-	-
Right-of-use asset	14.2	786,916	525,587	787,061	525,616
Property and equipment	13.2	93,765	112,114	96,934	113,188
Intangible assets	13.4	115,170	101,909	127,785	116,081
Total noncurrent assets		2,076,084	1,854,081	1,939,472	1,645,877
Total assets		2,964,036	2,883,140	3,582,988	3,423,185

	Note	Individual		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
Liabilities and equity					
Current liabilities					
Trade accounts payable	15.2	485,018	469,736	487,255	481,151
Loans, financing and debentures	16.2	221,055	299,280	347,210	480,253
Leases payable	14.3	154,550	171,086	154,553	171,119
Payroll, accruals and social contributions	17.2	93,236	75,012	97,532	77,512
Taxes payable	18.2	31,702	72,727	34,164	76,157
Related parties	11.2	23,736	48,679	-	-
Rents, condominium fees and promotion fund payable		22,432	25,946	22,432	25,946
Financial instruments	31.1.3	1,904	29	1,904	29
Income and social contribution taxes payable		-	-	120	1,606
Deferred income	19.2	511	511	3,907	8,013
Other current liabilities	19.3	40,669	76,972	61,964	108,406
Total current liabilities		1,074,813	1,239,978	1,211,041	1,430,192
Noncurrent liabilities					
Loans, financing and debentures	16.2	81,043	107,979	512,850	403,131
Leases payable	14.3	697,799	408,484	697,942	408,484
Financial instruments	31.1.3	795	778	795	778
Deferred income and social contribution taxes	10.3	171	1,144	171	1,144
Provision for litigation and contingencies	20	131,560	120,372	152,798	146,750
Deferred income	19.2	2,085	2,468	24,799	27,085
Other noncurrent liabilities	19.3	1,789	2,413	8,611	6,097
Total noncurrent liabilities		915,242	643,638	1,397,966	993,469
Equity					
Capital	22.1	1,694,901	1,447,349	1,694,901	1,447,349
Future capital contribution	22.1	-	70,227	-	70,227
Treasury shares		(1,174)	(1,110)	(1,174)	(1,110)
Stock option reserve		18,710	17,222	18,710	17,222
Other comprehensive income (loss)		331	2,222	331	2,222
Accumulated losses		(738,787)	(536,386)	(738,787)	(536,386)
Total equity		973,981	999,524	973,981	999,524
Total liabilities and equity		2,964,036	2,883,140	3,582,988	3,423,185

See accompanying notes.

Marisa Lojas S.A. and Subsidiaries

Statements of profit or loss

Three- and nine-month periods ended September 30, 2022 and 2021

(In thousands of reais - R\$, except for loss per share)

	Note	Individual				Consolidated			
		01/07/2022 to 09/30/2022	01/01/2022 to 09/30/2022	01/07/2021 to 09/30/2021	01/01/2021 to 09/30/2021	01/07/2022 to 09/30/2022	01/01/2022 to 09/30/2022	01/07/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Net operating revenue	25.2	511,999	1,561,354	538,406	1,333,061	619,302	1,933,071	654,613	1,673,364
Costs of resale of goods, of credit card transactions, of financial transactions and of services	26	(254,093)	(780,998)	(305,786)	(731,428)	(365,575)	(1,120,208)	(360,388)	(892,309)
Gross profit		257,906	780,356	232,620	601,633	253,727	812,863	294,225	781,055
Operating (expenses) income									
Selling expenses	27.1	(152,254)	(471,767)	(156,784)	(427,910)	(162,282)	(501,781)	(167,323)	(457,216)
General and administrative expenses	27.2	(44,618)	(129,444)	(40,233)	(112,592)	(58,860)	(173,534)	(56,314)	(159,937)
Depreciation and amortization expenses	13 and 14.2	(61,522)	(195,867)	(66,722)	(201,310)	(63,401)	(201,410)	(68,697)	(207,058)
Other operating income (expenses), net	28	(9,850)	(4,129)	4,036	(2,298)	(14,059)	(13,486)	74	688
Equity pickup	12.2	(14,221)	(10,592)	19,290	58,556	-	-	-	-
Operating income (expenses) before finance income and costs		(24,559)	(31,443)	(7,793)	(83,921)	(44,875)	(77,348)	1,965	(42,468)
Finance costs	29.2	(84,960)	(211,841)	(38,764)	(121,973)	(87,437)	(223,670)	(39,955)	(127,299)
Finance income	29.2	12,057	40,883	2,693	16,410	14,640	46,017	3,438	18,340
Loss before income and social contribution taxes		(97,462)	(202,401)	(43,864)	(189,484)	(117,672)	(255,001)	(34,552)	(151,427)
Income and social contribution taxes									
Current	10.4	-	-	88,243	120,980	(184)	(600)	84,899	88,224
Deferred	10.4	-	-	-	-	20,394	53,200	(5,968)	(5,301)
Total income and social contribution taxes		-	-	88,243	120,980	20,210	52,600	78,931	82,923
Net income (loss) for the period		(97,462)	(202,401)	44,379	(68,504)	(97,462)	(202,401)	44,379	(68,504)
Attributable to									
Company controlling interests		(97,462)	(202,401)	44,379	(68,504)	(97,462)	(202,401)	44,379	(68,504)
		(97,462)	(202,401)	44,379	(68,504)	(97,462)	(202,401)	44,379	(68,504)
Basic and diluted loss per share in the period – R\$	30	(0.29869)	(0.62030)	0.16971	(0.26197)				

See accompanying notes.

Marisa Lojas S.A. and Subsidiaries

Statements of comprehensive income (loss)

Three- and nine-month periods ended September 30, 2022 and 2021

(In thousands of reais - R\$)

	Individual				Consolidated			
	01/07/2022 to 09/30/2022	01/01/2022 to 09/30/2022	01/07/2021 to 09/30/2021	01/01/2021 to 09/30/2021	01/07/2022 to 09/30/2022	01/01/2022 to 09/30/2022	01/07/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Net income (loss) for the period	(97,462)	(202,401)	44,379	(68,504)	(97,462)	(202,401)	44,379	(68,504)
Hedge accounting gains (losses)	(7,858)	(2,864)	9,681	9,334	(7,858)	(2,864)	9,681	9,334
Income and social contribution taxes (IRPJ and CSLL) on gains (losses) on cash flow hedge	2,672	973	(3,292)	(3,203)	2,672	973	(3,292)	(3,203)
Other comprehensive income (loss)	(5,186)	(1,891)	6,389	6,131	(5,186)	(1,891)	6,389	6,131
Total comprehensive income (loss)	(102,648)	(204,292)	50,768	(62,373)	(102,648)	(204,292)	50,768	(62,373)

See accompanying notes.

Marisa Lojas S.A. and Subsidiaries

Statements of changes in equity - individual and consolidated
 Nine-month periods ended September 30, 2022 and 2021
 (In thousands of reais - R\$)

	Note	Capital	Future capital contribution	Capital reserve	Income reserves		Treasury shares	Other comprehensive income (loss)	Accumulated losses	Total equity
				Stock options	Legal reserve	Retained profit reserve				
Balances at December 31, 2020		1,447,349	-	14,793	43,986	35,939	(1,110)	(4,477)	(544,557)	991,923
Loss for the period		-	-	-	-	-	-	-	(68,504)	(68,504)
Stock option plan	23	-	-	1,760	-	-	-	-	-	1,760
Transactions with financial instruments		-	-	-	-	-	-	6,131	-	6,131
Balances at September 30, 2021		1,447,349	-	16,553	43,986	35,939	(1,110)	1,654	(613,061)	931,310
Balances at December 31, 2021		1,447,349	70,227	17,222	-	-	(1,110)	2,222	(536,386)	999,524
Capital increase	22.1	250,000	(70,227)	-	-	-	-	-	-	179,773
Common share issue costs	22.1	(2,448)	-	-	-	-	-	-	-	(2,448)
Loss for the period		-	-	-	-	-	-	-	(202,401)	(202,401)
Treasury shares		-	-	-	-	-	(64)	-	-	(64)
Stock option plan	23 and 24	-	-	1,488	-	-	-	-	-	1,488
Transactions with financial instruments	32.2.2	-	-	-	-	-	-	(1,891)	-	(1,891)
Balances at September 30, 2022		1,694,901	-	18,710	-	-	(1,174)	331	(738,787)	973,981

See accompanying notes.

Marisa Lojas S.A. and Subsidiaries

Statements of cash flows

Nine-month periods ended September 30, 2022 and 2021

(In thousands of reais - R\$)

Note	Individual		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021 (reclassified)	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021 (reclassified)
Cash flows from operating activities				
Loss for the period	(202,401)	(68,504)	(202,401)	(68,504)
Adjustments to reconcile loss for the period to net cash flows from (used in) operating activities:				
Depreciation and amortization	13.3 and 13.5	59,359	52,423	63,299
Depreciation of right-of-use asset	14.2	143,710	148,987	143,759
Residual cost of property and equipment and intangible assets written off	13.3 and 13.5	4,568	691	4,568
Equity pickup	12.2	(58,556)	-	-
Allowance for expected credit losses (reversal)	7.3	-	75,091	(51,428)
Adjustment to present value of trade accounts receivable	7.2	(17)	(17)	-
Provision for inventory losses and present value adjustment	8	(13,052)	6,812	(13,052)
Provision for losses on property and equipment and intangible assets (reversal)	13.6	(1,309)	(60)	(1,309)
Interest on lease liabilities	14.3	48,869	65,082	48,875
Discount obtained on lease liabilities	14.3	(13,468)	(141)	(13,468)
Residual cost of lease agreements ended	14.3	-	62	-
Stock option plan		1,760	1,488	1,760
Finance charges and foreign exchange differences on balances of financing, loans, debentures and intercompany loans	11.2.1/16.3	25,418	79,964	41,335
Recovery of overpaid IRPJ and CSLL	9.3	(122,783)	-	(122,783)
Recovery of DIFAL arising from unconstitutionality due to absence of Supplementary Law	28	-	(11,075)	-
Deferred income and social contribution taxes		-	(53,200)	5,301
Financial instruments		(2,506)	2,830	(2,506)
Provision for litigation and contingencies	20.2	4,508	10,983	17,156
		111,863	177,519	53,003
(Increase) decrease in operating assets:				
Trade accounts receivable	7	162,918	33,156	41,651
Inventories	8	(57,859)	(57,859)	(143,442)
Taxes recoverable	9	3,148	10,306	54,134
Related parties	11	9,601	-	-
Judicial deposits	20.2	(8,025)	(7,853)	8,529
Dividends received	12	16,102	-	-
Other operating assets		(6,917)	8,903	18,632
Increase (decrease) in operating liabilities:				
Trade accounts payable	15	23,824	14,577	36,777
Taxes payable	18	(29,950)	(30,776)	(26,674)
Financial instruments		5,260	(972)	5,260
Deferred income	19	(383)	(6,392)	(10,255)
Payroll, accruals and social charges	17	18,224	20,020	26,468
Related parties	11	(24,943)	-	-
Provision for litigation and contingencies	20.2	(2,499)	(4,935)	(4,641)
Rents, condominium fees and promotion fund payable		1,170	(3,514)	1,171
Other operating liabilities	19.3	(36,927)	(43,928)	(27,288)
Cash flows from operating activities		173,691	108,252	33,325
Income and social contribution taxes paid		-	(6,098)	(28,794)
Interest paid	11.2.1/16.3	(28,919)	(58,719)	(46,398)
Net cash flows from (used in) operating activities		139,486	43,435	(41,867)
Cash flows from investing activities				
Acquisition of property and equipment	13.3	(10,233)	(12,656)	(7,380)
Acquisition of intangible assets	13.5	(41,869)	(44,321)	(36,953)
Amounts redeemed (invested) - marketable securities	6.4	4,535	4,700	(43,283)
Net cash flows used in investing activities		(47,567)	(52,277)	(87,616)
Cash flows from financing activities				
Loans and financing raised	16.3	324,379	523,908	498,226
Intercompany loans	11.2.1	-	-	-
Repayment of loans and financing	16.3	(422,662)	(568,477)	(449,814)
Repayment of intercompany loans		-	-	-
Amortization of lease liabilities	14.3	(202,522)	(202,543)	(170,424)
Treasury shares		(64)	(64)	-
Capital increase	22.1	179,773	179,773	-
Common share issue costs	22.1	(2,448)	(2,448)	-
Net cash flows used in financing activities		(123,544)	(69,851)	(122,012)
Decrease in cash and cash equivalents		(31,625)	(78,693)	(251,495)
Cash and cash equivalents at January 01	6	49,443	261,974	526,932
Cash and cash equivalents at September 30	6	17,818	183,281	275,437

See accompanying notes.

Marisa Lojas S.A. and Subsidiaries

Statements of value added
 Nine-month periods ended September 30, 2022 and 2021
 (In thousands of reais - R\$)

	Individual		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Revenues				
Sales of goods and services	2,097,628	1,789,894	2,493,170	2,152,256
Expected credit losses	-	-	(77,332)	51,315
Other operating income	31,116	21,745	36,252	40,889
	2,128,744	1,811,639	2,452,090	2,244,460
Materials acquired from third parties				
Cost of goods and services	(1,086,552)	(1,009,584)	(1,348,874)	(1,217,960)
Materials, energy, third-party services and other	(346,701)	(265,879)	(430,900)	(350,201)
	(1,433,253)	(1,275,463)	(1,779,774)	(1,568,161)
Gross value added	695,491	536,176	672,316	676,299
Depreciation and amortization	(195,867)	(201,310)	(201,410)	(207,058)
Net value added produced by the Company	499,624	334,866	470,906	469,241
Value added received in transfer				
Equity pickup	(10,592)	58,556	-	-
Finance income	40,883	16,410	46,017	18,340
	30,291	74,966	46,017	18,340
Total value added to be distributed	529,915	409,832	516,923	487,581
Value added distributed				
Personnel and charges	287,445	270,123	299,942	280,751
Direct compensation	239,140	226,594	249,526	235,433
Benefits	28,300	24,098	29,648	25,146
Unemployment Compensation Fund (FGTS)	20,005	19,431	20,768	20,172
Taxes, charges and contributions	294,093	113,829	267,829	176,695
Federal taxes	116,328	(25,646)	86,439	33,982
State taxes	176,709	138,640	176,736	138,659
Local taxes	1,056	835	4,654	4,054
Interest and rents	150,778	94,384	151,553	98,639
Interest	39,563	24,749	40,284	28,944
Rents	111,215	69,635	111,269	69,695
Equity remuneration	(202,401)	(68,504)	(202,401)	(68,504)
Income (loss) for the period	(202,401)	(68,504)	(202,401)	(68,504)
Total value added distributed	529,915	409,832	516,923	487,581

See accompanying notes.

Marisa Lojas S.A. e Controladas

Notes to individual interim financial information

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

1. Operations

Marisa Lojas S.A. ("Parent Company" or "Company") is a corporation established in Brazil, with head office located at Rua James Holland, 422, in the city and state of São Paulo, incorporated on April 28, 1959, listed on the São Paulo Stock Exchange ("B3 S.A. - Brasil, Bolsa e Balcão") under ticker symbol AMAR3, at "Novo Mercado" (New Market) level of Corporate Governance.

Marisa Lojas S.A. and its direct and indirect subsidiaries, jointly referred to as "Marisa Group", are primarily engaged in:

- Retail of consumer goods and e-commerce;
- Granting of loans to individuals;
- Administration of credit card with its own or third party's brand (branded), intermediation of insurance, among other.

1.1. Impacts of the Covid-19 pandemic and actions taken

The Company continues to constantly assess the evolution of the economic scenario and the impacts of the Covid-19 pandemic, including potential government decisions regarding the end of the state of emergency. In line with the requirements of the Securities and Exchange Commission ("CVM"), we highlight below the main estimates and operations impacted for the period ended September 30, 2022.

Going concern risk

The Company has no evidence of any going concern risks, considering the projected cash flow scenario prepared by management. Even considering the worst scenario, at September 30, 2022, there was no indication that the Company would not be able to continue as a going concern for at least the next 12 months.

However, management is strictly monitoring for unexpected changes that could deteriorate the economic and business environment and that may affect the Company's ability to meet its obligations and/or lead to the recognition of losses due to the impairment of its assets.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

1. Operations (Continued)

1.1. Impacts of the Covid-19 pandemic and actions taken (Continued)

Impairment of financial assets – NBC TG 48

Short-term investments

The Company has short-term investments with sound financial institutions, with securities pegged to the Interbank Deposit Certificate (CDI). Due to the fluctuation in interest rates, remuneration of these investments was lower when compared to the prepandemic period, but still positive, as detailed in Note 6.

Accounts receivable (expected credit losses)

Management constantly assesses the quality and profitability of both portfolios, through the use of more efficient credit granting and debt collection models, adjusting credit limits and discount rates in a scenario where default is higher.

With these measures, the Company has controlled indicators so as to reflect the expected default through allowances, according to the respective risk level. See changes in ECL amounts in Note 7.3.

Impairment of nonfinancial assets – NBC TG 01 (R4)

Inventories

The Company has been improving inventory management since 2021, by remodeling the supply chain in order to streamline it and reduce the quantity of items in stock, adapting stores and e-commerce to favor digital interaction and omnichannel, in addition to reviewing prices in a more assertive manner and in smaller scale, which contributed to the recovery of the gross margin for the period.

Considering the current scenario and the actions described above, the Company did not identify the need for additions to the provision for inventory losses.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)
September 30, 2022
(In thousands of Reais - R\$, unless otherwise stated)

1. Operations (Continued)

1.1. Impacts of the Covid-19 pandemic and actions taken (Continued)

Impairment of nonfinancial assets – NBC TG 01 (R4) (Continued)

Property and equipment and intangible assets

Considering the macroeconomic scenario, the Company has tested its assets for impairment. As at September 30, 2022, management updated the tests and recorded a provision for impairment, as shown in Note 13.

Income taxes (consolidated) – NBC TG 32 (R4)

The Company and subsidiary M CARTÕES updated the projections of the analysis on recoverability of deferred income and social contribution taxes (IRPJ and CSLL) of subsidiary M CARTÕES, considering the effects of Covid-19, and identified no need for a provision or for derecognition of the balance recorded in books.

Recoverability of indirect taxes – State VAT (ICMS), Contribution Tax on Gross Revenue for Social Integration Program (PIS) and Contribution Tax on Gross Revenue for Social Security Financing (COFINS)

Based on the current scenario, the Company evaluated the projected recoverability of indirect taxes recorded at September 30, 2022, and did not identify the need for changes regarding the realization of amounts, as shown in Note 9.3.

Right-of-use asset and lease liability – NBC TG 06 (R3)

Among the actions taken to preserve cash is the renegotiation of lease agreements, aiming at reducing the amount paid monthly or postponing payments during the months, driven by the Company's cash management, as disclosed in Note 14.

Changes related to agreements renegotiated due to the effect of Covid-19 have already been reflected, as shown in Note 14.

