

B2W DIGITAL ANNOUNCES TOTAL GMV GROWTH OF 31% AND CASH GENERATION OF R\$ 479.3 MM IN 4Q19

The Marketplace continues to develop rapidly and reached GMV of R\$ 4.3 billion (+47.2%) in 4Q19, representing 64.2% of Total GMV

Rio de Janeiro, February 20, 2020: B2W Digital (B3: BTOW3), the largest and most beloved digital company in Latin America, today announces its results for the fourth quarter of 2019. In order to maintain comparability between the periods, the results presented for 4Q19 and full year 2019 were adjusted in order to disregard the tax credits arising from the final judgement in the STF regarding the unconstitutionality of the inclusion of ICMS in the PIS / COFINS calculation basis, according to the Material Fact published on 12/20/2019.

KEY INDICATORS	4Q19	4Q18	Delta	2019	2018	Delta
Total GMV (R\$ MM)	6,647	5,078	+30.9%	18,778	15,005	+25.1%
Marketplace (R\$ MM)	4,267	2,898	+47.2%	11,589	7,740	+49.7%
Marketplace (% of Total GMV)	64.2%	57.1%	+7.1 p.p.	61.7%	51.6%	+10.1 p.p.
Assortment (Items/MM)	29.5	8.1	+21.4	29.5	8.1	+21.4
# Sellers (New/Thou)	8.1	3.1	+5.0	24.9	12.2	+12.7
# Sellers (Base/Thou)	46.8	21.9	+24.9	46.8	21.9	+24.9
B2W Entrega (# Sellers/Thou)	44.6	18.5	+26.1	44.6	18.5	+26.1
B2W Entrega (% of Seller base)	95.3%	84.5%	+10.8 p.p.	95.3%	84.5%	+10.8 p.p.
Mobile (% of Traffic)	80.1%	70.2%	+9.9 p.p.	76.7%	67.8%	+8.9 p.p.

MESSAGE FROM MANAGEMENT

Since its creation (2006), B2W Digital has continued to invest heavily in the fundamental pillars of its business. From 2007 to 2019, we had three important cycles, which totaled R\$ 5.4 billion in investments (CAPEX) in the Digital Platform and development of e-commerce in Brazil, which still has low penetration of total retail, and we understand this to be an extraordinary opportunity.

The investments were concentrated in three main pillars: technology, logistics, and people. Over the years we have built unique assets to operate e-commerce / marketplace in Brazil, as well as a first-rate digital team, with technology DNA and that breathes innovation. Our team is the best combination of young people with experience. The thirteen acquisitions of technology and logistics companies, which we carried out between 2013 and 2015, were also responsible for the arrival of many talented people. We are proud of the successful integrations and the high retention rate of these brilliant people, of which we currently have over 1,500 developers building the B2W of the future.

Our technology DNA allowed the Digital Platform to be developed based on cloud and micro services, enabling the team to be organized in more than 90 Squads, accelerating Total GMV and launching new growth fronts, with the Marketplace being an excellent business example, created quickly from this technological architecture.

The strategic plan (2017-2019) was aimed to accelerate the growth of the Marketplace (3P) and generate cash. The Marketplace went from GMV of R\$ 2 billion in 2016 (18% of Total GMV) to R\$ 12 billion in 2019 (62% of Total GMV). With the transformation of the business model, the Company also achieved a significant evolution in cash flow, which went from a consumption of R\$ 1.6 billion in 2016 to a positive cash generation of R\$ 190 million in 2019.

In the last three years, we connected 42.1 thousand Sellers (from 4.7 thousand in December/ 16 to 46.8 thousand in December/ 19), allowing for the exponential growth in assortment offered to the customer, which totaled 29.5 million items at the end of 2019 (+26.8 MM vs. the 2.7 MM of December/ 16).

During this period, we also launched B2W Entrega, a platform that operates and controls the deliveries of the Marketplace, reducing delivery times and freight costs by 50% (on average), and totaling 95% adhesion by Sellers at the end of 2019.

In line with this, we have developed several financial products and services, allowing for Sellers to continue investing in their operations, such as receivables discount (B2W Marketplace native solution) and Credit Seller, where we offer loans quickly, safely, simply and 100 % online.

With the rapid growth in the number of Sellers and assortment, our platform has transformed itself to offer increasingly complete and scalable solutions, with the objective of supporting Sellers according to their different needs. Currently, these solutions translate into more than 230 million requests per day on our APIs, simplifying Sellers' operation across the main business variables (product, pricing, customer service, inventory, exchanges, refunds, and freight, among others).

We understand that our hybrid Digital Platform model (1P, 3P and Digital Solutions) has a superior value proposition for everyone. We want to continue to be the best option for Suppliers and Sellers, delivering robust and qualified traffic and the best solutions for them to continue growing their business with us. For the Customer, we want to deliver the best experience, through a wide assortment and the highest level of service, with maximum convenience.

Ensuring the best level of service on the Brazilian internet is a priority and we will continue offering complete solutions for Sellers, fostering entrepreneurship and also enabling for the emergence of new companies and formal businesses in Brazil.

The year 2019 meant the end of a very important cycle, and in 2020, we start a new cycle. In the new 3-year strategic plan (2020-2022), we have the dream of more than doubling in size (GMV) and continuing to generate cash. We are even more prepared and motivated to transform the Customer experience, offering: "Everything. Anytime. Anywhere." which will guide our strategy to retain our current Customers and attract new Customers.

The convenience for Customers, addressing different consumption occasions, will dictate our growth rate and be driven by the intensive use of data, algorithms and analytics to drastically improve the experience within the Digital Platform. The focus will be to become even more relevant in the daily lives of Customers.

"Everything. Anytime. Anywhere." translates into continuously increasing the offering of products and services, improving and expanding our availability, and delivering wherever the customer desires. In this sense, we aim to reach the mark of more than 100 MM items, with more than 150 thousand Sellers connected by the end of 2022.

LET'S, the shared management platform for Americanas and B2W's logistics and distribution assets, will be responsible for shortening the distance to the Customer, reducing the delivery time to minutes, by expanding the logistics network to a total of 22 DCs by the end of 2022 (vs. 15 DCs in December/ 19), and the acceleration of O2O initiatives (Online to Offline).

Ame, the Fintech and the Mobile Business Platform of Americanas and B2W, which simplifies the lives of people and companies, will continue to build customer loyalty and engagement, expanding its acceptance network organically and through strategic partnerships (as we did with Linx , Vtex, Cielo, Stone, Mastercard, and Banco do Brasil, among others). Ame has a roadmap of new features to radically increase the frequency of use, becoming a one-stop-app, essential in the daily lives of Customers.

Ame Flash, which connects independent couriers, will also accelerate O2O initiatives, mainly through the "ship from store" delivery method. The acquisition of startups Pedala and Courri, specialists in fast and sustainable deliveries (in urban centers) with bicycles and scooters, was a strategic action to move forward in this market.

We also identified great opportunities for growth in categories that still have low penetration in the online world. The acquisition of Supermercado Now allows us to enter the Supermarket category with speed, scale and expertise. This type of category, with high frequency of purchases, will further expand our assortment and boost convenience for the Customer.

We will continue to advance our sustainability strategy, reinforcing our commitment to the 2030 Agenda and the United Nations (UN) Sustainable Development Goals (SDGs). We are signatories to the UN Women's Empowerment Pacts (WEP's), the Coalition for Racial and Gender Equity, and the Business Charter for Human Rights and Decent Work. We understand there are still many opportunities to be developed and we are committed to doing more and better every day.

We take the opportunity to thank our team for their enthusiasm and dedication. We were certified by Great Place to Work (GPTW), an important recognition of the effort to keep evolving and engaging the team to achieve increasingly challenging goals, always focusing on the customer.

We also thank our suppliers for the partnership, the Marketplace Sellers for choosing our platform, the shareholders for their trust and, above all, the customers for their preference.

