



MANAGEMENT MANUAL AND PROPOSAL

EXTRAORDINARY GENERAL MEETING OF MAY 19, 2022



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

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1. Message to the Shareholder

Dear Shareholder,

We invite you to participate in the Extraordinary General Meeting ("EGM") of Atacadão S.A. ("Atacadão" or "Company"), which will be held on May 19, 2022, at 9:30 a.m., exclusively online, pursuant to article 4, paragraph 2, item I and article 21-C, §§2 and 3 of the Brazilian Securities and Exchange Commission ("CVM") Instruction No. 481, of December 17, 2009 ("ICVM 481"), through the Digital Platform Zoom ("Digital Platform").

Following good corporate governance practices, based on the principles of transparency, equity, accountability and corporate responsibility, this Manual presents information on the resolutions to be taken at the EGM.

The matters to be resolved at the EGM are listed on the agenda of the Call Notice reproduced in item 2 of this Manual.

Item 3 of this Manual presents guidelines on accreditation and access to the Digital Platform to participate in the EGM.

Finally, item 4 presents and details the Management Proposal for each of the items on the agenda.

In the expectation that this Manual will contribute to your decision being based on transparent and objective information, we reiterate the invitation to your participation in the EGM and we count on your participation.

Sincerely,

David Murciano

Chief Financial Officer and Investor Relations Officer
Grupo Carrefour Brasil



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2. Call Notice

ATACADÃO S.A.

Brazilian Taxpayer's Registry of Legal Entities (CNPJ/ME) No. 75.315.333/0001-09
NIRE 35.300.043.154

EXTRAORDINARY GENERAL MEETING CALL NOTICE

Shareholders of Atacadão S.A. ("Atacadão" or "Company") are hereby convened, as provided for in article 124 of Law No. 6.404, of December 15, 1976, as amended ("Brazilian Corporations' Law") to attend the Extraordinary General Meeting ("EGM") of the Company, to be held on May 19, 2022, at 9:30 a.m., exclusively online, pursuant to article 4, paragraph 2, item I and article 21-C, §§2 and 3 of the Securities and Exchange Commission ("CVM") Instruction No. 481, of December 17, 2009, as amended ("ICVM 481"), through the Zoom digital platform ("Digital Platform"), in order to resolve on the following matters on the Agenda:

The EGM agenda items relate to the *Share Purchase, Merger Agreement and Other Covenants* entered into on March 23, 2021 between, on one hand, the Company, as a purchaser, and on the other, the shareholders of Grupo Big Brasil S.A. ("BIG Group"), as sellers ("Sellers"), and as intervening consenting parties, BIG Group and Walmart Inc. ("Purchase and Sale Agreement"), under which: (i) the Sellers undertook to sell to the Company, which, in turn, undertook to acquire from the Sellers, shares issued by the BIG Group representing 70% of its share capital ("Purchase and Sale"); and (ii) the remaining shares issued by the BIG Group, would be merged into the Company, with the issuance in favor of the shareholders of the BIG Group of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) new common, nominative, book-entry shares with no par value issued by the Company ("Merger of Shares" and, together with the Purchase and Sale, "Transaction").

In order to carry out the Transaction, the matters on the agenda of the EGM below will be jointly and jointly resolved:

(1) To examine, discuss and approve the Purchase and Sale, pursuant to article 256 of the Brazilian Corporation's Law;

(2) To examine, discuss and approve the Protocol and Justification of the Merger of Shares of the BIG Group by the Company ("Protocol"), in compliance with articles 224, 225 and 252 of the Brazilian Corporation's Law;

(3) To ratify the appointment and hiring of Alvarez & Marsal Assessoria em Transações Ltda., headquartered in the City of São Paulo, State of São Paulo, at Rua Surubim, No. 577, cj. 202, Cidade Monções, ZIP Code 04571-050, registered with the Brazilian Taxpayer's Registry of Legal Entities of the Ministry of Economy (CNPJ/ME) under No. 28.287.683/0001-29 ("Appraiser"), as an independent specialized company responsible for the preparation and issuance of the appraisal report of the shares issued by the BIG Group, in compliance with the provisions of article 252, §§1 and 3 and article 256 of the Brazilian Corporation's Law ("Appraisal Report");

(4) To examine, discuss and approve the Appraisal Report prepared by the Appraiser;

(5) To examine, discuss and approve the Merger of Shares, pursuant to article 252 of the Brazilian Corporation's Law and the Protocol;

(6) to approve the increase in the Company's capital stock, in the amount of BRL 2,250,000,001.80 (two billion, two hundred and fifty million, one real and eighty cents), through the issuance of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) new common shares by the Company, as a result of the approval of the Merger of Shares, with the consequent amendment of article 5, *caput* of the Company's Bylaws;

(7) to approve the restatement of the Company's Bylaws as a result of the amendment resolved in the previous item; and



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(8) to authorize the Company's managers to perform all necessary acts for the conclusion of the Transaction and other approvals.

Items 1 to 8 provided for in the EGM's agenda are part of a single legal transaction, and it is a premise for the Transaction that each of the stages shall not be individually effective, without the implementation, in its entirety, of all abovementioned stages. Therefore, the Transaction cannot be partially approved at the EGM or at the BIG Group's meeting, or partially implemented. All resolutions contained in the EGM agenda will be subject to the satisfaction or waiver (when applicable) of conditions precedent contained in the Purchase and Sale Agreement which are, in addition to the approval of all matters included in the EGM agenda above: (i) the non-appealable approval of the Transaction by the Administrative Council for Economic Defense ("CADE"), provided that such non-appealable approval will be considered obtained in the first of the following: (a) the expiration of the period of 15 days from the publication date in the official press of CADE's approval, as established by Law No. 12,529, of November 30, 2011 ("Competition Law"), without a third-party appeal having been filed or an appeal taken by the CADE court or, if applicable, (b) the publication of the final decision on the approval of the Transaction by the CADE court, or (c) the expiry of the period for formal review provided for in art. 88, §§ 2 and 9, of the Competition Law, without a decision adopted by CADE; and (ii) other usual conditions in this type of operation, as described in the Purchase and Sale Agreement.

General Information:

1. Documents available to Shareholders. The Shareholder Participation Manual, containing the Management Proposal ("Proposal") and detailed guidelines for participation in the EGM ("Shareholder Participation Manual"), as well as all documents relevant to the matters to be resolved at the EGM, are made available to Shareholders, as of this date, as provided for in the Brazilian Corporation's Law and ICVM 481, and can be accessed at the Company's registered office, on its investor relations website (<https://ri.grupocarrefourbrasil.com.br/>), as well as on the websites of CVM (www.gov.br/cvm) and B3 S.A. – Brasil, Bolsa, Balcão ("B3") (www.b3.com.br).

2. Shareholders' Participation in the EGM. The EGM will be held exclusively via Digital Platform, and the detailed guidelines on the required documentation are included in the Shareholders' Participation Manual. Without prejudice to the information detailed in the Shareholder Participation Manual, the Company highlights the following information about its participation in the EGM:

Digital Platform: Shareholders may participate through the Digital Platform, in person or through a duly appointed attorney-in-fact, pursuant to article 21-C, §§2 and 3 of ICVM 481.

3. Documents required to participate in the EGM. Shareholders holding shares issued by the Company may attend the EGM by themselves, their legal representatives or attorneys-in-fact. Shareholders wishing to participate in the EGM through the Digital Platform must send such request to the Company via email: ribrasil@carrefour.com, with a request for confirmation of receipt, at least 2 days in advance of the designated date for the EGM, that is, **until May 17, 2022**. Such request must also be accompanied by the documents indicated in the Shareholders' Participation Manual. **Pursuant to Article 5, Paragraph 3 of ICVM 481, access to the Digital Platform will not be permitted for Shareholders who do not submit the necessary participation documents within the period provided for herein.**

4. Shareholder representation documents. The Company clarifies that, exceptionally for this EGM, it will waive the need to send hard and notarized copies of the Shareholders' representation documents to the Company's office and the sworn translation of the Shareholder's representation documents that were originally drawn up in English or French, being sufficient the delivery of a simple copy in file (.pdf) of the original copies of such documents to the Company's e-mail address indicated above. The Company will only require simple translations of documents prepared in English or French. The Company does not accept powers of attorney granted by Shareholders electronically (i.e., digitally signed powers of attorney without any digital certification).

5. Information for participation and voting in the EGM. Detailed information on the rules and procedures for participating in the EGM, including guidelines on access to the Digital Platform,



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are contained in the Shareholders' Participation Manual, containing the Company's Management Proposal, and other documents available on the CVM websites (www.gov.br/cvm), the Company (<https://ri.grupocarrefourbrasil.com.br/>) and B3 (www.b3.com.br).

São Paulo, April 28, 2022.

Matthieu Dominique Marie Malige
Chairman of the Board of Directors



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3. Guidelines for Participation in the Meeting

Shareholders may participate in the Extraordinary General Meeting ("EGM" or "Meeting") exclusively online, in person or by a duly appointed attorney-in-fact, through the Zoom platform ("Digital Platform"), pursuant to the Instruction of the Securities and Exchange Commission ("CVM") No. 481, of December 17, 2009 ("ICVM 481"), observing the representation rules described below. There will be no possibility of attending in person or using the remote voting ballot.

3.1. Shareholder Accreditation:

As permitted by Law No. 6,404, of December 15, 1976, as amended ("Brazilian Corporation's Law") and by ICVM 481, Shareholders may participate in the EGM through the Digital Platform, in person or through a duly constituted attorney-in-fact, pursuant to article 21 -C, §§2 and 3 of ICVM 481.

Shareholders wishing to participate in the EGM via Digital Platform must send such request to the Company through the email ribrasil@carrefour.com, with a request for confirmation of receipt, at least 2 days in advance of the date designated for the of the EGM, that is, **until May 17, 2022**, accompanied by a simple copy of the following documents, which must be presented by Brazilian and foreign Shareholders, **emphasizing that access to the Digital Platform will not be allowed for Shareholders who do not present the documents of participation required within the term set forth herein, pursuant to article 5, paragraph 3 of ICVM 481:**

#	Shareholder	Required Documents
1	Individual	Copy of the identification document with a photograph of the Shareholder. Examples: RG, RNE/RNM, CNH or officially recognized professional class and association cards.
2	Legal Entity	Copies of the following documents: <ul style="list-style-type: none">- Restated Bylaws or most recent Articles of Incorporation and corporate documents that may evidence the Shareholder's legal representation; and- identification document with a photograph of the legal representative.
3	Shareholder constituted in the form of an Investment Fund	Copies of the following documents: <ul style="list-style-type: none">- most up-to-date consolidated regulation of the fund;- Bylaws or most updated consolidated articles of incorporation of the administrator or manager, as the case may be, in accordance with the fund's voting policy and corporate documents that may evidence powers of representation; and- identification document with a photo of the legal representative.

The Company will only require simple translations of documents prepared in English or French, i.e., it will not require a sworn translation of documents whose originals were prepared in English or French, nor of the attached documents with the respective translations into these languages.

The Company also clarifies that, exceptionally for this EGM, the Company will waive the need to send the hard and notarized copies of the Shareholders' representation documents to the Company's office, simply sending a file (.pdf) of the simple copy of the original copies of such documents to the following Company email: ribrasil@carrefour.com.

The Company will send individual invitations to access the Digital Platform and the respective instructions for accessing the Digital Platform to Shareholders who have submitted their request within the deadline and under the above conditions. The Shareholder who participates through the Digital Platform will be considered present at the EGM, being able to exercise their respective voting rights, and signer of the respective minutes of the EGM, pursuant to art. 21-V, §1 of ICVM 481.