1.2. Approval of individual and consolidated interim financial information

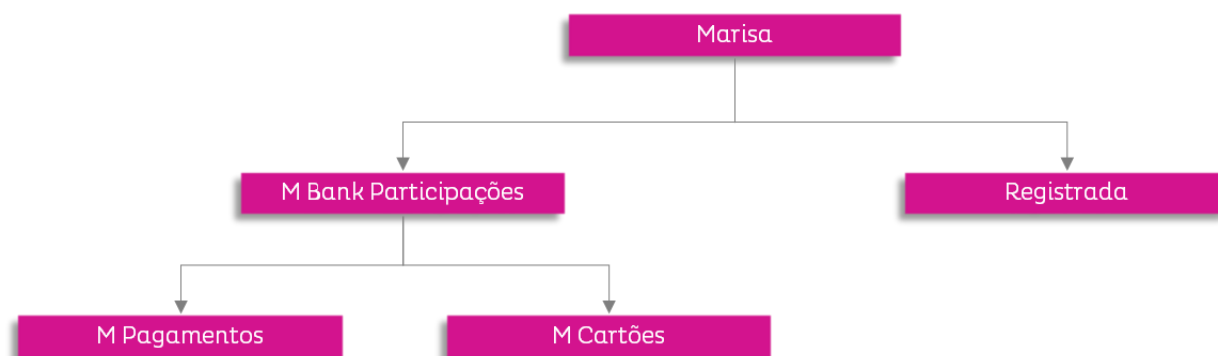
The issuance of these interim financial statements was authorized by the Board of Directors on November 10, 2022.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)
September 30, 2022
(In thousands of Reals - R\$, unless otherwise stated)

2. Subsidiaries

The Company's interim financial information includes the companies according to the following corporate structure and descriptions:



2.1. M BANK Participações Ltda. (“M BANK”)

M BANK operates as a holding company, investing in M PAGAMENTOS S.A. Crédito, Financiamento e Investimento, and in M CARTÕES – Administradora de Cartões de Crédito Ltda. At June 30, 2022, the Company assigned all of its 233,095,596 shares of M CARTÕES to M BANK, with accounting effect from July 1, 2022.

2.2. M CARTÕES - Administradora de Cartões de Crédito Ltda. (“M CARTÕES”)

M CARTÕES is primarily engaged in the administration of the Marisa Card.

2.3. M PAGAMENTOS S.A. - Crédito, Financiamento e Investimento (“M PAGAMENTOS”)

The purpose of M PAGAMENTOS is to operate in the loan, financing and investment markets, in the retail segment, granting loans to individuals.

2.4. REGISTRADA Marcas, Patentes e Royalties Ltda. (“REGISTRADA”)

REGISTRADA is engaged in the management of nonfinancial intangible assets, including brand management, purchase, sale, use and licensing of trademarks and patents, receipt of royalties, authorization for reproduction and use of trademarks and patents in processes and products.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

3. Basis of preparation and presentation of individual and consolidated interim financial information

The Company's individual and consolidated interim financial information has been prepared in accordance with the accounting practices adopted in Brazil, including Brazilian Accounting Standard NBC TG 21 – Interim Financial Reporting, and is in accordance with the International Financial Reporting Standards (IFRS) IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

The Company's individual and consolidated interim financial information has been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

The Company management affirms that all relevant information specific to the interim financial information is disclosed, and that it corresponds to that used in managing the Company.

The preparation of financial information requires the use of certain critical accounting estimates and also the exercise of judgment by the management of Marisa Group in the process of applying accounting policies. Those more complex areas that require a higher degree of judgment, and those where the assumptions and estimates are significant for the consolidated financial information, are disclosed the respective notes.

In the Company's individual and consolidated interim financial information, Subsidiaries are accounted for using the equity method.

The presentation of the individual and consolidated Statement of Value Added (SVA) is required by Brazilian Accounting Standard NBC TG 09, applicable to publicly-held companies. The IFRS do not require the presentation of this statement. As a consequence, under the IFRS, this statement is presented as supplementary information, without prejudice to the set of interim financial information.

Reclassification for comparison purposes – statement of cash flows

In order to improve the quality of the information presented in the interim financial information and for better comparability of the balances as at September 30, 2022, the Company reclassified Marketable securities from “operating activities” to “investing activities”, in the statement of cash flows.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

4. Accounting policies

Significant accounting policies applied in the preparation of this individual and consolidated interim financial information are defined and presented in their respective notes.

4.1. Functional and presentation currency

The interim financial information is presented in Brazilian reais, which is the functional and presentation currency of the Company.

All balances have been rounded to the nearest thousand, unless otherwise stated.

4.2. Basis of consolidation

Subsidiaries are all entities directly or indirectly controlled by the Company. Subsidiaries are consolidated as of the acquisition date, which is the date the Company obtained control over them, and continue to be consolidated until the date such control ceases to exist.

The consolidation of the statement of financial position and profit or loss accounts is consistent with their nature, complemented by eliminating the following items:

- Company's interest in capital, reserves and accumulated profit or loss of consolidated companies;
- Asset and liability balances held between consolidated companies; and
- Revenue and expenses arising from transactions between consolidated companies.

4.3. Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency of the Marisa Group (Brazilian real) using the exchange rates prevailing at the corresponding transaction dates. The statement of financial position account balances in foreign currency are translated at the exchange rate prevailing at the reporting dates. Foreign exchange gains and losses resulting from settlement of these transactions and translation of monetary assets and liabilities denominated in foreign currency are recognized in profit or loss for the period.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

4. Accounting policies (Continued)

4.4. Standards issued but not yet effective

The amended standards that are issued, but not yet effective, up to the date of issuance of the Company's interim financial information are disclosed below: The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of liabilities as current or noncurrent

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, correlated with NBC TG 26 (R5) / CPC 26 (R1) – Presentation of financial statements, to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual periods beginning on or after January 1, 2023 and must be applied retrospectively. Management understands that these amendments will not have a significant impact on the Company's interim financial information.

Amendments to IAS 8: Definition of accounting estimates

In February 2021, the IASB issued amendments to IAS 8, correlated with NBC TG 23 (R2) / CPC 23 (R1) - Accounting Policies, Changes in Accounting Estimates and Errors, in which it introduces a definition of accounting estimates. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for reporting periods beginning on or after January 1, 2023 and will imply changes in accounting policies and estimates that occur on or after the start of that period. Early adoption is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company's interim financial information.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)
September 30, 2022
(In thousands of Reais - R\$, unless otherwise stated)

4. Accounting policies (Continued)

4.4. Standards issued but not yet effective (Continued)

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies

In February 2021, the IASB issued amendments to IAS 1, correlated with NBC TG 26 (R5) / CPC 26 (R1) - Presentation of Financial Statements, and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments define what material accounting policy information is and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, it should not obscure the relevant accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with early application permitted. The Company is currently assessing the impacts of the amendments on accounting policy disclosures.

5. Significant estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on experience and other factors, including expected future events, which are believed to be reasonable under the circumstances.

The preparation of the interim financial information also requires the use of certain critical accounting estimates as well as the exercise of judgment by the Marisa Group management in relation to the future that impact issues that are uncertain. These judgments become more subjective as the number of assumptions that affect the possible future solution of such uncertainties increases.

The significant assumptions and estimates for the individual and consolidated interim financial information for the period ended September 30, 2022 were the same as those adopted in preparation of the individual and consolidated financial statements for the year ended December 31, 2021, disclosed on March 16, 2022.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

6. Cash and cash equivalents, short-term investments and marketable securities

6.1. Accounting policy of cash and cash equivalents

These comprise balance in cash, demand bank deposits, and highly-liquid temporary short-term investments readily convertible into a known cash amount and subject to insignificant risk of changes in value.

Short-term investments are recorded at cost of acquisition, plus income earned through the reporting dates, not exceeding their market or realizable value.

6.2. Breakdown of cash and cash equivalents

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash	9,248	10,678	9,253	10,683
Bank checking account	1,594	18,600	2,274	21,205
Short-term investments (6.3)	6,976	20,165	171,754	230,086
	17,818	49,443	183,281	261,974

6.3. Breakdown of short-term investments

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Repurchase agreements - CDB (i)	6,976	20,165	7,884	97,574
Repurchase agreements - DI (ii)	-	-	163,870	132,501
Financial bills	-	-	-	11
	6,976	20,165	171,754	230,086

(i) These refer to investments in repurchase agreements backed by Bank Deposit Certificate (CDB) that may be repurchased at any time by the financial institution and without loss of income. At September 30, 2022, these operations had average yields of 100.41% (Individual) and 100.57% (Consolidated) of the Interbank Deposit Certificate (CDI) (99.18% in Individual and 100.18% in Consolidated at December 31, 2021).

(ii) At September 30, 2022, these refer to repurchase agreements backed by government securities of subsidiary M PAGAMENTOS. On the agreement date, a commitment to repurchase is defined, which usually takes place on the next business day, and repurchase agreements backed by third-party securities (debentures) at M CARTOES. At September 30, 2022, operations had an average return of 98.69% of the CDI (98.36% of the CDI for government securities and 84.09% of the CDI for repurchase agreements backed by third-party securities at December 31, 2021).

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

6. Cash and cash equivalents, short-term investments and marketable securities (Continued)

6.4. Breakdown of marketable securities

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Investment funds (i)	22,907	10,492	22,907	10,492
Investments in CDB (ii)	42,383	58,617	49,171	65,570
Braskem shares	-	716	-	716
	65,290	69,825	72,078	76,778
Current assets	32,996	31,085	32,996	31,085
Noncurrent assets	32,294	38,740	39,082	45,693
	65,290	69,825	72,078	76,778

(i) These refer to investments in investment funds pledged as collateral for the co-branded transaction with Itaú Unibanco, whose average yield at September 30, 2022 is of 99.17% (95.69% as of December 31, 2021).

(ii) At September 30, 2022, these refer to investments in Bank Deposit Certificates (CDB), with an average yield of 98.32% of the CDI, individual, and 98.59% of the CDI, consolidated. Such funds were pledged as guarantee in financing transactions with the Federal Savings and Loans Bank (Caixa Econômica Federal) in the amount of R\$17,617, Bradesco in the amount of R\$13,099, Banco Alfa in the amount of R\$1,418, Banco Industrial in the amount of R\$2,036, Daycoval in the amount of R\$1,256, and Banco Safra in the amount of R\$6,957 (individual); and with ABC in the amount of R\$1,244 and Itaú in the amount of R\$5,544 (consolidated), in the subsidiaries Registrada and M CARTÕES, respectively, as per Note 16. At December 31, 2021, the average remuneration was 98.55% of the CDI (individual) and 98.80% of the CDI (consolidated), pledged as guarantee in the financing transaction with the Federal Savings and Loans Bank (Caixa Econômica Federal), Banco ABC, Banco Alfa, Banco Daycoval, and pledged in letter of guarantee with Banco Itaú and Banco Safra.

6.5. Credit risk

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

7. Trade accounts receivable

7.1. Accounting policy

Trade accounts receivable correspond to receivables from credit and debit cards (Marisa and third parties) and from personal loans in the ordinary course of the Company's business. Time sales transactions are recorded at the billed amounts, adjusted to present value, considering the Company's estimated average funding cost rate, since spot price and payment in installments have the same sales value, and the Company does not grant discounts for prepayments; also, variable interest is not considered in products' pricing policy.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

7. Trade accounts receivable (Continued)

7.1. Accounting policy (Continued)

The allowance for expected credit losses is set up based on the evaluation of customers' portfolio, and at an amount deemed sufficient by management to cover expected losses upon realization of receivables.

7.2. Portfolio breakdown

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Credit and debit cards - third parties (i)	85,890	101,484	85,890	101,484
Marisa Itaucard Card - co-branded credit card (ii)	26,501	35,088	26,501	35,088
Marisa Card - private label credit card (with interest) (iii)	-	-	382,467	337,953
Marisa Card - private label credit card (no interest)	105,704	245,677	247,888	301,591
Accounts receivable - Banco Itaú Unibanco	-	-	3,269	10,753
Personal loans - M PAGAMENTOS	-	-	192,150	189,429
Other accounts receivable	3,726	2,490	7,527	2,550
Present value adjustment	(4,762)	(4,779)	(4,762)	(4,779)
Expected credit losses (iv)	-	-	(188,405)	(113,314)
	217,059	379,960	752,525	860,755
Current	197,106	379,960	732,572	860,755
Noncurrent	19,953	-	19,953	-
	217,059	379,960	752,525	860,755

(i) Refers to the balance with credit and debit card companies, whose amounts received within 90 days correspond to 95.36% of the total at September 30, 2022 (94.60% at December 31, 2021). At September 30, 2022, the Company had the amount of R\$73,869 (R\$90,656 on December 31, 2021) given as guarantee in loan operations with banks ABC, Safra and Bradesco.

(ii) Under the agreement entered into with Itaú Unibanco S.A. ("Itaú Unibanco") for the creation of the Itaú Unibanco/Marisa credit card, upon the transfer of Marisa Card customers to this new card, the outstanding balances receivable were automatically assumed by Itaú Unibanco, which will pay to the Company the principal amount plus interest previously agreed upon by the customer on installment sales, as applicable.

(iii) This refers to Marisa card transactions with overdue installments recorded at M CARTÕES that are automatically migrated to M PAGAMENTOS, while interest-bearing sales in installments are directly originated in the financing company.

(iv) The criterion for provision for Marisa Card and personal loans is based on the expected realization of the loan portfolio, taking into consideration the recovery performance of receivables up to 360 days after maturity. This methodology has supported the estimates of losses in this portfolio with a reasonable degree of assertiveness, in compliance with the concepts of Accounting Pronouncement NBC TG 48/IFRS9. This criterion, both for the distribution of bands and for the allocation of the percentage of provision, is not comparable to that used for loan portfolios of financial institutions, which comply with the provisions of the Central Bank rule (Resolution No. 2682) that establishes, among others, the carryover of customer balances to the worst risk band, with the application of minimum percentages of provision for each band.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

7. Trade accounts receivable (Continued)

7.3. Expected credit losses

Accounts receivable overdue for more than 180 days are written off against the allowance for expected credit losses, except for personal loans, which are held in the portfolio until they are 360 days past due, in view of the financial institution's practices.

Changes

	<u>Consolidated</u>
Balances at December 31, 2020	(136,106)
Recognition/reversals	(71,011)
Receivables definitively written off	122,439
Balance at September 30, 2021	<u>(84,678)</u>
Balances at December 31, 2021	(113,314)
Recognition/reversals	(168,635)
Receivables definitively written off	93,544
Balance at September 30, 2022	<u>(188,405)</u>

7.4. Portfolio aging - Marisa credit card – private label credit card (with interest)

	<u>Consolidated</u>	
	<u>09/30/2022</u>	<u>12/31/2021</u>
Falling due:		
Within 30 days	44,170	44,422
From 31 to 60 days	23,845	31,886
From 61 to 90 days	20,854	29,268
From 91 to 180 days	39,052	64,222
Above 181 days	22,339	39,635
Total balance falling due	<u>150,260</u>	<u>209,433</u>
Percentage on total portfolio	<u>39.29%</u>	<u>61.97%</u>
Overdue:		
Within 30 days	19,871	19,800
From 31 to 60 days	17,210	15,977
From 61 to 90 days	15,273	13,038
From 91 to 120 days	17,902	10,952
From 121 to 150 days	14,452	11,348
From 151 to 180 days	23,953	11,226
From 181 to 240 days	56,649	16,665
From 241 to 300 days	38,787	20,606
From 301 to 360 days	28,110	8,908
Total overdue balance	<u>232,207</u>	<u>128,520</u>
Percentage on total portfolio	<u>60.71%</u>	<u>38.03%</u>
Total falling due and overdue balances	<u>382,467</u>	<u>337,953</u>

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

7. Trade accounts receivable (Continued)

7.5. Portfolio aging - Marisa credit card – private label credit card (no interest)

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Falling due:				
Within 30 days	37,918	106,637	113,439	123,462
From 31 to 60 days	31,699	56,106	34,112	46,906
From 61 to 90 days	18,651	38,237	26,282	38,043
From 91 to 120 days	8,417	23,595	15,747	25,382
From 121 to 150 days	7,050	15,283	8,232	15,667
From 151 to 180 days	1,186	1,570	2,304	3,452
From 181 to 210 days	299	1,281	960	2,014
Above 211 days and under 360 days	484	2,968	1,516	4,257
Total balance falling due	105,704	245,677	202,592	259,183
Percentage on total portfolio	100.00%	100.00%	81.73%	85.94%
Overdue:				
Within 30 days	-	-	19,154	24,480
From 31 to 60 days	-	-	6,341	5,594
From 61 to 90 days	-	-	2,245	2,549
From 91 to 120 days	-	-	2,088	1,597
From 121 to 150 days	-	-	1,600	1,591
From 151 to 180 days	-	-	13,868	6,597
Total overdue balance	-	-	45,296	42,408
Percentage on total portfolio	-	-	18.27%	14.06%
Total falling due and overdue balances	105,704	245,677	247,888	301,591

7.6. Portfolio aging – Personal loans – M PAGAMENTOS

	Consolidated	
	09/30/2022	12/31/2021
Falling due:		
Within 30 days	25,361	26,855
From 31 to 60 days	21,062	23,993
From 61 to 90 days	17,578	19,247
From 91 to 180 days	34,065	41,779
Above 181 days	26,333	35,004
Total balance falling due	124,399	146,878
Percentage on total portfolio	64.74%	77.54%
Overdue:		
Within 30 days	10,411	9,272
From 31 to 60 days	8,311	5,886
From 61 to 90 days	7,534	4,758
From 91 to 120 days	7,268	4,098
From 121 to 150 days	6,784	3,628
From 151 to 180 days	6,688	3,445
From 181 to 240 days	17,949	5,877
From 241 to 300 days	2,806	3,976
From 301 to 360 days	-	1,611
Total overdue balance	67,751	42,551
Percentage on total portfolio	35.26%	22.46%
Total falling due and overdue balances	192,150	189,429

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

7. Trade accounts receivable (Continued)

7.7. Credit risk

The Company's sales and lending policies are subject to credit policies set up by management, supported by cutting-edge technological systems and processes, linked to the risk and fraud functions, aiming at minimizing any customer default issues. This goal is attained by the management of the Company and its subsidiaries through a strict lending management policy, and careful selection of customer portfolio, which considers their profile and ability to pay through a credit analysis.

8. Inventories

8.1. Accounting policy

Inventories are stated at the lower of cost and net realizable value. Inventory costs are determined by the average cost method, including non-recoverable taxes, transportation costs, insurance, handling, and other costs required to bring inventories to their current conditions. To calculate the present value adjustment, the Company's average borrowing cost is considered.

When necessary, inventories are deducted from provision for losses, established by management, in cases of impairment, obsolescence, low turnover of products and inventory losses.

8.2. Breakdown

	Individual and Consolidated	
	09/30/2022	12/31/2021
Goods for resale	436,291	379,381
Provisions for inventory losses	(16,636)	(15,062)
Present value adjustment	(8,721)	(3,483)
Goods for resale, net	410,934	360,836
Imports in transit	2,815	1,980
Consumables and packaging material	6,627	6,513
	420,376	369,329

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

8. Inventories (Continued)

8.3. Provision for inventory losses

	Individual and Consolidated
Balances at December 31, 2020	(24,397)
Provision recognized	(7,948)
Provision written off	23,004
Balance at September 30, 2021	<u>(9,341)</u>
Balances at December 31, 2021	(15,062)
Provision recognized	(11,597)
Provision written off	10,023
Balance at September 30, 2022	<u>(16,636)</u>

9. Taxes recoverable

9.1. Accounting policy

Taxes recoverable are those included in purchases of goods and services usually linked to the Company's operating activities. These taxes are not recognized in inventory costs and the Company adopts the criteria established in the prevailing legislations for their recognition.

