Management Report
2021

BOARD OF DIRECTORS

Gelson Luis Rostirolla
Chairman

Alexandre Grendene Bartelle
Vice Chairman

Gustavo Dall Onder
Director

Rodrigo Silva Marvão
Independent Director

Giuliano Silvio Dedini Zorgniotti
Independent Director

BOARD OF EXECUTIVE OFFICERS

Gustavo Dall Onder
Chief Executive, Financial and Investor Relations Officer

Alexandre Narvaes Figueira
Commercial Officer

Luciano André Merigo
Manufacturing Officer

Ivanir Moro
Accountant
CRC/RS-053351/O-7

__Disclaimer:__ The forward-looking statements in this document related to the business prospects, projections of operating and financial results and growth prospects of Unicasa are merely estimates and as such are based exclusively on Management's expectations for the future of the business. These expectations depend substantially on market conditions, the performance of the Brazilian economy, industry and international markets, and are subject to known and unknown risks and uncertainties, which can cause such expectations not to materialize or cause actual results to differ materially from those expected and, therefore, are subject to change without prior notice.

To the Shareholders,

In compliance with applicable laws and Bylaws of the company, the Management of **Unicasa Indústria de Móveis S.A.** hereby presents the **Management Report** and the **Financial Statements** prepared according to the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), the generally accepted accounting principles in Brazil and the rules issued by the Securities and Exchange Commission of Brazil (CVM). The Company adopted all the standards, revisions of standards and interpretations issued by IASB and which are effective for the Financial Statements ended on December 31, 2021.

MESSAGE FROM MANAGEMENT

Dear Shareholders,

During the year, we posted record revenue growth (54.8% in 1Q, 65% in 2Q, 48% in 3Q and 31% in 4Q) and registered quarterly revenues that were not seen since 2016, even with practically half the distribution network of what we had in that period, an effect that is evident from the average productivity of stores. Note that revenues in 1Q21 and 2Q20 were negatively affected by collective vacation and lockdowns throughout the country on account of the pandemic. An important fact is the change in habits of consumers, who became more appreciative of the space they live, thanks to more time spent by people at home due to restrictions imposed by the pandemic, which, on the other hand, affected the delivery of construction works across the country, resulting in decline revenues in the Corporate segment compared to 2020.

In 2021, we consolidated our U.S. operation, which added US$3.8 million to the Company, an increase of 111% from 2020, when the Company was affected by the pandemic and hence postponed store openings and reduced customer traffic at stores that were open.

The distribution network, practically stable since 2019, conceals the qualitative changes made during 2021 that are still in the maturation phase. The Company continues its stringent dealer selection policy, which restricts the number of store openings but has proven effective in retaining dealers that are committed to the Company's mission and to improving the quality of products and services delivered.

The customized furniture sector and other sectors of the Brazilian economy were affected by the imbalance in the supply chain. The scarcity of raw material combined with high demand resulted in an increase in purchase prices never before seen in the furniture segment. As a result, we increased prices three times, something never made by the Company in a single year. Due to the risk of shortage, the Company increased its inventory levels, preventing delivery disruptions at a time when demand remained high. At the end of 2019, the Company finetuned the tool used by dealers to make advance payments in order to postpone the impact of price oscillations. This price hedge tool was heavily used by dealers in 2021 and advances from customers ended 2021 at R$73.8 million (compared to R$20.4 million in 2020). This way, we delivered greater price predictability to our dealers and consumers, while keeping our products competitive in the market, which enabled the Company to absorb a part of the cost increase, as evident from the variation in gross margin, which was affected also by the higher share of multibrand channel in revenues. A part of the reduction in gross margin caused by the impact of advances was offset by higher yield from short-term investments of cash advanced by dealers, which can be observed in the financial result.

In 2021, expenses increased 17.6%, or approximately R$7 million. The expansion of the U.S. operation, variable expenses linked to export revenue growth and the resumption of marketing actions and travel, which had been suspended in 2020 on account of the pandemic, are the main factors behind this increase. It is worth highlighting the reduction in contingencies due to the quality of the reseller network.

As such, we delivered a slightly higher EBITDA margin, albeit nominally almost 50% higher. We also registered the highest return on invested capital (ROIC) ever since the Company went public: 22.8%.

In 2021, the Company began rolling out its strategic plan on production investments to drive its sustainable growth in alignment with the needs of consumers, who have been demanding greater product customization, which requires greater production flexibility to deliver a broad and varied range of dimensions and sizes. Total investment is approximately €14.9 million. Early in the year, we borrowed a loan of R$17 million and on May 28, 2021, the Board of Directors Meeting approved the execution of €7 million. The balance involves individually minor acquisitions that do not require formal approval from the Board of Directors.

The Company Management will submit at the next shareholders meeting the following proposal for the allocation of net income from 2021: distribution of R$7.1 million as Interest on Equity (IoE), already declared at the Board of Directors Meeting held on December 13, 2021, and retention of R$17.5 million to finance the above investments. The date suggested for the payment of interest on equity is May 26, 2022.

2021 was a challenging year in terms of people management. While we strived to reduce the exposure of our employees to the pandemic, we also kept the Company functioning in order to guarantee the cash flows of all stakeholders. The Company implemented the home office arrangement during practically the first nine months of 2021 to reduce the presence of people at the plant and reduced travel, besides suspending plant visits and several marketing actions. By the end of the year, when the effects of the pandemic were milder, we returned to onsite work but decided to resume the home office arrangement in early 2022 due to high infection rates of the Omicron variant.

The Company management thanks its shareholders, clients, dealers, employees, suppliers and all those involved in the results of one more year that challenged us by way of impacts and uncertainties that we are still facing on account of the pandemic.

EXECUTIVE SUMMARY

Executive Summary	2020	2021	Δ
Gross Revenue ex-IPI	184,616	267,219	+44.7%
Net Revenue	**150,449**	**220,643**	**46.7%**
Cost of Goods Sold	(91,765)	(140,551)	+53.2%
Gross Income	**58,684**	**80,092**	**+36.5%**
Gross Margin	***39.0%***	***36.3%***	***-2.7 p.p.***
Selling and Administrative Expenses	(45,800)	(53,882)	+17.6%
Other Revenues and Operating Expenses	4,689	3,951	-15.7%
Operating Income	**17,573**	**30,161**	**72%**
Operating Margin	***11.7%***	***13.7%***	***+2.0 p.p.***
Financial Income (Expenses) Net	2,810	4,706	+67.5%
Operating Income before Income Tax and Social Contribution	**20,383**	**34,867**	+71.1%
Income Tax and Social Contribution	(5,550)	(8,929)	+60.9%
Net Profit	**14,833**	**25,938**	+74.9%
Net Margin	***9.9%***	***11.8%***	***+1.9 p.p.***
EBITDA	26,452	39,582	+49.6%
EBITDA Margin	***17.6%***	***17.9%***	***+0.3 p.p.***

The Unicasa Corporate and Export Markets segments are affected by significant oscillations due to the specific characteristics of the projects sold in the period. The Export Markets segment is also impacted by exchange variation.

Dell Anno and Favorita - Exclusive Dealers	2020	2021	Δ
Gross Revenue. ex-IPI	77,227	111,068	+43.8%
Number of Modules Sold (thousand units)	170.0	190.6	+12.1%
New and Casa Brasileira - Exclusive Dealers	**2020**	**2021**	**Δ**
Gross Revenue. ex-IPI	49,143	73,434	+49.4%
Number of Modules Sold (thousand units)	197.2	223.1	+13.1%
Multibrands	**2020**	**2021**	**Δ**
Gross Revenue. ex-IPI	22,670	34,903	+54.0%
Number of Modules Sold (thousand units)	104.7	126.5	+20.8%
Unicasa Corporate	**2020**	**2021**	**Δ**
Gross Revenue. ex-IPI	12,987	10,832	-16.6%
Number of Modules Sold (thousand units)	31.3	31.7	+1.3%
Export Market	**2020**	**2021**	**Δ**
Gross Revenue. ex-IPI	19,898	33,555	+68.6%
Number of Modules Sold (thousand units)	50.6	54.1	+6.9%

Consolidated Indicators - Unicasa

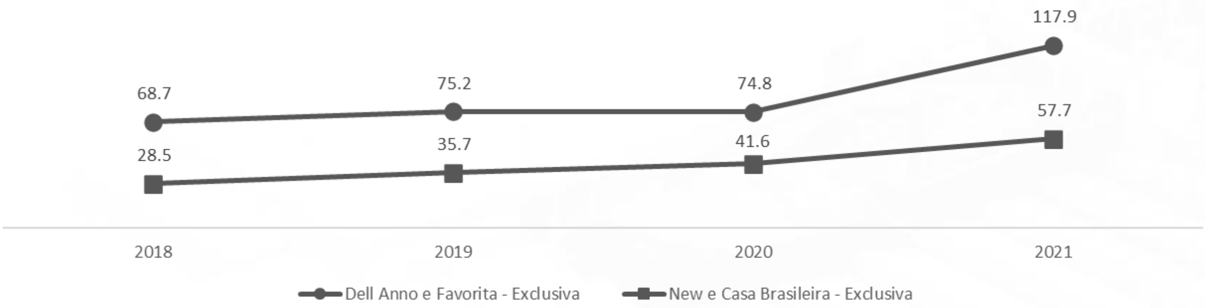
Unicasa Indústria de Móveis	2020	2021	Δ
Gross Revenue. ex-IPI	184,616	267,219	+44.7%
Number of Modules Sold (thousand units)	554.3	626.5	+13.0%

SALES AND DISTRIBUTION CHANNELS

Below is the breakdown of our distribution network by brand and channel:

Period	4Q20	1Q21	2Q21	3Q21	4Q21	Δ
Exclusive Stores	**198**	**198**	**200**	**204**	**203**	**(1)**
Dell Anno and Favorita	78	75	78	78	76	(2)
New and Casa Brasileira	105	107	105	108	109	1
Abroad	15	16	17	18	18	-
Multibrand	**123**	**118**	**109**	**106**	**106**	**-**
New and Casa Brasileira Multibrand	90	87	81	78	78	-
Abroad	33	31	28	28	28	-

Average productivity per Dell Anno and Favorita store in 2021 was R$117.9/month, 57.6% higher than in 2020. Average productivity per New and Casa Brasileira store in 2020 was R$57.7/month, 38.9% higher than in 2020. The following chart shows annual historical productivity by store.



FINANCIAL PERFORMANCE

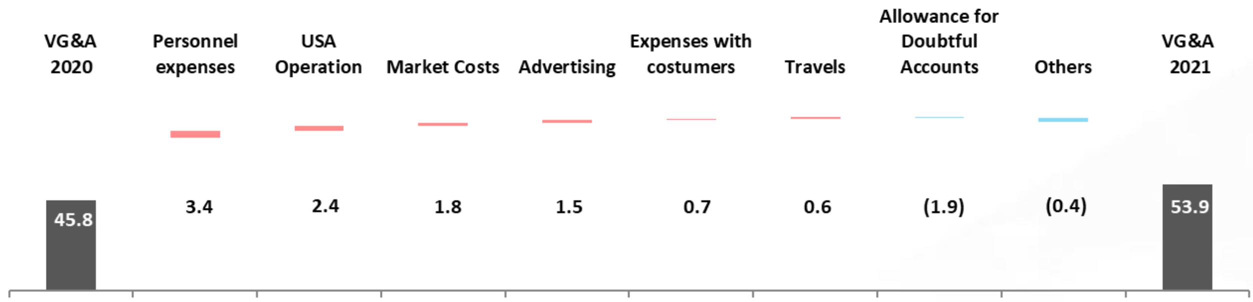
Gross Profit and Gross Margin

Gross Profit in the year was R$80.1 million. Gross margin decreased 2.7 p.p., from 39.0% to 36.3%. The reduction in margin was due to three main factors: (i) higher cost of raw materials caused by the pressure on the supply chain of the furniture sector; (ii) client mix, with the Multibrand channel registering the highest growth; (iii) additional discounts granted to customers who prepaid their orders. During the year, customers increased their advance payments to hedge against price increases. This extra discount is partially offset by higher yield from short-term investments resulting from the surplus cash.

Selling, General and Administrative Expenses (SG&A)

Selling General and Administrative Expenses	2020	2021	Δ
Total	**(45,800)**	**(53,882)**	**+17.6%**
Selling Expenses	**(31,707)**	**(37,865)**	**+19.4%**
% of Net Revenue	21.1%	17.2%	-3.9 p.p.
Administrative Expenses	**(14,093)**	**(16,017)**	**+13.7%**
% of Net Revenue	9.4%	7.3%	-2.1 p.p.
SG&A % of Net Revenue	30.5%	24.5%	-6.0 p.p.

The following chart presents the evolution of Selling, General and Administrative Expenses in 2020 and 2021 (1):



(1) In Million.

Personnel expenses increased R$3.4 million, mainly due to the increased headcount in Brazil to sustain the U.S. operation, and the hiring of people to positions that remained vacant during the pandemic in 2020.

The increase of R$2.4 million in expenses with the U.S. operation refers to personnel, occupancy, travel, insurance, advertising etc. related to the office opened in the United States to help drive the Company's expansion.

Market costs increased R$1.8 million, mainly due to services related to the growth in export revenue, which involves costs such as freight and customs clearance, and the Multibrand channel, which involves commissions for representatives.

Advertising expenses increased R$1.5 million in 2021, mainly due to the resumption of actions suspended in 2020 due to the effects of the pandemic.

Expenses with consumers were R$0.7 million higher, of which R$0.9 million refer to expenses with civil agreements with consumers, and expenses with merchandise, freight and assembly for end consumers not served due to the closure of stores declined R$0.2 million.