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If the Shareholder who has duly requested its participation, does not receive from the Company the e-mail with instructions for accessing and participating in the EGM at least 24 hours in advance of its holding (that is, until 9:30 am on the 18th of May 2022), he/she must contact the Company at +55 (11) 3779-8500 – in any scenario, before 8:30 am on May 19, 2022, in order to have resent (or provided by telephone) their respective access instructions.

The Company will provide technical assistance in the event that the Shareholders have any problems to participate in the EGM. However, the Company is not responsible for any operational or connection problems that the Shareholder may face, as well as for any other possible issues beyond the Company's control that may make it difficult or impossible for the Shareholder to participate and vote at the EGM.

The Company also recommends that Shareholders familiarize themselves in advance with the use of the Digital Platform, as well as ensure the compatibility of their respective electronic devices with the use of the Digital Platform (via video and audio).

Additionally, the Company requests that the Shareholders access the Digital Platform at least 30 minutes before the scheduled time for the beginning of the EGM in order to allow the validation of access and participation of all Shareholders who use it.

3.2. Shareholder Represented by Attorney-in-fact:

The Shareholder who cannot participate in the EGM through the Digital Platform may be represented by an attorney-in-fact, appointed less than one year ago and in the manner provided for in § 1 of article 126 of the Brazilian Corporation's Law

Powers of attorney, pursuant to §1 of article 126 of the Brazilian Corporation's Law, may only be granted to persons who meet at least one of the following requirements:

- I. to be a Shareholder or manager of the Company;
- II. to be a lawyer; or
- III. to be a financial institution.

For Shareholders who are legal entities, according to the understanding issued by the CVM Board, at a meeting held on November 4, 2014 (CVM Process RJ2014/3578), there is no need to meet the requirements outlined above.

Shareholders who choose to be represented by an attorney-in-fact through the Digital Platform must send such request to the Company via e-mail ribrasil@carrefour.com, with a request for confirmation of receipt, at least 2 days in advance of the date designated for the holding of the Meeting, that is, until the **17th of May 2022**, accompanied by the following documents, **emphasizing that access to the Digital Platform will not be allowed for attorneys-in-fact who do not submit the necessary participation documents within the period provided herein, pursuant to article 5, §3 of ICVM 481:**

Representation Documents	<p>General shareholders: Power of attorney and identity document with a photograph;</p> <p>For Shareholders that are legal entities – Add copies of the following documents:</p> <ul style="list-style-type: none">• Consolidated Bylaws or most recent Articles of Incorporation and corporate documents that may evidence the Shareholder's legal representation; and• identification document with a photo of the legal representative. <p>For Shareholders constituted in the form of an investment fund – Add copies of the following documents:</p> <ul style="list-style-type: none">• most up-to-date consolidated bylaws of the fund;• Bylaws or more up-to-date consolidated constitutive act(s) of the administrator or manager, as the case may be, in accordance with the fund's voting policy and corporate documents that may evidence powers of representation; and
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- | | |
|--|---|
| | <ul style="list-style-type: none">• identification document with a photo of the representative. |
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The Company will only require simple translations of documents prepared in English or French, i.e. it will not require a sworn translation of documents whose originals were prepared in English or French, nor of the attached documents with the respective translations into these languages.

The Company also clarifies that, exceptionally for this EGM, the Company will waive the need to send the hard and notarized copies of the Shareholders' representation documents to the Company's office, simply sending a file (.pdf) of the simple copy of the original copies of such documents to the following Company email: ribrasil@carrefour.com.

The Company does not accept powers of attorney granted by Shareholders electronically (i.e., digitally signed powers of attorney without any digital certification).

3. 3. Conflict of interest

As provided for in the Brazilian Corporation's Law, the Shareholder cannot vote on the resolutions of the EGM that may benefit them in a particular way, or in which they have a conflicting interest with that of the Company.

Shareholders who have a possible conflict of interest in relation to the issues brought to the resolution of the EGM or who have their independence compromised, must communicate this fact and abstain from discussing and voting on the matter. Likewise, Shareholders who are aware of a conflict of interest of another Shareholder must manifest themselves.

If any of the present Shareholders claims an alleged conflict of interest of a Shareholder that prevents him from voting at the EGM, or, even, informs of the occurrence of another legal hypothesis of voting impediment and the Shareholder himself has not declared his impediment, the chairman or secretary of the EGM shall suspend the resolution in order to hear and receive such allegation, together with any manifestation to the contrary by the Shareholder in question, before putting the matter to a vote. The chairman of the EGM may, in the event of a possible impediment to vote, ask the Shareholder for clarification on the situation, before putting the matter to a vote.

4. Management Proposal

Dear All,

The management ("Management") of Atacadão S.A. ("Atacadão" or "Company") submits to its Shareholders the Management Proposal ("Proposal") on the matters to be resolved at the Extraordinary General Meeting ("EGM"), to be held on May 19, 2022, at 9:30 am, to be held exclusively online, pursuant to article 4, §2, item I and article 21-C, §§ 2 and 3 of the Instruction of the Commission of Securities ("CVM") No. 481, of December 17, 2009, as amended ("ICVM 481"), in the following terms:

Brief introduction:

According to a material fact published on March 24, 2021 by the Company, the Board of Directors approved, on that date, the execution of the *Share Purchase, Merger Agreement and Other Covenants* ("Purchase and Sale Agreement") between the Company (as buyer), on the one hand, and Momentum – Fundo de Investimento em Participações Multiestratégia and Brazil Holdings SCS, a company controlled by Walmart Inc. (as sellers, "Sellers"), whereby, subject to the fulfillment of certain conditions precedent, the Company and the Sellers agreed to transfer to the Company all the shares issued by BIG Group Brasil S.A. ("BIG Group") for the total amount of BRL 7,500,000,000.00 (seven billion, five hundred million reais), subject to other adjustments under the Purchase and Sale Agreement ("Transaction").

Regarding the structure of the Transaction, the Company will acquire, through purchase and sale, common shares representing 70% (seventy percent) of the capital stock of the BIG Group, in local currency ("Purchase and Sale"), and, subsequently, on the same date, the Company's Shareholders



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meeting at a general meeting will resolve on the merger, by the Company, of the common shares representing the remaining 30% (thirty percent) of the BIG Group's capital stock ("Merger of Shares").

Pursuant to the provisions of article 8 of the Internal Regulations of the Company's Board of Directors, as a general rule, it is incumbent upon the Board of Directors to resolve on the Company's investment in equity interests with an involved amount exceeding BRL 36,000,000.00 (thirty and six million), on the base date of April 2017, indexed to the IPCA.

However, pursuant to article 256 of the Brazilian Corporation's Law, in certain circumstances, the purchase, by a publicly-held company, of the control of any business company, will necessarily depend on a resolution by the general meeting.

In these terms, the Company's Management informs that the acquisition of the BIG Group constitutes a relevant investment for the Company, which is why the acquisition under discussion is submitted to the EGM for appreciation.

In addition, as provided for in article 252 of the Brazilian Corporation's Law, the Merger of Shares is also submitted to the EGM and to a general meeting of the BIG Group upon presentation of the Protocol and Justification of Merger of Shares Issued by the BIG Group ("Protocol"), pursuant to articles 224 and 225 of the Brazilian Corporation's Law

In order to provide the Shareholder with sufficient information to make a rational decision, and in compliance with the terms of articles 252, §1 and 256 of the Brazilian Corporation's Law, the Company's Management presents the appraisal report of the BIG Group ("Appraisal Report"), demonstrating the economic fundamentals of the Transaction.

Still, for the execution of the Transaction, the matters on the agenda of the EGM indicated below will be resolved, in a joint and binding manner:

(1) To examine, discuss and approve the Purchase and Sale, pursuant to article 256 of the Brazilian Corporation's Law

Management recommends the approval of the Purchase and Sale (as defined at the beginning of this Proposal), its general terms and conditions, as explained in article 19 of ICVM 481. A complete analysis of the information requested by said regulatory device, referring to the Purchase and Sale, is available in **Annex I** to this Proposal.

It should also be noted that, as provided for in articles 137 and 256 of the Brazilian Corporation's Law, the Purchase and Sale, if completed, will give rise to the right of withdrawal to the holders of shares issued by the Company, based on their book value. The right of withdrawal will be guaranteed to Shareholders who hold shares issued by the Company, without interruption, from the date of disclosure of the material fact of the Transaction (March 24, 2021), including the trading operations on the stock exchange of that day until the end of the legal term for exercising the right of withdrawal, who do not vote in favor of the Purchase and Sale, who abstain from voting or who do not attend the General Meeting, and who expressly manifests their intention to exercise the right of withdrawal, within 30 days from the date of publication of the EGM minutes.

Also, in compliance with the provisions of article 20 of ICVM 481, the analysis of the right to withdrawal is available for consultation by Shareholders in **Annex IX** of this Proposal.

(2) To examine, discuss and approve the Protocol and Justification of the Merger of Shares of the BIG Group by the Company, in compliance with articles 224, 225 and 252 of the Brazilian Corporation's Law

Management recommends the approval of the terms and conditions of the Protocol, containing the general terms and conditions of the Merger of Shares, its justifications and the applicable evaluation criteria, pursuant to articles 224, 225 and 252 of the Brazilian Corporation's Law

Information relating to the Merger of Shares is contained in **Annex II**, which contains the information required by article 20-A of ICVM 481, and in **Annex III**, which contains the Protocol.



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The financial statements of the Company and the BIG Group are available in **Annex IV** and the *pro forma* financial statements of the Company and the BIG Group are included in **Annex V**, pursuant to Articles 6 and 7 of CVM Instruction No. 565, of June 15, 2015.

(3) To ratify the appointment and engagement of Alvarez & Marsal Assessoria em Transações Ltda., headquartered in the City of São Paulo, State of São Paulo, at Rua Surubim, No. 577, set 202, Cidade Monções, ZIP Code 04571-050, registered with the Brazilian Taxpayer's Registry of Legal Entities of the Ministry of Economy (CNPJ/ME) under No. 28.287.683/0001-29 ("Appraiser"), as a specialized independent company responsible for the preparation and issuance of the appraisal report of the shares issued by the BIG Group, in compliance with the provisions of article 252, §§1 and 3 and article 256 of the Brazilian Corporation's Law ("Appraisal Report")

Management recommends the ratification of the appointment and hiring of the Appraiser, as an independent specialized company responsible for the preparation and issuance of the Appraisal Report.

The information required by article 21 of ICVM 481 relating to the Appraiser is contained in **Annex VI** to this Proposal.

(4) To examine, discuss and approve the Appraisal Report prepared by the Appraiser.

In order to provide the Shareholder with sufficient information to make a rational decision, pursuant to articles 252, §1 and 256 of the Brazilian Corporation's Law, the Company's Management presents the Appraisal Report, prepared according to the criteria that the managers understood most appropriate, to demonstrate the economic foundations of the Transaction (as defined in item 5 below), as well as determine the amount of the Company's capital increase resulting from the Merger of Shares.

Thus, for the reasons set out above and based on articles 252, §1 and 256 of the Brazilian Corporation's Law, Management recommends the approval of the Appraisal Report by the EGM.

The Appraisal Report is available in **Annex VII** to this Proposal and the Appraiser's work proposal is available in **Annex VIII** to this Proposal.

(5) To examine, discuss and approve the Merger of Shares, pursuant to article 252 of the Brazilian Corporation's Law, and the Protocol;

Management recommends the approval of the Merger of Shares (as defined at the beginning of this Proposal), its general terms and conditions, as explained in article 20-A of ICVM 481. The complete analysis of the information requested by said articles, referring to the Merger of Shares, are available in **Annex II** to this Proposal.