9.2. Breakdown

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
ICMS	22,288	16,296	22,288	16,296
Income tax on short-term investments	13,421	10,937	16,759	13,769
Income and social contribution taxes (IRPJ and CSLL) recoverable	125,781	125,773	208,254	211,469
Withholding Income Tax (IRRF)	2,053	1,722	4,264	3,900
COFINS	442,701	452,425	448,352	458,078
PIS	97,437	99,305	98,662	100,532
Federal Value-Added Tax (IPI)	1,096	1,633	1,096	1,633
Other (i)	20,044	19,878	20,044	19,878
	724,821	727,969	819,719	825,555
Current assets	169,149	143,318	218,199	187,258
Noncurrent assets	555,672	584,651	601,520	638,297
	724,821	727,969	819,719	825,555

(i) This refers substantially to the Social Security Tax (INSS) credit on maternity leave and sick leave/insurance, as mentioned in Note 9.2.3.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

9. Taxes recoverable (Continued)

9.2. Breakdown (Continued)

9.2.1. Exclusion of ICMS from the PIS and COFINS bases - Individual

In March 2019, the tax credits from the exclusion of the ICMS related to the PIS and COFINS tax bases were validly reported before the Brazilian IRS (RFB), and the Company may now make future offsets, the restated amount totaling R\$807,701 on that date. At September 30, 2022, the balance of these credits is R\$511,917 (R\$488,060 at December 31, 2021).

9.2.2. Corporate income tax ("IRPJ") and social contribution tax ("CSLL") – Individual

9.2.2.1. *Tax neutrality*

In March 2021, the Company concluded the analysis about tax neutrality being the basis for the non-levy of IRPJ and CSLL on the amount of tax refundable arising from expenses recorded in periods in which income and/or social contribution tax loss carryforwards were computed. Disregarding a taxpayer's tax situation on the date an undue expense is deducted and then returned years later would imply the requirement of tax payment without legal basis, since, as presented and corroborated by decisions in similar judgments, tax neutrality should be sought in recovering overpaid tax resulting from a conflicting legal situation. In view of the aforementioned, the Company adjusted the income and social contribution tax loss balances for 2018, in order to reduce them, based to the tax refundable amount recognized, reversing the increase in income and social contribution tax losses during the years in which PIS and COFINS were unduly paid (2011-2015), which resulted in recovery of R\$32,737.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

9. Taxes recoverable (Continued)

9.2. Breakdown (Continued)

9.2.2. Corporate income tax ("IRPJ") and social contribution tax ("CSLL") – Individual (Continued)

9.2.2.2. *No IRPJ and CSLL levied on restatement of overpaid taxes using the SELIC rate*

On September 24, 2021, the Federal Supreme Court ("STF") unanimously decided in a plenary session on the merits of the matter, with general repercussion (generally binding decision), that IRPJ and CSLL should not be levied on the amounts relating to the Central Bank benchmark rate (SELIC), received by taxpayers as recovery of overpaid taxes – Case no. 962, Appeal to the Supreme Court RE No. 1.063.187.

On October 3, 2018, the Company filed a Writ of Mandamus seeking recognition of the right not to pay IRPJ and CSLL on the amounts relating to inflation adjustment and interest on late payment, including the SELIC rate, in view of its indemnification nature, applied on recovery of overpaid taxes. A decision was handed down favoring the Company.

Given this scenario, and considering that there is a probability of success due to the decision of the Supreme Court, and based on the definitions of CPC 32 – Income Taxes and ICPC 22 - Uncertainty over Income Tax Treatments, the Company recorded R\$90,046.

The referred to IRPJ and CSLL credits were recorded in the statement of profit or loss in 3Q21 under current income and social contribution taxes, in the amount of R\$88,243, and under finance income in the amount of R\$1,803 as contra-entry to the amount of taxes recoverable in the long term. The Company awaits the definition of the elements required for the specific circumstances relevant to this case, which would give certainty about the tax credits approved for use, as the Supreme Court decision is not binding. Tax credits will be offset after a final court decision on the matter and subsequent approval of the credits by the taxation authority.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

9. Taxes recoverable (Continued)

9.2. Breakdown (Continued)

9.2.3. Social security contribution (Brazilian Institute of Social Security – “INSS”) - Individual

On October 4, 2021, a final decision was partially issued in connection with the lawsuit addressing the inexistence of a relationship of legal and tax nature between the parties, in order to remove the INSS levied on maternity leave, funeral assistance, and sick leave/insurance (accident at work). The result was a tax credit of R\$16,475, with R\$11,900 relating to INSS recognized under “Other operating income”, and R\$4,575 relating to monetary restatement recognized under “Finance income”.

9.3. Taxes recoverable offset plan – noncurrent

The Company carried out a study based on the last PIS and COFINS payments, in addition to considering the budget projections for the next year, and the expected realization of tax credit balances, arising from the ICMS exclusion from the PIS and COFINS tax base and other PIS and COFINS credits, and classified R\$107,249 as current (R\$96,742 in December 2021) and R\$432,889 as noncurrent (R\$461,868 in December 2021). Additionally, in the amount recorded as noncurrent, the Company also presented R\$122,783 in credits arising from the recovery of IRPJ and CSLL overpaid, as detailed in Note 9.2. In the Consolidated statements, the subsidiary M CARTÕES has IRPJ and CSLL tax credits of R\$45,848.

As such, these credits are expected to be offset as follows:

Years	Individual	Consolidated
From 13 to 24 months	145,288	145,288
From 25 to 36 months	174,811	190,094
From 37 to 48 months	186,020	201,303
From 49 to 60 months	49,553	64,835
	555,672	601,520

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

10. Income and social contribution taxes

10.1. Accounting policy

10.1.1. Current income and social contribution taxes

Provision for Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) is calculated in accordance with the prevailing tax legislation, based on accounting net income adjusted by additions to and exclusions from expenses and revenues nondeductible or nontaxable upon their recording.

For subsidiary Registrada, the calculation regime used is that whereby profit is computed as a percentage of the company's gross revenue ("*lucro presumido*"). For the other companies, IRPJ and CSLL tax bases are determined based on the taxable profit regime whereby taxes are computed based on the company's annual accounting records ("*lucro real anual*").

10.1.2. Deferred income and social contribution taxes

Deferred IRPJ and CSLL were calculated on differences between balances of assets and liabilities of the interim financial information and the corresponding tax bases used to calculate current IRPJ and CSLL. Deferred IRPJ and CSLL assets are recognized at the probable amount in which future taxable profit will be sufficient to deduct all temporary differences, and IRPJ and CSLL tax losses. Deferred IRPJ and CSLL are calculated at expected rates upon realization of respective deferred tax assets or upon settlement of deferred tax liabilities. Deferred IRPJ and CSLL expense is recognized in profit or loss for the period, except when it refers to bases whose effects are accounted for directly in equity; in this case, the expense is directly recognized in equity. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

10.2. Realization of deferred income and social contribution taxes

From time to time the Company reviews the budget breakdown and projection balances for realization of deferred income and social contribution taxes of the parent company and its subsidiaries. In the review of the Parent Company's estimates regarding the balances of deferred tax assets, realized in previous years, the Company observed that one of the most significant factors for budget purposes was related to the preparation of income projections, which had been presenting historical results below the budgeted amounts.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

10. Income and social contribution taxes (Continued)

10.2. Realization of deferred income and social contribution taxes (Continued)

With that in view, the Company understood that the history of recurring losses became the most substantial evidence to determine whether deferred tax assets are realizable to the extent that future taxable profit will be available, since the targets for achieving taxable income were not being met. Accordingly, the Company decided to fully write off the income and social contribution tax losses, as well as temporary differences of Parent Company Marisa S.A., as at December 31, 2018. At September 30, 2022 and December 31, 2021, due to the impacts of the Covid-19 pandemic, the study was revised and the conclusion remained unaltered.

At September 30, 2022, the balance of deferred income and social contribution taxes on income and social contribution tax losses of the subsidiary M CARTÕES was R\$25,136 (R\$16,930 at December 31, 2021) which, in the current scenario, should be realized in up to nine years; and of the indirect subsidiary M PAGAMENTOS was R\$40,962 (R\$4,397 at December 31, 2021), which should be realized within five years.

10.3. Tax base of deferred income and social contribution tax assets

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Income tax loss	418,490	373,661	452,957	388,857
Social contribution tax loss	150,655	134,518	182,286	140,649
Provision for contingencies	44,566	40,805	51,635	49,583
Deferred income - partnership	-	-	9,054	10,976
Expected credit losses	-	-	35,956	27,939
Provision for inventory losses	5,656	5,120	5,656	5,120
Provisions for accounts payable	12,987	24,805	16,906	26,659
Variable compensation	6,976	4,481	7,280	4,481
Provision for leases	1,454	1,723	1,454	1,723
Present value adjustment	942	797	942	797
Provision for hedge accounting gains/(losses)	(171)	(1,144)	(171)	(1,144)
Other	1,551	800	1,833	(592)
Write-off of deferred IRPJ and CSLL on income and social contribution tax losses	(569,145)	(508,179)	(569,145)	(508,179)
Write-off of deferred IRPJ and CSLL on temporary differences	(74,132)	(78,531)	(74,132)	(78,531)
	(171)	(1,144)	122,511	68,338
Classified as:				
Noncurrent assets	-	-	122,682	69,482
Noncurrent liabilities	(171)	(1,144)	(171)	(1,144)
	(171)	(1,144)	122,511	68,338

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

10. Income and social contribution taxes (Continued)

10.4. Unrecognized deferred income and social contribution taxes

The Company has unrecognized deferred income and social contribution tax balances, as it understands that it is not probable that future taxable profits will be available to use their benefits, as shown below:

Base	09/30/2022		12/31/2021	
	Amount	Tax effect	Amount	Tax effect
Temporary differences	218,034	74,132	230,974	78,531
Accumulated tax losses	1,673,957	569,145	1,494,643	508,179
	1,891,991	643,277	1,725,617	586,710

10.5. Reconciliation of the income and social contribution tax effective rate

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Loss before income and social contribution taxes	(202,401)	(189,484)	(255,001)	(151,427)
Effective rate	34%	34%	34%	34%
Expected income and social contribution tax credit at effective rate	68,816	64,425	86,700	51,485
Effect of income and social contribution taxes on permanent differences:				
Equity pickup	(3,601)	19,909	-	-
Effects of the CSLL rate difference of M PAGAMENTOS (i)	-	-	29,278	6,193
Other permanent (additions) exclusions	(4,372)	(72)	(3,491)	(579)
Income, except for finance income (costs), of subsidiaries taxed based on a percentage of the company's gross revenue:				
Reversal of tax effects - taxable profit computed as per accounting records	-	-	1,556	1,280
Taxation based on a percentage of the company's gross revenue	-	-	(600)	468
Effect of income and social contribution taxes on temporary differences and tax losses for the period, for which there was no recording, since there was no evidence as to their realization:				
Temporary differences	126	5,491	126	5,491
Effect of income and social contribution taxes on unrecognized tax losses	(60,969)	(89,753)	(60,969)	(89,753)
Offsetting of income and social contribution tax losses for the period	-	-	-	(12,642)
Recovery of overpaid IRPJ and CSLL under the tax neutrality principle (ii)	-	120,980	-	120,980
	-	120,980	52,600	82,923
Effective income and social contribution taxes				
Current	-	120,980	(600)	88,224
Deferred	-	-	53,200	(5,301)
	-	120,980	52,600	82,923

(i) The CSLL rate difference arises from the consolidation of the balances of indirect subsidiary M PAGAMENTOS S/A - Crédito, Financiamento e Investimento, which was subject to a rate of 15% at June 30, 2021, pursuant to Law No. 13169/15, of 20% from July 1, 2021 to December 31, 2021, and of 15% as of January 1, 2022, pursuant to the Provisional Executive Order No. 1034/2021.

(ii) See Note 9.2.2.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

11. Related parties

11.1. Accounting policy

The Company applies the accounting standards on related parties in identifying and accounting for related-party transactions; existing balances, including commitments, between the reporting entity and such related parties, and in determining the disclosures to be made regarding these transactions.

These existing transactions and balances with other Group entities are disclosed separately in the interim financial information. Existing intercompany transactions and balances are eliminated, except those between the entity (as investor) and its subsidiaries, which are measured and recorded at fair value through profit or loss in preparing the consolidated interim financial information.

The statements of profit or loss and of financial position of the entity may be affected by a relationship with related parties even if no transaction between them occurs. The mere existence of the relationship may be sufficient to affect the entity's transactions with other parties.

In its ordinary operations, the Company conducts transactions with entities of the same economic group, such as:

- Time sales transactions in credit card, sales of insurance and other services, as well as granting of personal loans are carried out on the premises of the Company's stores;
- The Group's incurred administrative expenses are shared among the entities and subsequently apportioned, observing the effective period of contracts entered into by and between the parties;
- Rents due by the Company to the Group companies;
- Advances received with subsequent dividend distribution.
- Prepayment of receivables as an assignment of receivables and other covenants.
- Intercompany loans. At June 30, 2021, the Company entered into an intercompany loan maturing in 730 days at a rate of 100% CDI + 3% p.a., settled in 3Q21.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

11. Related parties (Continued)

11.1. Accounting policy (Continued)

In the first half of 2022, subsidiaries M CARTÕES and M PAGAMENTOS carried out Portfolio Assignment activities referring to credit card transactions, performing and without interest, under which M CARTÕES assigned the amounts of R\$39,993 and R\$38,871, on March 30, 2022 and April 29, 2022, respectively, to M PAGAMENTOS, definitively and without co-obligation, at a discount rate of 2%. This resulted in income of R\$1,576 at M PAGAMENTOS and an expense in an equal amount at M CARTÕES, canceled in the consolidated statements.

11.2. Breakdown

11.2.1. Balances and transactions eliminated on consolidation

Intercompany balances and transactions between the Company and its subsidiaries were eliminated on consolidation and are presented in this note, under Individual. Details are as follows:

	Individual	
	09/30/2022	12/31/2021
<u>Current assets:</u>		
M CARTÕES - Administradora de Cartões de Crédito Ltda.		
Sales with Marisa credit card (i)	105,704	245,669
Shared expenses and other (iii)	9,773	15,628
	115,477	261,297
M PAGAMENTOS S.A. - Crédito, Financiamento e Investimento		
Correspondent bank	10	8
Shared expenses (iii)	7,326	11,082
	7,336	11,090
	122,813	272,387
<u>Current liabilities:</u>		
M CARTÕES - Administradora de Cartões de Crédito Ltda. (iv)	(7,748)	(3,213)
M PAGAMENTOS S.A. - Crédito, Financiamento e Investimento		
Prepayment of receivables (ii)	(15,988)	(45,466)
	(23,736)	(48,679)

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

11. Related parties (Continued)

11.2. Breakdown (Continued)

11.2.1. Balances and transactions eliminated on consolidation (Continued)

- (i) Refers to receivables from sales paid with Marisa card, according to Note 7.
- (ii) Refers to the agreement entered into on August 31, 2021 between M PAGAMENTOS and the Company for prepayment of receivables as an assignment of receivables and other covenants. In this transaction, the Company's suppliers can receive in advance directly from M PAGAMENTOS, with an average discount rate of 1.40% and a term of up to 90 days.
- (iii) The Group's incurred administrative expenses are shared and apportioned between the Company and its subsidiaries, in accordance with the contracts entered into by the parties.
- (iv) Refers to the pending transfer between Marisa and M CARTÕES regarding invoice payment received at stores.

	Individual	
	09/30/2022	09/30/2021
<u>Profit or loss:</u>		
M CARTÕES - Administradora de Cartões de Crédito Ltda.		
Intercompany loans (i)	-	836
Provision of services - sales	358	375
	<u>358</u>	<u>1,211</u>
M PAGAMENTOS S.A. - Crédito, Financiamento e Investimento		
Correspondent bank	(84)	(125)
	<u>274</u>	<u>1,086</u>

- (i) Refers to the loan entered into on March 31, 2021, maturing within 730 days at a rate of 100% CDI + 3% p.a. In the 2nd and 3rd quarters of 2021, the Company early settled R\$70,727 of the principal amount and R\$836 in interest.

11.2.2. Breakdown of transactions with other related parties - transactions not consolidated

The balances and transactions between the Company and related parties that were not eliminated according to the accounting standards required for related parties other than subsidiaries refer to lease contracts and are stated below:

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

11. Related parties (Continued)

11.2. Breakdown (Continued)

11.2.1. Balances and transactions eliminated on consolidation (Continued)

	Individual and Consolidated	
	09/30/2022	12/31/2021
<u>Noncurrent assets (right-of-use assets):</u>		
Mareasa Participações Ltda.	1,491	83
Fundo de Investimento Imobiliário Brasil Varejo	247,206	17,024
	248,697	17,107
<u>Current and noncurrent liabilities (leases payable):</u>		
Mareasa Participações Ltda.	1,510	122
Fundo de Investimento Imobiliário Brasil Varejo	251,462	19,006
	252,972	19,128
<u>Profit or loss:</u>		
	09/30/2022	09/30/2021
Mareasa Participações Ltda.	207	124
Fundo de Investimento Imobiliário Brasil Varejo	30,102	27,355
	30,309	27,479

11.2.2. Breakdown of transactions with other related parties - transactions not consolidated

The Company has property lease agreements for certain stores shown in conjunction with other agreements with third parties in Note 14.

Transactions with related parties have been conducted under terms that are equivalent to those prevailing in transactions with third parties.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

11. Related parties (Continued)

11.3. Key management personnel compensation

At the Annual and Special General Meeting held on April 26, 2022, the total key management personnel compensation limit was set at R\$21,091 for fiscal year 2022.

Management compensation expense is accounted for under "General and administrative expenses" in the statement of profit or loss, as follows:

	Individual and Consolidated	
	09/30/2022	09/30/2021
Board of Directors, Supervisory Board and Audit Committee	2,561	2,248
Executive Board	7,228	6,780
Short-term benefits	338	327
Stock option plan, long-term incentive and other	2,915	1,759
	13,042	11,114

12. Investments (Individual)

12.1. Accounting policy

Interests held in subsidiaries are measured by the equity method in the Parent Company. In transactions among the Company's subsidiaries, unrealized gains and losses were eliminated. The accounting practices adopted by the subsidiaries are consistent with those adopted by the Company.

12.2. Breakdown

	09/30/2022						
	Interest %	Assets	Liabilities	Equity	Income / (loss)	Total investment	Equity pickup
M CARTÕES (i)	-	-	-	-	(4,973)	-	(4,973)
M BANK Participações (ii)	100%	1,137,027	778,479	358,548	(9,614)	358,548	(9,614)
Registrada	100%	3,920	155	3,765	3,995	3,765	3,995
						362,313	(10,592)

(i) In accordance with Note 2.2, at June 30, 2022, the Company assigned all of its shares of M Cartões to MBANK, with accounting effect from July 1, 2022.

(ii) The balances presented refer to the consolidated numbers of M Bank Participações, M Pagamentos and M Cartões.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

12. Investments (Individual) (Continued)

12.2. Breakdown (Continued)

12/31/2021							
	Interest %	Assets	Liabilities	Equity	Income	Total investment	Equity pickup
M CARTÕES	100%	625,077	377,160	247,917	13,085	247,917	13,085
M BANK							
Participações							
(i)	100%	637,348	501,630	135,718	46,922	135,718	46,922
Registrada	100%	5,585	213	5,372	5,508	5,372	5,508
						389,007	65,515

(i) The balances presented refer to the consolidated numbers of M Bank Participações and M Pagamentos.