Travel expenses increased R$0.6 million due to the partial resumption of travel suspended during 2020 due to the pandemic.

Provision for doubtful accounts decreased due to the decline in default rates.

Other expenses decreased mainly due to lower expenses with labor proceedings and the decline in depreciation due to the end of the goodwill amortization period in June 2020.

Other Operating Income and Expenses

Although sales of financing options to end consumers by the accredited partner increased 23.7%, the remuneration received by the Company fell due to the contractual change in the form of commissions.

Other Operating Income and Expenses	2020	2021	Δ
Total	**4,689**	**3,951**	**-15.7%**
Result from the sale of assets held for sale and of property, plant and equipment	(441)	(618)	40.1%
Bank Premium	1,443	835	-42.1%
Trademark Rights	-	-	n/a
Other Operating Income	3,687	3,734	1.3%
% of Net Revenue	**3.1%**	**1.8%**	**-1.3 p.p.**

Financial Result

The higher cash balance resulting from the Company's operating income and higher advances from customers, combined with the rise in the basic interest rate (SELIC), increased the yield from short-term investments. The reduction in exchange variation expenses also contributed to the increase in financial income. Also worth noting is the impact of interest on the loan taken in January 2021.

Financial Result	2020	2021	Δ
Net Financial Result	**2,810**	**4,706**	**67.5%**
Financial Expenses	**(6,019)**	**(5,290)**	**-12.1%**
IOF charge and bank fees	(104)	(94)	-9.6%
Loans and financing expenses	-	(1,117)	n/a
Exchange variation expenses	(5,160)	(2,677)	-48.1%
Present value adjustment - AVP	(548)	(1,098)	100.4%
Other financial expenses	(207)	(304)	46.9%
Financial Income	**8,829**	**9,996**	**13.2%**
Interest income	1,490	1,102	-26.0%
Discounts	56	170	203.6%
Yield from short-term investments	1,165	3,096	165.8%
Exchange variation income	4,655	3,199	-31.3%
Present value adjustment - AVP	1,235	1,778	44.0%
Other financial income	228	651	185.5%

EBITDA and EBITDA Margin

EBITDA	2020	2021	Δ
Net Income for the Period	**14,833**	**25,938**	**+74.9%**
Income Tax and Social Contribution	5,550	8,929	+60.9%
Financial Result	(2,810)	(4,706)	+67.5%
EBIT	**17,573**	**30,161**	**+71.6%**
Depreciation and Amortization	8,879	9,421	+6.1%
EBITDA	**26,452**	**39,582**	**+49.6%**
EBITDA Margin	***17.6%***	***17.9%***	***+0.3 p.p.***

Cash Flow

Operating income and increase in advances from customers were the key drivers of cash generation for the Company in 2021. Note that in 2020, the Company reduced its capital, returning R$24.3 million to shareholders, whose impact can be observed in the financing activities line. Excluding this effect, cash generation totaled R$5.2 million in 2020. As such, cash generation in 2021 grew almost sevenfold in relation to 2020.

The changes in assets and liabilities, in addition to advances from customers, include working capital effects due to revenue growth. The highlight in investing activities is the acquisition of property, plant and equipment in the amount of R$31 million as part of the plan for the acquisition of machinery mentioned in the Message from Management in this Report. In the financing activities line, the highlights are dividend payments amounting to R$13.3 million and a fresh loan of R$17 million.

Cash Flow	2020	2021	Δ
Cash Flows from Operating Activities	29,003	47,486	+63.7%
Changes in Assets and Liabilities	(418)	23,688	-5767.0%
Financial Investments	21,103	(28,210)	-233.7%
Cash generated by investment activities	(7,198)	(31,587)	+338.8%
Cash generated by financing activities	(40,741)	1,352	-103.3%
Effect of exchange variation on cash and cash equivalents	274	(63)	-123.0%
Cash flow (burn)	**2,023**	**12,666**	**+526.1%**
Financial Investments	(21,103)	28,210	-233.7%
Cash flow and Financial Investments	**(19,080)**	**40,876**	**-314.2%**

Net Cash

Net Cash	12/31/2020	12/31/2021	Δ
Short Term Debt	-	4,863	n/a
Long Term Debt	-	9,884	n/a
Gross Debt	**-**	**14,747**	**n/a**
Cash and Cash Equivalents	47,584	60,250	+26.6%
Financial Investments	3,270	31,480	+862.7%
Net Debt/(Cash Surplus)	**(50,854)**	**(76,983)**	**+51.4%**

Return on Invested Capital (ROIC)

NOPLAT (Net Operationg Profit Less Adjusted Taxes)	2021	2020	2019	2018
(=) EBITDA	**39,582**	**26,452**	**28,741**	**10,482**
Depreciation	9,421	8,879	8,750	9,085
(=) EBIT	**30,161**	**17,573**	**19,991**	**1,397**
Income Tax and Social Contribution	(8,929)	(5,550)	(7,192)	(3,175)
Financial Result Income Tax Reversal	1,600	955	1,763	1,758
(=) Operating Net Income (NOPLAT)	22,832	12,978	14,562	(20)
Invested Capital - LTM	100,111	116,982	119,502	104,874
ROIC - LTM	**22.8%**	**11.1%**	**12.2%**	**0.0%**

ROE (Return on Equity)	2021	2020	2019	2018
Net Profit	25,938	14,833	17,984	3,394
Shareholders' equity	167,781	155,948	160,042	171,266
ROE - LTM	**15.5%**	**9.5%**	**11.2%**	**2.0%**

Allocation of Income

The Company management will propose to the Shareholders Meeting the allocation of net income as follows.

Proposal for allocation of net income from the year	2021 R$
Net income from the period	25,938,380.76
Legal reserve (5%)	(1,296,919.04)
Adjusted net income	**24,641,461.72**
Minimum dividends - 25%	6,160,365.43
Additional proposed dividends	970,353.25
Profit Retention	17,510,743.04
Total	**24,641,461.72**
Dividend distribution method	
Interest on Equity	7,130,718.68
Total proposed per share	0.107900000

A portion of net income from the fiscal year will be retained to finance the investments envisaged in the Company's strategic plan. The balance will be distributed as Interest on Equity (IoE) charged to mandatory dividends, in the amount of seven million, one hundred thirty thousand, seven hundred eighteen reais and sixty-eight centavos (R$7,130,718.68), corresponding to R$0.107900000, already declared, pursuant to the Board of Directors Meeting held on December 13, 2021. Income tax will be withheld at source in accordance with current laws. All common shareholders of record on December 16, 2021 will be entitled to interest on equity, and shares will be traded ex-interest on equity starting from December 17, 2021. Interest on equity should be paid on May 26, 2022, without any remuneration or inflation adjustment.

Capital Budget Proposed by Management

The Management, pursuant to CVM Normative Instruction 480/09 of December 7, 2009, hereby submits the capital budget to support the retention of profits through Investment Reserve, in accordance with Article 34 of the Bylaws of the Company and Article 196 of Federal Law 6,404/76.

Projections and prospects in the proposed capital budget involve risks, uncertainties and assumptions and therefore depend on circumstances that may or may not occur.

The general conditions of the economy and industry, and other operational factors could affect the projected amounts for allocation to fixed assets.

To finance the investments planned in the Company's expansion plan, Management proposes the retention of 71.06% of net income from fiscal year 2021, in the amount of R$17,511 thousand, bringing the aggregate balance of the Profit Reserve for Investment and Expansion on December 31, 2021 to R$17,511 thousand.

Financing sources	R$ '000
Retained profits reserves for expansion	17.511
All sources of financing	**17.511**
Investments	
Meeting the Company's commitments to strategic investment for expanding production capacity and streamlining processes.	17.511
Total funds invested	**17.511**

The reserve hereby constituted may be used, at the Company's discretion, to carry out a share buyback plan using the funds available in accordance with CVM Normative Instruction 567/15 of September 17, 2015.

INVESTMENT IN MACHINERY

In 2021, the Company began rolling out its strategic plan on production investments to drive its sustainable growth in alignment with the needs of consumers, who have been demanding greater product customization, which requires greater production flexibility to deliver a broad and varied range of dimensions and sizes. Total investment is approximately €14.9 million. Early in the year, we borrowed a loan of R$17 million and on May 28, 2021, the Board of Directors Meeting approved the execution of €7 million. The balance involves individually minor acquisitions that do not require formal approval from the Board of Directors and will be executed during 2022 through 2024.

HUMAN RESOURCES

Unicasa ended 2021 with 455 employees, 447 of them in Brazil and 10 in the United States, a 14% increase from the 2020 headcount of 399 employees.

ADMINISTRATIVE EVENTS

On February 22, 2021, the company announced through a Material Fact notice the return of production to pre-pandemic levels.

The shareholders meeting held on April 27, 2021 approved the proposal to amend article 13 of the Bylaws to adjust its reference to the correct article of the Bylaws, and to amend article 14 of the Bylaws to comply with article 15 of the Novo Mercado Listing Rules (new rule for the minimum number of independent members on the Board of Directors).

On May 28, 2021, the Company announced the approval of investments amounting to €7 million for acquiring machinery and equipment. The equipment will be imported from Germany and should be delivered in the second half of 2023. The equipment acquired has the most advanced technology available in the market and represents a significant increase in production capacity.

On November 11, 2021, the Company announced the approval for the engagement of PricewaterhouseCoopers Auditores Independentes LTDA ("Price") to provide independent audit services to the Company starting from fiscal year 2022, in place of BDO RCS Auditores e Consultores LTDA ("BDO"). This engagement was made to comply with article 31 of CVM Resolution 23/2021, on the rotation of auditors every 5 years. Price will start its activities by auditing the quarterly financial information (ITR) for the first quarter of 2022. BDO expressed its consent to the change.

On March 10, 2022, a Material Fact notice announced the resignation of Gustavo Dall'Onder from the position of Chief Financial and Investor Relations Officer and the election of Guilherme Possebon de Oliveira in his place. Gustavo, however, retains his role as CEO.

CAPITAL MARKETS

At the end of fiscal year 2021, the price of the Company shares (UCAS3) was R$4.21, which represents market capitalization of around R$278.2 million, 0.9% lower than at the end of fiscal year 2020, when market capitalization was R$280.9 million and the Company's shares were quoted at R$4.25. During the year, 26.7 million shares of the Company were traded over approximately 95,300 trades, with the financial volume being R$127.3 million. On average, 385 trades were carried out per day, involving 107,000 shares, with financial volume of R$515,000.

UCAS3 is listed on the Novo Mercado segment of B3, which includes companies with the highest corporate governance standards. The capital stock of Unicasa is divided into 66,086,364 shares, of which approximately 44.4% are outstanding. The book value per share at the end of 2021 was R$2.54.

INDEPENDENT AUDITORS

In compliance with article 2 of CVM Instruction 381/03, the Company informs that BDO RCS Auditores Independentes SS ("BDO") provided only services related to the audit of the Financial Statements in 2021, under the following terms:

- Full audit conducted in accordance with Brazilian and international audit standards of the parent company and consolidated Financial Statements of the Company, prepared in accordance with the accounting practices adopted in Brazil (parent company and consolidated) and with IFRS (consolidated), for the fiscal year ended December 31, 2021, and review of the Company's Quarterly Financial Information on March 31, June 30 and September 30, 2021, for total fees of R$183,823.56.

- Date of contract: March 31, 2021.

BDO declared that it is not aware of any relationship other than that mentioned above, between BDO and Unicasa Indústria de Móveis S.A. or persons in positions of supervision over the financial information at Unicasa Indústria de Móveis S.A., which could be interpreted as having influenced its autonomy.

DECLARATION OF EXECUTIVE OFFICERS

In compliance with article 25 of CVM Instruction 480 of December 7, 2009, the Board of Executive Officers hereby declares that it reviewed, discussed and agreed with the opinion expressed in the Independent Auditor's Report on the Financial Statements and with the Financial Statements for the fiscal year ended December 31, 2021.

ARBITRATION CLAUSE

The Company, its shareholders, managers and members of the Audit Board undertake to resolve, through arbitration at the Market Arbitration Chamber, all and any dispute or controversy that may arise among them, related to or caused by, particularly, the application, validity, efficacy, interpretation, violation and effects of provisions of the Brazilian Corporations Law, the Bylaws of the Company, rules of the Brazilian Monetary Council, the Central Bank of Brazil and the Brazilian Securities and Exchange Commission, as well as Listing Rules, Arbitration Rules, Sanction Rules and the Novo Mercado Listing Agreement.

UNICASA

UNICASA INDÚSTRIA DE MÓVEIS S.A.

Independent Auditor’s report

Individual and consolidated financial statements
On December 31, 2021

Dell Anno favorita new CASA BRASILEIRA

UNICASA

UNICASA INDÚSTRIA DE MÓVEIS S.A.

Individual and consolidated financial statements
On December 31, 2021

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A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

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INDEPENDENT AUDITOR'S REPORT ON INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders, Directors and Managers of
Unicasa Indústria de Móveis S.A.
Bento Gonçalves – Rio Grande do Sul

Opinion

We have audited the accompanying individual and consolidated financial statements of **Unicasa Indústria de Móveis S.A. ("Company")**, identified as Company and Consolidated, respectively, which comprise the individual and consolidated statements of financial position on December 31, 2021, and the related individual and consolidated statements of operations, comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting practices and other explanatory information.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the individual and consolidated financial position of Unicasa Indústria de Móveis S.A. as on December 31, 2021, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and international standards on auditing. Our responsibilities in accordance with those standards are described in the following section entitled "The Auditor's Responsibilities in Relation to the Individual and Consolidated Financial Statement Audit". We are independent of the **Company** and its subsidiaries and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CPC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

The main audit assumptions are those that, in our professional judgment, were the most significant in our audit of the current year. These issues were treated in the context of audit of the individual and consolidated financial statements as a whole and in the formation of our opinion on the individual and consolidated financial statements, and therefore, we do not express a specific opinion on these issues. We find that the topics described below are the main audit subjects to be addressed in our report.