It should also be noted that, as provided for in articles 137 and 252, §2, of the Brazilian Corporation's Law, the Merger of Shares, if completed, will give rise to the right of withdrawal to the holders of shares issued by the Company, based on their accounting equity value. The right of withdrawal will be guaranteed to shareholders holding shares issued by the Company, without interruption, from the date of disclosure of the Material Fact about the Transaction (March 24, 2021), including the trading operations on the stock exchange of that day,) until the end of the legal term for exercising the right to withdraw, for shareholders who do not vote in favor of the Merger of Shares, who abstain from voting or who do not attend the General Meeting, and who expressly manifest its intention to exercise the right of withdrawal, within 30 (thirty) days from the date of publication of the EGM minutes.

Also, in compliance with the provisions of article 20 of ICVM 481, the analysis of the right to withdraw is available for consultation by Shareholders in **Annex IX** of this Proposal.

(6) To approve the increase in the Company's capital stock, in the amount of BRL 2,250,000,001.80 (two billion, two hundred and fifty million, one real and eighty cents), through the issuance of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) common shares by the Company, as a result of the Merger of Shares, with the consequent amendment of article 5, caput of the Company's Bylaws.



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Management recommends the approval of the Company's capital increase, in the amount of BRL 2,250,000,001.80 (two billion, two hundred and fifty million, one real and eighty cents) through the issuance of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) common shares by the Company, as a result of the approval of the Transaction, whereby the Company's capital stock shall increase from BRL 7,660,725,261.16 (seven billion, six hundred and sixty million, seven hundred and twenty-five thousand, two hundred and sixty-one reais and sixteen cents), on the present date, to BRL 9,910,725,262.96 (nine billion, nine hundred and ten million, seven hundred and twenty-five thousand, two hundred and sixty-five two reais and ninety-six cents), divided into 2,103,046,980 (two billion, one hundred and three million, forty-six thousand, nine hundred and eighty) shares, all common, registered, book-entry shares with no par value.

As a result of the capital stock increase, Management proposes to amend article 5, *caput* of the Company's Bylaws to include the Company's new capital stock.

The origin and justification of the proposed amendment, as well as the marked version of article 5, *caput* of the Company's Bylaws with the proposed amendment, pursuant to article 11, item II of ICVM 481, is detailed in the comparative table in **Annex X** to this Management Proposal.

(7) To approve the restatement of the Company's Bylaws as a result of the amendment resolved in the previous item.

The Company's Management recommends the restatement of the Company's Bylaws, in accordance with the amendment proposed above.

In compliance with the provisions of article 11 of ICVM 481, **Annex X** of this Proposal contains a comparative table, including the current wording, proposed wording and the justification for the amendment to the Company's Bylaws.

the marked and clean versions of the Company's Bylaws consolidating the proposed amendment are also found in **Annex XI**. The aforementioned annex is available for consultation by Shareholders, as of this date, at the Company's headquarters, on its *website* (<https://ri.grupocarrefourbrasil.com.br/>), as well as on the CVM *websites* ([www.gov.br /cvm](http://www.gov.br/cvm)) and B3 (www.b3.com.br).

(8) To authorize the Company's managers to perform all acts necessary for the conclusion of the Transaction and other approvals.

In the event of approval of the Transaction, Management recommends that the Company's managers be authorized to perform any and all additional acts that may be necessary for the conclusion of the Transaction and other approvals.

Items 1, 2, 5, 6 and 7 provided for in the agenda for the EGM are part of a single legal transaction, and it is a premise for the Transaction that each of the stages shall not be individually effective, without the implementation, in its entirety, of all abovementioned stages. Therefore, the Transaction cannot be partially approved at the EGM or at the BIG Group's meeting, or partially implemented.

The completion of the Transaction will also be subject to the satisfaction or waiver (when applicable) of conditions precedent contained in the Purchase and Sale Agreement, which are: (i) the unappealable approval of the Transaction by the Administrative Council for the Economic Defense ("CADE"), noting that such unappealable approval will be considered obtained in the first of the following: (a) the expiration of the period of 15 days from the day of publication of the approval by the General Superintendence of CADE in the official press, as established by Law No. November 2011 ("Competition Law"), without a third party appeal having been lodged or an appeal taken place by the CADE court or, if applicable, (b) the publication of the final decision approving the Transaction by the CADE court, or (c) the expiry of the period for formal review provided for in art. 88, §§ 2 and 9, of the Competition Law, without a decision adopted by CADE; and (ii) other usual conditions in this type of operation, as described in the Purchase and Sale Agreement.

The Company's Management recommends that its Shareholders carefully read the documents attached to this Proposal, also available on the Company's *website* (<https://ri.grupocarrefourbrasil.com.br/>), as well as on the CVM *website* ([www.gov.br /cvm](http://www.gov.br/cvm)) and B3



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(www.b3.com.br), which detail the Transaction and, if necessary, clarify any doubts in advance, in order to participate in the resolutions on the approval of the Transaction.

Additional Clarifications:

For the installation of the matters listed in items 1 to 5 and 8 of the agenda of the Extraordinary General Meeting, the presence of Shareholders representing at least 1/4 (one quarter) of the Company's capital stock will be required. As for the installation of the matters listed in items 6 and 7 of the Extraordinary General Meeting, the presence of Shareholders representing at least 2/3 (two thirds) of the Company's capital stock will be required, pursuant to arts. 125 and 135 of the Brazilian Corporation's Law, given that an amendment to the Bylaws is being proposed. If these quorums are not reached, the Company will publish a new Call Notice announcing the new date for the EGM on second call, which may be installed with the presence of any number of Shareholders. If the necessary quorum for the Extraordinary General Meeting is not reached, a new Call Notice will be published announcing the new date for holding this meeting only, which may then be installed with the presence of any number of Shareholders.

In addition to the information contained in this Proposal and its annexes, the Company's Shareholders may resolve any doubts through direct contact with the Investor Relations Department, by electronic message (ribrasil@carrefour.com) or by telephone (+55 11 3779 8500), which, from now on, are available to promptly assist you in all your needs.



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ANNEX I

INFORMATION RELATING TO THE PURCHASE AND SALE

(according to Annex 19 of CVM Instruction 481)

1. Describe the business

On March 23, 2021, the Agreement for the Purchase and Sale of Shares, Merger of Shares and Other Covenants (*Share Purchase, Merger Agreement and Other Covenants*) between, on the one hand, Atacadão S.A. ("Company" or "Atacadão"), as the purchaser, and, on the other hand, Momentum – Fundo de Investimento em Participações Multiestratégia ("FIP") and Brazil Holdings S.C.S. ("LuxCo"), as sellers ("Sellers"), and Grupo Big Brasil S.A. ("BIG Group") and Walmart Inc. ("Walmart") as intervening-consenting parties ("Purchase and Sale Agreement"), to regulate the terms and conditions of the acquisition of control, by the Company, of the BIG Group ("Transaction").

Under the terms agreed between the parties in the Purchase and Sale Agreement, the structure of the Transaction consists of the following stages, all interdependent and linked to each other, to occur until or on the closing date of the Transaction, as applicable: **(i)** purchase and sale of shares issued by the BIG Group representing 70% (seventy percent) of its share capital ("Purchase and Sale"); and **(ii)** merger, by the Company, of the remaining shares issued by the BIG Group ("Merger of Shares"), with the delivery, to the shareholders of the BIG Group, of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) new common, nominative, book-entry shares with no par value issued by the Company. The steps described in items (i) and (ii) will be coordinated in order to be completed on the same date.

The effectiveness of the Transaction is conditioned to the verification (or waiver, as the case may be) of the conditions precedent established in the Purchase and Sale Agreement.

2. Inform the statutory or legal reason why the business was submitted for approval by the meeting

The deal is being submitted to the approval of the Company's shareholders' meeting in view of the provisions of article 256 of the Brazilian Corporation's Law, since the Purchase and Sale stage implies the acquisition of control of the BIG Group directly by the Company.

3. Regarding the company whose control has been or will be acquired:



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- a. Inform name and qualification

GRUPO BIG BRASIL S.A., a corporation, headquartered in the City of Barueri, State of São Paulo, at Avenida Tucunaré, No. 125, Bloco A Superior, Sala 109, Tamboré, registered with the CNPJ/ME under No. 30.621.687/0001-43.

- b. Number of shares or quotas of each class or type issued

On the present date, the share capital of the BIG Group is divided into 457,376,521 (four hundred and fifty-seven million, three hundred and seventy-six thousand, five hundred and twenty-one) ordinary, nominative shares with no par value.

- c. List all controllers or members of the controlling block, direct or indirect, and their participation in the capital stock, if they are related parties, as defined by the accounting rules that deal with this matter

Not applicable.

- d. For each class or type of shares or quota of the company whose control will be acquired, inform:

- i. Minimum, average and maximum quotation for each year, in the markets in which they are traded, in the last 3 (three) years

Not applicable, given that the BIG Group is a privately held company, with no shares admitted to trading on organized markets.

- a. Minimum, average and maximum quotation for each quarter, in the markets in which they are traded, in the last 2 (two) years

Not applicable.

- ii. Minimum, average and maximum quotation for each month, in the markets in which they are traded, in the last 6 (six) months

Not applicable.

- iii. Average quote, in the markets in which they are traded, in the last 90 days



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Not applicable.

iv. Equity value at market prices, if information is available

Not applicable.

v. Amount of annual net income in the last 2 (two) fiscal years, monetarily restated

Heading	2020	2021
Accounting profit	BRL 3,026,044,184.47	BRL 240,234,243.54
Accounting Income Monetarily Updated*	BRL 3,426,365,621.72	BRL 246,337,898.99

*Updated by IPCA until Mar/2022

4. Key terms and conditions of the deal, including:

a. Identification of sellers

MOMENTUM – FUNDO DE INVESTIMENTO EM PARTICIPAÇÕES MULTISTRATÉGIA, equity investment fund, registered with the Brazilian Taxpayers' Registry of Legal Entities of the Ministry of Economy (CNPJ/ME) under no. 28.670.954/0001-20, managed by BRL Trust Investimentos Ltda., headquartered in the city of São Paulo, State of São Paulo, at Rua Iguatemi, No. 151, 19th andar, Itaim Bibi, registered with the Brazilian Taxpayers' Registry of Legal Entities of the Ministry of Economy (CNPJ/ME) under no. 23,025,053/0001-62.

BRAZIL HOLDINGS S.C.S., company incorporated under the laws of Luxembourg, with registered office at 2-4 Rue Eugène Ruppert, L-2453, Luxembourg, registered with the Brazilian Taxpayers' Registry of Legal Entities of the Ministry of Economy (CNPJ/ME) under No. 30.873.752/0001-28.

And any individual beneficiaries of the stock option plan issued by the BIG Group who exercise their stock option before the closing of the Transaction, thus becoming Sellers for the purposes of the Purchase and Sale Agreement.

b. Total number of shares or quotas acquired or to be acquired

The Company will acquire, **(i)** through the Purchase and Sale, shares corresponding to 70% (seventy percent) of the total and voting capital of the BIG Group; and **(ii)** through the Merger of Shares, shares corresponding to 30% (thirty percent) of the total and voting capital stock of the BIG Group.