12.3. Changes in investments in subsidiaries

Balances at December 31, 2020	354,248
Interest in subsidiaries' profit or loss	58,556
Dividends received	(28,740)
Balance at September 30, 2021	384,064
Balances at December 31, 2021	389,007
Interest in subsidiaries' profit or loss	(10,592)
Dividends received	(16,102)
Balance at September 30, 2022	362,313

12.4. Summarized financial information of subsidiaries

09/30/2022				
	M CARTÕES	M BANK		
	(i)	Participações	Registrada	Total
	(i)	(ii)		
<u>Statement of financial position</u>				
Current assets	-	956,834	2,676	959,510
Noncurrent assets	-	180,193	1,244	181,437
Current liabilities	-	309,652	155	309,807
Noncurrent liabilities	-	468,827	-	468,827
Equity	-	358,548	3,765	362,313
<u>Statement of profit or loss</u>				
Net revenue	81,311	294,810	4,473	380,594
Net income (loss) for the period	(4,973)	(9,614)	3,995	(10,592)

(i) As per Note 2.2, at June 30, the Company assigned all of its shares of M Cartões to MBANK Participações, therefore, the information in the statement of financial position for September 30 is stated on a consolidated basis with M Bank Participations, and the statement of profit or loss of M Cartões refers to the Company's direct interest for the period of six months ended June 30, 2022.

(ii) The balances presented refer to the consolidated numbers of M Bank Participações, M Pagamentos and M Cartões.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

12. Investments (Individual) (Continued)

12.4. Summarized financial information of subsidiaries (Continued)

	12/31/2021			
	M BANK			
	Participações			
	M CARTÕES	(i)	Registrada	Total
<u>Statement of financial position</u>				
Current assets	532,986	602,165	3,794	1,138,945
Noncurrent assets	92,091	35,183	1,791	129,065
Current liabilities	334,862	204,244	213	539,319
Noncurrent liabilities	42,298	297,386	-	339,684
Equity	247,917	135,718	5,372	389,007
	09/30/2021			
<u>Statement of profit or loss</u>				
Net revenue	143,544	195,831	4,353	343,728
Net income for the year	22,194	32,545	3,817	58,556

(i) The balances presented refer to the consolidated numbers of M Bank Participações and M Pagamentos.

13. Property and equipment and intangible assets

13.1. Accounting policy

13.1.1. Property and equipment

Property and equipment is stated at historical cost less the respective depreciation and impairment losses, if applicable. Depreciation is calculated using the straight-line method at rates that take into consideration the estimated useful lives of the assets.

The residual value and the estimated useful lives of the assets are reviewed at year end (and at each quarter during the Covid-19 pandemic) and adjusted prospectively, if necessary. At September 30, 2022, management did not identify any significant indication that would require the reassessment of the useful lives of its property and equipment items.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

13. Property and equipment and intangible assets (Continued)

13.1. Accounting policy (Continued)

13.1.2. Intangible assets

Expenditures incurred with acquisitions of software licenses and business management systems are capitalized and amortized, and expenses associated with their maintenance are expensed as incurred.

Expenditures incurred with acquisition and implementation of business management systems are capitalized as intangible assets, when the likelihood that future economic benefits generated by it are greater than its respective cost, considering the economic and technological feasibility.

Development costs that are directly attributable to the project and testing of identifiable and exclusive and identifiable software products are recognized as intangible assets when the following criteria are met:

- Software completion is technically feasible for it to be available for use;
- Management intends to complete the software and use it or sell it;
- The software can be sold or used;
- It is possible to prove that the software is likely to generate future economic benefits;
- Appropriate technical, financial and other resources are available to complete the software development, and to use or sell it;
- The expenditure attributable to the software development can be reliably measured.

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Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

13. Property and equipment and intangible assets (Continued)

13.1. Accounting policy (Continued)

13.1.2. Intangible assets (Continued)

Expenditures incurred with software development are amortized by the straight-line method throughout the asset estimated useful life, which is reassessed annually. At September 30, 2022, management did not identify any significant indications that would require the reassessment of the useful lives of its intangible assets.

Expenditures related to software maintenance are recorded in profit or loss for the year when incurred.

Goodwill and infrastructure rights of use paid by the Company upon execution of rent contracts are capitalized and then amortized on a straight-line basis over the period of respective rent contract, as they are not recoverable at the end of rent period.

13.1.3. Impairment test of nonfinancial assets

Property and equipment items and intangible assets and, when applicable, other nonfinancial assets are tested for impairment annually or whenever events or significant changes in the circumstances indicate that the carrying amount may not be recoverable. Where applicable, in case of loss deriving from situations in which the carrying amount of the asset exceeds its recoverable amount, it is recognized in the statement of profit or loss. For impairment test purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-Generating Units (CGU)), which correspond to each store.

13.2. Breakdown of property and equipment

	Individual					
	09/30/2022			12/31/2021		
	Cost	Depreciation	Net	Cost	Depreciation	Net
Facilities	326,157	(284,023)	42,134	323,917	(272,775)	51,142
Leasehold improvements	744,671	(730,136)	14,535	742,375	(728,143)	14,232
IT equipment	135,422	(127,143)	8,279	135,112	(124,990)	10,122
Furniture and fixtures	214,339	(188,511)	25,828	214,762	(181,256)	33,506
Construction in progress and other	7,967	(4,978)	2,989	7,777	(4,665)	3,112
	1,428,556	(1,334,791)	93,765	1,423,943	(1,311,829)	112,114

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Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

13. Property and equipment and intangible assets (Continued)

13.2. Breakdown of property and equipment (Continued)

	Consolidated					
	09/30/2022			12/31/2021		
	Cost	Depreciation	Net	Cost	Depreciation	Net
Facilities	327,495	(284,566)	42,929	324,916	(273,238)	51,678
Leasehold improvements	747,816	(731,286)	16,530	743,242	(728,999)	14,243
IT equipment	143,956	(135,549)	8,407	143,523	(133,165)	10,358
Furniture and fixtures	215,951	(189,913)	26,038	216,374	(182,620)	33,754
Construction in progress and other	8,525	(5,495)	3,030	8,326	(5,171)	3,155
	1,443,743	(1,346,809)	96,934	1,436,381	(1,323,193)	113,188

13.3. Changes in the net carrying amount of property and equipment

	Individual						
	Average annual rate %	12/31/2021	Additions	Write-offs	Depreciation (ii)	Set-up (Reversal) of provision for impairment	09/30/2022
Facilities	10	51,142	1,899	-	(11,248)	341	42,134
Leasehold improvements	(i)	14,232	2,327	-	(1,993)	(31)	14,535
IT equipment	20	10,122	470	(57)	(2,196)	(60)	8,279
Furniture and fixtures	10	33,506	501	(189)	(7,414)	(576)	25,828
Construction in progress and other	10	3,112	187	-	(310)	-	2,989
		112,114	5,384	(246)	(23,161)	(326)	93,765

	Consolidated						
	Average annual rate %	12/31/2021	Additions	Write-offs	Depreciation	Set-up (Reversal) of provision for impairment	09/30/2022
Facilities	10	51,678	2,230	-	(11,320)	341	42,929
Leasehold improvements	(i)	14,243	4,605	-	(2,287)	(31)	16,530
IT equipment	20	10,358	611	(57)	(2,445)	(60)	8,407
Furniture and fixtures	10	33,754	504	(189)	(7,455)	(576)	26,038
Construction in progress and other	10	3,155	194	-	(319)	-	3,030
		113,188	8,144	(246)	(23,826)	(326)	96,934

(i) The depreciation term is in accordance with the contractual term, varying between five and ten years.

(ii) The total depreciation of the asset and liability accounts differs by R\$1,123 from profit or loss due to the fact that depreciation charges are shared between the Parent Company and its subsidiaries.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reals - R\$, unless otherwise stated)

13. Property and equipment and intangible assets (Continued)

13.3. Changes in the net carrying amount of property and equipment (Continued)

	Average annual rate %	Individual					
		12/31/2020	Additions	Write-offs	Depreciation (ii)	Provision for impairment	09/30/2021
Facilities	10	58,503	5,059	(513)	(13,627)	1,318	50,740
Leasehold improvements	(i)	16,188	1,302	(2,842)	(7,649)	44	7,043
IT equipment	20	11,169	1,110	(5)	(2,548)	187	9,913
Furniture and fixtures	10	41,743	884	(111)	(9,393)	226	33,349
Construction in progress and other	10	3,809	457	(1,097)	(302)	-	2,867
		<u>131,412</u>	<u>8,812</u>	<u>(4,568)</u>	<u>(33,519)</u>	<u>1,775</u>	<u>103,912</u>

	Average annual rate %	Consolidated					
		12/31/2020	Additions	Write-offs	Depreciation (ii)	Provision for impairment	09/30/2021
Facilities	10	58,973	5,059	(513)	(13,677)	1,318	51,160
Leasehold improvements	(i)	16,258	1,302	(2,843)	(7,704)	44	7,057
IT equipment	20	12,163	1,118	(5)	(3,127)	187	10,336
Furniture and fixtures	10	42,048	884	(110)	(9,438)	226	33,610
Construction in progress and other	10	3,884	458	(1,097)	(330)	-	2,915
		<u>133,326</u>	<u>8,821</u>	<u>(4,568)</u>	<u>(34,276)</u>	<u>1,775</u>	<u>105,078</u>

(i) The depreciation term is in accordance with the contractual term, varying between five and ten years.

(ii) The total depreciation of the asset and liability accounts differs by R\$1,759 from profit or loss due to the fact that depreciation charges are shared between the Parent Company and its subsidiaries.

13.4. Breakdown of intangible assets

	Individual					
	09/30/2022			12/31/2021		
	Cost	Amortization	Net	Cost	Amortization	Net
Software	399,091	(335,130)	63,961	398,384	(311,404)	86,980
Goodwill	63,268	(61,837)	1,431	62,908	(60,907)	2,001
Infrastructure right of use	24,270	(24,190)	80	24,222	(23,989)	233
Intangible assets in progress and other	49,698	-	49,698	12,834	(139)	12,695
	<u>536,327</u>	<u>(421,157)</u>	<u>115,170</u>	<u>498,348</u>	<u>(396,439)</u>	<u>101,909</u>

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

13. Property and equipment and intangible assets (Continued)

13.4. Breakdown of intangible assets (Continued)

	Consolidated					
	09/30/2022			12/31/2021		
	Cost	Amortization	Net	Cost	Amortization	Net
Software	436,174	(359,603)	76,571	433,272	(332,126)	101,146
Goodwill	63,268	(61,837)	1,431	62,908	(60,907)	2,001
Infrastructure right of use	24,270	(24,190)	80	24,222	(23,989)	233
Intangible assets in progress and other	49,703	-	49,703	27,066	(14,365)	12,701
	573,415	(445,630)	127,785	547,468	(431,387)	116,081

13.5. Changes in the net carrying amount of intangible assets

	Average annual rate %	Individual					09/30/2022
		12/31/2021	Additions	Write-offs	Amortization	Reversal of provision for impairment	
Software	20	86,980	708	-	(23,726)	(1)	63,961
Goodwill (i)	(ii)	2,001	-	(1)	(929)	360	1,431
Infrastructure right of use (i)	20	233	-	-	(201)	48	80
Intangible assets in progress and other	(iii)	12,633	37,468	(444)	-	(21)	49,636
Trademarks and patents	-	62	-	-	-	-	62
		101,909	38,176	(445)	(24,856)	386	115,170

	Average annual rate %	Consolidated					09/30/2022
		12/31/2021	Additions	Write-offs	Amortization	Reversal of provision for impairment	
Software	20	101,146	2,893	-	(27,467)	(1)	76,571
Goodwill (i)	(ii)	2,001	-	(1)	(929)	360	1,431
Infrastructure right of use (i)	20	233	-	-	(201)	48	80
Intangible assets in progress and other	(iii)	12,633	37,467	(444)	-	(21)	49,635
Trademarks and patents	-	68	-	-	-	-	68
		116,081	40,360	(445)	(28,597)	386	127,785

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

13. Property and equipment and intangible assets (Continued)

13.5. Changes in the net carrying amount of intangible assets (Continued)

	Average annual rate %	Individual				
		12/31/2020	Additions	Amortization	Provision for impairment	09/30/2021
Software	20	82,560	24,144	(24,062)	-	82,642
Goodwill (i)	(ii)	4,154	-	(1,354)	(408)	2,392
Infrastructure right of use (i)	20	792	-	(424)	(58)	310
Intangible assets in progress and other	(iii)	62	12,617	-	-	12,679
		87,568	36,761	(25,840)	(466)	98,023

	Average annual rate %	Consolidated				
		12/31/2020	Additions	Amortization	Provision for impairment	09/30/2021
Software	20	92,220	31,444	(27,245)	-	96,419
Goodwill (i)	(ii)	4,154	-	(1,354)	(408)	2,392
Infrastructure right of use (i)	20	792	-	(424)	(58)	310
Intangible assets in progress and other	(iii)	68	12,617	-	-	12,685
		97,234	44,061	(29,023)	(466)	111,806

(i) Goodwill paid upon execution of lease agreements for street stores, whereas infrastructure right of use refers to amounts paid for shopping mall stores.

(ii) The amortization term follows the contractual terms, ranging from five to ten years for both periods/years.

(iii) This refers to the ongoing development of digital retail platforms such as applications, omnichannel systems, SAP developments and updates, ongoing RPA and process automation, among others.

13.6. Changes in provision for impairment – Individual and Consolidated

The provision is recognized at the estimated asset derecognition amount, which is reversed at the time the asset is derecognized. Based on these analyses, at September 30, 2022, the Company recorded R\$1,941 in provision for impairment for units whose projection did not exceed their carrying amount.

Balances at December 31, 2020	(3,522)
Provision recognized	(466)
Provision written off	1,775
Balance at September 30, 2021	(2,213)
Balances at December 31, 2021	(2,001)
Provision recognized	(1,941)
Provision written off	2,001
Balance at September 30, 2022	(1,941)

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reals - R\$, unless otherwise stated)

14. Right-of-use asset and lease liability

IFRS 16/NBC TG06 (R3) supersedes the existing guidelines in IAS 17 and determines, essentially, that lessees recognize future payments in their liabilities and the right to use a leased asset or an asset with lease characteristics in their assets. Therefore, finance and operating lease contracts now have the same accounting treatment, and contracts with variable, short-term or low-value characteristics are outside the scope of the standard.

The Company used the following assumptions in calculations:

- (i) Nominal discount rates, readily observable, adjusted to the credit risk of the last funding obtained by the Group;
- (ii) Contracts with 12 months or less and of low value were not considered for purposes of applying the standard. The accounting of payments as expenses, in contracts or part of contracts whose composition of value depends on a variable; and
- (iii) The calculation of the renewal will be considered only when the renewal is virtually certain. For other contracts, only the current residual term will be considered.

As mentioned in Note 1.1, the Company applied the practical expedient to all benefits granted under lease contracts in accordance with the requirements of CVM Rule No. 859/20 and recorded R\$141 in the statement of profit or loss for the period ended September 30, 2022, under "Selling expenses", from the renegotiation of store contracts (R\$13,468 at September 30, 2021).

The Company understands that, due to the current characteristics of its leases (agreements adjusted for inflation on an annual basis), it should adopt, for accounting purposes, the effective rate on the real discounted cash flows (without inflation projection), preserving the consistency of its cash flows for these lease agreements. However, it chose to adopt the nominal rate on the real discounted cash flows (without inflation projection), since it is supported by NBC TG 06 (R3) - Leases, as well as by CVM Memorandum Circular SNC/SEP 01/20.

The Company will present in a note the complementary information for the purpose of comparison between the modeling it understands is ideal, the modeling described in the standard and the modeling considered a benchmark by the regulatory bodies.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

14. Right-of-use asset and lease liability (Continued)

14.1. Discount rate

To arrive at the applicable discount rates, the Company relied on interest rates readily observable in the Brazilian market, considering the terms of each contract, adjusted to the credit risk obtained by the fundraising at market obtained by the Group companies. The table below shows the average rate per annum according to the maturity terms of the contracts:

Contracts by term and discount rate	
Contract terms	Average rate p.a. (%)
Up to 3 years	16.74%
3 to 7 years	13.97%
7 to 15 years	14.95%

14.2. Changes in the right-of-use asset

	Individual	Consolidated
Balances at December 31, 2020	537,837	538,142
Accumulated depreciation	(143,710)	(143,759)
Remeasurement	138,242	138,055
Balances at September 30, 2021	532,369	532,438
Balances at December 31, 2021	525,587	525,616
Accumulated depreciation	(148,973)	(148,987)
Remeasurement	151,915	151,998
Terminated contracts	(62)	(62)
Contract amendments (i)	258,449	258,496
Balances at September 30, 2022	786,916	787,061

(i) At June 30, 2022, the Company renegotiated 44 lease agreements that were in the termination phase, with an effective term until 2037.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

14. Right-of-use asset and lease liability (Continued)

14.3. Changes in lease liabilities

	Individual	Consolidated
Balances at December 31, 2020	584,176	584,463
Interest incurred	48,869	48,875
Payments	(170,343)	(170,424)
Remeasurement	138,242	138,055
Discounts obtained	(13,468)	(13,468)
Balances at September 30, 2021	587,476	587,501
Balances at December 31, 2021	579,570	579,603
Interest incurred	65,078	65,082
Payments	(202,522)	(202,543)
Remeasurement	151,915	151,998
Discounts obtained	(141)	(141)
Contract amendments	258,449	258,496
Balances at September 30, 2022	852,349	852,495
Current	154,550	154,553
Noncurrent	697,799	697,942
	852,349	852,495

14.4. Schedule of maturities of lease liabilities

Maturity	Individual	Consolidated
Within 12 months	154,550	154,553
From 13 to 24 months	136,100	136,110
From 25 to 36 months	109,604	109,614
From 37 to 48 months	86,445	86,455
Above 48 months	365,650	365,763
	852,349	852,495

14.5. PIS and COFINS credits

The Company is entitled to PIS and COFINS credits in connection with the rental contracts that applied NBC TG 06 (R3) upon their payments. We present below the potential amounts of these contribution taxes at September 30, 2022:

	Nominal amount		Adjusted to present value	
	Individual	Consolidated	Individual	Consolidated
Lease consideration	1,644,435	1,644,824	852,349	852,495
Potential PIS and COFINS (9.25%)	152,110	152,146	78,842	78,856

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

14. Right-of-use asset and lease liability (Continued)

14.6. Other information

At September 30, 2022, the Company had store lease agreements with variable lease payments in the amount of R\$1,920 (R\$2,463 at September 30, 2021).

To comply with the standard, the Company elected to adopt the discounted cash flow method without considering the future inflation projected for the flows to be discounted, and considering a nominal rate in applying this technique. We understand that this method could generate material misstatements, considering the current reality of long-term interest rates in the Brazilian economic environment. In addition, due to the characteristics of its lease contracts, the Company considers that the ideal methodology is the use of a real discount rate in applying the discounted cash flow model without considering the projected future inflation in the discounted cash flows.