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90035-150

Revenue recognition	Audit response to the matter
As mentioned in Note 20, the amounts pertaining to net revenue on December 31, 2021 are R$217,946 thousand (parent company) and R$220,643 thousand (consolidated). Based on this information, revenue recognition involves controls designed to assure the integrity of transaction records, conditioned on the proper moment when products are sold to clients. Considering the volume of transactions involved and the geographical situation of serving clients, revenue recognition highly depends on the proper functioning of internal controls defined by the **Company** and its subsidiaries. In this regard, based on the materiality of the dependence and functioning of such controls, as well as the impact that the absence of such controls could bring to the individual and consolidated financial statements, we consider this subject material for our audit.	Our audit procedures included, among others: ▪ Assessment of internal controls of material cycles related to revenue recognition, including the database of contracts and/or client orders and price negotiated, verification of accounting records; ▪ Documentary test, based on samples, for verification of tax documents; ▪ Integrity test of revenue database against accounting records; ▪ Tests related to manual entries; ▪ Analytical procedures on revenue, considering analysis of key business indicators, average term of receipt of sales, alignment of expectations with realized revenue; and ▪ Analysis of proper disclosure of information in notes to the individual and consolidated financial statements. Based on the audit procedures followed in the revenue recognition processes of the **Company** and its subsidiaries, and on the audit evidence obtained that support our tests, including our analysis and understanding, we are of the opinion that the revenue recognition of the **Company**, as well as the disclosure in notes, is adequate in the context of the individual and consolidated financial statements taken as a whole.

Allowance for Loan Losses

As disclosed in Note 5 to the individual and consolidated financial statements, the Company has an allowance for loan losses with doubtful accounts, in the amount of R$7,149 (company and consolidated), on December 31, 2021, considering the following estimates, among others: payment capacity, current and prospective economic scenario, evaluation of delinquency levels and guarantees received, as well as evaluation of renegotiations made, and also involving a significant degree of judgment by the Company's Management. Given the importance of the allowance for loan losses in relation to the total trade accounts receivable, and the significant degree of judgment required from the Company's Management for correct evaluation, we consider this matter relevant for our audit.

Auditor's response

Our audit procedures included the assessment of the assumptions adopted by the Management of the Company, including the reasonability of the accounting policy adopted, analysis of the balance of trade accounts receivable by age of maturity, including discussions with the Company's Management regarding the analysis of guarantees received and agreements renegotiated with its main customers and the correct application of the Management's judgment on the estimated loan losses. In addition, we assessed the adequacy of the **Company**'s disclosures on this issue in the note to the individual and consolidated financial statements.

Based on the procedures adopted, we consider that the guidelines and methodologies used by the Company to assess the allowance for loan losses in trade accounts receivable are reasonable, and the information presented in the individual and consolidated financial statements is adequate in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA), for the year ended December 31, 2021, prepared under the responsibility of the Management of the **Company** and its subsidiaries and presented as additional information for IFRS purposes, has been subject to audit procedures performed in conjunction with the audit of the individual and consolidated financial statements. In order to form our opinion, we assessed whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in the Brazilian FASB (CPC) Accounting Pronouncement CPC 9 – Statement of Value Added. In our opinion the statements of value added were properly prepared in all material respects in accordance with the criteria established in that Accounting Pronouncement and are consistent in relation to the individual and consolidated financial statements as a whole.

Other information accompanying the individual and consolidated financial statements and the independent auditor's report

The Management of the **Company** and its subsidiaries is responsible for this other information that comprises the management report.

Our opinion on the individual and consolidated financial statements does not include the management report and does not express any form of audit conclusion on that report.

In regard to the audit of the individual and consolidated financial statements, our responsibility is to read the management report and, in doing so, consider whether this report is significantly inconsistent with the individual and consolidated financial statements or our knowledge obtained during the audit or otherwise, or whether it appears to be significantly distorted. If, on the basis of the work performed, we conclude that there is significant inconsistency in management's report, we are required to communicate that fact.

Responsibilities of Management and of those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil, and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the ability of the **Company** and its subsidiaries to continue as a going concern, disclosing, as applicable, matters relating to its going concern and using the going concern basis of accounting, unless management either intends to liquidate the **Company** and its subsidiaries or to cease their operations, or has no realistic alternative but to do so.

Those charged with governance of the **Company** and its subsidiaries are those responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of Individual and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian standards and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that posed by error, as fraud may involve circumvention of internal controls, collusion, forgery, intentional omissions or misrepresentations.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control or that of its subsidiaries.
- Evaluate the appropriateness of accounting practices used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the ability of the **Company** to continue as a going concern or that of its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or future conditions may cause the **Company** and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.
- Obtain adequate and sufficient audit evidence for entity financial information or business group activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group's audit and, consequently, for the auditor's opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those responsible for governance with a statement that we complied with relevant ethical requirements, including the requirements of independence, and communicate all possible relationships or matters that could considerably affect, our independence, including, where applicable, respective safeguards.

Any matters that have been the subject of communication with those responsible for governance, we have determined those that were considered to be most significant in auditing the financial statements of the current year and that, therefore, constitute the main assurance issues. We describe these issues in our auditor's report, unless law or regulation has outlawed public disclosure of the issue, or when, in extremely rare circumstances, we determine that the issue should not be stated in our report given that the adverse consequences of such a communication may, from a reasonable perspective, outweigh the benefits of communication in the public interest.

São Paulo, March 10, 2022.

BDO RCS Auditores Independentes SS
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Extract of relevant information on the independent auditor’s report:

The independent auditor’s report on complete individual and consolidated financial statements related to the fiscal year ended December 31, 2021 is available electronically at XXXX. This independent auditor’s report was issued on March 10, 2022, without modifications.

Statements of financial position
December 31, 2021 and 2020
(Amounts in thousands of reais)

		Company		Consolidated	
	Note	2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	3	**59,208**	45,386	**60,250**	47,584
Financial investments	4	**23,961**	-	**23,961**	-
Trade accounts receivable	5	**31,228**	29,887	**32,222**	30,027
Inventories	6	**36,607**	24,001	**37,925**	24,243
Loans granted	8	**504**	775	**504**	775
Taxes recoverable	9	**1,708**	1,469	**1,724**	1,483
Other assets	10	**3,763**	2,733	**4,245**	3,065
Total current assets		**156,979**	104,251	**160,831**	107,177
Noncurrent assets					
Long-term receivables					
Financial investments	4	**7,519**	3,270	**7,519**	3,270
Trade accounts receivable	5	**13,044**	8,848	**13,044**	8,848
Loans granted	8	**1,543**	1,732	**1,543**	1,732
Assets held for sale	7	**527**	586	**527**	586
Deferred income and social contribution taxes	14	**80**	2,902	**993**	2,902
Taxes recoverable	9	**-**		**1,828**	
Judicial deposits	16.b	**1,315**	1,680	**1,383**	1,690
Other assets	10	**48**	42	**117**	106
		24,076	19,060	**26,954**	19,134
Investments					
In subsidiaries	11	**1,653**	1,108	**-**	-
Other investments		**20**	20	**20**	20
Property, plant and equipment	12	**97,499**	74,831	**97,517**	74,850
Intangible assets	13	**2,705**	4,007	**2,705**	4,007
		101,877	79,966	**100,242**	78,877
Total noncurrent assets		**125,953**	99,026	**127,196**	98,011
Total assets		**282,932**	203,277	**288,027**	205,188

See accompanying notes to the individual and consolidated financial statements.

Statements of financial position (cont.)
December 31, 2021 and 2020
(Amounts in thousands of reais)

		Company		Consolidated	
	Note	2021	2020	2021	2020
Liabilities					
Current					
Loans and financing	15	**4,863**	-	**4,863**	-
Trade accounts payable		**3,758**	3,846	**5,120**	4,097
Tax obligations		**1,570**	1,722	**1,571**	1,734
Interest on equity	19.d	**6,338**	6,282	**6,338**	6,282
Salaries and social charges		**4,197**	2,789	**4,233**	2,838
Advances from customers	17	**70,649**	18,874	**73,817**	20,399
Provisions	16.c	**486**	1,227	**486**	1,227
Other current liabilities	18	**5,801**	3,522	**5,836**	3,596
Total current liabilities		**97,662**	38,262	**102,264**	40,173
Noncurrent liabilities					
Loans and financing	15	**9,884**	-	**9,884**	-
Provisions	16.a	**6,700**	8,537	**6,789**	8,537
Tax obligations		**-**	-	**404**	-
Other noncurrent liabilities	18	**905**	530	**905**	530
Total noncurrent liabilities		**17,489**	9,067	**17,982**	9,067
Equity					
Capital	19.a	**147,000**	147,000	**147,000**	147,000
Legal reserve	19.b	**2,938**	1,641	**2,938**	1,641
Expansion reserve	19.b	**17,511**		**17,511**	
Additional proposed dividends		**-**	6,994	**-**	6,994
Cumulative translation adjustments	19.c	**332**	313	**332**	313
Total equity		**167,781**	155,948	**167,781**	155,0948
Total liabilities and equity		**282,932**	203,277	**288,027**	205,188

See accompanying notes to the individual and consolidated financial statements.

Statements of operations
Years ended December 31, 2021 and 2020
(In thousands of reais, except for loss per share)

		Company		Consolidated	
	Note	2021	2020	2021	2020
Sales revenue, net	20	**217,946**	149,114	**220,643**	150,449
Cost of sales	21	**(141,573)**	(91,987)	**(140,551)**	(91,765)
Gross profit		**76,373**	57,127	**80,092**	58,684
Operating income (expenses)					
Selling expenses	21	**(32,079)**	(27,303)	**(37,865)**	(31,707)
Administrative expenses	21	**(16,017)**	(14,092)	**(16,017)**	(14,093)
Other operating revenue	22	**3,171**	4,981	**4,718**	5,481
Other operating expenses		**(767)**	(792)	**(767)**	(792)
Equity pickup	11	**526**	(2,258)	**-**	-
		(45,166)	(39,464)	**(49,931)**	(41,111)
Income before financial income (expenses)		**31,207**	17,663	**30,161**	17,573
Financial income					
Financial expenses	23	**(5,254)**	(5,994)	**(5,290)**	(6,019)
Financial income	23	**9,435**	8,714	**9,996**	8,829
		4,181	2,720	**4,706**	2,810
Profit (loss) before income and social contribution taxes		**35,388**	20,383	**34,867**	20,383
Income and social contribution taxes					
Current	14	**(6,628)**	(2,578)	**(6,628)**	(2,578)
Deferred	14	**(2,822)**	(2,972)	**(2,301)**	(2,972)
		(9,450)	(5,550)	**(8,929)**	(5,550)
Profit (loss) for the year		**25,938**	14,833	**25,938**	14,833
Basic and diluted profit (loss) per share	19.e	**0.39249**	0.22444	**0.39249**	0.22444

See accompanying notes to the individual and consolidated financial statements.

Statements of comprehensive income
Years ended December 31, 2021 and 2020
(Amounts in thousands of reais)

	Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Profit (loss) for the year	**25,938**	14,833	**25,938**	14,833
Other comprehensive income	**332**	313	**332**	313
Cumulative translation adjustments	**332**	313	**332**	313
Total comprehensive income for the year	**26,270**	15,146	**26,270**	15,146

See accompanying notes to the individual and consolidated financial statements.

Statements of changes in equity
Years ended December 31, 2021 and 2020
(In thousands of reais)

				Profit reserves				
	Note	**Capital**	**Legal reserve**	**Expansion reserve**	**Additional proposed dividend**	**Accumulated losses**	**Other comprehensive income**	**Total**
Balances as on December 31, 2019		147,000	899	-	12,082	-	61	160,042
Net income from the year		-	-	-	-	**14,833**	-	**14,833**
Allocation of net income:								
Legal reserve	19.b	-	**742**	-	-	**(742)**	-	-
Additional dividends distributed					**(12,082)**			**(12,082)**
Additional dividends proposed		-	-	-	**6,994**	**(6,994)**	-	-
Interest on equity	19.d	-	-	-	-	**(7,097)**	-	**(7,097)**
Other comprehensive income:	19.c							
Translation adjustments for the year		-	-	-	-	-	**252**	**252**
Balances as on December 31, 2020		**147,000**	**1,641**	-	**6,994**	-	**313**	**155,948**
Net income from the year		-	-	-	-	**25,938**	-	**25,938**
Allocation of net income:								
Legal reserve	19.b	-	**1,297**	-	-	**(1,297)**	-	-
Expansion reserve	19.b			**17,511**	-	**(17,511)**		-
Interest on equity	19.d	-	-	-	-	**(7,130)**	-	**(7,130)**
Additional dividends distributed					**(6,994)**			**(6,994)**
Other comprehensive income:	19.**c**							
Translation adjustments for the year		-	-	-	-	-	**19**	**19**
Balances as on December 31, 2021		**147,000**	**2,938**	**17,511**	-	-	**332**	**167,781**

See accompanying notes to the individual and consolidated financial statements.