Marcio Cruz
CEO, B2W Digital

4Q19 HIGHLIGHTS

- **B2W Digital generated R\$ 479.3 MM in cash in 4Q19**, an evolution of R\$ 264.6 MM in relation to the R\$ 214.7 MM registered in 4Q18. In 2019, cash generation totaled R\$ 189.9 MM, an evolution of R\$ 428.9 MM in relation to consumption of R\$ 239.0 MM registered in 2018. Accordingly, the Company ended the year with a net cash position of R\$ 984.7 MM.
- **B2W Digital registered record sales on Black Friday.** The investments made in the digital platform in recent years reflected, once again, in the leadership of traffic and sales during the event. On Black Friday, we were the largest Marketplace platform in Brazil, enabling Sellers to scale their business, selling the equivalent of 53 days' worth of sales.
- **B2W Marketplace set a new record, connecting more than 8.1 thousand new Sellers in 4Q19**, from a base of 38.7 thousand Sellers in September/ 19 to more than 46.8 thousand Sellers in December/ 19. In this way, we exceeded the initial goal of closing the year with 40 thousand connected Sellers.
- **B2W Digital total assortment reached 29.5 million items exiting 4Q19**, growing 264% vs. 4Q18, driven by Marketplace. With this, we exceeded the initial goal of closing the year with 20 MM items.
- **Americanas Mundo expanded its assortment to over 13.4 million items in 4Q19.** Launched in March/ 19, the operation that allows customers to buy products from Sellers all over the world, was responsible for the top selling item on Black Friday.
- **O2O (Online to Offline) surpassed the R\$ 2 billion GMV mark in 2019 (+153% vs. 2018).** Using the concept of "Everything. Anytime. Anywhere", the Americanas and B2W's O2O initiatives have been improving customers' shopping experience and growing at an accelerated pace. In the last twelve months, more than 2.8 million people have made their purchases through these initiatives.
- **B2W Digital announced the acquisition of Supermercado Now**, an innovative e-commerce platform with focus on the online supermarket category. The business model, of which has proven success in other countries, has great growth opportunity in Brazil and will allow B2W to expand its presence in the Supermarket category, opening a new growth front and offering an even more complete assortment for the more than 16 million active customers of the Company.
- **LET'S opened 3 new Distribution Centers (DCs) at the end of 4Q19**, in the states of Pará, Minas Gerais, and Rio Grande do Sul, in order to reduce the distance to the final consumer and expanding the number of cities eligible for deliveries within 24 hours.
- **B2W Digital was recognized with "Great Place to Work 2020" certification**, an important acknowledgement of the effort to continue evolving and engaging the team to achieve increasingly challenging goals, always focusing on the customer.
- **Initiatives of IF – Innovation and Future**
 - **Ame, the one-stop-app of the Americanas Universe, reached 6.5 million downloads** and continues to gain strong traction on Americanas and B2W, optimizing customer discounts through cashback, generating higher repeat purchases and increased Customer spending. On Black Friday, Ame transacted more than R\$ 800 MM in TPV, representing 17% of all online sales in Brazil.

- **In order to accelerate its presence in the physical and online world**, Ame has been establishing important partnerships with acquirers, card banners, and retail technology platforms, such as: Cielo, Stone, Mastercard (pre-paid card), Linx, and Vtex. Currently, Ame already has a presence in more than 1.5 million establishments.
- **In December/ 19, the partnership with Banco do Brasil was announced** to offer credit cards through Ame. The partnership is one of the initiatives under development in Ame's business plan for granting credit to customers and merchants.
- **Ame already has more than 35 features** to simplify the customer's life, making it a *one-stop app*. During the quarter, new features were launched, such as donations to NGOs, mini-games and a cold beer delivery pilot, through Ame Flash. The full list of Ame functions can be found on pages 8 and 9.
- **In December/ 19, Ame Pro (Mobile POS and ERP) was launched**, a complete solution for store management in the physical world, with features such as payments and inventory and treasury management. Ame Pro has native integration with Ame and the Marketplace, enabling automatic integration of the merchant as a B2W Seller.
- **In December/ 19, Ame acquired startups Pedala and Courri**, specialists in fast and sustainable deliveries via bicycles and scooters. The acquisitions aim to accelerate the Ame Flash operation, making deliveries in large urban centers, in addition to expanding the network of connected delivery partners, allowing for the acceleration of “*ship from store*”.
- **Ame is the official payment method for “Street Carnival 2020 of Rio de Janeiro”**. During the event more than 10 thousand street vendors will be accredited to sell with Ame, impacting millions of people.

STRATEGIC INITIATIVES

- **Commercial and Marketing**

- **Assortment:** The number of items offered on the sites totaled 29.5 million exiting 4Q19, growing 264% vs. 4Q18, driven by Marketplace.
- **Marketing and SEO:** With the exponential growth in the number of items offered came the necessity of improving the visibility of the assortment across our websites, and demonstrating to our customers the wide product offering and vast selection that can be found across our brands (one-stop-shop).
 - Throughout 2019, optimizations in the algorithm have made it easier for search engines to track products, which has generated more brand relevance on Google, fulfilling the goal of increasing the number of visits coming from organic search.
- **Americanas Empresas:** A site exclusively targeted at corporate clients (legal entity) of all sizes, from micro entrepreneurs to large corporations. The site offers more than 3.5 million products in 36 categories, enabling the customer to buy items for both daily use and consumption, as well as large volumes to supply the inventory for resale.
- **Prime:** The only program in Brazil where the customer can choose from more than 2.8 million products with unlimited free shipping, and without minimum purchase value requirements. In addition, the customer can take advantage of exclusive offers and dedicated customer service.
 - B2W Prime is available for all 2,479 cities in the South and Southeast regions of Brazil.
 - Prime customers continue to show high engagement with our brands as seen through 5 higher page views per user, 5 times higher purchase frequency, and across 3 times more categories than customers who have not yet joined the program.
 - In 4Q19, the Seller base of B2W Prime increased 33.4% (vs. 4Q18).
 - In October/ 19, Americanas Prime was integrated with the Americanas physical stores, offering a new option of free Click and Collect, as well as exclusive discounts for Prime customers in all of the Americanas stores.

- **Evolution of the Marketplace**

- **Marketplace GMV:** In 4Q19, the Marketplace registered growth of 47.2%, reaching GMV of R\$ 4,267 million and representing 64.2% of Total GMV.
- **Sellers:** In 4Q19, the B2W Marketplace connected more than 8.1 thousand new Sellers, going from a base of 38.7 thousand Sellers in September/ 19 to more than 46.8 thousand Sellers in December/ 19. The Seller base increased by 2.1x from 4Q18 to 4Q19 (from 21.9 thousand to 46.8 thousand Sellers).
- **Assortment:** The B2W Marketplace assortment grew by 274%, going from a base of 7.8 million items in 4Q18 to 29.2 million items at the end of 4Q19.
- **Americanas Mundo:** The Cross Border operation that enables customers to purchase products from all over the world (including the US and China), creating a new growth avenue for the B2W Marketplace. Launched in March/ 19, the operation continues to develop rapidly with the current number of items offered already exceeding 13.4 million items (December/ 19).
 - During Black Friday, the top selling item on Americanas.com was an item on Americanas Mundo.
 - In 2019, Americanas Mundo contributed significantly in attracting new customers, reinforcing the complementarity assortment between 1P, the local Marketplace Sellers, and the Cross Border operation. In 4Q19, Americanas Mundo items were the primary driver to attracting new customers to the B2W platform.
- **Jirau da Amazônia Marketplace:** In partnership with the Amazonas Sustainable Foundation (FAS), we implemented Jirau da Amazônia Marketplace on the Americanas site, generating income and inclusion for the residents of the region.
- **APIs:** The B2W Marketplace operates with open APIs, allowing for fast and effective integration with leading platforms and ERPs on the market. Through APIs, Sellers simplify the administration of key business variables (product, pricing, customer service, inventory, exchange and refund, chat, fulfillment, and freight) and multi-channel management (sales on the Marketplace and their own stores). Currently, more than 230 MM requests/day are performed.
- **B2W Analytics:** B2W Marketplace has launched a new data platform fully integrated with the Seller Portal to help Sellers efficiently serve customers and increase their sales. Through B2W Analytics, Sellers have access to information to pinpoint exactly where they should act to increase the competitiveness of their assortment, identifying the best buybox opportunities and leveraging their sales.