Thus, to safeguard a reliable representation of the information and in compliance with the CVM Memorandum Circular SNC/SEP No. 02/2019, we present below the comparative balances:

	Average rate p.a.	12/31/2021	09/30/2022
Right of use			
Actual DCF x Nominal Rate (NBC TG 06 (R3) and Methodology applied)	14.72%	525,587	786,916
Nominal DCF v. Nominal Rate (CVM Benchmarking)	14.89%	540,712	795,561
Lease liabilities			
Actual DCF x Nominal Rate (NBC TG 06 (R3) and Methodology applied)		579,570	852,349
Nominal DCF v. Nominal Rate (CVM Benchmarking)		596,248	861,713
Finance costs			
Actual DCF x Nominal Rate (NBC TG 06 (R3) and Methodology applied)		67,747	65,078
Nominal DCF v. Nominal Rate (CVM Benchmarking)		69,697	65,793
Depreciation charges			
Actual DCF x Nominal Rate (NBC TG 06 (R3) and Methodology applied)		193,351	148,973
Nominal DCF v. Nominal Rate (CVM Benchmarking)		198,915	150,610

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

15. Trade accounts payable

15.1. Accounting policy

Trade accounts payable are initially recognized at fair value and subsequently adjusted to present value through the Company's average funding cost, considering the effective term of each transaction. For the period ended September 30, 2022, the rate used to calculate the present value adjustment of trade accounts payable was the Selic rate of 1.07% p.m. (0.77 p.m. at December 31, 2021). The present value adjustment of purchases is recorded under "Trade accounts payable" (offsetting account) matched against "Cost of sales".

In its relationship with suppliers, the Company adopts as practice the prepayment of accounts. These transactions, whose purpose is to meet the liquidity needs of the supply chain, are either conducted with funds from the Company's own cash or with credit facilities with partner banks. The discounts obtained with such prepayments are recorded as a reduction in the cost of sales, since they are directly related to the contract for the supply of goods.

15.2. Breakdown

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Goods for resale in the domestic market and supplies	405,908	382,827	405,908	382,827
Goods for resale - import	61,531	47,662	61,531	47,662
Services	28,213	45,117	30,445	56,513
Other	80	47	85	66
Present value adjustment	(10,714)	(5,917)	(10,714)	(5,917)
	485,018	469,736	487,255	481,151
Trade accounts payable	442,863	347,058	445,100	358,473
Trade accounts payable - agreement	42,155	122,678	42,155	122,678
	485,018	469,736	487,255	481,151

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

15. Trade accounts payable (Continued)

15.2. Breakdown (Continued)

The “Trade accounts payable – agreement” balance refers to advances made to suppliers through assignment of receivables under the agreement entered into by and between the Company and the banks Santander and Bradesco. In this transaction, suppliers can receive in advance directly from the banks only after goods are delivered to the Company, at an average discount rate of 1.45% and within up to 90 days, without the need for a line of credit with the entity. The Company maintains the original commercial conditions and the same maturity, rates and amounts; only the right to the receivables is transferred from the suppliers to the financial institution. The Company management also considered the guidance of CVM Memorandum Circular SNC/SEP No. 01/2021, observing the qualitative aspects of this matter, and concluded that it has no material impacts nor affects the Company’s leverage.

16. Loans, financing and debentures

16.1. Accounting policy

Loan balances are initially recognized at contractual amounts, upon receipt of funds. Subsequently, these amounts are restated based on finance charges, and amortized according to the payment schedule, in line with the clauses provided for in the respective agreements.

The debentures issued by the Company are single-series nonprivileged nonconvertible debentures, of the registered and book-entry type, and their issues were approved at the Board of Directors’ meetings. These debentures have different guarantee levels according to their issues, as well as variable amortization program. The debentures were subscribed for the par value and paid in local currency, in cash, on subscription.

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Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

16. Loans, financing and debentures (Continued)

16.2. Breakdown

	Individual		
	09/30/2022	12/31/2021	Effective rate
<u>Current liabilities:</u>			
Promissory notes - Safra	-	64,396	100% of CDI + 1.75 p.a.
Commercial note - Safra	28,586	-	100% of CDI + 2.8% p.a. (iii)
Resolution No. 4131	40,737	68,375	100% of CDI + 3.89% and 4.78% p.a. (i)
Bank credit bill – Federal Savings and Loans Bank (Caixa Econômica Federal)	27,735	34,744	100% of CDI + 5.91% p.a. (iv)
Bank credit bill – sundry	60,792	69,534	(vii)
Finame	330	944	2.6% to 8.7% p.a.
FINEP	7,793	7,781	TJLP + 4% p.a.
Trade accounts payable - agreement	55,082	53,506	(viii)
Total current liabilities	221,055	299,280	
<u>Noncurrent liabilities:</u>			
Resolution No. 4131	-	21,128	100% of CDI + 3.89% and 4.78% p.a. (i)
Commercial note - Safra	20,752	-	100% of CDI + 2.80% p.a. (iii)
Bank credit bill – Federal Savings and Loans Bank (Caixa Econômica Federal)	22,003	15,625	100% of CDI + 5.91% p.a. (iv)
Bank credit bill – sundry	38,181	65,136	(vii)
Finame	107	295	2.6% to 8.7% p.a.
FINEP	-	5,795	TJLP + 4% p.a.
Total noncurrent liabilities	81,043	107,979	
Total liabilities	302,098	407,259	

	Consolidated		
	09/30/2022	12/31/2021	Effective rate
<u>Current liabilities:</u>			
Promissory notes - Safra	-	64,396	100% of CDI + 1.75 p.a.
Commercial note - Safra	28,586	-	100% of CDI + 2.8% p.a. (iii)
Resolution No. 4131	40,737	68,375	100% of CDI + 3.89% and 4.78% p.a. (i)
Time Deposits with Special Guarantee (DPGE)	5,778	88,105	100% of CDI + 1.75% p.a. (v)
Bank Deposit Certificate (CDB)	96,449	9,558	(vi)
Bill of exchange - XP Investimentos	23,923	83,305	(ii)
Bank credit bill – Federal Savings and Loans Bank (Caixa Econômica Federal)	27,735	34,744	100% of CDI + 5.91% p.a. (iv)
Bank credit bill – sundry	60,792	69,534	(vii)
Finame	335	949	2.6% to 8.7% p.a.
Finep	7,793	7,781	TJLP + 4% p.a.
Trade accounts payable - agreement	55,082	53,506	(viii)
Total current liabilities	347,210	480,253	
<u>Noncurrent liabilities:</u>			
Resolution No. 4131	-	21,128	100% of CDI + 3.89% and 4.78% p.a. (i)
Commercial note - Safra	20,752	-	100% of CDI + 2.8% p.a. (iii)
Bank Deposit Certificate (CDB)	431,804	278,113	(vi)
Bill of exchange - XP Investimentos	-	17,032	(ii)
Bank credit bill – Federal Savings and Loans Bank (Caixa Econômica Federal)	22,003	15,625	100% of CDI + 5.91% p.a. (iv)
Bank credit bill – sundry	38,181	65,136	(vii)
Finame	110	302	2.6% to 8.7% p.a.
Finep	-	5,795	TJLP + 4% p.a.
Total noncurrent liabilities	512,850	403,131	
Total liabilities	860,060	883,384	

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

16. Loans, financing and debentures (Continued)

16.2. Breakdown (Continued)

- (i) Refers to R\$65,000 raised from Banco do Brasil and Bradesco, maturing between December 28, 2022 and September 15, 2023 and bearing interest of 100% of the CDI + 3.89% to 4.78% p.a.
- (ii) Refers to fundraising through issue of Bills of Exchange by subsidiary M PAGAMENTOS negotiated through the financial institution XP Investimentos with a term of one year. Floating interest of 115% to 128% of the CDI and fixed interest of 6.15% to 8.20% p.a.
- (iii) Refers to fundraising through issue of Commercial Notes in a single series, maturing in May 2024 and 100% CDI rate + 2.80% p.a.
- (iv) On May 21, 2020, the Company raised R\$70,000 through the issuance of Bank Credit Bill (CCB) with the Federal Savings and Loans Bank (Caixa Econômica Federal), maturing on May 19, 2022 and bearing interest of 100% CDI + 4.03% p.a. On May 14, 2021, the transaction was replaced through novation totaling the current amount of R\$50,000 maturing on May 15, 2023 and bearing interest of 100% CDI + 5.66% p.a. On May 18, 2022, a novation was carried out in the amount of R\$50,000, maturing on May 20, 2024 and a rate of 100% of the CDI + 5.91% p.a.
- (v) Between July 30 and September 29, 2020, subsidiary M PAGAMENTOS raised R\$77,000 by issuing Time Deposits with Special Guarantee (DPGE), with two-year term and interest of 100% CDI + 1.75% p.a.
- (vi) Refers to funds raised through the issue of Bank Deposit Certificate (CDB) by the subsidiary M PAGAMENTOS, with two and three-year maturity, floating interest of 117% to 140% of the CDI and fixed interest of 6.27% p.a. to 15.70% p.a. for two-year maturity, and floating interest of 120% to 150% of the CDI and fixed interest of 8% to 14.60% p.a. for three-year maturity.
- (vii) On March 9, 2021, the Company raised R\$55,000, with R\$50,000 with Banco ABC, maturing on August 25, 2023 and bearing interest of 100% CDI + 4.95% p.a., and R\$5,000 with Banco BIB, a transaction early settled on June 11, 2021. There was also a new fundraising in the amount of R\$10,000, maturing on December 12, 2022 and bearing interest of 100% CDI + 6.80% p.a. On December 30, 2021, the Company raised R\$10,000 from Banco Fibra, maturing on June 30, 2023 and bearing interest of 100% CDI + 6.30% p.a. During the fourth quarter of 2020, the Company raised R\$100,000 through the issue of Bank Credit Bills (CCB) at several banks, with an issue rate of R\$418, maturities between June 2021 and November 2025 and rates of 100% of CDI + 3% to 7.31% p.a., and fixed rate of 10.56% p.a.
- (viii) Due to the Covid-19 pandemic, the Company renegotiated the maturity terms with certain suppliers that received in advance from certain financial institutions, adding an average of 90 days to the original term, maintaining the same rates and amounts involved in the respective commercial transactions. At September 30, 2022, the outstanding balance was R\$55,082.

16.3. Changes in loans and financing

	Individual				Interest paid	09/30/2022
	12/31/2021	Fundraising	Payments	Charges		
Promissory notes - Safra	64,396	-	(57,000)	2,220	(9,616)	-
Commercial note	-	48,969	-	3,010	(2,641)	49,338
Resolution No. 4131	89,503	14,825	(63,310)	1,581	(1,862)	40,737
Bank credit bill – Federal Savings and Loans Bank (Caixa Econômica Federal)	50,369	49,250	(50,000)	6,277	(6,158)	49,738
Bank credit bill – sundry	134,670	15,000	(50,989)	13,387	(13,095)	98,973
Finame	1,239	-	(801)	24	(25)	437
Finep	13,576	-	(5,803)	828	(808)	7,793
Trade accounts payable - agreement	53,506	196,335	(194,759)	-	-	55,082
	407,259	324,379	(422,662)	27,327	(34,205)	302,098

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

16. Loans, financing and debentures (Continued)

16.3. Changes in loans and financing (Continued)

	Consolidated					09/30/2022
	12/31/2021	Fundraising	Payments	Charges	Interest paid	
Promissory notes - Safra	64,396	-	(57,000)	2,220	(9,616)	-
Commercial note	-	48,969	-	3,010	(2,641)	49,338
Resolution No. 4131	89,503	14,825	(63,310)	1,581	(1,862)	40,737
Time Deposits with Special Guarantee (DPGE) (i)	88,105	-	(77,000)	7,343	(12,670)	5,778
Bank deposit certificate (CDB) (i)	287,671	199,529	-	41,053	-	528,253
Bill of exchange - XP Investimentos (i)	100,337	-	(68,811)	4,240	(11,843)	23,923
Bank credit bill – Federal Savings and Loans Bank (Caixa Econômica Federal)	50,369	49,250	(50,000)	6,277	(6,158)	49,738
Bank credit bill – sundry	134,670	15,000	(50,989)	13,387	(13,095)	98,973
Finame	1,251	-	(805)	25	(26)	445
Finep	13,576	-	(5,803)	828	(808)	7,793
Trade accounts payable - agreement	53,506	196,335	(194,759)	-	-	55,082
	883,384	523,908	(568,477)	79,964	(58,719)	860,060

	Individual					12/31/2021
	12/31/2020	Fundraising	Payments	Charges	Interest paid	
Debentures	40,068	-	(39,250)	3,843	(4,661)	-
Promissory notes - Safra	149,205	-	(83,000)	5,658	(7,467)	64,396
Resolution No. 4131	57,660	50,000	(15,805)	4,824	(7,176)	89,503
Bank credit bill – Federal Savings and Loans Bank (Caixa Econômica Federal)	66,218	50,000	(66,111)	4,771	(4,509)	50,369
Bank credit bill – sundry	100,007	75,000	(41,470)	13,267	(12,134)	134,670
Finame	2,463	-	(1,222)	64	(66)	1,239
Finep	21,327	-	(7,726)	1,514	(1,539)	13,576
Trade accounts payable - agreement	-	149,683	(96,177)	-	-	53,506
	436,948	324,683	(350,761)	33,941	(37,552)	407,259

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

16. Loans, financing and debentures (Continued)

16.3. Changes in loans and financing (Continued)

	Consolidated					12/31/2021
	12/31/2020	Fundraising	Payments	Charges	Interest paid	
Debentures	40,068	-	(39,250)	3,843	(4,661)	-
Promissory notes - Safra	149,205	-	(83,000)	5,658	(7,467)	64,396
Resolution No. 4131	57,660	50,000	(15,805)	4,824	(7,176)	89,503
Time Deposits with Special Guarantee (DPGE) (i)	82,991	-	-	5,114	-	88,105
Bank deposit certificate (CDB) (i)	43,571	232,177	-	11,923	-	287,671
Bill of exchange - XP Investimentos (i)	299,243	-	(182,048)	10,305	(27,163)	100,337
Bank credit bill – Federal Savings and Loans Bank (Caixa Econômica Federal)	66,218	50,000	(66,111)	4,771	(4,509)	50,369
Bank credit bill – sundry	100,007	75,000	(41,470)	13,267	(12,134)	134,670
Finame	2,479	-	(1,227)	66	(67)	1,251
Finep	21,327	-	(7,726)	1,514	(1,539)	13,576
Trade accounts payable - agreement	-	149,683	(96,177)	-	-	53,506
	862,769	556,860	(532,814)	61,285	(64,716)	883,384

(i) These fundraisings are part of subsidiary M PAGAMENTOS' operating activities.

16.4. Maturity schedule of loans and financing

Year	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Within 12 months	221,055	299,280	347,210	480,253
From 13 to 24 months	68,928	86,010	359,724	246,250
From 25 to 36 months	10,587	17,244	151,598	152,365
Above 37 months	1,528	4,725	1,528	4,516
	302,098	407,259	860,060	883,384

16.5. Covenants

With regard to covenants, the agreements in force require that the Company maintain a Net Debt-to-EBITDA ratio under 3.5 times. Net debt is considered as the sum of Loans, financing and debentures under current and noncurrent liabilities, plus Derivatives transactions under current and noncurrent liabilities, excluding the following accounts: Cash, Banks, Short-term investments, Marketable securities and Derivatives transactions under current and noncurrent assets. For this calculation, adjusted EBITDA of the last 12 (twelve) months is taken into consideration. Based on the agreements in force, there is no measurement for September 30, 2022.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

16. Loans, financing and debentures (Continued)

16.5. Covenants (Continued)

The Company also monitors on a monthly basis compliance with the nonfinancial covenants defined for each contract. These covenants include the maximum level of protests of instruments related to financial transactions, compliance with the debentures payment schedule, among others. The Company was compliant as at September 30, 2022.

17. Payroll, accruals and social contributions

17.1. Accounting policy

Short-term benefit obligations to employees are recognized as personnel expenses. The liability is recognized by the amount of expected payment arising from the services provided by the employee, and when the obligation may be reliably estimated.

17.2. Breakdown

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Vacation pay	34,369	36,963	35,951	38,450
13 th monthly salary	19,299	-	20,030	-
Brazilian social security contribution tax (INSS)	7,199	7,645	7,534	7,942
Salaries payable	13,717	20,247	14,087	20,594
Withholding Income Tax (IRRF)	1,034	2,715	1,196	2,969
Unemployment Compensation Fund (FGTS)	1,721	2,795	1,805	2,911
Provision for variable compensation and other	15,246	4,393	16,141	4,393
Other	651	254	788	253
	93,236	75,012	97,532	77,512

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

18. Taxes payable

18.1. Accounting policy

Revenues, expenses and assets are recognized net of sales and service taxes, except when: (i) the sales and service taxes incurred on a purchase of assets or services are not recoverable from the taxation authorities, in which case, the sales and service taxes are recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; (ii) receivables and payables are stated with the amount of sales and service taxes; and (iii) the net amount of sales and service taxes recoverable or payable is included as part of receivables or payables in the statement of financial position.

18.2. Breakdown

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
ICMS	23,303	64,983	23,303	64,983
COFINS	1,352	1,253	2,914	3,134
PIS	294	272	563	600
IPI	73	607	73	607
ISS	812	720	1,150	1,321
Real Estate Tax (IPTU)	3,228	1,151	3,228	1,151
Other	2,640	3,741	2,933	4,361
	31,702	72,727	34,164	76,157

19. Deferred income and other current and noncurrent liabilities

19.1. Accounting policy

Revenue relating to services provided under pre-established partnerships with customers are classified in current and noncurrent liabilities and recognized in profit or loss for the year based on the respective partnership agreements. In the case of indirect subsidiary M PAGAMENTOS, service revenues are deferred and recognized on an accrual basis.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

19. Deferred income and other current and noncurrent liabilities (Continued)

19.2. Breakdown of deferred revenue

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Itaú Unibanco/Marisa (i)	-	-	17,195	19,307
Assurant (ii)	-	-	-	3,750
Prodent/Sulamerica (iii)	-	-	8,334	8,125
Agreement - Bradesco (iv)	2,596	2,979	2,596	2,979
Unallocated revenues – assignment of receivables (v)	-	-	581	937
	2,596	2,979	28,706	35,098
Current liabilities	511	511	3,907	8,013
Noncurrent liabilities	2,085	2,468	24,799	27,085
	2,596	2,979	28,706	35,098

(i) Itaú Unibanco & Marisa Operation - co-branded card

Simultaneously with the introduction of the Itaú/Marisa (co-branded) credit card in 2008, the Company received R\$120,000 from Itaú Unibanco, through its subsidiary M CARTÕES, for the exclusiveness and use of the Company's customer data base.

The Company and Itaú Unibanco divide, in the proportion of 50% each, results arising from the referred to offer, distribution and sale of credit cards, with payments made on a quarterly basis.

On September 29, 2015, the Company and Itaú Unibanco renewed this partnership for the development of Itaucard Marisa - MasterCard branded cards. The partnership, valid for 10 years and initially effective from April 2009, was extended until June 30, 2029. By virtue of this partnership term renewal and extension, deferred revenue will be allocated to profit or loss over the term of the related addendum.

At September 30, 2022, the Company, through its subsidiary M CARTÕES, had an agreement to extend the period of temporary waiver of part of the guaranteed amount, valid until December 31, 2022. Due to the Covid-19 pandemic, the Company reassessed the goals established under contract based on its best estimate and, because it understands that it will not be able to meet the contractual requirements, recorded a provision payable of R\$5,635 at September 30, 2022 (R\$3,684 at December 31, 2021), under "Other noncurrent liabilities".