Cash flow statements
Years ended December 31, 2021 and 2020
(Amounts in thousands of reais)

	Company		Consolidated	
	2021	2020	2021	2020
Cash flow from operating activities:				
Net income from the year	**25,938**	14,833	**25,938**	14,833
Adjustment to reconcile net income:				
Depreciation and amortization	**9,409**	8,849	**9,421**	8,879
Income tax and social contribution	**9,450**	5,550	**8,929**	5,550
Interest on loans	**1,117**	-	**1,117**	
Currency variation - customers	**(133)**	(233)	**(133)**	(233)
Provision for risks - tax, labor, civil and end of business relationship	**(1,837)**	(701)	**(1,837)**	(701)
Provision for obsolescence	**101**	375	**101**	375
Allowance for doubtful accounts – accounts receivable and loans granted	**313**	485	**286**	371
Other provisions	**1,611**	(1,178)	**2,853**	(1,178)
Write-offs of property, plant and equipment and intangible assets, net	**811**	1,107	**811**	1,107
Equity pickup	**(526)**	2,258	**-**	-
	46,254	31,345	**47,486**	29,003
Changes in assets and liabilities:				
Trade accounts receivable	**(5,717)**	(861)	**(6,544)**	(765)
Inventories	**(12,707)**	(4,247)	**(13,783)**	(4,413)
Taxes recoverable	**(239)**	1,645	**2,069**	1,659
Loans granted	**460**	219	**460**	219
Other current and noncurrent assets	**(674)**	1,472	**(884)**	2,167
Noncurrent assets held for sale	**59**	(54)	**59**	(54)
Trade accounts payable	**(88)**	2,412	**1,023**	2,473
Advances from customers	**51,775**	3,545	**53,418**	3,332
Tax obligations	**(152)**		**(163)**	
Other current and noncurrent liabilities	**1,711**	(232)	**589**	(244)
Income tax and social contribution payment	**(6,628)**	(3,975)	**(6,628)**	(3,975)
Payment of withholding income tax on interest on equity	**(792)**	(816)	**(792)**	(816)
Payment of interest on loans	**(998)**		**(998)**	
Net cash provided by operating activities	**72,264**	30,453	**71,174**	28,585
Cash flow from investing activities:				
Financial investments	**(28,210)**	21,103	**(28,210)**	21,103
Capital increase at subsidiary	**-**	(2,338)	**-**	-
Acquisition of property, plant and equipment	**(30,947)**	(7,043)	**(30,950)**	(7,060)
Acquisition of intangible assets	**(637)**	(138)	**(637)**	(138)
Net cash generated (used) in investing activities	**(59,794)**	11,584	**(59,797)**	13,905
Cash flow from financing activities:				
New loans	**17,000**		**17,000**	
Payments of loans	**(2,372)**		**(2,372)**	
Payment of interest on equity	**(6,282)**	(4,393)	**(6,282)**	(4,393)
Dividends paid	**(6,994)**	(12,082)	**(6,994)**	(12,082)
Return of capital to shareholders	**-**	(24,266)	**-**	(24,266)
Cash (invested) in financing activities	**1,352**	(40,741)	**1,352**	(40,741)
Effect from exchange variation on cash and cash equivalents	**-**	-	**(63)**	274
Increase in cash and cash equivalents	**13,822**	1,296	**12,666**	2,023
Statement of changes in cash and cash equivalents:				
At beginning of year	**45,386**	44,090	**47,584**	45,561
At end of year	**59,208**	45,386	**60,250**	47,584
Increase in cash and cash equivalents	**13,822**	1,296	**12,266**	2,023

See accompanying notes to the individual and consolidated financial statements.

Statements of value added
Years ended December 31, 2021 and 2020
(In thousands of reais)

	Company		Consolidated	
	2021	2020	2021	2020
Revenue from product sale, net of returns and adjustment to present value	**274,014**	190,178	**276,778**	191,685
Other revenues	**1,312**	3,382	**2,859**	3,882
Allowance for doubtful accounts	**(313)**	(485)	**(286)**	(371)
	275,013	193,075	**279,351**	195,196
Inputs acquired from third parties				
Cost of products and goods sold	**(141,250)**	(84,701)	**(140,263)**	(84,572)
Materials, electricity, third-party services	**(31,711)**	(26,838)	**(34,631)**	(28,487)
Loss of idle inventories	**(102)**	(375)	**(102)**	(375)
Other	**(6,479)**	(8,757)	**(5,346)**	(8,300)
	(179,542)	(120,671)	**(180,342)**	(121,734)
Gross value added	**95,471**	72,404	**99,009**	73,462
Depreciation and amortization	**(9,409)**	(8,849)	**(9,421)**	(8,879)
Gross value added generated by the Company	**86,062**	63,555	**89,588**	64,583
Value added received in transfer				
Equity pickup	**526**	(2,258)	**-**	-
Financial income	**8,465**	8,860	**9,053**	8,981
	8,991	6,602	**9,053**	8,981
Total unpaid value added	**95,053**	70,157	**98,641**	73,564
Personnel				
Direct compensation	**25,801**	19,458	**29,226**	21,969
Benefits	**3,423**	2,723	**3,481**	2,743
Unemployment Compensation Fund (FGTS)	**2,008**	1,524	**2,048**	1,537
	31,232	23,705	**34,755**	26,249
Taxes, rates and contributions				
Federal	**24,224**	19,822	**24,005**	20,072
State	**9,829**	8,662	**9,851**	8,707
Municipal	**68**	86	**74**	96
	34,121	28,570	**33,930**	28,875
Debt remuneration				
Rent	**649**	707	**867**	1,238
Interest	**1,117**	-	**1,117**	-
Other	**1,996**	2,342	**2,034**	2,369
	3,762	3,049	**4,018**	3,607
Equity remuneration				
Dividends and interest on equity	**7,131**	7,097	**7,131**	7,097
Retained earnings	**18,807**	7,736	**18,807**	7,736
	25,938	14,833	**25,938**	14,833
Total value added distributed	**95,053**	70,157	**98,641**	73,564

See accompanying notes to the individual and consolidated financial statements.

1. Operations

Unicasa Indústria de Móveis S.A. ("Company") is a publicly traded corporation with registered office in the city of Bento Gonçalves, state of Rio Grande do Sul, with shares listed on the Novo Mercado segment of "B3 S.A. – Brasil, Bolsa e Balcão" (BM&FBovespa), under ticker UCAS3, since April 27, 2012. Established in 1985, the Company's corporate purpose is to manufacture, sell, import and export products related to the wood, iron and aluminum furniture segment, and other articles related to household and commercial furniture.

The Company has resale agreements with agents authorized to explore our brands "Dell Anno", "Favorita", "New", "Casa Brasileira" and "Unicasa Corporate" through exclusive dealers and multibrand stores in Brazil and abroad.

The corporate purpose of Unicasa Comércio de Móveis Ltda. (subsidiary), included in the consolidated financial statements, is the retail sale of customized furniture. The subsidiary remains open to serve the operation's holdover clients and as a support for clients of the parent company's Unicasa Corporate segment.

The Management of the Company decided to reduce the number of own stores by transferring them to the direct management of authorized independent resellers. In the first quarter of 2018, its last operating reseller was transferred. Two stores were transferred in 2017 and four were transferred in 2016, out of an earlier total of seven own stores.

The corporate purpose of Unicasa North America, LLC (subsidiary established in the United States), also included in the consolidated financial statements, is to disseminate the Dell Anno brand in North America. Its fully subscribed and paid-up capital stock is US$700,000.00. It was created on November 13, 2018 and started operating in July 2019.

2. Summary of significant accounting practices

2.1 Basis of preparation and presentation of financial statements

The individual and consolidated financial statements have been prepared in accordance with the accounting practices adopted in Brazil, which include the provisions of Federal Law 6,404/76, amended by Federal Laws 11,638/07 and 11,941/09, the accounting standards, interpretations and guidelines issued by the Accounting Pronouncements Committee ("CPC"), approved by the Securities and Exchange Commission of Brazil ("CVM"), the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

While preparing these financial statements, the Company's Management followed the same accounting policies and calculation methods as applied to the individual and consolidated financial statements dated December 31, 2020.

The Company's Management understands that all relevant information related to the financial statements is presented herein and corresponds to the information used by the management. Note also that accounting practices considered immaterial were not included in the financial statements.

Approval of the individual and consolidated financial statements

The presentation of these individual and consolidated financial statements was concluded and authorized for use at the Board of Directors' Meeting held on March 10, 2022.

2. Summary of accounting policies--Continued

2.2 Basis of consolidation

The subsidiaries Unicasa Comércio de Móveis Ltda. and Unicasa North America, LLC are fully consolidated from the date of its incorporation. Their financial statements are prepared for the same disclosure fiscal year as that of the parent company using uniform accounting policies. All intra-group balances, revenues and expenses and unrealized profits and losses arising from intercompany transactions are entirely eliminated.

2.3 Functional currency and translation of balances denominated in foreign currency

The financial statements are presented in Brazilian Real (R$), the Company's presentation currency. The functional currency is that used in transactions in every country where the Company and its subsidiaries operate. Transactions using foreign currencies are initially recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities in foreign currency are translated at the exchange rate on the balance sheet date. All variations are recorded in the statement of income.

2.4 Critical accounting judgements, estimates and premises

The preparation of the financial statements requires the use of certain accounting estimates and judgements by the Company's Management in applying its accounting policies. The settlement of transactions involving these estimates could result in amounts significantly different from those recorded in the financial statements, due to inaccuracies in the process of determining such amounts. The Company regularly revises its estimates and premises in a period not exceeding one year.

Information on critical judgements regarding accounting policies adopted that have effects on the amounts recognized in the individual and consolidated financial statements and the information about uncertainties, premises and estimates are included in the following notes: 5 - Trade accounts receivable, 8 - Loans granted, 14 - Income Tax and Social Contribution, 16 – Provisions and 25 – Financial instruments.

The accounting practices adopted by the Company and its subsidiary are described in the specific notes related to the items presented. Those applicable in general to different aspects of the financial statements and considerations about the use of estimates and judgements are presented in this section.

2.5 Impairment of non-financial assets

The Company's Management periodically revises the carrying amount of the assets for the purpose of evaluating events or changes in the economic, operational or technological circumstances that may indicate deterioration or loss of their recoverable value.

On December 31, 2021 and 2020, no risk factors were detected and, consequently, no provision for impairment of assets was necessary.

2.6 IFRS 9/CPC 48 Financial Instruments

2.6.1 Classification and measurement of financial instruments

Financial instruments are measured at amortized cost or fair value and classified in one of the three categories:

(a) measured at amortized cost;
(b) fair value through other comprehensive income; and
(c) fair value recorded through profit or loss for the year.

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

2. Summary of accounting policies--Continued

2.6 IFRS 9/CPC 48 Financial Instruments--Continued

2.6.1 Classification and measurement of financial instruments--Continued

The Company classifies its financial instruments in the following categories:

	Company and Consolidated
Financial assets	
Cash and cash equivalents (Note 3)	**Amortized cost**
Financial investments (Note 4)	**Amortized cost**
Trade accounts receivable (Note 5)	**Amortized cost**
Loans granted (Note 8)	**Amortized cost**
Other assets (Note 10)	**Amortized cost**
Financial liabilities	
Loans and financing (Note 15)	**Amortized cost**
Trade payables	**Amortized cost**
Advances from customers (Note 17)	**Amortized cost**
Other liabilities (Note 18)	**Amortized cost**

2.6.2 Subsequent measurement

Subsequent measurement occurs on each reporting date in accordance with the rules established for each type of classification of financial assets and liabilities.

The Company and its subsidiaries classify their financial assets and liabilities in the amortized cost category according to the purpose for which they were acquired or issued:

a. *Financial assets at amortized cost:* are measured under a business model whose purpose is to receive contractual cash flows in which their contractual terms originate cash flows that are exclusively payments and interest on the principal amount.

b. *Financial assets and liabilities at fair value through profit or loss:* any financial assets that cannot be classified as measured at amortized cost must be measured and recognized as at fair value through profit or loss. Financial assets that are held for trading and managed based on fair value are also included in this category.

c. *Financial liabilities:* the Company must classify all financial liabilities as measured at amortized cost, except for: (i) financial liabilities at fair value through profit or loss, (ii) financial liabilities that arise when the transfer of the financial asset does not qualify for derecognition or when the continuing involvement approach is applicable, (iii) financial guarantee agreement, (iv) commitments to grant loans remunerated with interest rate below the market rate, (v) the contingent consideration recognized by the acquirer in a business combination, to which CPC 15 must be applied.

2.6.3 Derivative financial instruments and hedging

The Company does not operate with derivative financial instruments for hedge purposes.

2. Summary of accounting policies--Continued

2.6 IFRS 9/CPC 48 Financial Instruments--Continued

2.6.4 “Expected credit losses model” impairment

IFRS 9/CPC 48 adopts a model of expected losses that makes the evaluation on a minimum twelve-month basis or for the entire lifetime of the financial asset recording the effects when there are indications of expected credit losses in financial assets.

The Company already adopts an expanded loss model for its financial assets in which it evaluates their entire lifetime, that is, the entire balance, and recognizes the total loss in balances when applicable according to the risk of non-recovery. The asset maturity date in this model is indicative, but is not the only factor considered for provisioning. While assessing expected losses, the Company also considers the risks inherent to its business model.

2.7 Revenue recognition

Revenue is recognized in the agreement when its amount can be measured in a reliable manner and reflects the consideration that the Company expects to be entitled to in exchange for transfer of products to clients. Revenue is measured based on the fair value of consideration, excluding discounts, rebates and taxes or charges on the sale. The Company evaluates revenue transactions in accordance with specific criteria to determine if it acts as the agent or principal and, at the end, concluded that it is acting as the principal in all its revenue agreements. Revenue is not recognized if there is significant uncertainty about its realization.