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c. Total price

The amount to be paid within the scope of the Purchase and Sale corresponds to 70% (seventy percent) of the Base Price, i.e., 70% (seventy percent) of BRL7,500,000,000.00 (seven billion, five hundred million reais), subject to the adjustments provided for in the Agreement and Sale ("Price – Purchase and Sale").

d. Price per share or quota of each type or class

The price per share corresponds to approximately BRL 16.40 (sixteen reais and forty cents), considering the total value of the transaction of BRL7,500,000,000.00 (seven billion, five hundred million reais) and 457,376,521 (four hundred and fifty-seven million, three hundred and seventy-six thousand, five hundred and twenty-one) common, nominative shares and with no par value issued by the BIG Group on the date hereof.

e. Form of payment

The Purchase and Sale will be made at the Price - Purchase and Sale, adjusted in accordance with the Purchase and Sale Agreement, by means of transfer of immediately available funds.

f. Suspensive and resolute conditions to which the business is subject

The Transaction is subject to the satisfaction or waiver (as applicable) of certain conditions precedent provided for in the Purchase and Sale Agreement, which are divided into conditions: **(i)** of the parties: namely, the regularity of the Transaction and CADE's approval; **(ii)** of the Company: namely, verification that the representations and warranties of the Sellers are true and correct as of the execution and closing dates, in all their material aspects, except in the case of fundamental representations and warranties, which must be true and correct in all its aspects, fulfillment of obligations assumed by the Sellers in the Purchase and Sale Agreement, non-occurrence of material adverse effects, prior corporate reorganization, signature and/or termination of certain commercial contracts, among others; and **(iii)** Sellers: namely, verification that the Company's representations and warranties are true and correct on the dates of signature and closing and fulfillment of obligations assumed by the Company in the Purchase and Sale Agreement.

g. Summary of Sellers' representations and warranties

The Sellers and Walmart have provided representations and warranties, with respect to themselves and the BIG Group, related to the ability, legitimacy and authorization to enter into the Purchase and



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Sale Agreement, non-existence of violations or need for consents related to the execution of the Purchase and Sale Agreement., ownership of shares issued by the BIG Group, veracity and accuracy of the financial statements, composition of the BIG Group's share capital, conduct of activities within the normal course of business, compliance with anti-corruption laws, among other customary representations and warranties in operations such as the Transaction.

h. Rules on Buyers' Indemnification

The Purchase and Sale Agreement provides for indemnification, by the Sellers and by Walmart, to the Company, as a result of breach of representations and warranties, breach of obligations assumed in the Purchase and Sale Agreement and for fraudulent or simulated acts carried out before closing.

i. Required government approvals

The parties to the Purchase and Sale Agreement must have obtained the final approval of the Transaction by the Administrative Council for Economic Defense (*Conselho Administrativo de Defesa Econômica – CADE*).

j. Guarantees granted

Guarantee provided by Walmart for the fulfillment of the obligations assumed by LuxCo under the Purchase and Sale Agreement and guarantee provided to the Company by funds linked to the FIP, for the fulfillment of payment, performance and discharge obligations assumed by the FIP within the scope of the Purchase and Sale Agreement, subject to certain terms, conditions and limits provided for in a separate instrument.

5. Describe the purpose of the business

Please refer to items 6 and 10 below.

6. Provide analysis of business benefits, costs and risks

Benefits. The Company identified significant synergy potential from the first year, gradually increasing to represent an additional net contribution to EBITDA of BRL 2 billion annually, three years after the completion of the Transaction. Expected synergies include:

- A. Sales density gains and store conversion;
- B. *Procurement* synergies; and
- c. Optimization of indirect costs and greater efficiency of the supply chain.



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Risks. Considering that the activities carried out by the BIG Group are similar to the activities of the Company, the management of Atacadão understands that the risk factors of the Big Group are similar to those applicable to Atacadão, as described in the Atacadão Reference Form (pages 27 to 82) presented to the CVM on 04/11/2022, except for those that relate exclusively to the activity of a publicly-held company.

Costs. The Company estimates that the Atacadão total costs and expenses, including fees for legal and financial advisors, appraisers and auditors, related to the Transaction, amount to approximately BRL 60.000.000,00(sixty million reais).

7. Inform which costs will be incurred by the company if the deal is not approved

Not applicable.

8. Describe the sources of funds for the business

The funds necessary for the payment of the Purchase and Sale come from its own resources and from third-party fundraising. In the context of the Merger of Shares, 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) common, nominative, book-entry shares with no par value issued by the Company will be issued in favor of the shareholders of the BIG Group.

9. Describe the managers' plans for the company whose control was or will be acquired

Carrefour Group plans to optimize the net of stores converting the Maxxi units to the Atacadão brand. The Company also expects to convert part of the BIG and BIG Bompreço stores to the Atacadão or Sam's Club brands. The other stores will be converted to the Carrefour hypermarket brand. Thus, customers will be able to benefit from Atacadão and Carrefour's offers, the Company's commitment to democratizing quality and healthy foods, as well as Carrefour Brasil's omnichannel ecosystem. The acquisition will also allow the Company to offer the best prices to Brazilian families, small merchants and restaurants, as Atacadão and Carrefour have the lowest prices in the market, while prioritizing regional and local suppliers.

So far, the Company has estimated an annual increase in Adjusted EBITDA three years from the closing of the Transaction, of BRL 2,000,000,000.00. The synergies are mainly related to: (a) gains in sales density and store conversion; (b) *procurement* synergies; and (c) optimization of indirect costs and greater efficiency in the supply chain.



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10. Provide a justified statement from the managers recommending approval of the deal

The acquisition of the BIG Group will expand the Company's presence in regions where it has limited penetration, such as the Northeast and South of the country, and which offer strong growth potential. The BIG Group's store network, therefore, has strong geographic complementarity.

The acquisition allows the Company to expand its traditional formats (mainly Wholesale and Hypermarkets) and strengthen its presence in formats in which it has a more limited presence, in particular supermarkets (98 Bompreço and Nacional stores) and soft discount (97 Todo Dia stores). In addition, the Company will operate in a new market segment with the Sam's Club format, through a licensing agreement with Walmart Inc. This unique, premium and highly profitable business model targeted at the B2C segment is based on a membership system, with over 2 million members, and has a strong focus on private label products.

The BIG Group owns the real estate assets of 181 stores (47% of the total) and 38 additional properties.

The complementarity of the two groups will enrich the Company's ecosystem of products and services, which serves more than 45 million customers, and will expand its customer base with the addition of customers to the BIG Group.

11. Describe any existing corporate relationship, albeit indirect, between:

- a. Any of the sellers or the company whose control has been or will be sold; and
- b. Parties related to the company, as defined by the accounting rules that address this matter

Not applicable.

12. Inform details of any business carried out in the last 2 (two) years by parties related to the company, as defined by the accounting rules that deal with this matter, with equity interests or other securities or debt securities of the company whose control was or will be acquired

Not applicable.



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13. Provide a copy of all studies and appraisal reports, prepared by the company or by third parties, which supported the negotiation of the acquisition price

Copies of the studies and appraisal reports, prepared by the company or by third parties, which supported the negotiation of the acquisition price, are included herein as an Annex VII.

14. In relation to third parties who prepared studies or appraisal reports

a. inform the name

Alvarez & Marsal Assessoria em Transações Ltda., headquartered in the City of São Paulo, State of São Paulo, at Rua Surubim, No. 577, set 202, Cidade Monções, ZIP Code 04571-050, registered with the Brazilian Taxpayer's Registry of legal Entities of the Ministry of Economy (CNPJ/ME) under No. 28.287. 683/0001-29 ("Appraiser").

b. Describe its qualification

The Appraiser stands out independently in the global value consulting scenario, delivering expertise in evaluations, considered one of the leading accounting firms specializing in auditing and consulting in Brazil.

c. Describe how they were selected

The appraiser was selected according to the Company's internal procedures among the main renowned consulting companies in the market, so that the best proposal was considered in terms of cost, availability to prepare the work and possibility of delivery within the requested deadline.

d. Inform if they are related parties to the company, as defined by the accounting rules that deal with this matter

Not applicable.

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ANNEX II

INFORMATION RELATING TO THE MERGER OF SHARES

(according to Annex 20-A of CVM Instruction 481)

1. Protocol and justification of the operation, pursuant to arts. 224 and 225 of Law No. 6,404, of 1976

The protocol and justification of the Transaction integrates the management's proposal as Annex III.

2. Other agreements, contracts and pre-contracts regulating the exercise of voting rights or the transfer of shares issued by subsisting companies or resulting from the transaction, filed at the company's headquarters or to which the company's controller is a party

Not applicable.

3. Description of the transaction, including:

a. Terms and conditions

In accordance with the terms and conditions set forth in the *Share Purchase, Merger Agreement and Other Covenants* entered into on March 23, 2021 between, on the one hand, Atacadão S.A. ("Companhia" or "Atacadão"), as buyer, and on the other, Momentum – Fundo de Investimento em Participações Multiestratégia and Brazil Holdings SCS, as sellers ("Sellers"), with the intervention-consent of Grupo Big Brasil S.A. ("BIG Group") and Walmart Inc. ("Agreement"), up to or on the closing date, as applicable: **(i)** the Sellers undertook to sell to the Company, which, in turn, undertook to acquire from the Sellers, shares issued by the BIG Group representing 70% (seventy percent) of its share capital ("Purchase and Sale"); and **(ii)** the parties undertake to ensure that the legal effects of the merger, by the Company, of the remaining shares issued by the BIG Group ("Merged Shares" and "Merger of Shares", respectively, and the Purchase and Sale jointly with the Merger of Shares, "Transaction"), to have full effect.

b. Obligations to indemnify:

i. The managers of any of the companies involved

Not applicable.

ii. If the transaction does not take place

Not applicable.

c. Comparative table of rights, advantages and restrictions of the shares of the companies involved or resulting, before and after the transaction

Rights	Company	BIG Group
Right to dividends:	0.1% of net income adjusted as	1% of net income as a mandatory



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Rights	Company	BIG Group
	minimum mandatory dividend; and (ii) distribution policy of 45% of adjusted net income	minimum dividend
Right to vote:	Full	Full
Convertibility	No	No
Right to capital reimbursement:	Pursuant to the Brazilian Corporation's Law.	Pursuant to the Brazilian Corporation's Law.
Restriction on circulation:	Not applicable.	Not applicable.
Conditions for changing the rights guaranteed by such securities:	Granting the right of withdrawal.	Granting the right of withdrawal.
Possibility of redemption:	No	No
Other relevant features:	N/A	N/A

d. Any need for approval by debenture holders or other creditors

The Sellers have assumed the obligation to make commercially reasonable efforts to obtain the consent of third parties who have this right by virtue of a contractual arrangement with the BIG Group.

e. Assets and liabilities that will form each portion of the equity, in the event of a spin-off

Not applicable.

f. Intention of the resulting companies to obtain registration as a securities issuer

Not applicable, as the BIG Group, the company whose shares will be merged into the Company, is not registered as a publicly-held company with the CVM, nor does it intend to obtain it as a result of the Transaction.

4. Plans for conducting corporate business, notably with regard to specific corporate events that are intended to be promoted

Not applicable.

5. Analysis of the following aspects of the operation:

a. Description of key expected benefits, including:



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i. Synergies

The Company identified significant synergy potential from the first year, gradually increasing to represent an additional net contribution to EBITDA of BRL 2 billion annually, three years after the completion of the Transaction. Expected synergies include:

- a. Sales density gains and store conversion;
- b. *Procurement* synergies; and
- c. Optimization of indirect costs and greater efficiency of the supply chain.

ii. Tax benefits

N/A

iii. Strategic advantages

The acquisition of the BIG Group will expand the Company's presence in regions where it has limited penetration, such as the Northeast and South of the country, and which offer strong growth potential. The BIG Group's store network, therefore, has strong geographic complementarity.

The acquisition allows the Company to expand its traditional formats (mainly Wholesale and Hypermarkets) and strengthen its presence in formats in which it has a more limited presence, in particular supermarkets (98 Bompreço and Nacional stores) and soft discount (97 Todo Dia stores). In addition, the Company will operate in a new market segment with the Sam's Club format, through a licensing agreement with Walmart Inc. This unique, premium and highly profitable business model targeted at the B2C segment is based on a membership system, with over 2 million members, and has a strong focus on private label products.

The BIG Group owns the real estate assets of 181 stores (47% of the total) and 38 additional properties.