(ii) Assurant partnership - sale of insurance and assistance products

On March 29, 2017, the Company and its subsidiaries M CARTÕES and M PAGAMENTOS renewed their partnership with Assurant Seguradora S.A. and Assurant Serviços Ltda., whose scope is the sale of insurance and assistance products, with an initial term of five years. As a result of such renewal, subsidiary M CARTÕES received the amount of R\$75,000 as prepayment, to be deferred and allocated to profit or loss over the contract term. The Company reassessed the goals established under contract based on its best estimate and recorded a provision payable of R\$1,188 at September 30, 2022 (R\$0 at December 31, 2021), under "Other noncurrent liabilities".

(iii) Prodent/Sulamérica partnership – sale of dental services

This refers to the amount received to implement the sales system and other consulting actions arising from a partnership for sale of dental plans by subsidiary M CARTÕES. The agreement was renewed in February 2021. At September 30, 2022, M CARTÕES reassessed the goals established under contract for the first year and recorded a provision payable of R\$991, with monetary restatement.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

19. Deferred income and other current and noncurrent liabilities (Continued)

19.2. Breakdown of deferred revenue (Continued)

(iv) Bradesco partnership – payroll

Refers to the renewal of a partnership agreement between Marisa Lojas and Banco Bradesco, to continue the administration of bank accounts relating to the payroll of Marisa Group's employees. The agreement was renewed in May 2021.

(v) Unallocated revenues – assignment of receivables - M PAGAMENTOS

On August 31, 2021, the Company entered into an agreement with M PAGAMENTOS for prepayment of receivables as an assignment of receivables and other covenants. In this transaction, the Company's suppliers can receive in advance directly from M PAGAMENTOS, with an average discount rate of 1.40% and a term of up to 90 days, as detailed in Note 11.2.1.

19.3. Breakdown of other liabilities

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Accounts payable – Itaucard (i)	3,846	4,400	10,669	8,084
Provision for attorney's fees (ii)	8,665	20,407	8,731	21,259
Provisions for third-party services (iii)	27,085	35,907	36,550	46,689
Insurance payable to Assurant (iv)	-	-	10,656	15,206
Mobile selling partnership (v)	-	-	1,130	4,659
Other (vi)	2,862	18,671	2,839	18,606
	42,458	79,385	70,575	114,503
Current liabilities	40,669	76,972	61,964	108,406
Noncurrent liabilities	1,789	2,413	8,611	6,097
	42,458	79,385	70,575	114,503

(i) Refers to invoice receipts by Marisa-Itaucard customers (co-branded Cards). Since these customers are migrated, the invoice receipt is transferred on a daily basis.

(ii) Refers to fees payable to lawyers substantially arising from lawsuits related to PIS and COFINS credits.

(iii) Refers substantially to advisory services from companies that specialize in marketing actions.

(iv) Refers to the transfer of commissions from insurance sold by the Company in partnership with insurer Assurant.

(v) Refers to the transfer of commissions on cell phones sold in partnership with a third-party company.

(vi) Refer to diluted amounts substantially referring to provisions for store expenses, such as freight, power, water, telephone, among others.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

20. Provision for litigation and contingencies

20.1. Accounting policy

The Company and its subsidiaries are parties to legal and administrative proceedings involving tax, labor and civil matters arising in the ordinary course of their business.

Provisions relating to these legal and administrative proceedings are recognized when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of past events, for which an outflow of funds is likely to be required to settle this obligation and the amount can be reasonably estimated at the interim financial information date.

Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system.

Provisions are reviewed and adjusted considering changes in existing circumstances, such as the applicable statutes of limitation, non-materialization, tax audit conclusions, or additional exposures identified based on new matters or court decisions. The provision for labor contingencies is calculated based on the history of losses on the total labor claims and the historical value of losses per claimant's position.

Based on the opinion and estimates of its legal counsel and legal advisors, management understands that the provision for litigation and contingencies is sufficient to cover probable losses.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reals - R\$, unless otherwise stated)

20. Provision for litigation and contingencies (Continued)

20.2. Breakdown

	Individual				Restatement s	09/30/2022
	12/31/2021	Additions	Payments	Reversals		
Tax:						
FGTS (i)	30,085	202	-	-	2,027	32,314
IPI (ii)	32,440	-	-	-	1,938	34,378
FAP/RAT	11,160	26	-	-	1,047	12,233
Other tax contingencies	8,803	25	-	(208)	703	9,323
	82,488	253	-	(208)	5,715	88,248
Labor	37,031	8,671	(2,320)	(2,246)	1,325	42,461
Civil	853	143	(179)	(63)	97	851
	120,372	9,067	(2,499)	(2,517)	7,137	131,560
Judicial deposits	100,970	4,752	-	(150)	3,423	108,995
	Consolidated				Restatement s	09/30/2022
	12/31/2021	Additions	Payments	Reversals		
Tax:						
FGTS (i)	30,085	202	-	-	2,027	32,314
IPI (ii)	32,440	-	-	-	1,938	34,378
FAP/RAT	11,325	26	-	-	1,047	12,398
Other tax contingencies	9,290	148	-	(208)	879	10,109
	83,140	376	-	(208)	5,891	89,199
Labor	51,870	8,845	(2,952)	(4,043)	1,474	55,194
Civil	11,740	1,557	(1,983)	(3,430)	521	8,405
	146,750	10,778	(4,935)	(7,681)	7,886	152,798
Judicial deposits	134,024	4,544	-	(367)	3,676	141,877

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

20. Provision for litigation and contingencies (Continued)

20.2. Breakdown (Continued)

	Individual					09/30/2021
	12/31/2020	Additions	Payments	Reversals	Restatements	
Tax:						
FGTS (i)	27,907	924	-	-	464	29,295
IPI (ii)	31,454	-	-	-	568	32,022
FAP/RAT	10,583	41	-	-	299	10,923
Other tax contingencies	11,863	107	-	(3,469)	172	8,673
	81,807	1,072	-	(3,469)	1,503	80,913
Labor	26,066	8,943	(2,240)	(3,518)	1,196	30,447
Civil	2,480	264	(323)	(1,603)	120	938
	110,353	10,279	(2,563)	(8,590)	2,819	112,298
Judicial deposits	108,396	(1,591)	-	(7,803)	1,078	100,080
	Consolidated					09/30/2021
	12/31/2020	Additions	Payments	Reversals	Restatements	
Tax:						
FGTS (i)	27,907	924	-	-	464	29,295
IPI (ii)	31,454	-	-	-	568	32,022
FAP/RAT	10,748	41	-	-	299	11,088
Other tax contingencies	11,863	199	-	(3,469)	422	9,015
	81,972	1,164	-	(3,469)	1,753	81,420
Labor	32,980	16,884	(2,399)	(3,639)	1,281	45,107
Civil	10,532	4,903	(2,242)	(3,390)	1,669	11,472
	125,484	22,951	(4,641)	(10,498)	4,703	137,999
Judicial deposits	142,035	(1,630)	-	(8,065)	1,166	133,506

(i) The Company filed a lawsuit against the Federal Government claiming for unlawfulness of the application of Supplementary Law No. 110/01, which did not respect the principle whereby the enactment of laws shall not precede their application, as regards changes in FGTS rate. Considering that the relief was partially revoked, on May 19, 2004, the Company decided to continue making judicial deposits related to the social contributions and not paying the referred to collections.

(ii) The Company filed a court order (Declaratory Judgment Action following ordinary procedural steps) based on Law No. 4502/54 and Brazil's National Tax Code (CTN), and was handed down a favorable decision by means of interim relief confirmed in a trial court decision to suspend the enforceability of IPI levied on the shipping of products imported from the Company's Distribution Center for sale/resale.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

20. Provision for litigation and contingencies (Continued)

20.3. Judicial deposits

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Labor	8,506	5,091	9,335	5,956
Civil	1,359	1,211	3,204	2,912
Tax (i)	57,500	53,371	87,441	83,312
FGTS Social Contribution (ii)	27,748	26,600	27,748	26,600
Electric power demand (iii)	10,388	10,388	10,388	10,388
FAP/RAT	1,148	1,033	1,143	1,199
Other deposits	2,346	3,276	2,618	3,657
	108,995	100,970	141,877	134,024

(i) This corresponds to a judicial deposit on Federal VAT (IPI) refunds among other judicial deposits of a tax nature.

(ii) This refers to the Social Contribution deposited in court upon termination of the employment contract.

(iii) This refers to a judicial deposit of a proceeding referring to the State VAT (ICMS) taxation on Tariff for use of energy distribution system (TUSD) and contracted demand for unused energy power.

20.4. Proceedings assessed as possible loss

At September 30, 2022, the Company and its subsidiaries are parties to ongoing tax proceedings, for which the likelihood of an unfavorable outcome, according to their legal advisors, is assessed as possible. Updated amounts total R\$487,610 in the Individual statements and R\$916,395 in the Consolidated statements (R\$482,255 - Individual and R\$882,952 - Consolidated at December 31, 2021), for which no provision has been set up, as determined by the accounting practices. The main topics under discussion are described below:

Social security contributions

The Company received an assessment notice due to a possible difference in the payment of social security contributions due to third parties, levied on the Company's profit sharing program (PLR). This discussion is currently conducted at administrative level and the amount involved plus applicable fine and late-payment interest is R\$31,435 (R\$29,617 at December 31, 2021). In this scenario, the Company already has a favorable decision to avoid collection of amounts assessed as possible.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

20. Provision for litigation and contingencies (Continued)

20.4. Proceedings assessed as possible loss (Continued)

ICMS - Imports

The Company has legal disputes related to ICMS credit on import operation, allegedly due to the State of São Paulo. The Company seeks to annul tax debts through an Annulment Action, in which it presented guarantee insurance. The amount involved, considering interest and late-payment fine, is equivalent to R\$17,843 (R\$16,737 at December 31, 2021).

ICMS - Miscellaneous

The Company has several discussions involving its units throughout Brazil in connection with tax prepayment, alleged differences in inventories, undue credit, tax war and noncompliance with accessory obligations, and there are proceedings at administrative and court levels. The amount involved, considering interest and late-payment fine, is R\$322,852 (R\$322,392 at December 31, 2021).

PIS and COFINS

The Company had an application for tax credit offset rejected by the Brazilian IRS (RFB) referring to PIS and COFINS, whose restated amount totals R\$89,093 (R\$85,681 at December 31, 2021). The discussion awaits judgment at the administrative level.

IRPJ and CSLL

Subsidiary M CARTÕES has certain assessment notices and discussions with respect to tax computations of calendar years from 2007 through 2012, whose amount required plus applicable interest and late-payment fine is R\$406,800 (R\$383,666 at December 31, 2021). The discussion is awaiting judgment at the administrative level.

Judicial deposits

The Company and its subsidiaries are challenging the payment of certain taxes, contributions, labor obligations and civil proceedings, and made deposits in amounts equivalent to the amounts pending final decisions and security deposits related to lawsuits in the amount of R\$139,259, of which R\$106,649 in the individual financial statements (R\$130,367 at December 31, 2021, of which R\$97,964 in the individual financial statements).

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reals - R\$, unless otherwise stated)

20. Provision for litigation and contingencies (Continued)

20.5. Memorandum Circular CVM SNC/SEP 01/21 – broadened concept of input

In accordance with item II of article 3 of Laws No. 10637/02 and 10833/03, expenses that may be characterized as inputs are those relating to goods and services used in the production of goods and/or in the provision of services by a legal entity.

In judging the appeal to the High Court of Justice (STJ) No. 1.221.170/PR, this Court ruled that the concept of input must be measured in light of the criteria of essentiality or relevance, considering the importance of a certain goods for the development of the economic activity performed by a taxpayer.

Supported by its legal advisors, the Company has determined that essential expenditures would be those without which its corporate purpose would not be possible, whether inputs relating to the Parent Company's commercial transactions or inputs relating to the administration and operation of Marisa card by the subsidiary M CARTÕES, such as commission and printing of credit cards, condominium fees, health care, issue of payment slips, among others, totaling R\$10,868 (Individual) and R\$12,361 (Consolidated) at September 30, 2022 (R\$10,970 (Individual) and R\$12,580 (Consolidated) at September 30, 2021).

21. Guarantees, insurance and bank sureties

21.1. Legal guarantee insurance

The Company elected to take legal guarantee insurance for certain lawsuits, which is intended to guarantee the payment of an amount corresponding to the deposit in court, which the policyholder needs to make in the course of legal proceedings. This type of insurance is an alternative to the judicial deposits required when filing defense appeals in the course of legal proceedings.

Financial institution	Type of guarantee	09/30/2022	12/31/2021
Fator - Austral -Tokyo - Pottencial - Zurich Jns Seguros - Junto Seguros – Swiss Re - Ezze - Berkley -Zurich – average rate of 0.27% p.a.	Legal guarantee insurance	460,194	485,590

21.2. Guarantees granted through bank surety

Financial institution	Type of guarantee	09/30/2022	12/31/2021
Safra - Itaú - Bradesco - M Pagamentos	Bank sureties (guarantee) + bank surety (legal – tax and civil)	54,203	52,768

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

22. Equity

22.1. Capital

At September 30, 2022, the Company's capital amounted to R\$1,695,135, represented by 342,835,570 common shares (R\$1,447,349 represented by 261,666,739 at December 31, 2021), with no par value and with voting rights at Annual General Meetings, held as follows:

	09/30/2022			12/31/2021		
	Amount	Total shares	%	Amount	Total shares	%
Shareholders domiciled in Brazil - controlling block (individuals)	911,357	184,344,379	53.77	832,837	150,568,944	57.54
Market	783,544	158,491,191	46.23	614,512	111,097,795	42.46
	1,694,901	342,835,570	100.00	1,447,349	261,666,739	100.00

Capital increase

The Company's capital increase was approved at the Board of Directors' meeting held on December 3, 2021, within the limit of the authorized capital, as provided for in Article 6 of the Company's Articles of Incorporation, with additional subscription warrants to shareholders.

The proposed capital increase was within R\$90,000,000 to R\$250,000,000, upon issue of up to 81,168,831 registered common shares with no par value for private subscription, at a price per share of R\$3.08. The issue price was fixed, without unjustified dilution for the current shareholders of the Company, pursuant to Article 170, paragraph 1, item III, of the Corporation Law, taking into account the price of the shares issued by the Company at the trading session closing on B3 S.A. – Brazil, Bolsa, Balcão ("B3") on December 3, 2021, with a discount of 15%.

The Company's controlling shareholders, by themselves or by their associates, subscribed shares to be issued for the capital increase, by exercising their preemptive right, in the total amount of R\$90,000.

The holders of shares issued by the Company had to exercise their preemptive right in the period from December 13, 2021 to January 11, 2022, at 31.0400060005% on their equity interest at B3's trading session closing time on December 10, 2021.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

22. Equity (Continued)

22.1. Capital (Continued)

Capital increase (Continued)

In addition to the shares subscribed, those shareholders were entitled to a subscription warrant ("Subscription Warrant") for each new subscribed common share, totaling up to 81,168,831 Subscription Warrants. Fractions of subscription warrants were not allowed. The Subscription Warrants will be issued in a single series and each Subscription Warrant will entitle the holders to the right to subscribe 0.850828725129724 common share, at the strike price per Subscription Warrant of R\$3.62, subject to the terms and conditions of the Subscription Warrants. Subscription Warrants can be exercised from September 15, 2022 to November 15, 2022.

As at December 31, 2021, the Company had received and recorded R\$70,227 thousand under "Future capital contribution" due to the subscription of 22,801,122 shares.

In January 2022, the Company raised R\$179,773 for the subscription of 58,367,709 new shares relating to the capital increase approved at the Board of Directors' meeting held on December 3, 2021.

At the Board of Directors' meeting held on February 2, 2022, a capital increase totaling R\$250,000,000 was approved due to the subscription and payment in full of 81,168,831 common shares issued by the Company for the capital increase, corresponding to the maximum amount approved.

As a result of this capital increase, the Company's capital will increase from R\$1,471,959 to R\$1,721,959,000, divided into 342,835,570 book-entry common shares with no par value. Additionally, the Company incurred R\$2,448 in share issue expenses.

On that same date, the issue of 81,168,831 subscription warrants, additionally to the subscription of shares issued under the capital increase, was also approved. The subscription bonus trading period began on February 3, 2022 and may be exercised from September 15, 2022 to November 15, 2022.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

22. Equity (Continued)

22.2. Treasury shares

At the Board of Directors meeting held on March 28, 2018, the shareholders approved the acquisition of up to 500,000 registered, book-entry common shares of the Company with no par value to be held in treasury, as a result of the Long-Term Incentive Program with Restricted Shares approved at the AGM held on December 2, 2016.

The Company had acquired all 500,000 shares pursuant to the Program, at an average price of R\$6.64 in the period from April 3, 2018 to April 10, 2018. At December 31, 2021, the Company held in treasury 169,267 shares at the average price of R\$6.64, totaling R\$1,110, to meet the Long-Term Incentive Program with Restricted Shares.

22.3. Authorized capital

The Company is authorized to increase its capital up to the limit of 450,000,000 common shares, with no par value.

22.4. Retained profit reserve

At September 30, 2022 and December 31, 2021, the retained profit reserve was not set up pursuant to article 196 of Law No. 6404/76, as the results recorded were negative.

22.5. Policy for distribution of dividends and interest on equity

According to the Articles of Incorporation, shareholders are entitled to a mandatory minimum dividend corresponding to 25% of net income; after the necessary adjustments pursuant to the Brazilian Corporation Law, it is recorded under "Dividends and interest on equity payable" as it is considered a legal obligation provided for in the Company's Articles of Incorporation; however, the portion of dividends exceeding the mandatory minimum dividend, declared by management after the accounting year to which the financial statements refer, but prior to the authorization date for issue of referred to financial statements, is recorded under "Proposed additional dividends". Dividends were not paid at September 30, 2022 and December 31, 2021, as results recorded were negative.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

23. Stock option or subscription plan

23.1. Accounting policy

On December 23, 2021, the Company's Stock Option Plan was approved under the Minutes of the Special General Meeting, replacing the Stock Option Plan approved at the Company's Special General Meeting held on December 2, 2016 ("2016 Stock Option Plan"). These plans are intended to encourage the expansion, success and achievement of the Company's corporate purposes, align the interests of shareholders to those of Eligible Persons and stimulate the generation of sustainable results. The managing officers, directors, managers and high level employees of the Company or another company under its control may be elected as participants in the plan.

The vesting period (acquisition of the exercise right, subject to the exercise conditions) of the Options held by each Participant will take place after the grace periods defined in the Stock Option Agreement elapses. Until the vesting period and liquidity event take place, the Options will be designated as "Non-Exercisable Options" and, after such events occur, as "Exercisable Options".

The Binomial Tree model was used to determine the fair price of the abovementioned plan. The Stock Option Contracts do not provide for adjustments for the fixed strike price, but rather for adjustments in the number of shares granted in cases of bonuses, stock splits, groupings or conversions of types/classes of shares.

The Company, through a decision of its Board of Directors, and observing the limits imposed by the applicable regulation at the time, will define, every year, whether the shares under the stock option contract will be acquired through issue of new shares within the authorized capital limit, or through purchase and sale of treasury shares that will be issued or acquired as a result of the plan, in conformity with prevailing regulation.