2.7.1 Sales revenue

Revenue from sales of products is recognized in profit or loss when the control of products is transferred to the client and the Company and its subsidiaries no longer have control or responsibility on the goods sold.

2.7.2 Financial income

Interest income is recognized using the effective interest method. Interest income is included under financial income in the income statement.

2.8 Standards and interpretations and standards not in effect yet

In addition, IASB issued/revised a few IFRS standards, which will be adopted in fiscal year 2022 or later, and the Company is assessing the impacts of adopting the following standards on its individual and consolidated Financial Statements:

- **Annual improvements to IFRS standards 2018-2020 -** It amends IFRS 1, addressing aspects of the first-time adoption for a subsidiary; IFRS 9, addressing the 10% test criterion for reversal of financial liabilities; IFRS 16, on illustrative examples of leases; and IAS 41, on aspects for measurement at fair value. These changes are effective for fiscal years starting on/or after January 1, 2022. The Company does not expect material impacts on its financial statements;
- **Amendment to IAS 16 - Property, plant and equipment -** Result generated before achievement of the projected conditions of use. It clarifies the aspects to be considered for classifying items produced before the property, plant and equipment are in the projected conditions of use. This change is effective for fiscal years starting on/or after January 1, 2022. The Company does not expect material impacts on its financial statements;
- **Amendment to IAS 37 – Onerous contracts -** Cost of fulfilling a contract. Clarifies the aspects to be considered for the classification of costs related to the performance of an onerous contract. This change is effective for fiscal years starting on/or after January 1, 2022. The Company does not expect material impacts on its financial statements;

2. Summary of accounting policies--Continued

2.8 Standards and interpretations and standards not in effect yet--Continued

- **Amendment to IFRS 3 – References to conceptual framework -** It clarifies conceptual alignments of this standard with the conceptual framework of the IFRS. This change is effective for fiscal years starting on/or after January 1, 2022. The Company does not expect material impacts on its financial statements;
- **Amendment to IFRS 17 – Insurance contracts -** It clarifies aspects related to insurance contracts. This change is effective for fiscal years starting on/or after January 1, 2023. The Company does not expect material impacts on its financial statements;
- **Amendment to IFRS 4 – Extension of temporary exemptions related to the application of IFRS 9 -** It clarifies the aspects related to insurance contracts and temporary exemption related to the application of IFRS 9 for insurers. This change is effective for fiscal years starting on/or after January 1, 2023. The Company does not expect material impacts on its financial statements.
- **Amendment to IAS 8 – Changes in estimates –** it changes the definition of accounting estimate, which is since considered “monetary amounts in financial statements that are subject to uncertainty in measurement,” effective for periods starting on or after January 1, 2023. The Company does not expect material impacts on its financial statements.
- **Amendment to IAS 12 – Income taxes –** it brings an additional exemption for initial recognition of deferred tax asset and liability resulting from a single transaction, effective for periods starting on or after January 1, 2023. The Company does not expect material impacts on its financial statements.
- **Amendment to IAS 1 – Presentation of financial statements –** classification of liabilities as Current or Non-current. This amendment clarifies aspects to be considered for classifying liabilities as current and non-current, effective for periods starting on or after January 1, 2023. The Company does not expect material impacts on its financial statements.

There are no other standards and interpretations issued and not yet adopted that may, in Management’s opinion, have a significant impact on the Company’s profit or loss or equity.

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

3. Cash and cash equivalents

Cash and cash equivalents do not have restrictions for use, have short-term original maturity, are highly liquid and easily convertible into a known cash amount and are subject to an insignificant risk of change in value.

	Index	Average weighted rate p.a.	Parent Company 2021	Parent Company 2020	Consolidated 2021	Consolidated 2020
Cash and cash equivalents						
Cash and banks-domestic currency			**6,054**	4,572	**7,096**	4,621
Cash and banks-foreign currency (*)			**764**	-	**764**	1,318
Cash equivalents						
CDB	**CDI**	**107.24%**	**52,390**	40,844	**52,390**	41,645
			59,208	45,386	**60,250**	47,584

(*) amounts in US dollar

4. Financial investments

Financial investments are made in prime banks (among the ten largest institutions in Brazil), whose yield is linked to the Interbank Deposit Certificate (CDI) and which have a long-term original maturity.

	Index	Average weighted rate p.a.	Parent Company 2021	Parent Company 2020	Consolidated 2021	Consolidated 2020
Financial investments						
CDB	**CDI**	**106.14%**	**31,480**	3,270	**31,480**	3,270
			31,480	3,270	**31,480**	3,270
Current assets			**23,961**	-	**23,961**	-
Non-current assets			**7,519**	3,270	**7,519**	3,270
			31,480	3,270	**31,480**	3,270

5. Trade accounts receivable

Represent the amounts receivable from clients for the sale of goods in the ordinary course of business of the Company, plus exchange variation, when applicable, and then measured at amortized cost, after deducting the allowance for doubtful accounts in trade accounts receivable. If the term for receipt is equivalent to one year or less, the amounts are classified under current assets. Otherwise, they are recorded under non-current assets. Trade accounts receivable transactions were adjusted at fair value, considering cash flows of the transactions and the implicit interest rate of the respective assets.

	Parent Company 2021	Parent Company 2020	Consolidated 2021	Consolidated 2020
Domestic market				
Third parties	**45,076**	43,695	**48,157**	43,915
Related parties (Note 22)	**514**	1,071	**512**	1,018
Foreign market				
Third parties (*)	**4,665**	2,198	**4,668**	2,198
Related parties (Note 22)	**1,336**	-	**-**	-
Check receivables	**752**	539	**752**	539
	52,343	47,503	**53,337**	47,670

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

5. Trade accounts receivable -- Continued

(-) Allowance for doubtful accounts	**(7,149)**	(8,382)	**(7,149)**	(8,409)
(-) Present Value Adjustment (PVA)	**(922)**	(386)	**(922)**	(386)
	44,272	38,735	**45,266**	38,875
Current assets	**31,228**	29,887	**32,222**	30,027
Non-current assets	**13,044**	8,848	**13,044**	8,848
	44,272	38,735	**45,266**	38,875

The amounts classified under non-current assets refer to novation of credits to clients of the chain. In general, such novation has a term of more than one year and the balances are adjusted for inflation, plus interest compatible with market practices.

Days sales outstanding, weighted by the average maturity of invoices, on December 31, 2021 and 2020, were 32 and 38 days, respectively.

The allowance for loan losses in trade accounts receivable is based on the individual analysis of total trade accounts receivable overdue for more than 90 days, considering the clients' payment capacity, the current and prospective economic scenario, the evaluation of delinquency levels and guarantees received, as well as evaluation of renegotiations made. Specific cases not yet overdue, but with risk of loss in the Management's opinion, is also included in the allowance.

The changes in allowance for loan losses are:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Balance at beginning of year	**(8,382)**	(10,485)	**(8,409)**	(10,626)
Additions	**(1,079)**	(1,701)	**(1,079)**	(1,701)
Recovery / realizations	**867**	1,103	**894**	1,217
Write off due to losses	**1,445**	2,701	**1,445**	2,701
Balance at end of year	**(7,149)**	(8,382)	**(7,149)**	(8,409)

On December 31, 2021 and 2020, the breakdown of trade accounts receivable by maturity is as follows:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Falling due	**35,796**	30,127	**36,790**	30,294
Overdue:				
From 1 to 30 days	**1,552**	987	**1,552**	987
From 31 to 60 days	**182**	352	**182**	352
From 61 to 90 days	**118**	323	**118**	323
From 91 to 180 days	**343**	757	**343**	757
Over 181 days	**14,352**	14,957	**14,352**	14,957
	52,343	47,503	**53,337**	47,670

(*) Considers the maturity originally agreed to between the Company and its clients and, therefore, this line includes:
Allowance for doubtful accounts – Trade notes not expected to be received and so are covered by a provision booked for expected trade losses; GUARANTEES – Trade notes guaranteed by properties required at the start of the operation with resellers, whose documents are registered at the notary's office to guarantee the Company their execution in case of nonperformance of agreement. These notes are in the process of execution of guarantees. Despite the real expectation of receipt, a part of these notes is classified in the long term according to the progress of the lawsuits and the understanding of our legal advisors.

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

6. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Costs incurred to take each product to its current location and condition are recorded as follows:

(i) Raw materials – cost of acquisition according to average cost.
(ii) Finished products and products under production – cost of materials and direct labor and proportional portion of indirect general expenses based on the normal operating capacity.

The net realizable value corresponds to the sale price in the normal course of business, less estimated costs for conclusion and sale.

The balance of inventories is broken down as follows:

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Finished products	**328**	218	**322**	189
Products under production	**1,789**	1,651	**1,789**	1,651
Goods for resale	**274**	387	**1,598**	658
Raw material	**29,966**	19,790	**29,966**	19,790
Advances to suppliers	**3,373**	1,218	**3,373**	1,218
Sundry materials	**2,090**	1,849	**2,090**	1,849
Provision for obsolescence	**(1,213)**	(1,112)	**(1,213)**	(1,112)
	36,607	24,001	**37,925**	24,243

Provisions for low inventory turnover or obsolete inventories are constituted when deemed necessary by the Management. The changes in provision for obsolescence are as follows:

	Parent Company and Consolidated	
	2021	**2020**
Balance at beginning of year	**(1,112)**	(737)
Additions	**(1,345)**	(1,359)
Recoveries / realizations	**1,244**	984
Balance at end of year	**(1,213)**	(1,112)

7. Assets held for sale

On December 31, 2021, the balance of R$527 (R$586 on December 31, 2020) consisted of a property received from debt renegotiations with a client and is available for immediate sale. The asset is held at its book value, which is lower than its fair value, less selling expenses.

8. Loans granted

These refer to loans granted by the Company to clients to finance the expansion of the network of authorized resellers and exclusive stores, measured at amortized cost method in accordance with contractual terms (fixed rates and payment conditions), net of the allowance for losses. Loans bear average interest of 8.37% p.a. (8.52% p.a. in 2020). The Company has first-degree mortgage guarantees for most of operations.

	Parent Company and Consolidated	
	2021	**2020**
Loans granted	**2,684**	3,144
(-) Allowance for loan losses	**(637)**	(637)
	2,047	2,507
Current assets	**504**	775
Non-current assets	**1,543**	1,732
	2,047	2,507

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

8. Loans granted -- Continued

The changes in allowance for loan losses are:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Balance at beginning of year	**637**	(1,093)	**637**	(1,093)
Recoveries / realizations	**-**	113	**-**	113
Write-off of uncollectible receivables	**-**	343	**-**	343
Balance at end of year	**637**	637	**637**	637

9. Taxes recoverable

Balances of taxes recoverable are presented as follows:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income tax	**1,312**	1,173	**1,316**	1,187
Social contribution	**286**	223	**286**	223
PIS and COFINS (*)	**-**	-	**1,828**	-
Other	**110**	73	**122**	73
	1,708	1,469	**3,552**	1,483
Current assets:	**1,708**	1,469	**1,724**	1,483
Non-current assets	**-**	-	**1,828**	-
	1,708	1,469	**3,552**	1,483

(*) Exclusion of ICMS from PIS and COFINS calculation base

Refers to the recognition, in June 2021, of PIS and COFINS credit arising from the exclusion of ICMS from its calculation base, based on a Writ of Mandamus filed by the Company in 2017, whose final and unappealable decision was granted in favor of the Company and the case was transferred to the Federal Appellate Court of the 4th Region (TRF4).

Said credit is in the name of the subsidiary Unicasa Comércio, whose operations, as described in the Operations section, have been scaled down and, hence, there is no expectation of revenue generation to realize this credit, which would qualify it as a non-realizable asset. Hence, the Company Management decided to file a lawsuit requesting the refund of the amounts unduly taxed and/or paid due to the inclusion of ICMS in the PIS and COFINS calculation base.

No decision has yet been rendered on the lawsuit, which is pending at the Federal Court of Bento Gonçalves, Rio Grande do Sul, with favorable judgment to the Company.

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

10. Other assets

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Other current assets:				
Prepaid expenses (*)	**2,300**	2,144	**2,365**	2,173
Advances and prepayments (**)	**1,423**	297	**1,758**	387
Sundry debtors	**40**	74	**40**	74
Other accounts receivable – sale of own stores	**-**	218	**82**	431
	3,763	2,733	**4,245**	3,065
Other non-current assets:				
Other	**48**	42	**117**	106
	48	42	**117**	106

(*) Refers mainly to lease agreements that qualify for the exemption established in CPC 06 (R2), whose appropriations are made monthly to profit or loss.
(**) Refers to providers of services not classified under inventory or property, plant and equipment items, whose service will still be provided.