- **Mobile and UX Platforms (Customer Experience)**

- **Traffic:** During 4Q19, the traffic from mobile devices accounted for 80.1% of total site visits, an increase of 9.9 p.p. compared to 4Q18.
- **Apps:** 62 million downloads of the brand apps since inception.
- **MAU:** Exiting 4Q19, the brand apps totaled 22 MM active users (Monthly Active Users – Source: App Annie).
- **UX (Customer Experience):**
 - **AMERICANAS**
 - **New Product Page:** We launched a new product page for mobile and desktop sites. The objective was to facilitate the client's decision making, highlighting the most relevant information in the purchase process. The results were measured through a/b testing, which proved the new version to be superior with a 2.3% increase in conversion.
 - **Interactive game in the App (Black Friday):** In order to engage customers during events, we created interactive games in the app, where we had more than 150 thousand participating players.

- Home page performance: For Black Friday, important technical changes were made to the mobile site, reducing load time by 50%.
- Exclusive Discounts (Aqui tem Desconto): Continuing with the optimization of “Exclusive Discounts”, an area in the Americanas application where consumers take advantage of offers from physical stores, several improvements were made, resulting in a 102% increase in the number of customers using the functionality since September 2019.

SUBMARINO

- Automatic book registration: We developed a tool that allows automatic book registration. As a result, pre-sales and book launches are made available for sale on Submarino the same day they are released on the market by publishers, solidifying our competitiveness in relation to other players. In this way, we doubled the amount of pre-sales available.
- New WOW offer: The Wow Offer page has been redesigned. We started to display the selected items on cards that automatically highlight the best condition for the given offer, such as cash price, super cashback, discounts on the brand card and app exclusivity.

SHOPTIME

- Favorites - Black Friday: We developed a new Favorites button for the product page, including the phrase “Quero na Black Friday”. When “favoring” an item, the user is informed that that product can be eligible for discounts during the event. The action encouraged and engaged users, bringing a 100% increase in “favorite” items during the event.
- Personalized home banner - Black Friday: Following the strategy of the Black Friday campaign, we developed a component that integrates the name of each user with the featured Home banner.
- New furniture home: We changed the home page and created seven new pages for relevant subcategories. In addition, we have also created specific pages for some partner stores. After the changes, we moved up 5 positions in the organic search results on Google.

• Digital Services

- **B2WAds:** B2W Digital's complete advertising solution posted revenue growth of 117% in 2019 vs. 2018, with significant increase in the profitability of the operation. B2WAds enables Sellers, suppliers, manufacturers (industry) and advertising agencies to reach the customer throughout the entire purchase process, increasing the visibility of their products and brands on the B2W websites.
- **BIT Services:** Provides complete technology solutions to support the operations and sustainable growth of the B2W Marketplace Sellers, and the online operations of major brands.
 - B-Seller: Webstore and ERP Services
 - Sieve: Online Pricing Intelligence
 - Site Blindado: Security and Virtual Credibility
 - Skyhub: Marketplace Integration

• Financial Services

- **Credit Promotion:** Throughout 2019, B2W and Cetelem’s joint venture (Submarino Finance and Digital Finance) recorded volume of R\$ 4.5 billion in approved transactions, representing an increase of 17.0% compared to 2018. In the same period, the receivables portfolio for these operations was R\$ 1.8 billion, an increase of 15.1% compared to the year prior.
 - In December/ 19, the Credit Promoter reported 3.3 MM cards issued (2.0 MM on Submarino Finance and 1.3 MM on Digital Finance, which includes Americanas.com, Shoptime and Sou Barato).
- **Credit Seller:** Marketplace Sellers can access loans quickly, securely, simply, and 100% online. The contracts can be made for payment in installments (installment credit) or in full payment (single installment credit). In order to meet the requests of Sellers, throughout 2019, we implemented innovations in the areas of contracting, products, and features:
 - Credit in installments now has a longer payment term, and can reach up to 24 months.

- We implemented Credit Seller as a payment method in B2W ADS, allowing for greater media investments by Sellers.
- Partnership with the Americanas Empresas brand, with the possibility of purchasing negotiations, to replenish inventory, as if they were in cash, however, with the flexibility of the term payment method, through the Credit Seller.

- **Customer Service**

- In December/ 19, B2W received the Procon Carioca award (institution for consumer rights protection) for customer service, being the only retail company to achieve this recognition.
- In 2019, B2W set a new record for winning the Época Reclame Aqui Award in 4 categories.
- B2W Digital's main brands are regarded as industry benchmarks in customer service, having received the highest levels of evaluation given by the Reclame Aqui website.
 - The average score given by customers on Reclame Aqui website for B2W's brands is 8.2, while the main competitors have an average score of 7.2.
 - 74.9% of customers who registered complaints on Reclame Aqui website indicated their intent to buy again from B2W's brands, while only 56.1% of customers indicated that they intended to buy again on the main competitors' websites.
 - The average solution rate of B2W's brands on Reclame Aqui website is 88.2% while the average solution rate of competitors' brands is 79.9%.
- The average complaint solution time was reduced by 26.8% in 1P and by 35.2% in 3P, significantly improving the service experience compared to 2018.
- WhatsApp: Launch of a new WhatsApp customer service channel, promoting innovative and friendly communication throughout the main stages of purchase. To develop the new service channel, we adopted artificial intelligence in the creation of a virtual assistant, capable of talking to customers and recognizing their needs. The project was developed in partnership with Google, using the Google Cloud Dialogflow tool, which allows for the creation of a more natural conversation experiences.
 - Currently, 60% of orders are being tracked with WhatsApp.
 - Millions of messages are sent monthly with the tracking request, and the client base that opted to receive communication by the app reached 7 million.
- ChatoFF: We have completed the rollout of B2W's digital customer service platform (ChatoFF), which has reduced the mediation rate for customers and Marketplace Sellers by over 90%.

- **O2O (Online to Offline)**

Using the concept of "Everything. Anytime. Anywhere." the O2O initiatives of Americanas and B2W have been enhancing customers' shopping experience and growing at a rapid pace (+160% vs. 4Q18). Over the past twelve months, O2O modalities exceeded the R\$ 2 billion GMV mark (+153% vs. 2018).

- **LASA Seller:** In 2019, the available assortment expanded 3x and sales grew 2.5x over the previous year. During Red Friday, Americanas was the biggest Seller on the B2W Marketplace in number of items sold, registering sales on the days of the event greater than the entire year of 2018.
- **Click and Collect Now:** Available in all 1,700 Americanas stores, allowing the customer to purchase the store's inventory online and pick up the product within 1 hour without shipping. The modality continues its rapid development, reaching the mark of more than 100 thousand orders in December.
- **Ship from Store:** Purchase products online from the nearest Americanas physical store and receive the order within 2 hours. The option is available in 110 cities and 13 states, totaling 300 stores implemented.
- **Click and Collect:** Buy online and withdraw at the physical store. In 2019, we became the largest network of pick-up points in Brazil, with more than 8,000 connected points (Americanas, Sellers

stores, and partner points) in more than 5 thousand municipalities, offering 99% of the Brazilian population access to the service.

- **Infinite Shelf:** Assisted sales operation at Americanas for products offered on the digital platform (1P and 3P). In 4Q19, the operation had an average ticket approximately 15x higher than in physical stores and 57% growth in sales over 4Q18.
- **O2O for B2W Marketplace Sellers:** Transforming Sellers stores into Flexible Fulfillment Centers. With this, Click and Collect, Click and Collect Now (1 hour), and Ship from Store (2 hour) initiatives can be expanded to physical stores of B2W Marketplace Sellers.