The complementarity of the two groups will enrich the Company's ecosystem of products and services, which serves more than 45 million customers, and will expand its customer base with the addition of BIG Group customers.

b. Costs

The Company estimates that the total costs and expenses borne by the Company, including fees for legal and financial advisors, appraisers and auditors, related to the Merger of Shares, amount to approximately BRL 60,000,000.00 (sixty million reais).

c. Risk factors

Considering that the activities carried out by the BIG Group are similar to the activities of Atacadão, in addition to the risk factors related to the BIG Group described in item 11 below, the Company's management understands that the other risk factors of the BIG Group are similar to those applicable to Atacadão, as described in the Atacadão Reference Form (pages 27 to 82) submitted to the CVM on 04/11/2022, except for those that relate exclusively to the activity of a publicly-held company.



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d. In the case of a related party transaction, any alternatives that could have been used to achieve the same objectives, indicating the reasons why these alternatives were discarded

Not applicable.

e. Exchange ratio

The Sellers will receive, in exchange for the Merged Shares, 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) new shares issued by the Company, and each shareholder of the BIG Group, except for Atacadão, will receive 0.851395036956871 common shares issued by Atacadão in exchange for each 1 (one) common share issued by the BIG Group held by it on the closing date (the exchange ratio assumes the total number of shares issued by the BIG Group on the present date), disregarding the shares held by Atacadão, which will already be held by Atacadão immediately before the Merger of Shares (after the Purchase and Sale), and the total number of new shares issued by Atacadão to be attributed to the shareholders of the Group BIG, except for Atacadão, will be 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) new common, nominative, book-entry shares with no par value, representing approximately 5.55% (five integers and fifty five hundredths percent) of the total and voting share capital of Atacadão, provided that fractions of shares will be disregarded from the total number of New Shares of Atacadão issued in the context of the Merger of Shares. The number of shares to be attributed to the shareholders of the BIG Group as a result of the Merger of Shares was defined by mutual agreement between the independent parties within the scope of the Purchase and Sale Agreement, provided that if the total number of shares issued by the Big Group is changed by closing, the exchange ratio will be adjusted accordingly, but in any event, the total number of shares to be attributed to BIG Group shareholders (i.e., 116,822,430) will not be affected.

f. In operations involving parent companies, subsidiaries or companies under common control

i. Share exchange ratio calculated in accordance with art. 264 of Law No. 6404 of 1976

Not applicable, since there is no control relationship between the Parties involved in the Transaction and the exchange relationship, contained in the Protocol and Justification, was agreed between absolutely independent parties.

ii. Detailed description of the exchange ratio negotiation process and other terms and conditions of the transaction

Not applicable.

iii. If the transaction has been preceded, in the last 12 (twelve) months, by an acquisition of control or acquisition of interest in a controlling block:

- Comparative analysis of the exchange ratio and the price paid in the acquisition of control

Not applicable.

- Reasons that justify possible differences in valuation in the different operations



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Not applicable.

iv. Justification of why the substitution relation is commutative, with the description of the procedures and criteria adopted to guarantee the commutativity of the transaction or, if the exchange ratio is not commutative, details of the payment or equivalent measures adopted to ensure adequate compensation.

Not applicable.

6. Copy of the minutes of all meetings of the board of directors, fiscal council and special committees in which the transaction was discussed, including any dissenting votes

The minutes of the meetings of the Company's collegiate bodies at which the Transaction was discussed are included hereto as Annex XIII.

7. Copy of studies, presentations, reports, opinions, advices or appraisal reports of the companies involved in the transaction made available to the controlling shareholder at any stage of the transaction

The Appraisal Report prepared for the purposes of articles 252 and 256 of the Brazilian Corporation's Law is part of the management proposal as Annex VII.

7.1. Identification of possible conflicts of interest between financial institutions, companies and professionals who have prepared the documents mentioned in item 7 and the companies involved in the transaction

There is no conflict between the Company, BIG Group and Alvarez & Marsal Assessoria em Transações Ltda., headquartered in the City of São Paulo, State of São Paulo, at Rua Surubim, No. 577, Conjunto 202, Cidade Monções, ZIP Code 04571 -050, registered with the CNPJ/ME under No. 28.287.683/0001-29.

8. Bylaw projects or statutory amendments of the companies resulting from the operation

The Company's and BIG Group's bylaws are part of the management's proposal as Annexes XI and XII, respectively.

9. Financial statements used for the purposes of the transaction, pursuant to the specific standard

The financial statements of the Company and the BIG Group used for the purposes of the Transaction are part of the management's proposal as Annex IV.



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10. Pro forma financial statements prepared for the purposes of the transaction, pursuant to the specific standard

The pro forma financial statements prepared for the purposes of the Transaction are part of the management proposal as Annex V.

11. Document containing information on companies directly involved that are not public companies, including:

a. Risk factors, pursuant to items 4.1 and 4.2 of the reference form

4.1 – Describe risk factors that may influence the investment decision, in particular, those related to:

(a) Risks Relating to the BIG Group

The extent of the pandemic declared by the World Health Organization due to the spread of COVID-19, the perception of its effects, or the way in which the pandemic will affect the BIG Group's business depends on future developments, which are uncertain and unpredictable and may materially and adversely affect the business, financial condition, results of operations, cash flows and the ability of the BIG Group to continue to operate its business.

Historically, some regional or global epidemics and outbreaks, such as those caused by Zika virus, Ebola virus, H5N1 virus (causing bird flu), foot-and-mouth disease, H1N1 virus (causing influenza A, popularly known as swine flu), Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS) have affected the economy of countries where these diseases have spread.

On March 11, 2020, the World Health Organization (WHO) declared COVID-19, a disease caused by the new coronavirus (Sars-Cov-2), a pandemic. In practice, the declaration meant the recognition by the WHO that, since then, the virus has spread to several continents with sustained transmission between people. The COVID-19 pandemic has demanded restrictive measures by government authorities worldwide, with the aim of protecting the population, resulting in restriction of the flow of people, including quarantine and *lockdown*, restrictions on travel and public transport, prolonged closure of workplaces, supply chain disruptions, trade closures and a general reduction in consumption. In Brazil, states and municipalities, including the locations where we operate, have adopted the guidelines established by the Ministry of Health, adopting measures to control the spread of the disease, social isolation and consequent restriction on the movement of people, which resulted in the closure of restaurants, hotels, shopping malls, high traffic areas, parks and other public spaces.

Additionally, the administrative offices and other facilities of the BIG Group, including the headquarters in the city of Barueri, State of São Paulo, count on the return of executives, directors and managers, while the other administrative employees continue to adopt the telework policy. This policy may affect the productivity of the BIG Group, cause eventual errors and delays in its operations, as well as cause other interruptions in its business.

The pandemic may also cause material disruption to the business and operations of the BIG Group in the future as a result of, for example, quarantines, cyber-attacks (including as a result of the prolonged period of remote work), worker absenteeism as a result of illness or other factors, such as social distancing measures, travel or other restrictions. If a significant percentage of the BIG Group's workforce is unable to work, including due to illness or travel or government restrictions related to the pandemic, BIG Group's operations could be adversely affected.



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The BIG Group cannot guarantee that other regional and/or global outbreaks will not occur. And, should they happen, the BIG Group cannot guarantee that it will be able to prevent a negative impact on its business that is equal to or greater than the impact caused by the COVID-19 pandemic. The impact of the COVID-19 pandemic may also precipitate or exacerbate the other risks discussed in this document.

The BIG Group may not be able to maintain and improve the recognition of its brands or may receive unfavorable reviews from consumers, as well as it may be the target of negative publicity, which could adversely affect its brands.

BIG Group brands: BIG, BIG Bompreço, Super Bompreço, Nacional TodoDia, Maxxi Atacado, Sam's Club, Posto BIG and Posto BIG Bompreço, among others, are extremely important elements for the success of the BIG Group's business. If the BIG Group is not able to maintain and improve the recognition of its brands, for example, through its ability to provide the best shopping experience to consumers, through a pleasant environment in all its points of sale, competitive prices, great the variety and high quality of the products and services it offers, including private label products, in addition to the variety and convenience of delivery options for its products, its business and financial results may be adversely affected.

Consumer complaints or negative publicity about the products sold, the prices charged or the service provided, especially in relation to products from the BIG Group's own stock, may, in the future, reduce consumer confidence and, consequently, its sales, adversely affecting the brands that the BIG Group operates and, consequently, the BIG Group's business. In addition, some of the products that the BIG Group sells may expose it to claims arising from personal injury, involving, in some cases, illness or death, and may require *recalls* or other actions.

In order to maintain a good relationship with its consumers, the BIG Group needs to train and properly manage the employees who work in its stores and who are in daily contact with its consumers. The BIG Group must also have a customer service team ready to resolve complaints and disputes efficiently and quickly. Effective customer service requires significant investments in its employees, in development programs and in technology infrastructure, to provide the service team with the necessary tools to perform their duties well. Failure to manage or train its customer service representatives may compromise BIG Group's ability to effectively handle complaints received. If the BIG Group does not effectively manage the complaints received, the trust of its consumers, its reputation, its brands and its business could be negatively affected.

Advertising and media coverage often exert significant influence on consumer behavior and actions. If BIG Group is the target of negative publicity, which could cause its consumers to change their shopping habits, including as a result of *recalls* of products that BIG Group sells, scandals related to the handling, preparation or storage of food products in its stores or the way in which its customers are treated by its employees in the stores, there may be a material adverse effect on the brands operated by the BIG Group and, consequently, on the BIG Group's business.

New technologies, such as social media and digital commerce platforms used to sell BIG Group products, are increasingly used to promote products and services. The use of social media and digital commerce tools requires specific attention, as well as a set of management and monitoring guidelines, including risk monitoring, which the BIG Group may not be able to develop and implement effectively. Negative posts or comments about the BIG Group, its business, its operations, its Officers or members of the Board of Directors and shareholders on any social network could seriously damage its reputation. In addition, BIG Group employees and representatives may use social media tools and mobile technologies inappropriately, which may cause harm, including the disclosure of confidential information of its consumers. Any negative publicity that damages the reputation of one or more of the BIG Group's brands could have a negative effect on the value of all the BIG Group's brands, which could adversely impact the BIG Group's sales.

In addition, the BIG Group uses in its business and activities in Brazil some brands owned by Walmart US, until then a relevant shareholder of the BIG Group, such as the brands "Sam's Club"



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and "Member's Mark" ("Sam's Club Brands"). Given the continued use of the Sam's Club Brands by the BIG Group after the completion of the transaction with Atacadão, any negative publicity or negative comments regarding Walmart US and/or other controlled or affiliated companies, to Walmart US worldwide may have an adverse effect on the Sam's Club Brands that the BIG Group uses in its business and activities in Brazil, and may thus have an adverse effect on the value of such brands and, consequently, on the BIG Group's operating results. Additionally, any negative social, political or economic event relating to the United States of America, the country where Walmart US was founded and which is normally associated, in Brazil, with the Sam's Club Brands, may have an effective adverse effect on the Sam's Club Brands that BIG Group uses in its activities in Brazil, which may adversely affect the value of such brands and, consequently, their operating results.

BIG Group may not be able to protect its intellectual property rights or use them effectively, as well as maintain the right to use third party intellectual property.

The future success of the BIG Group depends significantly on its ability to effectively use and protect its current and future brands (including its own brands), as well as to defend its intangible assets, especially intellectual property rights including, without limitation trademarks, domain names, trade secrets and *know-how*. The BIG Group may not be able to renew the registration of its trademarks in a timely manner. In addition, its competitors may contest or invalidate any existing or future BIG Group trademarks or those licensed by the BIG Group.

BIG Group cannot guarantee that the measures to protect its intellectual property rights will be sufficient, or that third parties will not infringe or misappropriate its intellectual property rights. The costs required to protect its intellectual property rights, whether extrajudicially or through legal or administrative proceedings, can be significant.