At the reporting dates, the Company management reviews the estimates of the number of options and recognizes, where applicable, in profit or loss for the period, the effect arising from the review of these initial estimates matched against equity.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

23. Stock option or subscription plan (Continued)

23.2. Breakdown of outstanding options granted

Date		Number - in thousands		Grant		Volatility per business day - EWMA
Grant / Beginning of year	End of exercise	Options granted	Outstanding options	Option fair value	Strike price	
12/05/2016	12/05/2026	2,267	229	3.78	7.54	2.61%
11/07/2017	11/08/2027	721	348	5.17	7.76	3.74%
06/14/2019	12/31/2021	3,395	2,290	5.16 - 5.42	5.10	3.25%
05/15/2020	12/31/2022	186	186	7.79	5.10	3.21%
11/23/2020	11/23/2025	420	420	6.83	7.69	2.97%
05/05/2021	12/31/2023	376	125	3.74	5.10	3.91%
05/16/2022	05/16/2027	4,155	4,155	1.34	2.34	4.12%
01/07/2022	07/01/2029	3,274	3,274	0.93	1.74	3.47%
09/01/2022	09/01/2029	816	816	1.44	2.61	4.12%
		<u>15,610</u>	<u>11,843</u>			

23.3. Changes in the stock option plan

As at September 30, 2022, changes in outstanding options granted are as follows (in thousands):

Balance of stock options at December 31, 2020	3,716
Additions to stock options	509
Cancellation of stock options	(209)
Balance of stock options at December 31, 2021	<u>4,016</u>
Additions to stock options	8,245
Cancellation of stock options	(418)
Balance of stock options at September 30, 2022	<u>11,843</u>

23.4. Measurement and expenses incurred in relation to the stock option plan

The fair value for stock option plans was calculated on the grant date of each plan, based on the binomial pricing model. The effects were reflected in profit or loss, under "Operating income (expenses), net", and in equity under "Capital reserve".

At September 30, 2022, the amount recorded as expense with stock option plan, in accordance with IFRS2/NBC TG 10 (R3) - Share-based payment, was R\$1,467 (R\$1,759 at September 30, 2021), recognized on an individual straight-line basis per program and number of options in connection with each vesting period. Additionally, 417,756 stock options were canceled in the 2nd quarter of 2022, resulting in a reversal of R\$1,058.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

24. Stock option plans with restricted stock units and performance-based restricted stock units

24.1. Accounting policy

The following Programs were approved at the Board of Directors' meeting held on February 9, 2022, (i) Stock Option Plan - which will not require the achievement of performance goals and will condition the delivery of the shares granted to the completion of the grace period, pursuant to the contractually established terms and conditions ("RSU") and (ii) Performance-based Stock Option Plan - which will require, in addition to completion of the grace period, the achievement of contractually established performance goals, as a condition for the participant to receive, in part or in full, the shares granted, pursuant to the contractually established terms and conditions ("PSU").

The grant of Restricted Shares is carried out annually or whenever the Board of Directors deems it convenient, through the execution of Grant Agreements between the Company and the Participants, which shall specify, without prejudice to other conditions determined by the Board of Directors, the number of Restricted Shares to be granted.

In order to satisfy the grant of Restricted Shares under the terms of the Plan, the Company, subject to the applicable law and regulation, will dispose of treasury shares, through a private transaction, at no cost to the Participants, pursuant to CVM Ruling No. 567.

24.2. Measurement and expenses incurred

Type of program	Date		Number - in thousands		Grant	
	Grant / Beginning of year	End of exercise	Options granted	Outstanding options	Option fair value	Strike price
RSU	05/16/2022	05/16/2025	1,063	1,063	2.38	2.38
PSU	05/16/2022	05/16/2025	707	707	4.71	2.38
RSU	01/07/2022	07/01/2025	281	281	1.74	1.74
RSU	09/01/2022	09/01/2025	70	70	2.61	2.61
			2,121	2,121		

At September 30, 2022, the amount recorded as expense with restricted stock and performance share programs, in accordance with IFRS2/NBC TG 10 (R3) - Share-based payment, was R\$1,448, recognized on an individual straight-line basis per program and number of options in connection with each vesting period.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

25. Net operating revenue

25.1. Accounting policy

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and financial services in the ordinary course of the Company's business. Revenue is stated net of taxes, returns, rebates and discounts, as well as eliminations of revenues between subsidiaries. Revenues from loan transactions are recognized on a daily pro rata basis, based on the effective interest method.

- Resale of goods - retail operation: the Company operates a chain of stores for the sale of goods, as well as an e-commerce channel. Revenue is recognized in profit or loss upon the effective delivery of the goods to the customer. Sales are made on demand, in cash and debit card, or through third parties' and Marisa credit cards.
- Financial products and services: through its subsidiaries, the Company grants personal loans, intermediates insurance and assistance services, and finances sales.

25.2. Breakdown

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Gross operating revenue:				
Sales of goods	2,199,521	1,902,187	2,199,521	1,902,187
Credit card transactions	-	-	226,516	203,017
Service rendering (i)	31,669	26,312	101,383	108,017
Consumer financing	-	-	99,312	77,642
Taxes:				
Sales of goods	(532,288)	(453,563)	(532,288)	(453,563)
Service rendering	(3,986)	(3,269)	(27,811)	(25,328)
Returns:				
Sales of goods	(133,562)	(138,606)	(133,562)	(138,608)
	1,561,354	1,333,061	1,933,071	1,673,364

(i) This refers to services rendered under the partnership between Assurant and Itáu Unibanco S.A.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

26. Costs of resale of goods, credit card transactions, financial transactions and services

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Cost of resale of goods	(780,061)	(731,053)	(780,061)	(731,053)
Cost of services	(937)	(375)	(72,510)	(70,913)
Cost of credit card transactions and personal loans	-	-	(271,641)	(148,105)
Recovery of transactions written off as losses (i)	-	-	4,004	57,762
	(780,998)	(731,428)	(1,120,208)	(892,309)

- (i) At March 31, 2022, the subsidiaries M CARTÕES and M PAGAMENTOS assigned receivables previously written off as uncollectible losses totaling R\$41,110 with FIDIC Multisegmentos NPL Ipanema VI, which resulted in a recovery of credit card transactions and personal loans totaling R\$4,004.

27. Expenses by nature

27.1. Selling expenses

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Personnel and services	(283,036)	(254,803)	(311,244)	(282,597)
Public utilities	(55,590)	(53,233)	(55,842)	(53,474)
Communication, distribution, lease and other expenses	(95,598)	(89,687)	(96,786)	(90,579)
Freight	(23,964)	(30,935)	(23,964)	(30,935)
Discount obtained on lease liabilities (i)	141	13,468	141	13,468
Other	(13,720)	(12,720)	(14,086)	(13,099)
	(471,767)	(427,910)	(501,781)	(457,216)

- (i) In accordance with CVM Rule No. 859/20, mentioned in Note 14.

27.2. General and administrative expenses

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Personnel and services	(115,041)	(103,185)	(151,035)	(142,365)
Public utilities	(3,248)	(3,025)	(3,540)	(3,312)
Lease and communication expenses	(2,782)	(1,565)	(5,736)	(5,244)
Tax expenses	(445)	(403)	(472)	(423)
Other	(7,928)	(4,414)	(12,751)	(8,593)
	(129,444)	(112,592)	(173,534)	(159,937)

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

28. Other operating income (expenses), net

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Recovered expenses	1,147	834	1,316	1,094
Reversal (Set-up) of provision for losses on litigation and contingencies, net of effective losses	(26,343)	(19,583)	(36,377)	(34,925)
Tax credits (i)	12,812	3,439	13,096	3,211
Disposal of property and equipment and reversal of provision for losses, net	(123)	1,132	(123)	1,158
Income from partnerships (ii)	10,236	9,498	10,236	17,498
Other (iii)	(1,858)	2,382	(1,634)	12,652
	(4,129)	(2,298)	(13,486)	688

- (i) On February 3, 2021, the Company filed writs of mandamus in some states to ensure its right not to pay the Differential Rate (DIFAL) in interstate operations whose recipient is a non-ICMS taxpayer, payable to the destination states of the operations. The lawsuits were based on the unconstitutionality of the requirement to pay given the absence of a Supplementary Law establishing the payment of DIFAL in these operations.

Accordingly, after publication of Supplementary Law No. 190/2022 on January 4, 2022, which establishes the requirement to pay DIFAL in the operations at issue, the Company reversed the amount of R\$11,075 related to non-payment of DIFAL from February/2021 to December/2021, which was classified as taxes payable in current liabilities and for which the likelihood of loss was assessed as remote by the Company's legal advisors.

- (ii) On December 17, 2019, the Company entered into a Partnership Agreement with Magazine Luiza S.A. ("Magazine Luiza") to improve the product mix in the category of cell phones and accessories, as well as to leverage the flow of customers at stores. By granting Magazine Luiza the right to occupy and operate at its stores, the Company will be able to receive the guaranteed minimum amount of R\$30,000 from 2021 to 2024, which symbolically represents an average amount per branch per month, as long as a minimum number of stores is reached and no delay occurs. Due to the impacts of the Covid-19 pandemic, the implementation timeline of Magazine Luiza kiosks was affected, and the minimum amount for 2020 and 2021 followed the proportion of units opened in those years (R\$16,186 in 2021 and R\$884 in 2020). The original contractual amounts were maintained for the subsequent years.
- (iii) This refers substantially to expenses with the Parent Company's employee profit sharing, and expired exchange voucher credits and canceled insurance of Subsidiaries.

29. Finance income (costs)

29.1. Accounting policy

These represent interest on loans, short-term investment yield, monetary restatement and foreign exchange differences in connection with loans with swap instruments, foreign exchange differences net of gains and losses with derivative financial instruments (contracted swap) and sundry discounts that are recognized in profit or loss for the year on an accrual basis.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

29. Finance income (costs) (Continued)

29.2. Breakdown

	Individual		Consolidated	
	09/30/2022	09/30/2021	09/30/2022	09/30/2021
Finance costs:				
Present value adjustment - trade accounts payable	(76,770)	(27,171)	(76,770)	(27,171)
Gain (loss) on swap	(9,526)	(3,971)	(9,526)	(3,971)
Interest expense and monetary restatement	(33,745)	(22,962)	(32,702)	(24,812)
Interest on lease liability	(65,078)	(48,869)	(65,082)	(48,875)
Bank charges and other fees	(24,995)	(16,321)	(25,963)	(17,246)
Discounts granted	-	(23)	(10,731)	(2,458)
Other	(1,727)	(2,656)	(2,896)	(2,766)
	(211,841)	(121,973)	(223,670)	(127,299)
Finance income:				
Short-term investments	7,180	2,908	9,305	3,576
Discounts obtained	1,063	521	1,073	525
Foreign exchange gains	4,509	2,806	4,509	2,806
Interest income and monetary restatement	28,131	10,175	31,130	11,433
	40,883	16,410	46,017	18,340

30. Earnings (loss) per share (Individual)

The following table presents the calculation of net loss available to shareholders and the weighted average number of outstanding shares used to calculate basic and diluted loss per share, excluding shares purchased by the Company and held as treasury shares for each reporting year.

	09/30/2022	09/30/2021
Weighted average number of shares	326,482,875	261,666,739
Weighted average number of treasury shares	(187,717)	(169,267)
Weighted average number of outstanding shares, net of treasury shares	326,295,158	261,497,472
Loss for the period	(202,401)	(68,504)
Basic and diluted loss per share (*) - R\$	(0.62030)	(0.26197)

(*) There was no dilutive effect as at September 30, 2022, since the calculation of the diluted earnings (loss) would result in a reduction in loss per share.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

31. Risk management

In the ordinary course of its business, the Company is exposed to the following risks:

- (i) Credit risk;
- (ii) Market risk;
- (iii) Liquidity risk; and
- (iv) Capital management.

31.1. Accounting policy and analysis

31.1.1. Credit risk

The subsidiaries' policies for sales and granting of loan are subject to credit policies set by management and aim at minimizing problems, if any, arising from customer default. This goal is achieved through a careful selection of customers that takes into consideration their credit worthiness (credit analysis) and the diversification of their operations (risk spreading). Trade accounts receivable balance subject to credit risk is stated in Note 7.

At September 30, 2022, the Company recorded an allowance for expected credit losses amounting to R\$188,405 (R\$113,314 at December 31, 2021).

The Company maintains its cash and cash equivalents with financial institutions with long-term rating in national scale classified as low credit risk and renowned market soundness. The balances of cash and cash equivalents and marketable securities subject to credit risk are stated under "Cash and cash equivalents" and "Short-term investments".

31.1.2. Market risk

The Company is exposed to currency risk deriving from current and future commercial transactions intended to purchase inventories for resale and borrowings in foreign currency - US dollar.

Management established a policy according to which the Chief Financial Officer is required to present to the Board of Directors, on a regular basis, the current status of the foreign exchange exposure and the related risks, so that the need to hedge against the foreign exchange risk is analyzed.

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Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

31. Risk management (Continued)

31.1. Accounting policy and analysis (Continued)

31.1.2. Market risk (Continued)

Currently, the Company has revisited its hedge policy, and its purpose is to hedge 90% of its imports through hedging transactions and Non-Deliverable Forward (NDF). For borrowings in foreign currency, the Company intends to hedge 100% of the contracted value through foreign exchange swap. The Company, concerned about the volatility of dollar against the Brazilian real, elected to carry out cash flow hedging transactions aiming to hedge imports against foreign exchange changes.

a) *Currency risk*

The Company is subject to currency risk in purchases denominated in a currency other than the Company's functional currency, which is the Brazilian real (R\$).

Sensitivity analysis

The sensitivity analysis was developed considering exposure to the US dollar fluctuation, the only index of liabilities in foreign currency of the Company and its subsidiaries: For defining the dollar used for sensitivity analysis in probable scenario, the Company follows future market projections of B3 S.A. - Brasil, Bolsa, Balcão.

		Consolidated				
		09/30/2022				
		Currency appreciation		Currency depreciation		
US\$ - Notional value (payable)/ receivable	Probable scenario	Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%	
Derivatives designated for hedge accounting - Imports						
Hedged item - Imports	(5,377)	(29,287)	(36,609)	(43,931)	(21,966)	(14,644)
Hedging instrument - NDF	2,294	461	3,583	6,706	(2,662)	(5,785)
Net exposure (i)	(3,083)	(28,826)	(33,026)	(37,225)	(24,628)	(20,429)

(i) The probable scenario considers the future dollar exchange rate of R\$5.4471.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

31. Risk management (Continued)

31.1. Accounting policy and analysis (Continued)

31.1.2. Market risk (Continued)

a) *Currency risk* (Continued)

Sensitivity analysis (Continued)

	Consolidated					
	12/31/2021					
	US\$ - Notional value (payable)/ receivable	Probable scenario	Currency appreciation		Currency depreciation	
			Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
<u>Derivatives designated for hedge accounting - Imports</u>						
Hedged item - Imports	(30,260)	(175,713)	(219,642)	(263,570)	(131,785)	(87,857)
Hedging instrument - NDF	15,115	3,368	25,015	46,661	(18,279)	(39,926)
Net exposure (i)	(15,145)	(172,345)	(194,627)	(216,909)	(150,064)	(127,783)

(i) The probable scenario considers the future dollar exchange rate of R\$5.2024.

b) *Interest rate risk*

Most of the Company's short-term investments and loans are tied to the CDI, as mentioned in "Cash and cash equivalents" and "Loans, financing, debentures and finance lease", respectively. Management understands that such practice substantially mitigates the risks, if any, arising from fluctuations in the market interest rate.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

31. Risk management (Continued)

31.1. Accounting policy and analysis (Continued)

31.1.2. Market risk (Continued)

b) *Interest rate risk* (Continued)

Sensitivity analysis

The sensitivity analysis of impacts was developed considering the exposure to the CDI variation, the only index of loans taken out by the Company and its subsidiaries, calculated based on CDI future referential rates disclosed by B3 S.A. - Brasil, Bolsa, Balcão.

			Individual			
			09/30/2022			
Risk	Book amount	Probable scenario	CDI increase		CDI decrease	
			Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
Short-term investments/ marketable securities	72,266	8,760	10,985	13,229	6,554	4,367
Loans, financing, debentures and swap	(286,615)	(34,147)	(39,960)	(45,630)	(28,183)	(22,059)
Net exposure	(214,349)	(25,387)	(28,975)	(32,401)	(21,629)	(17,692)

			Consolidated			
			09/30/2022			
Risk	Book amount	Probable scenario	CDI increase		CDI decrease	
			Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
Short-term investments/ marketable securities	243,832	9,071	11,368	13,684	6,790	4,527
Loans, financing, debentures and swap	(844,569)	(175,371)	(203,443)	(232,205)	(147,965)	(121,202)
Net exposure	(600,737)	(166,300)	(192,075)	(218,521)	(141,175)	(116,675)

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

31. Risk management (Continued)

31.1. Accounting policy and analysis (Continued)

31.1.2. Market risk (Continued)

b) *Interest rate risk* (Continued)

Sensitivity analysis (Continued)

Individual							
12/31/2021							
Risk	Book amount	Probable scenario	CDI increase		CDI decrease		
			Possible scenario	Remote scenario	Possible scenario	Remote scenario	
			+25%	+50%	-25%	-50%	
Short-term investments/ marketable securities	CDI decrease	89,990	8,824	11,076	13,357	6,599	4,403
Loans, financing, debentures and swap	CDI increase	(392,444)	(38,157)	(56,679)	(75,108)	(19,536)	(812)
Net exposure		(302,454)	(29,333)	(45,603)	(61,751)	(12,937)	3,591
Consolidated							
12/31/2021							
Risk	Book amount	Probable scenario	CDI increase		CDI decrease		
			Possible scenario	Remote scenario	Possible scenario	Remote scenario	
			+25%	+50%	-25%	-50%	
Short-term investments/ marketable securities	CDI decrease	306,864	16,356	20,452	24,575	12,286	8,244
Loans, financing, debentures and swap	CDI increase	(868,557)	(135,013)	(173,777)	(213,361)	(97,033)	(59,804)
Net exposure		(561,693)	(118,657)	(153,325)	(188,786)	(84,747)	(51,560)

31.1.3. Liquidity risk

In view of the dynamic nature of the Company's business, the Finance Department maintains fundraising flexible through bank credit facilities.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

31. Risk management (Continued)

31.1. Accounting policy and analysis (Continued)

31.1.3. Liquidity risk (Continued)

Management monitors the Company's and its subsidiaries' liquidity ratio, considering the expected cash flows and cash and cash equivalents. Furthermore, the liquidity management policy of the Company and its subsidiaries involves cash flow projections and consideration on the net assets required to reach those projections, monitoring of the liquidity ratios of the statement of financial position in relation to internal and external requirements, and maintenance of debt financing plans.