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

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

- **Delivery Time:** In 2019, more than 50% of all purchases made on B2W websites (1P and 3P) and handled by LET'S were delivered within 2 days. In 4Q19, despite the high sales volume on Black Friday, 61.3% of deliveries to the states of Rio de Janeiro and São Paulo were made within 2 days (1P and 3P).
- **New DCs:** LET'S announced the opening of 3 new Distribution Centers at the end of 4Q19, in the states of Pará, Minas Gerais and Rio Grande do Sul, in order to reduce the distance to the final consumer, increasing the number of cities eligible for deliveries in up to 24 hours. LET'S currently operates 18 DCs in the states of: RJ, SP, MG, PE, PA, SC and RS.
- **B2W Entrega:** The platform that operates and controls B2W Marketplace deliveries. Sellers connected to B2W Entrega have 5 types of service: Fulfillment (storage + delivery), Pick Up - Large Operations (product withdrawal from the Seller DC + delivery), Direct Collect - Small and Medium operations (product withdrawal from the Seller DC + delivery), Drop Off Hub (Seller delivers to one of the Direct Hubs + delivery) and Drop Off in Store (Seller delivers to one of the Americanas locations + delivery). B2W Entrega reached more than 44.6 thousand Sellers at the end of 4Q19, representing 95.3% of the total Seller base and participating in more than 75% of orders placed on the Marketplace.
 - **B2W Fulfillment:** Reached a total of 511 Sellers connected, with their inventory operated by the platform, ensuring shorter lead times and more competitive freight costs. Through B2W Fulfillment, the customer gets the best shopping experience, where the entire logistics process (inventory, transportation and fulfillment) is operated by B2W.

- **IF – Innovation and Future**

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

- **Ame (one-stop-app):** Fintech and mobile business platform, and among the first initiatives of IF, continues to accelerate and deliver impressive metrics.
 - The Ame app reached more than 6.5 million downloads in just over 18 months of operation.
 - Ame has been gaining strong traction on Americanas and B2W, optimizing the offer of discounts to customers, generating greater repeat purchases and increased spending.
 - Americanas continues to develop unique features for the physical world. Thus, in just one year, Ame is already in 1,700 stores throughout all of Brazil (vs. 1,337 in 3Q19).
 - On September 18, 2019, an agreement was signed with Linx, allowing for 65 thousand establishments using the Linx Pay system to accept Ame.
 - On September 23, 2019, the partnership with Mastercard was announced and includes the offer of Ame's prepaid card, with the digital first concept, mirroring the customers' Ame account. A physical card is also available if desired. The partnership makes it possible to pay with Ame at all 7.8 million Mastercard accredited merchants.
 - On October 9, 2019, the partnership with VTEX was announced, enabling Ame to connect to more than 2,500 e-commerce sites using VTEX systems.

- On December 6, 2019, the partnership with Banco do Brasil was announced to offer credit cards through Ame.
- On December 6, 2019, a partnership with the acquirer Stone was also announced to integrate payment platforms to enable payments via QR code on Stone machines. On December 12, 2019, a similar partnership with Cielo was announced.
- Ame also continues to expand its acceptance network organically through the Ame Plus platform (seller profile).
- Over the last few months, several features have been released:
 - Cash in with credit card
 - Receive and transfer cash to other Ame accounts
 - Pay merchants off platform (Ame Plus: other physical world shopkeepers)
 - Cash out checking account (bank transfers, exclusive for Ame Plus)
 - Geomarketing (location of shopkeepers with filters for type of establishment)
 - Bill payments (bank slip)
 - Cash in checking-account (bank transfer)
 - Cash in by bank slip
 - Cash in at Americanas (store POS)
 - Cash out Americanas (store POS, in beta version)
 - Prepaid cellular recharge
 - Individual credit (in beta version)
 - Public transportation (recharge pass balance)
 - Private transportation
 - E-Gifts
 - Marketplace of services
 - Itaú Bike sharing program
 - Friend Referral Program (Member Get Member)
 - Tickets and event passes
 - Bus tickets
 - Games (in beta version)
 - Meal voucher
 - Buying and selling airline miles (in beta version)
 - Donations
 - Mini-games
 - Beer Delivery (in beta version)
- **Ame Flash:** In order to accelerate O2O initiatives, Ame Flash connects independent couriers (motorcycle, bicycle, and other modes), enabling for the delivery of products to customers within 2 hours, from the 1,700 physical stores of Americanas and the physical stores of B2W Marketplace Sellers. The app already has 800 registered couriers serving 100 physical stores in Rio de Janeiro and São Paulo.
- **Acquisition Pedala and Courri:** In December 2019, Ame completed the acquisition of startups Pedala and Courri, which specialize in fast and sustainable deliveries via bicycles and scooters. The acquisitions aim to accelerate the Ame Flash operation, making deliveries in large urban centers through different modes.
- **Digital Team**
 - **“Great Places to Work 2020” Certification:** As a result of B2W Digital’s commitment to the development of the Company’s talent, we received the certification in January/ 20. This is an important recognition to the efforts of continuing to evolve and engage the team to achieve increasingly challenging goals, always focusing on the customer.
 - **Trainee Program 2020:** We ended the selection process of the 2020 Trainee Program with the approval of 19 candidates. The new trainees will be immersed in several areas of the Company, following a job rotation model, until being allocated to their determined areas, where they will develop specific projects.
 - **Working days:** In 4Q19, we held two Working Days with students from Universities of UFF and CEFET, in Rio de Janeiro, and one dedicated to women, in São Paulo. This initiative aims to

present B2W's day-to-day and career opportunities. During the event, guests participate in lectures, office tour, and conversations with Company executives.

- **Meetups:** In 4Q19, B2W Digital continued the rounds of meetups (technical community events). The Meetups are informal events for exchanging information and experiences on a specific topic, involving people from certain technology communities and also the Company's internal people, providing a moment of networking between the two worlds. During this period, we received several groups such as NODE.JS, Elastic, Java, GODOT, Nerd Girls, Devops, Python, and others.
- **B-Talks:** In 4Q19, we launched B-Talks, a talk show that aims to share knowledge, promote conversations and debates, and present and integrate areas and people. The events have a panel format where associates are interviewed and present projects, moderated by a manager. The event is broadcast live via webcast to all of our units and employees, allowing them to submit questions before and during the meeting.
- **Hackathons:** In 4Q19, we carried out, in partnership with USP-SP and Inter Hack - the Hackathon for students from USP São Paulo, Leste and São Carlos.

- **Corporate Governance and Sustainability**

In line with the Global Compact principles and the Agenda 2030 Sustainable Development Objectives (SDO), a United Nations initiative, in 4Q19 we continued advancing our sustainability strategies.

- **FTSE Russell:** The Company's shares (BTOW3) were included in the FTSE4Good Index Series, which aims to measure the performance of assets with good environmental, social and corporate governance (ESG) practices.
- **ISE:** For the sixth consecutive year, we have entered the portfolio of companies of the Business Sustainability Index (ISE) 2020 B3 S.A. – Brasil, Bolsa, Balcão.
- **Communication with the Market:** B2W Digital and Americanas conducted Investor Day.19 in an integrated manner. The event took place on December 6, 2019 at the Museu do Amanhã, in Rio de Janeiro, with the participation of more than 300 local and foreign investors, and the entire management of the Companies.
- **Ethics:** B2W is a signatory of the Integrity and Anti-Corruption Business Pact, an initiative developed by the Ethos Institute, which aims to unite companies and promote a more ethical and rational market and to eradicate bribery and corruption.
- **Diversity and Inclusion:** We enable the sites to be accessible to people with hearing, visual and motor disabilities through Hand Talk and Essential Accessibility, enabling the site to be read in sign language (for the hearing impaired), out loud (for the visually impaired), and only with eye movement (for the disabled).
- **Social and Environmental Responsibility:** B2W Digital won, for the third consecutive year, the Gold Seal of the Brazilian GHG Protocol Program. The Company once again had its inventory of Greenhouse Gas Emissions (GEE) verified by an external audit, thus reaffirming its commitment to transparency and quality of information. The Company also promotes, in partnership with the Amazonas Sustainable Foundation (FAS), the sale of artisanal products from riverside and indigenous communities on the Americanas.com website throughout Brazil. All income obtained from the sale goes to the development of the project.
- **Awards:** The result of the work carried out by B2W is also recognized through awards that are benchmarks in the market, which attest to the credibility and strength of the brands. In 2019, B2W set a new record for winning the Época Reclame Aqui Award, winning in 4 categories. For the 6th consecutive year, the brand was chosen as the favorite in the "Shopping Site" category in the Marcas dos Cariocas Award, from the newspaper O Globo. In addition, Americanas.com was named number 1 in the "E-commerce" category of the Most Beloved Brands, of Consumidor Moderno magazine, and was a winner in the "Traditional Online Retail" category of the Melhores Serviços Estadão and was also featured in the Award Black Friday de Verdade, in which Americanas.com was the winner in the 4 categories it was competing.