In addition, the Sam's Club Brands are registered or in the process of being registered with the National Institute of Industrial Property (*Instituto Nacional de Propriedade Industrial* - "INPI") on behalf of Walmart Apollo LLC and are licensed to the BIG Group. Domain names registered in Brazil and *trade dress* of Sam's Club ("Additional Rights") are also owned by Walmart Inc. and Walmart Apollo LLC, and are licensed to the BIG Group. BIG Group cannot guarantee that such brands and/or Additional Rights will continue to have the proper legal protection and records applicable to the maintenance of the property. The BIG Group also cannot guarantee that such marks and/or Additional Rights will not be violated or contested by third parties in the administrative or judicial spheres. Any failure of Walmart Inc. or Walmart Apollo LLC in protecting its brands, domain names and *trade dress*, even if as a result of an act or fact that took place abroad, may harm the business or reputation of the BIG Group.

If BIG Group fails to protect and defend its intellectual property rights against infringement or misappropriation in any of these cases, BIG Group may suffer a material adverse effect, in particular on its ability to develop its business.

Problems in the BIG Group's information technology systems or the inability of the BIG Group to keep up with the speed of development of new technologies could adversely impact its operations.

Any failures in IT systems, as well as delays or defects in the provision of services by service providers and developers hired for the constant provision of IT services, can have a negative effect on the operation, image and relationship of the BIG Group with its customers, which could have a negative impact on the business and operations of the BIG Group.

BIG Group's information systems may also suffer interruptions due to factors beyond its control, such as natural disasters, *hacker attacks*, telecommunications problems, viruses, malicious *software*, among other factors. In the event of failures or interruption of information technology systems, as well as delays or defects in the provision of services by service providers and developers hired for the constant provision of IT services, the BIG Group may lose data, be subject to a data breach or fail to



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carry out commercial transactions and, in this way, have a material adverse effect on the business and operations of the BIG Group.

BIG Group may face difficulties in opening and/or operating new stores and renovating and/or converting existing stores, which could impede BIG Group's expansion plans and adversely affect its sales and operating results.

The growth of the BIG Group depends on its ability to successfully open and operate new stores, as well as renovate and convert some of the existing stores into new formats, so the BIG Group is subject to risks and uncertainties regarding future events that may reduce or even prevent the opening of new stores or the renovation, conversion and reopening of existing stores or affect their operation, which could have a negative impact on the operating result and on the value of the BIG Group's shares.

BIG Group's ability to successfully open and operate new stores depends on numerous factors, many of which are beyond its control. These factors include the BIG Group's ability to identify appropriate locations for new stores, which also entails gathering and analyzing demographic and market data to determine whether there is sufficient demand for its products at chosen locations, and negotiating purchase or lease agreements of property on acceptable terms. The opening of new stores also involves the need to maintain an increasing level of inventories at an acceptable cost to meet the demands of the new stores, as well as to hire, train and retain qualified personnel for the BIG Group stores, mainly at the managerial level. For more information in this regard, see Risk Factor "*The BIG Group may not be able to renew or maintain the lease agreements of its stores and distribution centers leased from third parties on acceptable terms or regardless of their terms and may have to pay contractual fines in the event of termination of lease agreements relating to stores that it decides to close*". The BIG Group may still struggle to offer goods that meet needs and preferences in new regions.

In addition, the BIG Group may also face difficulties in properly selecting stores for refurbishment and conversion, or may incorrectly calculate the added value or benefits of such refurbishments or conversions in terms of SSS (same store sales) growth. BIG Group customers may also not respond positively to these changes in their store formats, or not in a way that has a material impact on consumer behavior, thus frustrating the BIG Group's growth objectives.

Also, when new stores are opened in markets where the BIG Group already had stores, the BIG Group may experience a reduction in net sales of pre-existing stores in these markets due to the shift in sales, which may negatively affect the business and the result of the operations of the BIG Group.

In addition, the BIG Group may not be able to integrate the new stores into its current operations in a satisfactory manner, obtain financing on acceptable terms, or obtain the necessary government licenses and authorizations. Any of these risks could adversely affect the business and results of operations of the BIG Group.

BIG Group's risk management systems, policies and procedures may adversely affect the business of the BIG Group.

BIG Group's policies and procedures to identify, analyze, quantify, assess, monitor and manage risks may not be effective. Risk management methods may not predict future exposures or may not be sufficient against unknown and/or unmapped risks that could be significantly greater than those indicated by the historical measures that the BIG Group uses. Other risk management methods adopted by the BIG Group that depend on the evaluation of information relating to markets, customers or other matters available to the public may not be accurate, complete, updated or adequately evaluated. The information on which the BIG Group is based or with which it feeds or maintains historical and statistical models may be incomplete or incorrect, which could have a material adverse effect on its business.



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If the BIG Group is unable to maintain its internal controls operating effectively, the BIG Group may not be able to adequately prepare its financial statements and information, report its results accurately, prevent the occurrence of fraud or the occurrence of other deviations.

Therefore, the failure or ineffectiveness of its internal controls could have a significant adverse effect on the BIG Group's business. Additionally, BIG Group's *compliance procedures* and internal controls may not be sufficient to prevent or detect all misconduct, fraud, acts of corruption or violations of applicable laws by its employees and members of its management or third parties acting on its behalf. In the event that BIG Group employees, members of management or other persons related to BIG Group engage in fraudulent, corrupt or unfair practices or violate applicable laws and regulations or its internal policies, BIG Group may be held liable for any such violations, the which could result in penalties, fines or sanctions that could materially and adversely affect its business and image.

The BIG Group could be materially and adversely affected by failures in its governance, risk management and compliance processes, as well as by violations of the Brazilian Anti-Corruption Law and similar anti-corruption laws.

The BIG Group is subject to Law No. 12,846/13 ("Anti-Corruption Law"), Law No. 8,429/1992 (*Lei de Improbidade Administrativa* - "Administrative Misconduct Law") and Law No. 9.613/98 ("Anti-Money Laundering Law"), which impose civil and administrative liability on companies for acts of corruption and fraud committed by their directors, administrators, employees and service providers. The sanctions applicable to those responsible include: fines, loss of illicitly obtained benefits, suspension of corporate operations, confiscation of assets and dissolution of the legal entity involved in the illicit conduct, sanctions which, if applied, could materially and adversely affect the results of the BIG Group.

The Anti-Corruption Law introduced the concept of strict liability for legal entities involved in acts harmful to the public administration, subjecting the violator to penalties, both administrative and civil.

BIG Group managers may be subject to civil, administrative and criminal liability for violations of the aforementioned laws. According to the Anti-Corruption Law, legal entities liable for acts of corruption may be subject to fines in the amount of up to 20% of gross revenue for the year prior to the commencement of the administrative proceeding, excluding taxes, or, if it is not possible to estimate gross invoicing, the fine will be set between BRL6,000.00 and BRL60,000,000.00. Violations may also result in the temporary suspension of obtaining new financing for projects, the immediate loss of the right to receive tax or credit benefits or incentives granted by the government and the right to participate in bids.

BIG Group may not be able to prevent or detect (i) violations of the Administrative Misconduct Law, Anti-Corruption Law or similar laws, (ii) occurrences of fraudulent and dishonest behavior by its managers, controllers, employees or third parties hired to represent it, or (iii) other occurrences of behavior not consistent with ethical principles, which may adversely affect its reputation, business, financial condition and operating results, as well as the price of its common shares.

Brazil still has an image of high risk of corruption in the public and private spheres, which can, to a certain extent, leave the BIG Group exposed to possible violations of anti-corruption laws, including the Brazilian one.

BIG Group's governance, policies, risk management and Compliance processes may not be able to: (i) detect violations of the Anti-Corruption Law or other related violations, such as violations of anti-money laundering laws and other applicable laws in relation to conducting its business before government entities; (ii) detect occurrences of misconduct and fraudulent and dishonest behavior on the part of its managers, employees, contracted individuals and legal entities and other agents that may represent the BIG Group, (iii) manage all the risks that its risk management policy currently identify and/or identify new risks; and (iv) detect other occurrences of behavior that are not consistent with ethical and moral principles.



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The BIG Group may also be held jointly and severally liable for the payment of a fine and full compensation for the damage caused as a result of practices contrary to the Anti-Corruption Law by its controlling shareholders, subsidiaries or affiliates, which could adversely affect the reputation, business, financial condition and BIG Group's operating results. In addition, the reputation of the BIG Group may be negatively impacted by violations of applicable anti-corruption laws by any of its shareholders.

BIG Group's governance, policies, risk management and compliance processes can materially and adversely affect the reputation, business, ability to contract with the public authorities, financial conditions and operating results of the BIG Group, or the market price of its common shares in a negative way, as well as subjecting its managers to criminal sanctions.

BIG Group's dependence on credit card companies for sales and consumer financing is a growing trend, and changes in the policies of such companies could adversely affect BIG Group's business and results of operations.

BIG Group's business is relatively dependent on credit cards, as it is one of the preferred payment methods for its consumers. To enable credit card sales, BIG Group must adhere to the policies of credit card companies, including the fees that such companies charge BIG Group. Any change in the policies of credit card issuers, including, for example, the management fee charged to merchants, could adversely affect the business and results of operations of the BIG Group. A part of the sales of non-food products of the BIG Group is made through payments in installments, using the plans offered by credit card issuers. The BIG Group depends on credit card issuers to continue offering their consumers the possibility to pay for their purchases in installments. A change in the policies of credit card companies, regarding installment payments or higher interest rates, could have a material adverse effect on the business and results of operations of the BIG Group.

BIG Group's distribution centers, for any reason, including factors that are beyond the control of the BIG Group, such as fire, natural disasters, accidents, power outages, theft or robbery, failure of systems, among others, as well as if the BIG Group unable to find suitable locations or face other difficulties related to the establishment of new distribution centers, the results of the BIG Group may be materially affected.

The operations of the BIG Group are highly dependent on the normal operation of their distribution centers, given that most of the goods that the BIG Group sells are distributed through these distribution centers. We currently have 14 distribution centers in operation located in the states of São Paulo, Rio Grande do Sul, Paraná, Santa Catarina, Paraíba, Pernambuco and Bahia. If the normal operation of one of these distribution centers is interrupted in whole or in part for any reason, including factors that are beyond the control of the BIG Group, such as fire, natural disasters, accidents, power outages, theft or robbery, systems failure, restriction of circulation of goods and people as a result of pandemics (for example, COVID-19), among others, the BIG Group could have a material adverse effect on its financial condition and results of operations.

BIG Group's growth strategy may require an expansion in the capacity of its distribution centers, a reorganization of existing distribution centers or the establishment of new distribution centers, especially if it expands operations to other regions of Brazil. If the BIG Group is unable to find suitable locations or face other difficulties related to establishing new distribution centers, or is unable to integrate new distribution centers or expand distribution centers or logistics operator services into the inventory control process effectively, it may not be able to deliver inventories to its stores in a timely manner, which could have a negative effect on the BIG Group's sales and growth strategy.

In addition, any changes, problems or interruptions in the logistics infrastructure that the BIG Group or its suppliers use to deliver products to stores or distribution centers may prevent the timely or successful delivery of products that BIG Group sells in stores and negatively affect the operations of the BIG Group.



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The BIG Group may be unable to renew or maintain the lease agreements of its stores and distribution centers leased from third parties on acceptable terms or irrespective of their terms and may have to pay contractual fines in the event of termination of lease agreements relating to stores that it decides to close.