Aging list of financial liabilities

The maturity of financial liabilities, net of derivative financial instruments, taken out by the Company and its subsidiaries is as follows:

Individual					
09/30/2022					
Book balance	Contractual cash flow	Within 1 year	From 1 to 2 years	From 3 to 5 years	Above 5 years
Trade accounts payable and Trade accounts payable - Agreement	485,018	495,732	495,732	-	-
Loans, financing and debentures	302,098	306,303	224,741	69,447	12,115
Derivative financial liabilities	2,699	3,804	3,804	-	-
	789,815	805,839	724,277	69,447	12,115
Consolidated					
09/30/2022					
Book balance	Contractual cash flow	Within 1 year	From 1 to 2 years	From 3 to 5 years	Above 5 years
Trade accounts payable and Trade accounts payable - Agreement	487,255	497,969	497,969	-	-
Loans, financing and debentures	860,060	861,480	348,110	360,244	153,126
Derivative financial liabilities	2,699	3,804	3,804	-	-
	1,350,014	1,363,253	849,883	360,244	153,126

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

31. Risk management (Continued)

31.1. Accounting policy and analysis (Continued)

31.1.3. Liquidity risk (Continued)

Maturity of financial liabilities (Continued)

Individual					
12/31/2021					
Book balance	Contractual cash flow	Within 1 year	From 1 to 2 years	From 3 to 5 years	Above 5 years
Trade accounts payable and Trade accounts payable - Agreement	469,736	475,653	475,653	-	-
Loans, financing and debentures	407,259	407,604	299,626	86,010	21,968
Derivative financial liabilities	807	-	-	-	-
	877,802	883,257	775,279	86,010	21,968
Consolidated					
12/31/2021					
Book balance	Contractual cash flow	Within 1 year	From 1 to 2 years	From 3 to 5 years	Above 5 years
Trade accounts payable and Trade accounts payable - Agreement	481,151	487,068	487,068	-	-
Loans, financing and debentures	883,384	883,727	480,598	246,250	156,879
Derivative financial liabilities	807	-	-	-	-
	1,365,342	1,370,795	967,666	246,250	156,879

31.1.4. Capital management

The Company management manages the Company funds in order to ensure its ability to continue as a going concern and to maximize funds available to open stores, and refurbish and redesign existing stores, as well as to ensure return to shareholders.

From time to time, management reviews the Company's capital structure and its ability to settle its liabilities, and also timely monitors days payable outstanding in relation to average inventory turnover, taking the necessary measures when these balances result in assets in excess of liabilities.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

31. Risk management (Continued)

31.1. Accounting policy and analysis (Continued)

31.1.4. Capital management (Continued)

Debt-to-equity ratio

The debt-to-equity ratios at September 30, 2022 and December 31, 2021 are as follows:

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Loans, financing and debentures	302,098	407,259	860,060	883,384
(-) Cash and cash equivalents/marketable securities	(83,108)	(119,268)	(255,359)	(338,752)
Net debt	218,990	287,991	604,701	544,632
Equity	973,981	999,524	973,981	999,524
Financial leverage ratio	22%	29%	62%	54%

32. Financial instruments

32.1. Accounting policy

32.1.1. Financial assets

The Company's financial assets include cash and cash equivalents, bank checking account, short-term investments, marketable securities, accounts receivable, other noncurrent assets, judicial deposits and derivative financial instruments. Refer to Note 32.5 for the segregation made by the Company.

32.1.2. Derivative financial instruments and hedging transactions

The Company takes out derivative instruments to manage its financial risks, and no derivative instruments are used for speculative purposes. Changes in derivatives' fair value are recorded as gains or losses in profit or loss or equity when the transaction is eligible and characterized as an effective cash flow *hedge* and has been effective during the related period. The Company documents, early in the transaction, the relationship between the hedging instruments and the hedged items.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

32. Financial instruments (Continued)

32.1. Accounting policy (Continued)

32.1.2. Derivative financial instruments and hedging transactions (Continued)

The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether or not the derivatives used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items. The effective portion of changes in derivative financial instruments' fair value, designated as effective cash flow hedge, is recognized in equity, and the ineffective portion is recognized in profit or loss for the year. Amounts recorded in equity will only be transferred to profit or loss for the year when the hedged item is effectively realized.

32.1.3. Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle them on a net basis, or realize the asset and settle the liability simultaneously.

32.1.4. Fair value of financial instruments

The fair value of financial instruments that are actively traded on organized financial markets is determined based on the purchase prices quoted on the market at the close of trading at the reporting date, without any deduction of transaction costs. The fair value of financial instruments for which there is no active market is determined by using valuation techniques. These techniques may include the use of recent market transactions (on an arm's length basis); reference to the current fair value of another similar instrument; discounted cash flow analysis or other valuation models.

32.1.5. Financial liabilities

The Company's financial liabilities are classified at fair value through profit or loss when they are held for trading or designated at fair value through profit or loss. They include the balances of derivative financial instruments.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

32. Financial instruments (Continued)

32.1. Accounting policy (Continued)

32.1.6. Other financial liabilities

These are measured at amortized cost using the effective interest method. Other financial liabilities include trade accounts payable, accounts payable, other obligations and loans and financing.

32.1.7. Loans and financing

After their initial recognition, interest-bearing loans and financing are subsequently measured at amortized cost, using the effective interest method, net of transaction costs incurred. Gains and losses are recognized in the statement of profit or loss when liabilities are derecognized, and over the amortization process using the effective interest method.

32.2. Derivative financial instruments designated for hedge accounting

The Company adopts hedge accounting rules for its derivative instruments classified as cash flow hedge, as determined in its Risk Policy. Cash flow hedge consists of providing hedge solely for purchase of imported goods for resale, thus reducing currency risk.

Transactions for which hedge accounting is designated are highly probable, are exposed to changes in cash flows that could affect profit or loss, and highly effective in hedging changes in cash flows attributable to the risk covered, consistently with the risk originally documented in the Risk Policy.

In order to hedge its transactions, the Company opted for Non-Deliverable Forward (NDF).

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

32. Financial instruments (Continued)

32.2. Derivative financial instruments designated for hedge accounting (Continued)

32.2.1. Non-Deliverable Forwards ("NDF")

Non-deliverable forward is the future commitment to buy and sell certain currencies on a certain date in the future for a fixed price. It does not require physical settlement of positions, but requires financial settlement based on the difference between the settlement price and the price established in contracts.

The aging list of outstanding NDFs at September 30, 2022 and December 31, 2021 and the weighted average rates and fair value are as follows:

Individual and Consolidated				
09/30/2022				
Maturities	Notional value (US\$)	Average rate	Fair value (R\$) (*)	Hedged item (US\$)
October 2022	574	5.1889	122	1,167
November 2022	789	5.1978	186	1,897
December 2022	931	5.3176	143	2,313
	2,294	5.2442	451	5,377

(*) The line item Financial instruments in current assets includes R\$86 in NDFs ended September 30, 2021, but with financial settlement on October 3, 2022. At September 30, 2022, the Company recorded R\$35 as financial hedging.

Individual and Consolidated				
12/31/2021				
Maturities	Notional value (US\$)	Average rate	Fair value (R\$) (*)	Hedged item (US\$)
January 2022	2,806	5.4598	438	3,498
February 2022	3,196	5.5331	389	5,546
March 2022	2,197	5.5026	437	3,813
April 2022	1,556	5.4622	436	1,923
May 2022	2,860	5.5112	809	1,383
June 2022	2,500	5.5459	749	5,098
	15,115	5.5058	3,258	21,261

(*) Financial instruments recorded in current liabilities include R\$109 referring to NDFs ended at December 31, 2021, to be settled on January 1, 2022.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

32. Financial instruments (Continued)

32.2. Derivative financial instruments designated for hedge accounting (Continued)

32.2.2. Gains and losses on derivative financial instruments

Gains from and losses on derivative financial instruments designated as cash flow hedge, while not realized, are recorded in equity, as follows:

	Individual and Consolidated Equity	
	09/30/2022	12/31/2021
Derivative financial instruments designated as cash flow hedge:		
Currency risks	502	3,367
Deferred IRPJ/CSLL	(171)	(1,145)
Net gain (loss) recognized in other comprehensive income (loss)	331	2,222
Net gain (loss) recognized for the period/year	(1,891)	6,699
Net gain (loss) recognized in prior years	2,222	(4,477)
	331	2,222

32.3. Derivative financial instruments not designated for hedge accounting

The Company and its subsidiary M CARTÕES took out foreign currency-denominated loans bearing interest, for which swap transactions were entered into to hedge against changes in exchange rates, swapping contracted interest rate and foreign currency exchange variation for CDI plus a fixed rate. This transaction refers to a foreign exchange hedging transaction that formally consists of a loan agreement and a swap transaction taken out on the same date, with the same maturity and same counterparty.

At September 30, 2022 and December 31, 2021, information on outstanding swap contracts is as follows:

Consolidated							
09/30/2022							
Maturity	Reference (notional) value	Bank		Company		Fair value	
		Index	Interest	Index	Interest	Individual	Consolidated
September 2023	50,000	CDI	4.78% p.a.	US\$	5.60% p.a.	(2,881)	(2,881)
December 2022	14,825	CDI	3.89% p.a.	US\$	3.89% p.a.	(923)	(923)
	64,825					(3,804)	(3,804)

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

32. Financial instruments (Continued)

32.3. Derivative financial instruments not designated for hedge accounting (Continued)

Consolidated							
12/31/2021							
Maturity	Reference (notional) value	Bank		Company		Fair value	
		Index	Interest	Index	Interest	Individual	Consolidated
September 2023	50,000	CDI	4.78% p.a.	US\$	5.60% p.a.	(1,970)	(1,970)

With these swap transactions, the Company and its subsidiaries are not exposed to the risk of changes in exchange rates; therefore, this risk was not considered to be measured through the sensitivity analysis, considering that the Company and its subsidiaries are solely and exclusively exposed to the CDI variation on loan agreements.

32.4. Fair value of financial instruments

The Company management considers that the financial instruments, which are recognized in the consolidated interim financial information at their carrying amounts (cash and cash equivalents, marketable securities, derivatives (swap), accounts receivable, trade accounts payable, loans and financing and debentures), have no significant differences in relation to their respective market values,

since the maturity of a substantial portion of balances is close to the reporting date, except for "Loans, financing and debentures", which is monetarily restated based on variable interest provided for in contract in line with market conditions and, therefore, the debt balance recorded at the reporting dates is close to market value.

NDF transactions are priced at fair value while financial swap transactions are valued at fair value (IFRS 9).

Specifically in this case, considering that there is no active market for these instruments, differences could arise if these amounts were settled in advance.

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

32. Financial instruments (Continued)

32.5. Fair value measurement and hierarchy

The table below details the fair value measurement and hierarchy (fair value through profit or loss - FVTPL and fair value through other comprehensive income - FVTOCI):

		Individual 09/30/2022						
		Classification of assets (NBC TG 48/IFRS 9)					Fair value hierarchy	
		Book value	Fair value	Amortized cost	FVTPL	FVTOC I	Level 1	Level 2
Note								
Cash	6.2	9,248	9,248	9,248	-	-	-	9,248
Bank checking account	6.2	1,594	1,594	1,594	-	-	-	1,594
Repurchase agreements - CDB	6.3	6,976	6,976	-	6,976	-	-	6,976
Investment funds	6.4	22,907	22,907	-	22,907	-	-	22,907
Investments in CDB - Guarantee	6.4	42,383	42,383	-	42,383	-	-	42,383
Trade accounts receivable	7.2	217,059	217,059	217,059	-	-	-	217,059
Other current and noncurrent assets		33,867	33,867	33,867	-	-	-	33,867
Judicial deposits	20.2	108,995	108,995	108,995	-	-	-	108,995
Trade accounts payable	15.2	(485,018)	(485,018)	(485,018)	-	-	-	(485,018)
Loans, financing and debentures	16.2	(302,098)	(302,098)	(302,098)	-	-	-	(302,098)
NDFs	32.2.1	451	451	-	-	451	-	451
		(343,636)	(343,636)	(416,353)	72,266	451	-	(343,636)
		Consolidated 09/30/2022						
		Classification of assets (NBC TG 48/IFRS 9)					Fair value hierarchy	
		Book value	Fair value	Amortized cost	FVTPL	FVTOC I	Level 1	Level 2
Note								
Cash	6.2	9,253	9,253	9,253	-	-	-	9,253
Bank checking account	6.2	2,274	2,274	2,274	-	-	-	2,274
Repurchase agreements - CDB	6.3	7,884	7,884	-	7,884	-	-	7,884
Repurchase agreements - DI	6.3	163,870	163,870	-	163,870	-	-	163,870
Investment funds	6.4	22,907	22,907	-	22,907	-	-	22,907
Investments in CDB - Guarantee	6.4	49,171	49,171	-	49,171	-	-	49,171
Trade accounts receivable	7.2	379,960	379,960	379,960	-	-	-	379,960
Other current and noncurrent assets		58,133	58,133	58,133	-	-	-	58,133
Judicial deposits	20.2	141,877	141,877	141,877	-	-	-	141,877
Trade accounts payable	15.2	(487,255)	(487,255)	(487,255)	-	-	-	(487,255)
Loans, financing and debentures	16.2	(860,060)	(860,060)	(860,060)	-	-	-	(860,060)
NDFs	32.2.1	451	451	-	-	451	-	451
		(511,535)	(511,535)	(755,818)	243,832	451	-	(511,535)

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Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

32. Financial instruments (Continued)

32.5. Fair value measurement and hierarchy (Continued)

Individual								
12/31/2021								
	Note	Book value	Fair value	Classification of assets (NBC TG 48/IFRS 9)			Fair value hierarchy	
				Amortized cost	FVTPL	FVTOC I	Level 1	Level 2
Cash	6.2	10,678	10,678	10,678	-	-	-	10,678
Bank checking account	6.2	18,600	18,600	18,600	-	-	-	18,600
Repurchase agreements - CDB	6.3	20,165	20,165	-	20,165	-	-	20,165
Repurchase agreements - DI	6.3	-	-	-	-	-	-	-
Investment funds	6.4	10,492	10,492	-	10,492	-	-	10,492
Investments in CDB - Guarantee	6.4	58,617	58,617	-	58,617	-	-	58,617
Braskem shares	6.4	716	716	-	716	-	716	-
Trade accounts receivable	7.2	379,960	379,960	379,960	-	-	-	379,960
Other current and noncurrent assets		30,458	30,458	30,458	-	-	-	30,458
Judicial deposits	20.2	100,970	100,970	100,970	-	-	-	100,970
Trade accounts payable	15.2	(469,736)	(469,736)	(469,736)	-	-	-	(469,736)
Loans, financing and debentures	16.2	(407,259)	(407,259)	(407,259)	-	-	-	(407,259)
NDFs	32.2.1	3,258	3,258	-	-	3,258	-	3,258
		(243,081)	(243,081)	(336,329)	89,990	3,258	716	(243,797)

Consolidated								
12/31/2021								
	Note	Book value	Fair value	Classification of assets (NBC TG 48/IFRS 9)			Fair value hierarchy	
				Amortized cost	FVTPL	FVTOC I	Level 1	Level 2
Cash	6.2	10,683	10,683	10,683	-	-	-	10,683
Bank checking account	6.2	21,205	21,205	21,205	-	-	-	21,205
Repurchase agreements - CDB	6.3	97,574	97,574	-	97,574	-	-	97,574
Repurchase agreements - DI	6.3	132,501	132,501	-	132,501	-	-	132,501
Financial bills	6.3	11	11	11	-	-	-	11
Investment funds	6.4	10,492	10,492	-	10,492	-	-	10,492
Investments in CDB - Guarantee	6.4	65,570	65,570	-	65,570	-	-	65,570
Braskem shares	6.4	716	716	-	716	-	716	-
Trade accounts receivable	7.2	860,755	860,755	860,755	-	-	-	860,755
Other current and noncurrent assets		81,462	81,462	81,462	-	-	-	81,462
Judicial deposits	20.2	134,024	134,024	134,024	-	-	-	134,024
Trade accounts payable	15.2	(481,151)	(481,151)	(481,151)	-	-	-	(481,151)
Loans, financing and debentures	16.2	(883,384)	(883,384)	(883,384)	-	-	-	(883,384)
NDFs	32.2.1	3,258	3,258	-	-	3,258	-	3,258
		53,716	53,716	(256,395)	306,853	3,258	716	53,000

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Notes to individual interim financial information (Continued)

September 30, 2022

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33. Segment information

33.1. Accounting policy

To manage its activities both financially and operationally, the Company classified its business into two divisions: retail and financial products and services. These divisions are considered as the primary segments for information disclosure. The characteristics of these divisions are described below:

- (i) Retail: sale of clothing items (women, men and children fashion), perfumery, cosmetics and watches, focused on C and D Class consumers, in physical stores and e-commerce.
- (ii) Financial products and services: the credit card transactions - through Marisa Credit Card and Marisa-Itaucard Co-Branded credit card, managed by the subsidiary M CARTÕES, offer to the Company's customers credit for the purchase of products, in addition to insurance, payment of bills and consumer credit, i.e. the offer of loans to individuals who are the Company's consumers.

	09/30/2022			
	Retail	Credit card transactions	Consumer credit	Consolidated balance
Net revenue – trade accounts receivable	1,565,828	112,690	254,553	1,933,071
Segment costs	(780,998)	(94,945)	(244,265)	(1,120,208)
Gross profit	784,830	17,745	10,288	812,863
Selling expenses	(471,767)	(30,014)	-	(501,781)
General and administrative expenses	(129,444)	(24,343)	(19,747)	(173,534)
Other operating income (expenses)	(4,129)	(12,550)	3,193	(13,486)
Operating income (expenses) of the segment	179,490	(49,162)	(6,266)	124,062
Depreciation and amortization				(201,410)
Finance income				46,017
Finance costs				(223,670)
Loss before income and social contribution taxes				(255,001)

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

33. Segment information (Continued)

33.1. Accounting policy (Continued)

	09/30/2021			Consolidated balance
	Retail	Credit card transactions	Consumer credit	
Net revenue from foreign customers	1,333,061	147,897	192,406	1,673,364
Segment costs	(731,428)	(70,095)	(90,786)	(892,309)
Gross profit	601,633	77,802	101,620	781,055
Selling expenses	(427,910)	(29,306)	-	(457,216)
General and administrative expenses	(112,592)	(27,487)	(19,858)	(159,937)
Other operating income (expenses)	(2,298)	176	2,810	688
Operating income (expenses) of the segment	58,833	21,185	84,572	164,590
Depreciation and amortization				(207,058)
Finance income				18,340
Finance costs				(127,299)
Loss before income and social contribution taxes				(151,427)

34. Insurance coverage

34.1. Accounting policy

The Company and its subsidiaries adopt a policy on insurance that considers primarily risk concentration and its relevance, and management enters into insurance policies considering the nature of its activities and the guidance of its insurance advisors.

34.2. Breakdown of insurance coverage

	Individual	
	09/30/2022	12/31/2021
Civil liability	20,000	20,000
Sundry risks - inventories and property and equipment	212,900	212,900
Transportation	55,000	55,000
D&O - Civil liability	90,000	90,000
Fixed expenses - Fire/lightning/explosion/riots	33,776	33,776
Vehicles	5,989	5,939
	417,665	417,615

Marisa Lojas S.A. and Subsidiaries

Notes to individual interim financial information (Continued)

September 30, 2022

(In thousands of Reais - R\$, unless otherwise stated)

35. Additional information to the statements of cash flows

Changes in asset and liability accounts did not affect cash and are as follows:

	Individual		Consolidated	
	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021	01/01/2022 to 09/30/2022	01/01/2021 to 09/30/2021
Remeasurement of contracts – Note 14	151,915	138,242	151,998	138,055
Recovery of overpaid IRPJ and CSLL – Note 9.2.2	-	122,783	-	122,783
Acquisition of property and equipment payable	4,849	1,441	4,512	1,441
Acquisition of intangible assets payable	3,693	6,642	3,961	7,108