11. Investments in subsidiaries

The investment in subsidiary is valued based on the equity income method, according to CPC 18 (R2). The main balances of the subsidiary are:

	Unicasa Comércio de Móveis Ltda.		Unicasa North America, LLC	
	2021	**2020**	**2021**	**2020**
Current assets	**470**	1,279	**5,451**	1,736
Non-current assets	**1,907**	29	**989**	64
Current and non-current liabilities	**1,147**	1,183	**5,290**	788
Shareholders' equity	**1,230**	125	**1,150**	1,012
Capital stock	**20,430**	20,430	**3,093**	3,093

	Unicasa Comércio de Móveis Ltda.		Unicasa North America, LLC	
	2021	**2020**	**2021**	**2020**
Net revenue	**(249)**	647	**(8,018)**	2,519
Profit / (Loss) for the period – subsidiary	**1,105**	(332)	**120**	(1,905)
% Ownership interest	**99.99%**	99.99%	**100.0%**	100.0%
Equity income (loss) before eliminations	**1,105**	(332)	**120**	(1,905)
Effect of unrealized income	**-**	-	**(700)**	(21)
Equity income (loss)	**(1,105)**	(332)	**(580)**	(1,926)

The changes in investments in subsidiaries are as follows:

	Parent Company	
	2021	**2020**
Balance of investment in subsidiaries at beginning of year	**1,108**	776
Capital payment – subsidiary	**-**	2,338
Equity income (loss)	**526**	(2,258)
Other comprehensive income	**19**	252
Balance of investment in subsidiaries at end of year	**1,653**	1,108

12. Property, plant and equipment

These are registered at acquisition, formation or construction cost, net of PIS/COFINS and ICMS credits and the contra entry is recorded as recoverable taxes. A property, plant and equipment item is written off when sold or when no future economic benefit is expected from its use or sale. Gain or loss from the write-off of an asset, calculated as the difference between net sale value and book value of the asset, is included in the statement of operations for the period in which the asset was written off.

Depreciation of assets is calculated using the straight-line method at depreciation rates and take into consideration the estimated useful lives of these assets. The assessment of useful life of assets is revised annually and adjusted if necessary.

The depreciation methods, useful lives and residual values are reviewed at the end of the fiscal year and any adjustments are recognized as changes in accounting estimates.

The impairment test of assets complies with the Brazilian Accounting Standards (CPC 01), which recommends that, if there is any sign that the asset may be impaired, the organization must carry out an impairment test at the end of each period, and upon confirmation of such signs, must estimate the recoverable value of the asset. The Company constantly modernizes and renovates its production facilities and hence it evaluated its assets and there is no evidence of impairment. Therefore, no provision for impairment is necessary.

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

12. Property, plant and equipment--Continued

Property, plant and equipment is broken down as follows:

Parent Company

Cost of property, plant and equipment	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress (*)	Total
Balances at 12.31.2019	1,378	21,199	12,664	103,869	2,326	3,617	2,093	147,146
Acquisitions	-	-	22	160	219	81	6,561	7,043
Write-offs	-	-	(777)	(1,524)	(54)	(179)	-	(2,534)
Transfers	-	1	1,589	1,246	30	56	(2,922)	-
Balances at 12.31.2020	1,378	21,200	13,498	103,751	2,521	3,575	5,732	151,655
Acquisitions	**-**	**-**	**185**	**818**	**47**	**61**	**30,222**	**31,333**
Write-offs	**-**	**-**	**(8)**	**(4,400)**	**(216)**	**(10)**	**(406)**	**(5,040)**
Transfers	**-**	**22**	**580**	**5,971**	15	**49**	**(6,637)**	**-**
Balances at 12.31.2021	**1,378**	**21,222**	**14,255**	**106,140**	**2,367**	**3,675**	**28,911**	**177,948**

Accumulated depreciation	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	Total
Balances at 12.31.2019	-	(7,102)	(5,607)	(55,678)	(1,534)	(2,495)	-	(72,416)
Depreciation	-	(339)	(604)	(5,067)	(210)	(459)	-	(6,679)
Write-off	-	-	615	1,438	42	176	-	2,271
Balances at 12.31.2020	-	(7,441)	(5,596)	(59,307)	(1,702)	(2,778)	-	(76,824)
Depreciation	**-**	**(339)**	**(592)**	**(5,926)**	**(183)**	**(428)**	**-**	**(7,468)**
Write-off	**-**	**-**	**5**	3,676	158	4	**-**	3,843
Balances at 12.31.2021	**-**	**(7,780)**	**(6,183)**	**(61,557)**	**(1,727)**	**(3,202)**	**-**	**(80,449)**

Property, plant and equipment, net								
Balances at 12.31.2019	1,378	14,097	7,057	48,191	792	1,122	2,093	74,730
Balances at 12.31.2020	1,378	13,759	7,902	44,444	819	797	5,732	74,831
Balances at 12.31.2021	**1,378**	**13,442**	**8,072**	**44,583**	**640**	**473**	**28,911**	**97,499**

Consolidated

Cost of property, plant and equipment	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress (*)	Total
Balances at 12.31.2019	1,378	21,199	12,665	103,909	2,334	3,676	2,093	147,254
Acquisitions	-	-	22	164	220	93	6,561	7,060
Write-offs	-	-	(777)	(1,524)	(54)	(179)	-	(2,534)
Transfers	-	-	1,589	1,246	30	56	(2,922)	-
Balances at 12.31.2020	1,378	21,200	13,499	103,795	2,530	3,646	5,732	151,780
Acquisitions	**-**	**-**	**185**	**821**	**47**	67	30,222	**31,342**
Write-offs	**-**	**-**	**(8)**	**(4,400)**	**(216)**	**(35)**	**(406)**	**(5,065)**
Transfers	**-**	**22**	**580**	**5,971**	**15**	**49**	**(6,637)**	**-**
Balances at 12.31.2021	**1,378**	**21,222**	**14,256**	**106,187**	**2,376**	**3,727**	**28,911**	**178,057**

Accumulated depreciation	Land	Buildings	Improvements and facilities	Machinery and equipment	Furniture and fixtures	IT equipment	Construction in progress	Total
Balances at 12.31.2019	-	(7,102)	(5,608)	(55,721)	(1,527)	(2,524)	-	(72,492)
Depreciation	-	(339)	(604)	(5,067)	(211)	(488)	-	(6,709)
Write-off	-	-	615	1,438	42	176	-	2,271
Balances at 12.31.2020	-	(7,441)	(5,597)	(59,350)	(1,706)	(2,836)	-	(76,930)
Depreciation	**-**	**339**	**(592)**	**(5,927)**	**(183)**	(437)	**-**	(7,478)
Write-off	**-**	**-**	**5**	**3,676**	**158**	**29**	**-**	**3,868**
Balances at 12.31.2021	**-**	**(7,780)**	**(6,184)**	**(61,601)**	**(1,731)**	**(3,244)**	**-**	**(80,541)**

Property, plant and equipment, net								
Balances at 12.31.2019	1,378	14,097	7,057	48,188	797	1,152	2,093	74,762
Balances at 12.31.2020	1,378	13,759	7,902	44,445	824	810	5,732	74,850
Balances at 12.31.2021	**1,378**	**13,442**	**8,072**	**44,586**	**645**	**483**	**28,911**	**97,517**
Average rate	**-**	**2.47%**	**3.37%**	**8.19%**	**10%**	**20%**	**-**	
Average useful life (in years)	**-**	**40.00**	**30.00**	**12.00**	**10.00**	**5.00**	**-**	

(*) The main nature of assets that make up property, plant and equipment in progress refers to the acquisition and renovation of machines.

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

13. Intangible assets

Intangible assets with a defined life are measured at cost, less amortization accrued over the economic useful life and evaluated for impairment whenever there is indication of loss of economic value of the asset. The amortization period and method for an intangible asset with defined life are reviewed at least at the end of each fiscal year. The amortization of these intangible assets is recognized in the statement of operations.

Parent Company

	Software	Trademarks and patents	Commercial goodwill	Intangible assets in progress	Total
Balances at 12.31.2019	1,715	215	4,953	-	6,883
Acquisitions	138	-	-	-	138
Write-off	(28)	-	(2,991)	-	(3,019)
Write-off - amortization	-	-	2,175	-	2,175
Amortization	(504)	(31)	(1,635)	-	(2,170)
Balances at 12.31.2020	1,321	184	2,502	-	4,007
Acquisitions	**398**	**7**	**-**	**234**	**639**
Write-off	**(18)**	**-**	**-**	**-**	**(18)**
Write-off - amortization	**(18)**	**-**	**-**	**-**	**18**
Amortization	**(442)**	**(26)**	**(1,473)**	**-**	**(1,941)**
Balances at 12.31.2021	**1,277**	**165**	**1,029**	**234**	**2,705**

Consolidated

	Software	Trademarks and patents	Commercial goodwill	Intangible assets in progress	Total
Balances at 12.31.2019	1,715	215	4,953	-	6,883
Acquisitions	138	-	-	-	138
Write-off	(30)	-	(2,991)	-	(3,021)
Write-off - amortization	2	-	2,175	-	2,177
Amortization	(504)	(31)	(1,635)	-	(2,170)
Balances at 12.31.2020	1,321	184	2,502	-	4,007
Acquisitions	**398**	**7**	**-**	**234**	**639**
Write-off	**(18)**	**-**	**-**	**-**	**(18)**
Write-off - amortization	**18**	**-**	**-**	**-**	**18**
Amortization	**(442)**	**(26)**	**(1,473)**	**-**	**(1,941)**
Balances at 12.31.2021	**1,277**	**165**	**1,029**	**234**	**2,705**
Average rate	**20%**	**10%**		**11.11%**	
Average useful life (in years)	**5.00**	**10.00**		**1.00**	

Research and development

Since research and development costs of the Company's new products do not meet the capitalization criteria, they were recognized in Parent Company and Consolidated profit or loss for the year, on December 31, 2021, in the amount of R$1,837 (R$1,475 on December 31, 2020).

14. Income tax and social contribution

Income and social contribution taxes are calculated based on the tax rate in effect. Current and deferred taxes are recognized in profit or loss for the period.

The recognition of deferred taxes is based on the temporary differences between the book value and the tax value of assets and liabilities, on tax losses calculated and the negative calculation basis for social contribution on income, as their realization is deemed probable as an entry to future taxable income. Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities, and are related to taxes levied by the same tax authority on the same entity subject to taxation.

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

14. Income tax and social contribution--Continued

Deferred income tax and social contribution

The breakdown of deferred income tax and social contribution is as follows:

	Parent Company				Consolidated			
	Balance sheet		P&L		Balance sheet		P&L	
	2021	2020	2021	2020	2021	2020	2021	2020
On temporary differences:								
Assets								
Allowance for loan losses	**2,647**	3,066	**(419)**	(870)	**2,647**	3,066	**(419)**	(870)
Provision for obsolete inventories	**413**	378	**34**	127	**413**	378	**34**	127
Provisions for losses with sureties	**44**	44	**-**	(839)	**44**	44	**-**	(839)
Provision for labor, tax, civil and termination of commercial relationship risks	**2,444**	3,320	**(876)**	(359)	**2,444**	3,320	**(876)**	(359)
Present value adjustment (AVP)	**313**	131	**182**	(55)	**313**	131	**182**	(55)
Other provisions and temporary differences	**1,179**	475	**704**	105	**775**	475	**300**	105
	7,040	7,414	**(375)**	(1,891)	**6,636**	7,414	**(779)**	(1,891)
On tax loss carryforwards	**2,030**	4,982	**(2,952)**	(1,154)	**2,943**	4,982	**(2,026)**	(1,154)
	9,070	12,396	**(3,327)**	(3,045)	**9,579**	12,396	**(2,805)**	(3,045)
Liabilities								
Tax and corporate depreciation difference	**(8,990)**	(9,494)	**504**	73	**(8,990)**	(9,494)	**504**	73
Total	**80**	2,902	**(2,823)**	(2,972)	**589**	2,902	**(2,301)**	(2,972)

The studies and projections carried out by the Company Management indicate the generation of positive future results. Based on such projections, the estimated recovery of balance of deferred income tax and social contribution is shown below:

Year	Parent Company	Consolidated
2022	6,473	6,982
2023	576	576
2024	48	48
2025	30	30
2026	212	212
2027 to 2030	1,731	1,731
Total – Deferred tax assets	**9,070**	**9,579**

On December 31, 2021, the subsidiary Unicasa Comércio de Móveis Ltda. has balance of R$17,802 related to accumulated balance of income tax and social contribution and arising from temporary differences for which the corresponding tax assets were not recognized since there is no expectation of future compensation.

On December 31, 2021, the subsidiary Unicasa North America had a balance of R$2,273 in accrued IRPJ and CSLL tax losses arising from temporary differences for which the corresponding deferred tax assets were recognized based on a valuation made in accordance with local laws.

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

14. Income Tax and Social Contribution--Continued

Reconciliation of tax expense with official tax rates

The reconciliation of tax expense with the result of the multiplication of taxable income with the local tax rate is as follows:

	Parent Company		Consolidated	
	2021	2020	**2021**	2020
Income before taxes	**35,389**	20,383	**34,867**	20,383
Income tax (25%) and social contribution (9%) at nominal rate	**(12,032)**	(6,930)	**(11,855)**	(6,930)
Adjustments for presentation of effective rate:				
Interest on equity	**2,425**	2,413	**2,425**	2,413
Equity pickup	**179**	(768)	**179**	(768)
Non-deductible expenses	**(302)**	(629)	**(302)**	(629)
Other permanent exclusions/additions	**279**	364	**624**	364
Total income and social contribution taxes:	**(9,451)**	(5,550)	**(8,929)**	(5,550)
Current income and social contribution tax expense	**(6,629)**	(2,578)	**(6,629)**	(2,578)
Deferred income and social contribution taxes related to:				
Recording and reversal of temporary differences	**130**	(1,818)	**(274)**	(1,818)
Recording and reversal in tax loss	**(2,952)**	(1,154)	**(2,026)**	(1,154)
	(9,451)	(5,550)	**(8,929)**	(5,550)
Effective rate	**27%**	27%	**26%**	27%

15. Loans and financing

On January 11, 2021, the Company borrowed a loan from Banco Santander in the amount of R$ 17,000, at an interest rate of CDI + 2.75% p.a., for a term of 48 months, with monthly repayment of principal (6-month grace period) and interest, and the last repayment on December 23, 2024, guaranteed by a surety mentioned in the agreement.