FINANCIAL HIGHLIGHTS

The financial information serving as the basis for the comments below refer to 4Q19, and are in compliance with international financial reporting standards (IFRS), the standards issued by the Securities and Exchange Commission of Brazil (CVM), as well as the listing regulations of the Novo Mercado and in Brazilian reais (R\$). Definitions for adjusted financial metrics can be found in Annex III and Annex V.

Beginning in January 2019, the Company's income statements reflect the new accounting practices implemented by CPC 06 (R2) / IFRS 16. Therefore, to maintain the comparability of results (4Q19 vs. 4Q18 and 2019 vs. 2018), the income statement for the quarter ended December 31, 2018 (4Q18) is presented in comparable amounts. The reconciliation of the quarterly results and year 2018 is available on the Company's IR website (ri.b2w.digital).

The main effects of the new accounting practices are in the lines of expenses, depreciation and amortization, and financial result. In this way, the results of 4Q18 were adjusted in the following lines:

- Selling expenses: adjustment of R\$ 19.2 MM, from R\$ -410.4 MM to R\$ -391.2 MM
- Depreciation and Amortization: adjustment of R\$ -16.4 MM, from R\$ -112.0 MM to R\$ -128.4 MM
- Financial Expenses: adjustment of R\$ -5.6 MM, from R\$ -265.6 MM to R\$ -271.2 MM
- Income Tax and Social Contribution: adjustment of R\$ 1.0 MM, from R\$ 26.2 MM to R\$ 27.2 MM
- Net Result: adjustment of R\$ -1.9 MM, from R\$ -67.7 MM to R\$ -69.6 MM.

In order to maintain comparability between the periods, the result presented in 4Q19 and the year 2019 were adjusted in order to disregard the tax credits arising from a final judgement in the STF regarding the unconstitutionality of the inclusion of ICMS in the PIS / COFINS calculation basis, as per Material Fact published in 12/20/2019.

- **Total GMV:** In 4Q19, total GMV was R\$ 6,647.5 million, an increase of 30.9% compared to the R\$ 5,078.5 million registered in 4Q18. In 2019, GMV reached R\$ 18,777.5 million, an increase of 25.1% from R\$ 15,005.4 million in 2018.

The Marketplace continues to develop rapidly, increasing 47.2% (vs. 4Q18) and representing 64.2% of Total GMV (vs. 57.1% in 4Q18).

- **Gross Revenue:** In 4Q19, gross revenue totaled R\$ 2,806.7 million, compared with the R\$ 2,469.5 million registered in 4Q18. In 2019, the accumulated gross revenue was R\$ 8,357.4 million vs. R\$ 8,044.3 million in 2018.
- **Net Revenue:** In 4Q19, net revenue totaled R\$ 2,220.1 million, compared with R\$ 1,978.6 million registered in 4Q18. In 2019, net revenue was R\$ 6,661.7 million vs. R\$ 6,488.5 million in 2018.
- **Adjusted Gross Profit:** In 4Q19, adjusted gross profit totaled R\$ 728.4 million, an increase of 15.3% vs. the R\$ 631.6 million registered in 4Q18. Adjusted gross margin expanded 0.9 p.p., from 31.9% in 4Q18 to 32.8% in 4Q19. In 2019, adjusted gross profit was R\$ 2,142.9 million, an increase of 11.1% vs. the R\$ 1,928.9 million in 2018, with a margin expansion of 2.5 p.p. (32.2% vs. 29.7%).
- **Adjusted Selling, General and Administrative (SG&A) Expenses:** In 4Q19, adjusted expenses totaled R\$ -474.1 million vs. the R\$ -422.4 million registered in 4Q18. The SG&A as a percentage of GMV decreased by 1.2 percentage points, from 8.3% in 4Q18 to 7.1% in 4Q19. In 2019, adjusted expenses totaled R\$ -1,542.9 million vs. R\$ -1,411.9 million registered in 2018. The SG&A as a percentage of GMV decreased by 1.2 percentage points, from 9.4% in 2018 to 8.2% in 2019.
- **Adjusted EBITDA:** In 4Q19, Adjusted EBITDA reached R\$ 254.3 million, an increase of 21.6% compared with the R\$ 209.2 million registered in 4Q18. Adjusted EBITDA margin varied from 10.6% in 4Q18 to 11.5% in 4Q19, an increase of 0.9 p.p. In 2019, Adjusted EBITDA was R\$ 600.1 million, an increase of 16.1% compared with R\$ 517.1 million registered in 2018. Adjusted EBITDA Margin expanded 1.0 p.p., from 8.0% in 2018 to 9.0% in 2019.

- **Net Financial Result:** In 4Q19, the net financial result was R\$ -137.9 million (vs. R\$ -163.6 million in 4Q18). The net financial result went from R\$ -587.5 million in 2018 to R\$ -603.9 million in 2019.
- **Net Result:** In 4Q19, the net result was R\$ -22.3 million vs. R\$ -69.6 million in 4Q18. In 2019, the net result was R\$ -391.6 million (vs. R\$ -405.1 million in 2018).

- **Cash Management:**

- **Cash Generation:** In 4Q19, cash generation was R\$ 479.3 MM, an evolution of R\$ 264.6 MM vs. cash generation of R\$ 214.7 MM registered in 4Q18. In 2019, cash generation totaled R\$ 189.9 MM, an increase of R\$ 428.9 MM in relation to the consumption of R\$ 239.0 MM recorded in 2018.

As a way of capturing all effects, cash generation / consumption is measured by the variation of net debt in relation to the previous quarter, always disregarding possible impact of capital increase operations. In the quarter, to calculate cash generation, the R\$ 40.6 MM received in October/ 19 from the capital increase is disregarded (total of R\$ 2.5 billion for the year).

- **Working Capital:** -41 days in December/ 19 (improvement of 61 days vs. 4Q18). This result reflects the 1P assortment curation and assortment review process, the optimization of the merchandise planning, as well as the increased 3P (Marketplace) share of total sales.

It is important to remember that Marketplace (whose credit card transactions are approved on the B2W platform and make up the gross balance of receivables) does not demand Working Capital (B2W is an intermediary and receives a commission on realized sales).

- **CAPEX:** B2W uses its cash generation by prioritizing investments that present optimal returns to shareholders. Accordingly, in 4Q19, CAPEX totaled R\$ 136.6 MM, representing 2.1% of Total GMV. For the year of 2019, CAPEX totaled R\$ 510.1 MM, representing 2.7% of Total GMV.

- **Capital Increase**

- The Capital Increase of R\$ 2.5 Bn had 100% participation by the Company's shareholders. Americanas participated with R\$ 1,564.5 MM and minority shareholders acceded with the remaining R\$ 935.5 MM (R\$ 2,459.4 MM cash in 3Q19 and the remaining R\$ 40.6 MM in 4Q19).