BIG Group's net operating revenue derives from activities carried out on properties that the BIG Group rent from third parties. As of December 31, 2021, approximately 62% of the BIG Group's stores and distribution centers were located in properties leased from third parties. The strategic location of these stores and distribution centers is fundamental for the development of its business strategy and, as a result, the BIG Group may be adversely affected if: (i) a significant number of BIG Group's lease agreements is terminated, or is not renewed on acceptable terms or, regardless of the terms, (ii) such lease agreements are not duly registered and recorded in the registrations, with the competent land registry offices, as the respective leases will not be enforceable against third parties that come to acquire the properties, which consequently may require the vacancy in 90 days without any penalty, and the lessee is still unable to award the property. It should be noted that 50% of the lease contracts are not properly registered and recorded in the registration.

In addition, in accordance with applicable law, either party may request a review of the rent amount three years after the start of the lease or the last renegotiation. A significant increase in the value of real estate rentals could adversely affect the financial position of the BIG Group and its operating result.

The BIG Group may not reach agreements with lessors regarding renewal of lease terms. Under Brazilian law, the lessee can legally demand the renewal of a lease contract with a fixed term greater than or equal to 5 years, for an additional period of 5 years, provided that it files the renewal action within a period of at least 6 months, and a maximum of 1 year in advance of the end date of the contract term. If the BIG Group does not file a renewal action within the legal term or does not comply with legal requirements, the lease contracts may not be renewed. Additionally, in the case of lease agreements in force for an indefinite period, there is no legal guarantee of renewal and, if there is no agreement with the lessors, the lease agreements of the stores and distribution centers of the BIG Group may not be renewed. The loss of any of the BIG Group's strategic points of sale or distribution may adversely affect its results of operations and financial condition.

There is no guarantee that the BIG Group will be able to rent the properties in which it is interested. Due to the fact that the location of the BIG Group's properties represent an important factor in its sales strategy if a significant number of its current leases are not renewed or if the BIG Group unable to enter into new lease agreements with satisfactory conditions, the BIG Group could have its business materially and adversely affected. A significant increase in the rental value of the properties that the BIG Group rents can also affect it negatively.

Furthermore, if the BIG Group decides to close any of its units, located in properties rented from third parties before the end of the contractual term of the lease, the BIG Group may be required to pay a contractual penalty to the owner as a consequence of the early termination of the lease. The total amount of the fine could adversely affect the BIG Group, especially if the closing decision applies to more than one unit. Finally, in the event of termination of the lease contracts, there is a risk that the improvements made by the BIG Group in its stores and distribution centers are not indemnified by the owner.

The BIG Group is exposed to risks related to encumbrances on the properties in which the stores and distribution centers of the BIG Group operate.

Part of BIG Group's stores and distribution centers operate are encumbered to guarantee the debts and obligations of the respective owners. In the event of default on such obligations, the respective creditors may enforce the guarantees. The property(ies) may be sold by third parties in an extrajudicial auction or its property may be consolidated in the name of the creditor(s). If the BIG Group does not succeed in negotiating with the purchaser(s) of the properties a new lease agreement(s) that regulates the occupation of the respective property(ies) for the regular exercise of



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its activities, it may be required to vacate the property(s) within 30 days, which may adversely affect its operations.

Some operational properties occupied by the BIG Group are occupied by means of assignment under the tenure or occupation regime, and, in the absence of payment of rent or occupancy tax, the BIG Group may lose ownership or right of occupancy over such properties.

Part of BIG Group units are located on properties subject to the tenure or occupation regime. The Union Heritage Secretariat (*Secretaria de Patrimônio da União - SPU*) is the administrative body responsible for managing properties owned by the Union (*imóveis foreiro*), mainly with regard to their form of occupation and their fiscal aspects. In the tenure regime, the property of the property remains with the Federal Government, while the useful domain is transferred to the individual (in this case, to the BIG Group), upon payment of an annual amount (*foro*) to the Federal Government, in an amount equivalent to 0.6% of the land value, excluding improvements. Occupancy is a precarious form of use of the property, and can be revoked at any time by the Federal Union if there is a relevant public interest for the area, with payment of compensation for existing improvements only in cases where the occupation is considered by the SPU as in good faith. In the occupancy regime, the individual (in this case, the BIG Group) must pay the Federal Government an annual amount (occupancy tax) in an amount equivalent to 2% of the value of the land, excluding improvements. If the BIG Group intends to transfer the aforementioned properties, it is necessary to pay a "*laudêmio*", in the amount equivalent to 5% of the value of the land, excluding improvements, in addition to obtaining the certificate authorizing the transfer of the property (CAT).

According to Brazilian legislation, failure to pay the lease or the occupancy tax for consecutive periods may have the most serious consequence of canceling the lease or occupancy. Thus, if the BIG Group is unable to maintain ownership of such properties or the right to occupy them, its business strategy could be adversely affected.

The BIG Group operates in the retail sector through different channels (physical stores and digital platform) and believes that the integration of these channels is essential for the success of its business. The failure of this integration, or its failure to improve innovations, could adversely affect the business, activities, financial situation and operating results of the BIG Group.

The operations of the BIG Group in the retail sector are carried out under the "omnichannel" concept, integrating its physical stores and digital platform. The BIG Group cannot guarantee that it will be able to improve its omnichannel strategy or that it will be able to implement innovations that are important to its customers, which, if confirmed, could be extremely harmful to its plans and could adversely affect its business, activities, financial situation and operating income of the BIG Group.

Furthermore, if the BIG Group is not able to successfully maintain and improve the complementarity between its sales channels, under the commercial, logistical, communication and marketing and service aspects, taking advantage of the advantages that the integrated structure of multichannels can offer will be harmed and may adversely impact the BIG Group.

Another risk of the "omnichannel" strategy is the possibility that the sales channels of the BIG Group enter into competition. If this happens, the BIG Group will not be successful in its revenue growth strategy and the integration of its sales channels may not bring the expected benefits, negatively affecting the business, activities, financial situation and operating results of the BIG Group.

Additionally, the BIG Group may incur higher-than-expected costs, and "omnichannel" initiatives may prove to be economically unfeasible or have lower-than-expected profitability. Finally, the legislation and regulation (mainly tax) of the activities inherent to the "omnichannel" platform in Brazil do not have specific provisions applicable to the multichannel retail modality, which leaves the BIG Group vulnerable to possible assessments and creates an uncertain regulatory environment for its



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operations. Any of the above factors could materially affect the growth strategy and the operating result of the BIG Group.

The BIG Group may not be able to comply with financial indices to be eventually provided for in contracts that may compose its indebtedness.

The BIG Group may have commitments to maintain financial ratios in contracts that may form part of its indebtedness in the future. These commitments may affect the BIG Group's ability to react to changes in the economy or its industry or its ability to seize profitable new business opportunities. In addition, the BIG Group may face difficulties in obtaining financing from financial institutions or any other cash restrictions, which may compromise and/or make it difficult to comply with any financial covenants to which it may be subject within the scope of its future obligations.

Additionally, if any financial indexes are not complied with and, consequently, any event of default provided for in such contracts occurs, the debts linked to them may be due early by the respective creditors, and the cash flow and financial condition of the BIG Group may be materially and adversely affected. In addition, any financial contracts to be entered into by the BIG Group may contain clauses that establish their early maturity in the event of an event of default in other contracts or the early maturity of other contracts is declared (*cross-acceleration* or *cross-default*), which may also adversely and materially affect the cash flow and financial condition of the BIG Group.

Losses not covered by the insurance contracted may result in losses and difficulty in contracting policies, which may have adverse effects on the BIG Group's business.

Certain types of risks are not guaranteed by insurance companies operating in the market, such as war, acts of God and force majeure or interruption of certain activities. In the event of the occurrence of any of these events not covered, or insufficiency of coverage in the contracted policies, the BIG Group may suffer a financial setback to restore and/or reform the assets that have suffered losses, which may jeopardize the investment made by the BIG Group. Also, in the case of insured events, insurance policy coverage is subject to the payment of the respective premium. The failure of the BIG Group in paying these premiums together with the occurrence of a claim could put us in a risk situation, given that damages, even if insured, would not be subject to coverage by the insurer. In addition, the BIG Group cannot guarantee that it will be able to maintain insurance policies at commercially reasonable rates or on acceptable terms, or with the same or similar insurance companies.

Unfavorable decisions or investigations unfolding in administrative, judicial or arbitration proceedings may have a material adverse effect on the BIG Group and its subsidiaries.

Currently, the BIG Group and its subsidiaries are parties to a series of administrative and legal proceedings related to civil, consumer, environmental, labor, administrative, tax, among other natures. Some of the administrative and judicial proceedings, mainly of a tax and real estate nature, of which the BIG Group and its subsidiaries are parties, involve material matters and amounts, which, if decided against the interests of the BIG Group and its subsidiaries, may adversely and materially affect the business and financial situation of the BIG Group and its subsidiaries. In addition, the subsidiaries of the BIG Group are parties to tax assessments with a prognosis of loss classified as "possible" and, if decided in a manner contrary to the interests of the BIG Group and its subsidiaries, may adversely affect the financial situation of the BIG Group and its subsidiaries.

The BIG Group and its subsidiaries cannot guarantee that these legal proceedings will be decided in its favor. The BIG Group sets up provisions only in relation to proceedings in which the probability of loss has been classified by its external lawyers and the legal department as probable. The BIG Group cannot guarantee that the provisions made, when they exist, will be correct and sufficient for all liabilities that may arise from these administrative or judicial proceedings. In case actions involving a substantial amount and in relation to which the BIG Group does not have any provision or has a



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provision significantly lower than the amount of the effective loss, are decided, definitively, unfavorably, the BIG Group may have a material adverse effect on its business.

In addition to accounting provisions and legal fees related to lawsuits, the BIG Group may be compelled to make escrow deposits, offer guarantees in such proceedings, or perform obligations to do or not to do, which could also adversely affect its liquidity and financial condition.

Also, due to the tax debts they have with the Federal Revenue Service of Brazil, the subsidiaries WMS Supermercados do Brasil Ltda., Bompreço Supermercados do Nordeste Ltda. and Bompreço Bahia Supermercados Ltda. are parties to asset listing proceedings instituted by the Brazilian Federal Revenue Service to monitor their assets. The tax authorities may, if they consider that there is a failure to comply with the rules laid down for the asset listing process (for example, sale of assets without proper communication from the Brazilian Federal Revenue Service), judicially request the unavailability of the assets listed from the companies' permanent assets via Tax Precautionary Measure, which may adversely affect its liquidity and financial condition.

Likewise, managers and/or shareholders of the BIG Group may become parties or be mentioned and/or called to testify in administrative and judicial proceedings, the initiation and/or results of which may affect them negatively, especially if they are indicted and/or convicted and if they are proceedings of a criminal nature, eventually, making it impossible to perform their duties at the BIG Group and/or affecting the reputation and/or financial situation of the BIG Group directly or indirectly.

BIG Group workforce may affect its operations.

BIG Group employees are represented by labor unions and are protected by collective agreements, bargaining agreements or similar employment contracts, which are subject to periodic renegotiation within the terms established by law. Strikes and other work stoppages or interruptions of work at any of the BIG Group's facilities, or labor movements that disrupt any of the BIG Group's suppliers or outsourced service providers, could have a material adverse effect on its operations and business.

Changes in the availability and costs of energy and other public services could materially and adversely affect the BIG Group.

The operations of the BIG Group consume considerable amounts of energy and other public services. Electricity and utility prices have fluctuated significantly in Brazil's recent past, including as a result of weather conditions, which may occur again in the future. As an example, high electricity prices during a prolonged period of drought, as well as regulatory and tax changes in the electricity sector in certain geographic areas, could have a negative effect on operating income and potentially adversely affect the BIG Group's profitability. There is no guarantee that the BIG Group will be able to pass on the increase in electricity costs and public services to its consumers.

Disasters and unforeseen events can disrupt the operations of the BIG Group.