The loan is classified as financial liability and was recognized at the fair value upon receipt of funds, net of transaction costs, and subsequently recorded at amortized cost, that is, plus interest proportional to the period lapsed (on a *pro rata temporis* basis).

The loan was taken to modernize the production facility to adapt it to the changing trend in the consumption of the Company's products. The total loan balance on December 31, 2021 is R$14,747.

			Parent Company and Consolidated	
Modality – domestic currency	**Charges**	**Repayment**	**Current**	**Non-Current**
CCB – Bank Credit Note	CDI + 2.75%	Monthly	4,863	9,884

The maturity schedule of liabilities on December 31, 2021 is as follows:

12-month period ended	**Parent Company and Consolidated R$**
December 2022	4,863
December 2023	5,140
December 2024	4,744
Total payable	**14,747**

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

16. Provisions

A provision is recognized, in view of a past event, if the Company has a legal or constructive obligation that may be reliably estimated, and it is probable that an economic resource be required to settle the obligation.

The Company periodically reviews its contingencies through its legal department and its external legal advisors and classifies their likelihood of loss as: *(i)* Probable, *(ii)* Possible and *(iii)* Remote.

a) Provision for labor, tax and civil risks

The Company is a defendant in certain labor, tax and civil lawsuits. The estimated loss was provisioned based on the opinion of its legal counsel, in an amount considered sufficient by the Management to cover probable losses that may arise from unfavorable court decisions. The provision is broken down as follows:

	Parent Company and Consolidated	
	2021	**2020**
Provision for labor risks	**1,266**	1,677
Provision for tax risks	**757**	749
Provision for civil risks	**4,677**	6,111
	6,700	8,537

Labor – the Company is party to labor lawsuits basically related to overtime.

Tax – the Company is party to tax lawsuits basically related to import tax and INSS.

Civil – the Company is party to civil lawsuits involving store owners and end consumers, in which the Company may be considered jointly and severally liable.

The Company is party to labor, tax and civil lawsuits, involving risk of loss classified by the management as possible, based on an assessment by its legal advisors, for which no provision was recorded. The lawsuits classified as possible loss are shown below:

	Parent Company	
	2021	**2020**
Labor lawsuits	**265**	140
Tax lawsuits	**2,980**	3,021
Civil lawsuits	**6,117**	6,139
	9,362	9,300

Civil: Civil lawsuits assessed by the management jointly with its legal advisors as having possible chances of loss refer to lawsuits involving storeowners and end consumers.

Tax: The tax lawsuits assessed by the management jointly with its legal advisors as having possible chances of loss refer to the INSS lawsuit.

Labor: The labor lawsuits assessed by the management jointly with its legal advisors as having possible chances of loss refer to actions filed by former employees of the Company related to overtime.

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

16. Provisions--Continued

The changes in provision for labor, tax and civil risks are as follows:

	Parent Company and Consolidated	
	2021	**2020**
Balance at beginning of year	**8,537**	8,801
Additions	**2,679**	3,419
Recoveries / realizations	**(4,516)**	(3,683)
Balance at end of year	**6,700**	8,537

b) Judicial deposits

The Company maintains judicial deposits linked to several tax, labor and civil lawsuits, as follows:

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Labor judicial deposits	**12**	171	**171**	171
Tax judicial deposits	**534**	534	**534**	534
Civil judicial deposits	**769**	975	**985**	985
	1,315	1,680	**1,690**	1,690

c) Provision for termination of commercial relation with resellers

The Company recorded provision to cover obligations assumed on orders taken from consumers that were pending delivery and assembling by resellers. The changes in the provision are as follows:

	Parent and Consolidated	
	2021	**2020**
Balance at beginning of year	**1,227**	2,020
Additions	**-**	438
Realizations	**(741)**	(1,231)
Balance at end of year	**486**	1,227

d) Contingent asset

UNICASA INDÚSTRIA

Unicasa Indústria has a lawsuit pending in the Federal Courts of the State of Rio Grande do Sul (JFRS) requesting the exclusion of ICMS from the PIS and COFINS calculation base, which, according to the history described below, given the unfavorable res judicata for the Company as per the decision by the JFRS in 2006, the Company remained barred from using the benefit of exclusion even with a favorable decision in 2016, given the *lis alibi pendens* of lawsuits.

- In April 2000, the Company filed a Writ of Mandamus at the Federal Court of Rio Grande do Sul (JFRS) No. 2000.71.07.002357-1 to exclude ICMS on sales from the PIS/COFINS calculation base. However, the case was ruled groundless on February 10, 2006. Subsequently, on July 21, 2016, the Company filed a new Writ of Mandamus at the JFRS No. 5009817-14.2016.4.04.7107 based on the Extraordinary Appeal 240.785-2, in which the Supreme Court (STF) decided by majority votes to exclude ICMS from the PIS/COFINS calculation base, requiring a declaration of this right in favor of the Company, reversing the decision rendered on the first Writ of Mandamus, but it was dismissed without a decision on the merit on May 30, 2017 as *lis alibi pendens* in connection with the lawsuit judged on February 10, 2006.

- In September 2018, the Company filed a third Writ of Mandamus before the JFRS No. 5018133-45.2018.4.04.7107, this time based on the fact that Federal Law no. 12,973/14 brought new provisions applicable to the matter, requiring the exclusion of ICMS from the PIS/COFINS calculation base only for operations occurring as from 2015. This lawsuit was dismissed without prejudice, due to the *lis pendens*

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

16. Provisions—Continued

d) Contingent Assets

in relation to the Writ of Mandamus terminated on May 30, 2017, and subsequently revoked after a second decision granting mandamus and deemed valid on August 16, 2019.

- On March 15, 2019, the Company filed Action for Relief from Judgment 5009976-30.2019.4.04.0000, to vacate the final and unappealable judgments in lawsuit 2000.71.07.002357-1, based on Extraordinary Appeal 574,706 judged under general repercussion, about the exclusion of ICMS from the PIS/COFINS calculation base. It was barred due to peremption and is pending an internal interlocutory appeal at STJ, whose chances of favorable outcome worsened under these circumstances.

Subsequent to the final and unappealable decision on the third Writ of Mandamus no. 5018133-45.2018.4.04.7107, if the Company had obtained favorable decisions on these lawsuits, it may be entitled to the decision at the SRF. At the moment, and due to one-time and specific circumstances of the Company's lawsuit, the asset is a contingent asset, according to Technical Pronouncement CPC 25 and no asset related to PIS and COFINS must be recognized in the individual and consolidated interim financial statements for this quarter due to the absence of the final and unappealable decision on Writ of Mandamus 5018133-45.2018.4.04.7107, especially given the possibility of reversal of the case upon appeal based on the previous judgment on Writ of Mandamus 2000.71.07.002357-1. In any case, we will keep the market informed of any significant developments on the matter.

In fact, since May 2021, the Company started excluding ICMS from the calculation of Federal Contributions, considering STF's decision that month about the definition of the calculation base of value "described in the invoice" and the modulation of the effects of this matter.

17. Advances from Clients

Amounts received early from exclusive resellers for the future supply of goods.

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Amounts in BRL	**70,649**	18,874	**73,817**	20,399

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

18. Other liabilities

	Parent Company		Consolidated	
	2021	**2020**	**2021**	**2020**
Other liabilities – current:				
Other provisions	**2,349**	750	**2,384**	824
Billable contracts (*)	**2,566**	1,310	**2,566**	1,310
Leases (**)	**324**	248	**324**	248
Foreign exchange orders	**-**	846	**-**	846
Other liabilities	**562**	368	**562**	368
	5,801	3,522	**5,836**	3,596
Other liabilities – non-current:				
Leases (**)	**905**	530	**905**	530
	905	530	**905**	530

(*) On December 31, 2021, the amount of contracts with future performance obligations – Unicasa Corporate is R$2,566 (R$1,310 on December 31, 2020).

(**) In the context of application of CPC 06 (R2), the Company analyzed its portfolio of agreements and these were classified under the exemption envisaged by the pronouncement. In the year, the Company recognized expense of R$371 (R$269 on December 31, 2020).

19. Shareholders' equity

a) Capital stock

The capital stock of the Company is R$147,000 on December 31, 2021 and December 31, 2020, divided into 66,086,364 registered common shares without par value.

b) Profit retention and reserves

Legal reserve

The amount of R$1,297 was added on December 31, 2021 (R$1,641 on December 31, 2020), based on 5% of net income from the fiscal year, limited to 20% of the paid-in capital.

Expansion reserve

The Company Management proposed to the Annual Shareholders Meeting, to be held on April 28, 2022, to approve the creation of an expansion reserve amounting to R$17,511, to cover a portion of the investments in the expansion plan.

c) Other comprehensive income

Corresponds to the cumulative effect of exchange translation of functional currency to the original currency of the financial statements of the foreign subsidiary, calculated on the company's investments abroad, assessed using the equity method. This cumulative effect will be reverted to profit or loss for the period as gain or loss upon the sale or write-off of the investment.

d) Dividends and interest on equity

According to the bylaws, minimum mandatory dividend is calculated at 25% of net income from the year after the allocation to reserves established by law.

19. Shareholders' equity– Continued

d) Dividends and interest on equity

Of the net income from the year ended December 31, 2021 and based on the Company's operating cash generation, the Management proposed to the Annual Shareholders Meeting the distribution of dividend above the minimum mandatory amount, as shown below:

	2021
Net income from the year	**25,938**
Legal reserve (5%)	**(1,297)**
Adjusted net income	**24,641**
Allocation for profit retention	**17,511**
Proposed distribution	
Interest on equity (R$6,338 net of IRRF)	**7,130**
Total distribution proposed	**7,130**
Total earnings per share	**0.09591**

Withholding income tax was deducted on interest on equity at 15% (R$792), except for shareholders that are proven to be exempt, or shareholders domiciled in countries or jurisdictions whose laws establish a different rate.

e) Earnings per share

As required by IAS 33/CPC 41 – Earnings per share, the tables below recognize profit to amounts used to calculate basic earnings per share.

Basic earnings per share

For years ended on December 31, 2021 and 2020, the Company registered basic earnings per share, calculated by dividing the net income from the period by the weighted average of outstanding shares, as shown below:

	Parent Company and Consolidated	
	2021	2020
Net income for the period	**25,938**	14,833
Weighted average of outstanding common shares (in thousands)	**66,086**	66,086
Earnings / (loss) per share – basic (R$)	**0.39249**	0.22444

Diluted earnings per share

The Company did not present the calculation of diluted earnings per share as required by IAS 33/CPC 41 – Earnings per share because there are no potential common shares for dilution or other convertible instruments that can cause dilution of earnings per share, and hence the basic and diluted earnings per share are the same.

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

20. Net revenue from sales

Revenue is recognized in profit or loss upon the fulfilment of performance with dealers at the moment determined by the transfer of ownership of the products. Contractual performance obligations with final consumers are the responsibility of resellers. Sales are made at sight, in the form of prepayments or in installments, and are financed with the Company's own funds.

Net revenue from sales are broken down as follows:

	Parent Company		Consolidated	
	2021	2020	**2021**	2020
Gross revenue from sales	**275,618**	190,988	**278,382**	192,495
IPI on sales	**(11,149)**	(7,878)	**(11,149)**	(7,878)
Gross revenue from sales (-) IPI	**264,469**	183,110	**267,233**	184,617
ICMS on sales	**(25,903)**	(18,550)	**(25,941)**	(18,644)
Other taxes on sales (PIS/COFINS)	**(19,016)**	(14,636)	**(19,045)**	(14,714)
Sales returns	**(388)**	(285)	**(388)**	(285)
Present value adjustment (AVP)	**(1,216)**	(525)	**(1,216)**	(525)
	217,946	149,114	**220,643**	150,449

21. Expenses by function and nature

	Parent Company		Consolidated	
	2021	2020	**2021**	2020
Expenses by function				
Cost of goods sold and/or services	**(141,573)**	(91,987)	**(140,551)**	(91,765)
Selling expenses	**(32,079)**	(27,303)	**(37,865)**	(31,707)
Administrative expenses	**(16,017)**	(14,092)	**(16,017)**	(14,093)
	(189,669)	(133,382)	**(194,433)**	(137,565)
Expenses by nature				
Input expenses	**(106,914)**	(64,219)	**(105,931)**	(64,024)
Personnel expenses	**(36,592)**	(28,476)	**(39,576)**	(31,149)
Third-party service expenses	**(14,003)**	(12,825)	**(16,270)**	(13,929)
Expenses with civil lawsuits	**(3,491)**	(1,803)	**(3,501)**	(1,808)
Depreciation and amortization expenses	**(9,407)**	(8,849)	**(9,415)**	(8,879)
Advertising expenses	**(6,248)**	(5,090)	**(6,420)**	(5,317)
Expenses (reversal) with provisions	**(190)**	(1,296)	**(1,159)**	(1,569)
Travel expenses	**(1,809)**	(1,167)	**(2,118)**	(1,359)
Electric power expenses	**(3,437)**	(2,603)	**(3,446)**	(2,608)
Expenses with commissions	**(4,447)**	(2,551)	**(2,849)**	(1,686)
Other expenses	**(3,131)**	(4,503)	**(3,748)**	(5,237)
	(189,669)	(133,382)	**(194,433)**	(137,565)

22. Other operating revenues

	Parent Company		Consolidated	
	2021	2020	**2021**	2020
Bank premium (*)	**835**	1,443	**835**	1,443
Gain from sale of property, plant and equipment	**-**	4	**-**	4
Other operating revenues	**2,654**	3,534	**4,201**	4,034
Other operating revenues	**3,489**	4,981	**5,036**	5,481

(*) Refers to amounts received from financial institution by volume of financing conducted made the network of stores served by the Company.