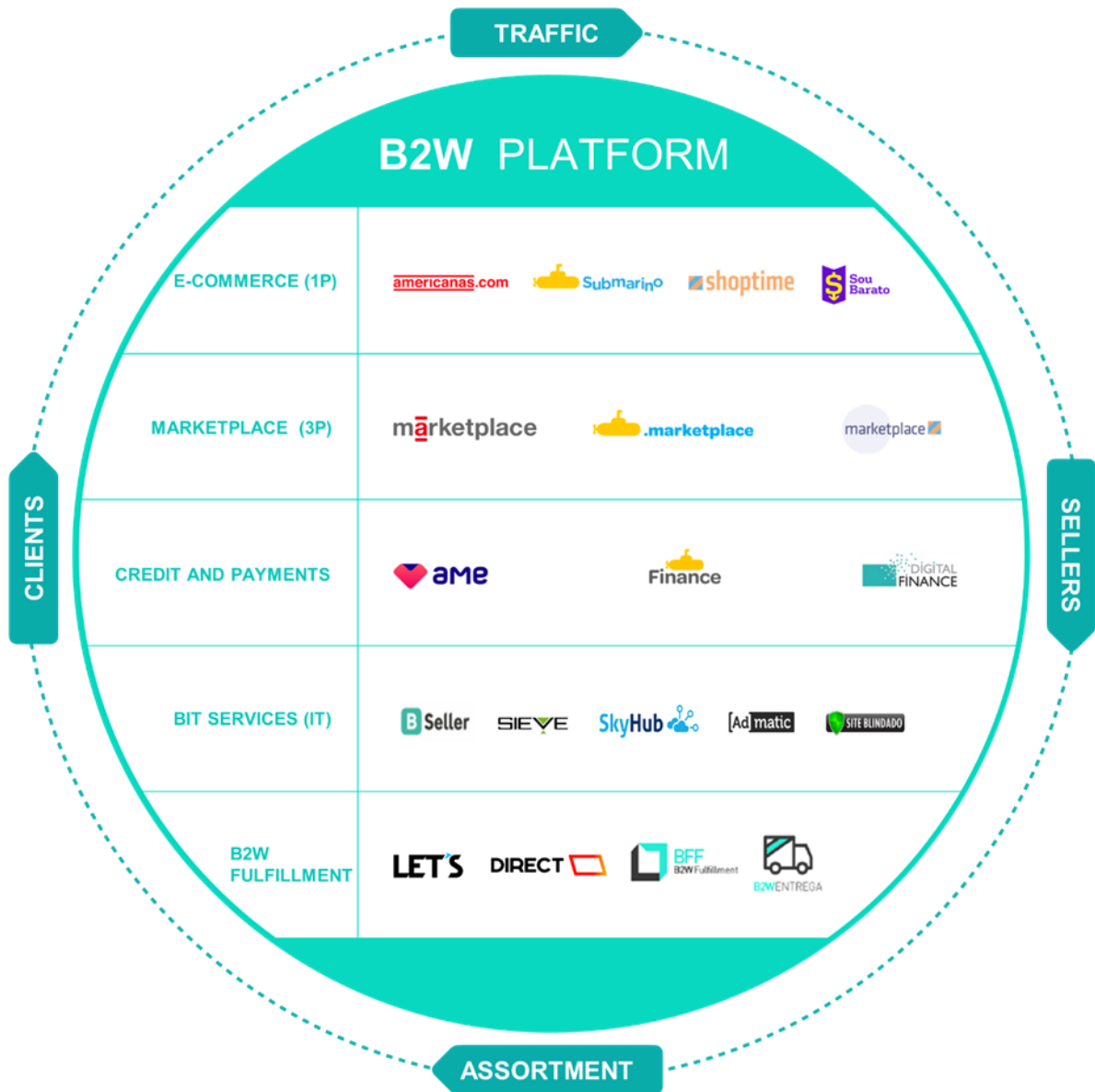
- On August 19, 2019, a meeting of the Board of Directors was held with the objective of approving the proposal to increase the company's capital, in the amount of R\$ 2,500,000,035.00 (two billion, five hundred million, and thirty five reais), for private subscription of 64,102,565 new common shares, all nominative and with no par value, for the issuance price of R\$ 39.00 (thirty nine reais) per share.
- The Capital Increase will improve our capital structure, while maintaining our commitment for cash generation, enabling us to continue investing in our powerful digital platform and accelerating the growth through a differentiated ecosystem, including LET`S (Flexible Fulfillment Platform), Ame (Mobile Business Platform), and initiatives such as O2O (Online to Offline) and Digital Services, as detailed in presentation also made available to Messrs. Shareholders on this date as an attachment to the Minutes of the Board of Directors' Meeting that approved the Capital Increase (both made available through IPE Module of Empresas.Net System, at www.cvm.gov.br and at www.b3.com.br, and at the Company's Investors Relations website - ri@b2wdigital.com).
- The shareholders had from August 23, 2019 to September 21, 2019 the right to exercise preference in the subscription of the new shares issued, in proportion of their participation in the capital of the company at the closing of the trading session on August 22, 2019. The assessment of additional leftovers occurred between September 30 and October 07, 2019.

ANNEX I: ABOUT B2W DIGITAL

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

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

DIGITAL PLATFORM AND B2W VIRTUOUS CYCLE:



ANNEX II: FINANCIAL STATEMENTS

EXCLUDING THE EFFECTS OF TAX CREDITS AND EFFECTS OF THE CONSOLIDATION OF B2W DIGITAL'S TRANSPORTATION SUBSIDIARIES

B2W - Companhia Digital Income Statements ¹ (in million of Brazilian reais)	Consolidated Period ended on December 31			Consolidated Period ended on December 31		
	4Q19	4Q18	Variation	2019	2018	Variation
	w/ IFRS 16			w/ IFRS 16		
Gross Merchandise Volume (GMV)	6,647.5	5,078.5	30.9%	18,777.5	15,005.4	25.1%
Gross Sales and Services Revenue	2,806.7	2,469.5	13.7%	8,357.4	8,044.3	3.9%
Taxes on sales and services	(586.6)	(490.9)	19.5%	(1,695.7)	(1,555.8)	9.0%
Net Sales and Services Revenue	2,220.1	1,978.6	12.2%	6,661.7	6,488.5	2.7%
Cost of goods and services sold	(1,491.7)	(1,347.0)	10.7%	(4,518.7)	(4,559.6)	-0.9%
Gross Profit	728.4	631.6	15.3%	2,142.9	1,928.9	11.1%
<i>Gross Margin (% NR)</i>	32.8%	31.9%	0.9 p.p.	32.2%	29.7%	2.5 p.p.
Operating Revenue (Expenses)	(609.5)	(550.8)	10.7%	(2,062.6)	(1,897.2)	8.7%
Selling expenses	(426.2)	(391.2)	8.9%	(1,358.4)	(1,287.2)	5.5%
General and administrative expenses	(47.9)	(31.2)	53.5%	(184.5)	(124.7)	48.0%
Depreciation and amortization	(135.4)	(128.4)	5.5%	(519.8)	(485.3)	7.1%
Operating Result before Net Financial Result and Equity Accounting	119.0	80.8	47.3%	80.3	31.7	153.3%
Net Financial Result	(137.9)	(163.6)	-15.7%	(603.9)	(587.5)	2.8%
Financial revenues	130.8	107.6	21.5%	496.9	448.1	10.9%
Financial expenses	(268.6)	(271.2)	-1.0%	(1,100.8)	(1,035.5)	6.3%
Non-controlling shareholder participation	(2.5)	0.3	-933.3%	(3.7)	0.5	-840.0%
Other operating income (expenses)	(6.7)	(14.3)	-53.1%	(46.6)	(45.0)	3.6%
Income tax and social contribution	5.9	27.2	-78.3%	182.3	195.2	-6.6%
Net Result	(22.3)	(69.6)	-68.0%	(391.6)	(405.1)	-3.3%
<i>Net Margin (% NR)</i>	-1.0%	-3.5%	2.5 p.p.	-5.9%	-6.2%	0.3 p.p.
Adjusted EBITDA	254.3	209.2	21.6%	600.1	517.1	16.1%
<i>Adjusted EBITDA Margin (% NR)</i>	11.5%	10.6%	0.9 p.p.	9.0%	8.0%	1.0 p.p.

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

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

CONCILIATION OF EFFECTS RELATING TO FISCAL CREDITS

B2W - Companhia Digital Income Statements ¹ (in million of Brazilian reais)	Consolidated Period ended December 31			Consolidated Period ended December 31		
	4Q19 Reported	Effect Fiscal cred	4Q19 Adjusted	2019 Reported	Effect Fiscal cred	2019 Adjusted
	Gross Merchandise Volume (GMV)	6,647.5	-	6,647.5	18,777.5	-
Gross Sales and Services Revenue	2,806.7	-	2,806.7	8,357.4	-	8,357.4
Taxes on sales and services	(480.3)	106.3	(586.6)	(1,589.4)	106.3	(1,695.7)
Net Sales and Services Revenue	2,326.4	106.3	2,220.1	6,768.0	106.3	6,661.7
Cost of goods and services sold	(1,491.7)	-	(1,491.7)	(4,518.7)	-	(4,518.7)
Gross Profit	834.7	106.3	728.4	2,249.2	106.3	2,142.9
<i>Gross Margin (% NR)</i>	35.9%	3.1 p.p.	32.8%	33.2%	1.0 p.p.	32.2%
Operating Revenue (Expenses)	(642.1)	(32.7)	(609.5)	(2,095.3)	(32.7)	(2,062.6)
Selling expenses	(426.2)	-	(426.2)	(1,358.4)	-	(1,358.4)
General and administrative expenses	(80.6)	(32.7)	(47.9)	(217.2)	(32.7)	(184.5)
Depreciation and amortization	(135.4)	-	(135.4)	(519.8)	-	(519.8)
Operating Result before Net Financial Result and Equity Accounting	192.6	73.6	119.0	154.0	73.6	80.3
Net Financial Result	(100.4)	37.5	(137.9)	(566.4)	37.5	(603.9)
Financial revenues	168.3	37.5	130.8	534.4	37.5	496.9
Financial expenses	(268.6)	-	(268.6)	(1,100.8)	-	(1,100.8)
Non-controlling shareholder participation	(2.5)	-	(2.5)	(3.7)	-	(3.7)
Other operating income (expenses)	(6.7)	-	(6.7)	(46.6)	-	(46.6)
Income tax and social contribution	(31.9)	(37.8)	5.9	144.5	(37.8)	182.3
Net Result	51.1	73.4	(22.3)	(318.3)	73.4	(391.6)
<i>Net Margin (% NR)</i>	2.2%	3.2 p.p.	-1.0%	-4.7%	1.2 p.p.	-5.9%
Adjusted EBITDA	328.0	73.6	254.3	673.7	73.6	600.1
<i>Adjusted EBITDA Margin (% NR)</i>	14.1%	2.6%	11.5%	10.0%	0.9%	9.0%

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

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

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

B2W - Companhia Digital Income Statements ¹ (in million of Brazilian reais)	Consolidated Period ended on December 31			Consolidated Period ended on December 31		
	4Q19	4Q18	Variation	2019	2018	Variation
		W/ IFRS 16			W/ IFRS 16	
Gross Merchandise Volume (GMV)	6,647.5	5,078.5	30.9%	18,777.5	15,005.4	25.1%
Gross Sales and Services Revenue	2,806.7	2,469.5	13.7%	8,357.4	8,044.3	3.9%
Taxes on sales and services	(586.6)	(490.9)	19.5%	(1,695.7)	(1,555.8)	9.0%
Net Sales and Services Revenue	2,220.1	1,978.6	12.2%	6,661.7	6,488.5	2.7%
Cost of goods and services sold	(1,556.6)	(1,427.3)	9.1%	(4,756.4)	(4,813.6)	-1.2%
Gross Profit	663.5	551.4	20.3%	1,905.3	1,674.9	13.8%
<i>Gross Margin (% NR)</i>	29.9%	27.9%	2.0 p.p.	28.6%	25.8%	2.8 p.p.
Operating Revenue (Expenses)	(544.6)	(470.5)	15.7%	(1,825.0)	(1,643.2)	11.1%
Selling expenses	(361.3)	(311.0)	16.2%	(1,120.8)	(1,033.2)	8.5%
General and administrative expenses	(47.9)	(31.2)	53.5%	(184.5)	(124.7)	48.0%
Depreciation and amortization	(135.4)	(128.4)	5.5%	(519.8)	(485.3)	7.1%
Operating Result before Net Financial Result and Equity Accounting	119.0	80.8	47.3%	80.3	31.7	153.3%
Net Financial Result	(137.9)	(163.6)	-15.7%	(603.9)	(587.5)	2.8%
Financial revenues	130.8	107.6	21.5%	496.9	448.1	10.9%
Financial expenses	(268.6)	(271.2)	-1.0%	(1,100.8)	(1,035.5)	6.3%
Non-controlling shareholder participation	(2.5)	0.3	-933.3%	(3.7)	0.5	-840.0%
Other operating income (expenses)	(6.7)	(14.3)	-53.1%	(46.6)	(45.0)	3.6%
Income tax and social contribution	5.9	27.2	-78.3%	182.3	195.2	-6.6%
Net Result	(22.3)	(69.6)	-68.0%	(391.6)	(405.1)	-3.3%
<i>Net Margin (% NR)</i>	-1.0%	-3.5%	2.5 p.p.	-5.9%	-6.2%	0.3 p.p.
Adjusted EBITDA	254.3	209.2	21.6%	600.1	517.1	16.1%
<i>Adjusted EBITDA Margin (% NR)</i>	11.5%	10.6%	0.9 p.p.	9.0%	8.0%	1.0 p.p.

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

CONCILIATION OF EFFECTS RELATING TO FISCAL CREDITS

B2W - Companhia Digital Income Statements ¹ (in million of Brazilian reais)	Consolidated Period ended December 31			Consolidated Period ended December 31		
	4Q19	Effect Fiscal cred	4Q19	2019	Effect Fiscal cred	2019
	Reported		Adjusted	Reported		Adjusted
Gross Merchandise Volume (GMV)	6,647.5	-	6,647.5	18,777.5	-	18,777.5
Gross Sales and Services Revenue	2,806.7	-	2,806.7	8,357.4	-	8,357.4
Taxes on sales and services	(480.3)	106.3	(586.6)	(1,589.4)	106.3	(1,695.7)
Net Sales and Services Revenue	2,326.4	106.3	2,220.1	6,768.0	106.3	6,661.7
Cost of goods and services sold	(1,556.6)	-	(1,556.6)	(4,756.4)	-	(4,756.4)
Gross Profit	769.8	106.3	663.5	2,011.6	106.3	1,905.3
<i>Gross Margin (% NR)</i>	33.1%	3.2 p.p.	29.9%	29.7%	1.1 p.p.	28.6%
Operating Revenue (Expenses)	(577.2)	(32.7)	(544.6)	(1,857.7)	(32.7)	(1,825.0)
Selling expenses	(361.3)	-	(361.3)	(1,120.8)	-	(1,120.8)
General and administrative expenses	(80.6)	(32.7)	(47.9)	(217.2)	(32.7)	(184.5)
Depreciation and amortization	(135.4)	-	(135.4)	(519.8)	-	(519.8)
Operating Result before Net Financial Result and Equity Accounting	192.6	73.6	119.0	154.0	73.6	80.3
Net Financial Result	(100.4)	37.5	(137.9)	(566.4)	37.5	(603.9)
Financial revenues	168.3	37.5	130.8	534.4	37.5	496.9
Financial expenses	(268.6)	-	(268.6)	(1,100.8)	-	(1,100.8)
Non-controlling shareholder participation	(2.5)	-	(2.5)	(3.7)	-	(3.7)
Other operating income (expenses)	(6.7)	-	(6.7)	(46.6)	-	(46.6)
Income tax and social contribution	(31.9)	(37.8)	5.9	144.5	(37.8)	182.3
Net Result	51.1	73.4	(22.3)	(318.3)	73.4	(391.6)
<i>Net Margin (% NR)</i>	2.2%	3.2 p.p.	-1.0%	-4.7%	1.2 p.p.	-5.9%
Adjusted EBITDA	328.0	73.6	254.3	673.7	73.6	600.1
<i>Adjusted EBITDA Margin (% NR)</i>	14.1%	2.6 p.p.	11.5%	10.0%	1.0 p.p.	9.0%

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

BALANCE SHEET

B2W - Companhia Digital		
Balance Sheet		
(in million of Brazilian reais)		
	<u>12/31/2019</u>	<u>09/30/2019</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	3,535.8	4,508.3
Marketable securities	2,947.5	3,266.2
Accounts receivable	762.1	610.8
Inventories	951.4	894.3
Recoverable taxes	684.1	552.9
Prepaid expenses and other accounts	550.8	378.3
Total Current Assets	9,431.7	10,210.8
NON CURRENT ASSETS		
Marketable Securities and other financial assets	224.8	112.5
Deferred income tax and social contribution	1,326.8	1,352.2
Recoverable taxes	1,197.2	1,259.5
Escrow deposits and other receivables	159.5	157.3
Investments	65.7	40.7
Plant, property and equipment	407.9	399.1
Intangible assets	2,990.9	3,002.0
Right of use asset	252.2	192.9
Total Non-Current Assets	6,625.0	6,516.0
TOTAL ASSETS	16,056.7	16,726.8
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Suppliers	2,758.6	2,229.4
Loans and financing	1,321.0	1,324.1
Debentures	0.2	12.0
Salaries and social contribution	60.3	71.1
Taxes payable	106.9	55.0
Deferred income tax and social contribution	3.0	9.9
Other accounts payable	498.0	371.3
Lease liability	79.6	68.5
Total Current Liabilities	4,827.6	4,141.3
NON-CURRENT LIABILITIES		
Loans and financing	4,912.2	6,411.2
Debentures	200.0	200.0
Related parties	20.4	21.3
Provision for contingencies and other accounts payable	152.3	152.0
Lease liability	209.7	163.5
Total Non-Current Liabilities	5,494.6	6,948.0
SHAREHOLDERS' EQUITY		
Capital	8,289.6	5,779.1
Advance for future capital increase	-	2,465.7
Capital reserves	38.5	37.4
Accumulated income (losses)	(2,593.6)	(2,644.7)
Total Shareholders' Equity	5,734.5	5,637.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,056.7	16,726.8