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

23. Financial income (expense)

	Parent Company		Consolidated	
	2021	2020	**2021**	2020
Financial expenses				
IOF charge and bank fees	**(79)**	(79)	**(94)**	(104)
Loans and financing	**(1,117)**	-	**(1,117)**	-
Exchange variation expenses	**(2,677)**	(5,160)	**(2,677)**	(5,160)
Present value adjustment (AVP)	**(1,098)**	(548)	**(1,098)**	(548)
Discounts granted	**(175)**	(188)	**(196)**	(188)
Other financial expenses	**(108)**	(19)	**(108)**	(19)
	(5,254)	(5,994)	**(5,290)**	(6,019)
Financial income				
Interest income	**1,010**	1,396	**1,102**	1,490
Yield from short-term investments	**3,103**	1,144	**3,096**	1,165
Exchange variation income	**3,199**	4,655	**3,199**	4,655
Present value adjustment (AVP)	**1,778**	1,235	**1,778**	1,235
Discounts obtained	**165**	-	**170**	-
Other financial income	**180**	284	**651**	284
	9,435	8,714	**9,996**	8,829
Net financial result	**4,181**	2,720	**4,706**	2,810

24. Transactions and balances with related parties

Related-party transactions are those between the Company and its subsidiaries, other companies controlled by shareholders of the Company, key management professionals and other related parties. During the fiscal years ended December 31, 2021 and 2020, the Company conducted the following transactions with related parties:

		Parent Company				Consolidated			
	Term	**Assets /Liabilities**		**Profit or Loss**		**Assets /Liabilities**		**Profit or Loss**	
		2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Subsidiaries									
Unicasa North America, LLC									
Trade accounts receivables	**30 days**	1,336							
Sale of properties		-	**-**	3,805	532	-	-	-	
Commission expenses		**-**	-	**(1,607)**	(865)	**-**	-	**-**	-
Unicasa Comércio de Móveis Ltda.									
Trade receivables	**87 days**	**2**	53	**-**	-	**-**	-	**-**	-
Sales of furniture		**-**	-	**165**	433	**-**	-	**-**	-
Controlled by shareholders of Unicasa Indústria de Móveis S.A.									
Even Construtora e Incorporadora S.A.									
Trade receivables	**30 days**	**-**	25	**-**	-	**-**	25	**-**	-
Advances from customers		**(2,274)**				**(2,274)**			
Sales of furniture		**-**	-	**2,517**	490	**-**	-	**2,517**	490
Telasul Indústria de Móveis S.A.									
Trade receivables	**677 days**	**124**	392	**-**	-	**124**	392	**-**	-
Sales of scrap		**-**	-	**140**	-	**-**	-	**140**	-
Resale of items		**-**	-	**24**	20	**-**	-	**24**	20
Sale of property, plant and equipment		**-**	-	**10**	-	**-**	-	**10**	-
Related persons and key Management professionals									
Trade receivables	**768 days**	**388**	601	**-**	-	**388**	601	**-**	-
Sales of furniture		**-**	-	**700**	216	**-**	-	**700**	216
		(424)	1,071	**5,754**	826	**(1,762)**	1,018	**3,391**	726

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

24. Transactions and balances with related parties--Continued

The transactions involving the Company and its related parties are conducted as agreed by the parties under normal market conditions.

In June 2019, the Company sold an obsolete item of property, plant and equipment to Telasul with payment term of 24 months and a 12-month grace period.

There were no guarantees granted or received in relation to any accounts receivable or payable involving related parties. All balances will be settled in domestic currency.

Management Compensation

The Company paid its managers (Statutory Board of Executive Officers and Board of Directors) compensation in the amount of R$2,638 in the fiscal year ended December 31, 2021 (R$2,471 on December 31, 2020). The Company does not offer to its key personnel compensation benefits in the following categories: (i) post-employment benefits; (ii) long-term benefit; (iii) employment termination benefit; and (iv) share-based compensation.

25. Financial Instruments

The Company determines the classification of its financial assets and liabilities upon their initial recognition in accordance with the business model used to manage the assets and their respective contractual cash flow characteristics, pursuant to CPC 48 / IFRS 9.

The Company's financial instruments measured at their amortized cost are held for the purpose of receiving or payment of contractual cash flows, which consist of principal and interest, recorded at their original value less allowance for losses and present value adjustment when applicable. The financial instruments and their outstanding balances on December 31, 2021 and 2020, are shown below:

	Parent Company		Consolidated	
	2021	2020	2021	2020
Financial assets				
Cash and cash equivalents (Note 3)	**59,208**	45,386	**60,250**	47,584
Financial investments (Note 4)	**31,480**	3,270	**31,480**	3,270
Trade accounts receivable (Note 5)	**44,272**	38,735	**45,266**	38,875
Loans granted (Note 8)	**2,047**	2,507	**2,047**	2,507
Other assets (Note 10)	**3,811**	2,775	**4,362**	3,171
Financial liabilities				
Loans and financing	**(14,747)**	-	**(14,747)**	-
Trade accounts payable	**(3,758)**	(3,846)	**(5,120)**	(4,097)
Advances from clients (Note 15)	**(70,649)**	(18,874)	**(73,817)**	(20,399)
Other current and non-current liabilities (Note 17)	**(6,706)**	(4,052)	**(6,741)**	(4,126)
Net financial instruments	**44,958**	65,901	**42,980**	66,785

26. Financial risk management

The Company's operations expose it to financial risks: market risks (including interest and exchange rates and commodity prices), credit and liquidity. The risks of financial instruments are managed through financial positioning strategies and systems to limit exposures, all registered in equity accounts, which are aimed at meeting its operational requirements.

The Company does not have a formal risk policy. The Board of Executive Officers is responsible for monitoring risks, and the Board of Directors follows up in order to mitigate the main risks.

No operations with derivative instruments or any other type of operation for speculative purposes are conducted.

- **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variations in market prices. Market prices encompass three types of risk: interest rate, exchange, and price, which could be of a commodity, among others. Financial instruments affected by market risks include loans receivable and trade accounts payable.

I. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates due to variations in market interest rates. The Company's exposure to risk of changes in market interest rates is mainly due to long-term obligations subject to variable interest rates.

The Company's main exposure is loans receivable. The Company has neither conducted loan operations or their payments, nor registered previous balances in the reporting periods. The Company uses shareholder's equity to finance its operating and investing activities and dividend payment. Thus, this risk is mitigated in the Company's transactions.

II. Exchange risks

Cash and accounts receivable in foreign currency

On December 31, 2021, the Company had cash in foreign currency of USD1,373.70 (R$6,025.02) and balance of accounts receivable from exports equivalent to USD1,075 (USD 423 on December 31, 2021).

The Company's results are susceptible to variations arising from the effects of exchange rate volatility on foreign currency transactions, mainly in export operations. The Company adjusts its structure of costs and selling prices in order to assimilate exchange oscillations.

26. Financial risk management --Continued

- **Market risk**

Sensitivity to exchange rates

In order to verify the sensitivity of indexes of assets and liabilities in foreign currency, with representativeness, two different scenarios were defined to analyze the sensitivity on exchange rate oscillations. This analysis considers depreciation of exchange rate by 25% and 50% over the exchange rate on December 31, 2021. These assumptions were defined based on the Management's expectations for variations in the exchange rate on the maturity dates of respective agreements subject to these risks.

26. Financial risk management –Continued

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

- **Market risk**--Continued

Sensitivity to exchange rates

	Reference amounts			
	Balance of accounts receivable - USD	**Balance of accounts receivable - R$**	**U.S. dollar rate**	**Impacts on income before taxation**
Probable scenario (book value)	**1,075**	**6,001**	**5.58**	-
Possible scenario - 25%	**1,075**	**4,501**	**4.18**	(1,500)
Possible scenario 50%	**1,075**	**3,001**	**2.79**	(3,001)

III. Commodity price risk

This risk is related to the possibility of oscillation in prices of raw materials and other inputs used in the production process. Since the Company uses commodities as raw material (MDF and MDP boards), its cost of goods sold may be affected by changes in the prices of these materials. To minimize this risk, the Company permanently monitors price oscillations and, as applicable, builds strategic inventories to maintain its business activities.

- **Credit risk**

This risk arises from the possibility of incurring losses due to delinquency of other parties or financial institutions depositing resources or of financial investments. To mitigate these risks, the Company adopts the practice of analyzing financial and equity conditions of its counterparties, as well as defining credit limits and monitoring permanently their outstanding positions. With regard to financial institutions, the Company only carries out operations with low-risk institutions, as evaluated by its Management. For trade accounts receivable, the Company has not recorded allowance for loan losses yet, as mentioned in Note 5.

Accounts receivable

Risk of credit to client is managed by the financial department and is subject to specific procedures, controls and policies established by the Company.

Credit limits are established for all clients based on internal rating criteria. On December 31, 2021, the Company had 22 clients (24 clients on December 31, 2020), representing 50.64% (50.55% on December 31, 2020) of all receivables due. These clients operate with several stores in Brazil. No client individually represents more than 10% of the sales. The Company has security interest and monitors its exposure.

The need for a provision for impairment is analyzed every reporting period on an individual basis by clients. Allowance for loan losses is constituted at an amount considered sufficient by Management to cover losses in recovering credits and is based on criteria such as balances of clients with delinquency risk.

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

- **Credit risk**--Continued

Bank deposits

Credit risk on balances with banks and financial institutions is considered low and is managed by the financial department and monitored by executive officers. Surplus funds are invested only in prime financial institutions authorized by the Board of Executive Officers, being monitored in order to minimize risk concentration.

- **Liquidity risk**

Liquidity control is monitored by the Company through the management of its cash flows, to ensure that its funds are available in sufficient amounts to maintain its commitments on schedule. The Company holds balances in financial investments that are redeemable at any moment to cover any gaps between the maturity of its contractual obligations and its cash generation.

The consolidated financial liability on December 31, 2021 consisted of trade payables amounting to R$3,757, of which R$3,715 falling due in up to 90 days. The Company does not have loans and financing facilities contracted and, accordingly, effects of future interest are virtually nonexistent.

- **Capital stock management**

The Company manages its capital structure and adjusts it considering the changes in economic conditions. The capital structure arises from choosing between shareholders' equity (capital injections and retained earnings) and loan capital to finance its operations. Management adopts as a financing practice the shareholders' equity generated by its operations, and monitors its debt in such a way as to optimize its cash flows and its present value. There were no changes in goals, policies or processes during the fiscal years ended December 31, 2021 and 2020.

The Company's net debt is shown below

	Parent Company		Consolidated	
	2021	2020	2021	2020
Loans and financing	**14,747**	-	**14,747**	**-**
Trade accounts payable	**3,758**	3,846	**5,120**	4,097
(-) Cash and cash equivalents	**(59,208)**	(45,386)	**(60,250)**	(47,584)
(-) Financial investments	**(31,480)**	(3,270)	**(31,480)**	(3,270)
Surplus cash	**(72,183)**	(44,810)	**(71,863)**	(46,757)
Shareholders' equity	**167,781**	155,948	**167,781**	155,948
Shareholders' equity and surplus cash	**95,598**	111,138	**95,918**	109,191

27. Insurance

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

The Company has insurance policies that were taken based on guidance from specialists, contracted in the market coverages compatible with its size and operation. Coverages were contracted at amounts considered sufficient by management to cover possible losses, considering the nature of its activity and the risks involved in its operations. The main insurance categories are shown below:

Coverage	Coverage period From	To	Currency	Amount insured
Fire, Lightning Strike, Explosion and Implosion	2021	2022	BRL	214,000
Loss of profits	2021	2022	BRL	16,000
General civil liability				
National	2021	2022	BRL	8,000
Foreign products overall	2021	2022	BRL	50,000
Civil liability for management – D&O	2021	2022	BRL	15,000

28. Information by segment

The Company's operations involve the manufacturing and sale of customized furniture. Despite targeting several client segments, the Company's products are not controlled and managed by the Management as independent segments, and the Company's results are managed, monitored and evaluated in an integrated manner as one sole operating segment.

Gross revenue is shown below, broken down by brand and sales channel:

	Consolidated 2021	2020
Domestic market		
Dell Anno and Favorita - exclusive and own stores	**116,248**	80,899
New and Casa Brasileira – exclusive stores	**76,989**	51,494
New and Casa Brasileira – multibrand	**36,647**	23,803
Unicasa Corporate	**11,373**	13,636
Other revenues	**3,570**	2,765
	244,827	172,597
Export market	**33,555**	19,898
Total gross revenue from sales	**278,382**	192,495

29. Impacts of COVID-19

The Company is actively monitoring the situation and the possible impacts of COVID-19 on its businesses. In order to ensure the safety of employees, clients and suppliers, the Company maintained the following protocols and procedures adopted when the pandemic broke out: hygiene protocols and guidelines issued by the World Health Organization (WHO) are being followed in daily activities; information on the subject is disseminated through internal communication channels; business travel only if extremely necessary; internal events remain suspended, except those that can be held remotely; administrative areas retain the option of working from home according to the needs of each department to avoid gatherings; and other initiatives.

Until the date of publication of this Annual Information, the Management did not identify significant impacts on its operations.

30. Subsequent Event

a) Damages

On January 25, 2022, the Company suffered damages caused by heavy rains. Strong winds caused damages to the roof of a part of the plant. Fortunately, no one was hurt. The affected location has already undergone inspection and cleanup, and all the debris has been cleared. The affected area did not have any operating machines, the damages were identified and are concentrated in the roof, walls and products stored at the location. The Company has already informed the insurer and is surveying the damages.