CASH FLOW STATEMENT

B2W - Companhia Digital			
Cash Flow Statement			
(in million of reais)	Consolidated		
	12/31/2019	12/31/2018 w/ IFRS 16	Variation
Operating Activities			
Net Result for the Period	(318.2)	(405.6)	(87.4)
Adjustment to the Net Result:			
Depreciation and amortization	522.7	488.1	(34.6)
Deferred income tax and social contribution	(162.2)	(215.8)	(53.6)
Interest, monetary and currency changes	523.1	523.8	0.7
Equity accounting	3.7	-	(3.7)
Others	(14.5)	(36.9)	(22.4)
Adjusted Net Result	554.6	353.6	(201.0)
Change in Working Capital:			
Accounts receivable	(422.5)	388.8	811.3
Inventories	(57.0)	328.2	385.2
Suppliers	595.5	120.7	(474.8)
Change in Working Capital:	116.0	837.7	721.7
Change in Assets:			
Prepaid expenses	1.9	(1.2)	(3.1)
Escrow deposits	(24.5)	(28.9)	(4.4)
Recoverable taxes	(121.8)	(208.0)	(86.2)
Other accounts receivable (current and non-current)	(86.9)	22.8	109.7
Change in Assets:	(231.3)	(215.3)	16.0
Change in Liabilities:			
Salaries and social security charges	2.5	5.5	3.0
Recoverable taxes (current and non-current)	49.2	22.2	(27.0)
Other liabilities (current and non-current)	129.2	111.2	(18.0)
Accounts payable/receivable (related companies)	61.4	(167.9)	(229.3)
Change in Liabilities:	242.3	(29.0)	(271.3)
Interest Expense on Loans and Debentures	(489.5)	(466.0)	23.5
Settlement of interest in leases	(23.0)	(21.2)	1.8
Paid Income Tax and Social Contribution	(11.2)	(15.6)	(4.4)
Cash Flow from Operating Activities	157.9	444.2	286.3
Investing Activities			
Marketable securities	(1,251.5)	1,070.5	2,322.0
Purchases of property, plant and equipment assets	(31.9)	(26.2)	5.7
Intangible assets	(411.1)	(325.6)	85.5
Capital increase in related parties	(27.6)	-	27.6
Value paid for the acquisition of subsidiaries	(1.5)	(19.3)	(17.8)
Cash Flow from Investing Activities	(1,723.6)	699.4	2,423.0
Financing Activities			
Funding	2,215.3	2,398.9	183.6
Payments	(2,679.9)	(1,861.5)	818.4
Payment of lease liabilities	(69.7)	(41.2)	28.5
Capital increase cash	2,516.0	10.7	(2,505.3)
Cash Flow from Financing Activities	1,981.7	506.9	(1,474.8)
Change in cash balance	415.9	1,650.4	1,234.5
Beginning Cash Balance	3,119.9	1,469.5	(1,650.4)
Ending Cash Balance	3,535.8	3,119.9	(415.9)
Non-cash investing and financing activities			
Payment of invested capital	41.8	-	(41.8)
Initial adoption of IFRS 16	(23.4)	-	23.4

ANNEX III: NOTE REGARDING FINANCIAL STATEMENT

Effects in the consolidation of B2W Digital's transportation subsidiaries

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

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

Adjusted EBITDA

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

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

In 4Q19, Adjusted EBITDA was R\$ 254.3 million. Including other operating income and expenses, EBITDA, according to CVM Instruction 527/12, would be R\$ 247.6 million in 4Q19 (11.2% of NR) vs. R\$ 194.9 MM in 4Q18 (9.9% of NR).

Consolidated EBITDA Reconciliation - R\$ MM	4Q19	4Q18	Δ %
		w/ IFRS 16	
(=) Adjusted EBITDA	254.3	209.2	21.6%
(+) Other Operating Income (Expenses)	(6.7)	(14.3)	-53.1%
(=) EBITDA (CVM 527/12)	247.6	194.9	27.0%

ANNEX IV: INDEBTEDNESS

	Including FIDC Effects		Excluding FIDC Effects	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Consolidated Indebtedness - R\$ MM				
Short Term Debt	1,321.0	723.1	872.0	723.1
Short Term Debentures	0.2	0.2	0.2	0.2
Short Term Indebtedness	1,321.2	723.3	872.2	723.3
Long Term Debt	4,912.2	5,920.9	4,912.2	5,920.9
Long Term Debentures	200.0	200.0	200.0	200.0
Long Term Indebtedness	5,112.2	6,120.9	5,112.2	6,120.9
Gross Debt (1)	6,433.4	6,844.2	5,984.4	6,844.2
Cash and Equivalents	6,708.1	5,036.7	6,708.1	5,036.7
Credit Card Accounts Receivables Net of Discounts	710.0	102.3	261.0	102.3
Total Cash (2)	7,418.1	5,139.0	6,969.1	5,139.0
Net Debt (Cash) (2) - (1)	984.7	(1,705.2)	984.7	(1,705.2)
Cash Generation (Consumption) ¹	189.9	(239.0)	189.9	(239.0)
Average Maturity of Debt (days)	1,166	893	1,236	893

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

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

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

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

	Including FIDC Consolidation		Excluding FIDC Consolidation	
	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Consolidated Accounts Receivable Reconciliation - R\$ MM				
Gross Credit Cards Receivables	5,380.7	4,557.7	5,380.7	4,557.7
Discounted Receivables	(4,670.7)	(4,455.4)	(5,119.7)	(4,455.4)
Credit Card Receivables - Net of Discounted Amount	710.0	102.3	261.0	102.3
Present Value Adjustment	(8.2)	(1.9)	(8.2)	(1.9)
Allowance for Doubtful Accounts	(51.0)	(45.0)	(51.0)	(45.0)
Other Accounts Receivable	111.3	100.1	111.3	100.1
Net Accounts Receivable - Consolidated	762.1	155.5	313.2	155.5

ANNEX V: DEFINITIONS

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

INFORMATION ABOUT THE WEBCAST AND CONFERENCE CALL

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



Divulgação de Resultados

20 de fevereiro de 2020
(quinta-feira)
após fechamento da Bolsa

Teleconferência com Webcast

(em português - tradução simultânea para inglês)

21 de fevereiro de 2020
(sexta-feira)
12:00h (Horário de Brasília)

Acesso:
+55 (11) 3181-8565
ou +55 (11) 4210-1803
Código: B2W

Link para Webcast:

[www.b2wdigital.com/
webcast4T19](http://www.b2wdigital.com/webcast4T19)

Replay:
Até 27 de fevereiro de 2020
Acesso: +55 (11) 3193-1012
Código: 8823339#

Palestrante:
Fábio Abrate - CFO e DRI

Earnings Release

February 20th, 2020
(Thursday)
after B3 trading hours

Conference Call and Webcast

(in Portuguese - simultaneous translation into English)

February 21st, 2020
(Friday)
10:00 a.m. (Eastern Time)

Connection:
+1 412 717-9627

Code: B2W

Link to Webcast:

[www.b2wdigital.com/
webcast4Q19](http://www.b2wdigital.com/webcast4Q19)

Replay:
Until February 27th, 2020
Access: +55 (11) 3193-1012
Code: 0764991#

Speaker:
Fábio Abrate - CFO and IRO