Unpredictable events beyond the control of the BIG Group, including wars, pandemics, terrorism activities and natural disasters such as floods, fires and severe drought conditions affect the prices of products that the BIG Group sells and, among others, may harm the operations of the BIG Group and its suppliers and service providers, as well as having a negative effect on consumption or resulting in political or economic instability. These events may cause the temporary or permanent closure of some of the BIG Group's stores and/or distribution centers, delay or affect the BIG Group's capacity of distributing products to stores and end consumers, reducing the demand for the products that the BIG Group sells, increase the price and decrease sales, which could have a material adverse effect on the business and results of operations of the BIG Group.



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BIG Group units may have a material adverse effect on its business, results of operations and image.

Accidents and other unpredictable events beyond the control of the BIG Group, caused by human, mechanical, technological error or any other factors, may occur at any time in the stores, distribution centers or other units of the BIG Group. In the event of any accident or other unforeseeable event beyond the control of the BIG Group occurs, it could result in loss of inventory, damage to our assets or even the casualty of customers, employees or any third parties. The business, operating results and image of the BIG Group may suffer a negative effect as a result of such accidents or unforeseeable events beyond its control, or as a result of the way in which the BIG Group respond to such accidents and/or events.

BIG Group stores being spaces for public use can generate consequences that are beyond the control of the management of the respective stores, which can cause material damage and damage to its image, in addition to causing eventual civil liability.

BIG Group stores, as they are located in spaces for public use, are subject to a series of accidents on their premises, which can escape the control of the management of the respective stores, such as, for example, theft or robbery of customers or employees, slips, products falling off the shelves, tripping over products out of place, prejudiced accusations from employees or outsourced workers of the BIG Group and, consequently, can cause damage to its consumers, visitors and employees. In the event of such accidents, the store involved in the case may face serious material and image damage. In addition, the occurrence of accidents may subject the BIG Group to civil liability and/or the obligation to compensate any victims, including through the payment of indemnities, which could have a material adverse effect on the BIG Group.

(b) Risks Related to the Controlling Shareholder, direct or indirect, or Control Group

FIP Momentum, the current controlling shareholder of the BIG Group, has the power to elect the majority of the members of the Board of Directors and to make decisions on all key points that require shareholder approval, such as corporate reorganizations, distribution of dividends and sales asset. The interests of the current controlling shareholder of the BIG Group may conflict with the interests of the other shareholders. Pursuant to the Brazilian Corporation's Law, controlling shareholders have the power to elect the majority of the members of the Board of Directors, exercise general control over management, determine its policies, sell or otherwise transfer shares that represent control of the BIG Group and determine the outcome of any decision by its shareholders, including transactions with related parties, corporate reorganizations, sale of all or substantially all of the assets, as well as determining the distribution and payment of any future dividends.

(c) Risks Relating to Its Shareholders

The BIG Group may incur additional costs and face greater challenges after its acquisition by the Company

After the consummation of the Transaction, the BIG Group may no longer benefit from the support and influence of FIP Momentum, its current controlling shareholder, for example, with regard to management to obtain strategic advantages, including capital cost reduction, supervision and support in some business decisions, corporate governance, compliance and risk management, human resources and support for certain information systems related to financial reporting, which could hamper certain decision-making processes, increase its cost of capital and result in sudden or unexpected changes in management, corporate policy and strategic direction, adversely affecting the BIG Group.

In addition, the BIG Group relies on contracts with Walmart US for use of key brands, IT systems and also for access to international Walmart US suppliers. Certain products, sold exclusively at BIG



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Group stores, are previously selected by Walmart US and purchased in scale. If the BIG Group fails to benefit from this mechanism, its operations may be adversely affected.

(d) Risks Relating to Its Subsidiaries and Affiliates

Negative results of subsidiaries may adversely affect the operating results of the BIG Group.

The BIG Group is a holding company that holds interests in several operating companies. In this way, the entire revenue of the BIG Group comes from the distribution of dividends by its subsidiaries. In view of this, the ability of the BIG Group of meeting its financial obligations and paying dividends to its shareholders is directly related to the cash flow and profits of its subsidiaries, which are subject, among others, to the same operational, corporate and regulatory risks to which the Company is subject, as described above in this document. There is no guarantee that the cash flow and profits of BIG Group's subsidiaries will be positive or will be sufficient to meet the financial obligations of the BIG Group and for the resolution of dividends to its shareholders, which may affect its results and the value of the shares issued by the BIG Group.

In addition, there are currently bills in Brazil that proposed the revocation of the income tax exemption on the payment of dividends, which, if enacted, could adversely impact the tax treatment applicable to dividend distributions made by the Company. If these measures are, in fact, approved, the capacity of the BIG Group from paying and receiving future dividends or distributions of interest on net equity from its subsidiaries could be adversely impacted.

The operating companies of the BIG Group are or may be a party to legal proceedings in which the BIG Group may be jointly or severally liable.

The BIG Group belongs to an economic group in which there are other operating companies. In the course of their activities, these companies are and may in the future become parties to administrative, judicial and arbitration proceedings in which, if convicted, the outcome of the process could affect the BIG Group, jointly or severally. This includes processes of various natures such as social security, labor and environmental issues. If any of the companies of the economic group is convicted and the BIG Group be called to respond subsidiarily or jointly and severally for such conviction, the operating and financial results of the BIG Group could be adversely affected.

(e) Risks Related to Its Suppliers

Some product categories that the BIG Group sells are largely acquired from a few suppliers and if changes occur in this supply chain, its activities and business may be adversely affected.

Some product categories that the BIG Group markets are substantially purchased from a few suppliers. If any supplier is unable to supply the products in the quantity and frequency usually purchased by the BIG Group and the BIG Group is not able to replace the supplier within the acceptable timeframe, or actually replace it, BIG Group may not be able to maintain its usual level of sales in the affected category, which could have a material adverse effect on its business, operations, activities and results.

Certain products, sold exclusively at BIG Group stores, are previously selected by Walmart US and purchased in scale. If the aforementioned contract is terminated or not renewed, the BIG Group may no longer have access to Walmart US's international suppliers and the products supplied by them, which could adversely impact the BIG Group's results.

In addition, the BIG Group is exposed to the risk of increased costs in relation to suppliers, as in the case of suppliers changing their current marketing policy and interruptions in the supply chain, due to restrictive government measures imposed as a result of the COVID-19 pandemic, among other



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hypotheses. In the event of any of the aforementioned changes in this supply chain, the activities and businesses of the BIG Group may be adversely affected.

The business of the BIG Group depends on a supply chain and consequently faces risks related to logistics.

The products destined for the stores of the BIG Group are delivered directly by their suppliers to the stores and distribution centers of the BIG Group located in 18 Brazilian states and the Federal District. If the operation in one of these distribution centers is adversely affected by factors beyond the control of the BIG Group, such as fires, natural disasters, lack of electricity, system failures, accidents, restrictive government measures imposed as a result of the COVID-19 pandemic, strikes (such as the truck drivers' strike that took place in Brazil in 2018) among others, and if no other distribution center is able to meet the demand in the affected region, the distribution of products to BIG Group stores serviced by the affected distribution center will also be affected, which could have a negative impact on the BIG Group. The BIG Group's growth strategy includes the opening of new stores, which may require the opening of new distribution centers or the expansion of existing distribution centers, to supply and meet the demand of additional stores. The operations of the BIG Group could be adversely affected if it is unable to open new distribution centers or expand existing distribution centers to meet the supply needs of new BIG Group stores.

In addition, any significant changes, problems or disruptions to the logistics infrastructure that the BIG Group or its suppliers use to deliver products to its stores or distribution centers may prevent the timely or successful delivery of products that BIG Group sells in its stores and adversely affect its operations. For example, the BIG Group's distribution network is sensitive to fluctuations in oil prices, and any increase in price, interruption of supply or lack of fuel could result in increased freight costs and adversely affect its business and results of operations. Furthermore, if strict rules to combat street traffic are enacted and impose more restrictions on the delivery of products to BIG Group stores, at certain times of the day, in certain municipalities where BIG Group operates, your ability to deliver products in a timely manner to its stores could be affected. A general increase in street traffic could also affect the BIG Group's capacity to distribute products in their stores in a timely manner. Furthermore, the BIG Group's digital platform is subject to similar risks and, as we expand in this business segment, these risks may affect the BIG Group's ability to deliver products to their end consumers in a timely manner. From the launch of the BIG Group's sales strategy for food products, through the digital platform, the BIG Group may face additional risks that could adversely affect the implementation of this strategy, including risks inherent to the delivery of frozen and perishable products, as well as other unexpected risks. Any impossibility of delivering the products that the BIG Group sells promptly, securely and successfully to its consumers through our e-commerce platform could result in the loss of business and adversely affect its reputation, which could adversely impact the BIG Group's sales.

The BIG Group may not be able to identify, maintain and develop good business relationships with its current and future suppliers to introduce new products that meet the BIG Group's demands for quality and innovation and the market may have an adverse effect on its business.

The BIG Group acquires products from suppliers located in different regions of Brazil, therefore it depends on its ability to identify, maintain and develop good business relationships with suppliers to continue supplying current products and also to introduce new products that meet the Group's demands for quality and innovation of the BIG Group and the market, with speed and responsibility in the supply. These business relationships are also important to ensure that the BIG Group have access to the product at a discount or other form of compensation to ensure a competitive price to the consumer. The loss of these business relationships or the impediment of forming new relationships could have an adverse impact on the positioning of the BIG Group in the market, in operating costs and, consequently, in its operating results.

The BIG Group depends on logistics service providers to supply its stores and deliver products to end consumers purchased through the digital platform. Interruptions in supply



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and other factors that affect the distribution of products may have an adverse impact on the business of the BIG Group.

The BIG Group depends on logistics service providers, hired to ensure the transport and delivery of products in their stores and to end consumers in internet and/or app sales. Any wear and tear in the relationship between the BIG Group and these third parties, or any interruption resulting from supply failure, natural disasters, accidents, strikes or other factors beyond the control of the BIG Group may prevent it from meeting the demand of its customers, causing an adverse impact on its business, its image and reputation, its financial situation and, consequently, its operating results.

Furthermore, there is no guarantee that the BIG Group will have no problem coordinating its logistics strategy along with realizing your growth plan. As it intends to expand its business in Brazil, including sales through the internet and applications, BIG Group needs to ensure efficiency in the management of distributors and logistics service providers to keep the supply of new stores and the delivery of products to end consumers. Therefore, any failure to establish a connection between its stores, consumers and its distribution centers could have an adverse impact on the growth plans, on operating costs and, consequently, on the operating results of the BIG Group.

Unauthorized disclosure of data or compromise of information technology integrity, caused by cyber failures or attacks, as well as non-compliance with laws and regulations related to privacy and data security, may subject the BIG Group to relevant penalties and negatively impact its operations, reputation and financial results.

The BIG Group obtains, stores, processes and uses confidential information, such as user and customer data, including financial information such as credit card numbers, within the scope of its business operations. It is necessary to ensure that any processing of personal data, such as processing, use, storage, dissemination, transfer or elimination under the responsibility of the BIG Group be carried out in accordance with applicable data protection and privacy laws. The protection of customer, employee and supplier data is essential for the BIG Group. The BIG Group depends on some third parties for the treatment and protection of user data, such as providers of systems, software, tools and monitoring. If these third parties fail to comply with applicable data protection and privacy laws, BIG Group may be jointly and severally liable for any damage caused to the holder of the personal data as a result of such a breach.

The Brazilian Government enacted, on August 14, 2018, Law No. 13.709/18 (General Data Protection Law – “LGPD”) with the purpose of protecting the fundamental rights of liberty, privacy, and the free development of the personality of the natural person, in order to bring more transparency and autonomy to the owners of personal data. The text of the law provides for limits and conditions for the processing of personal data, either by physical or electronic means, by a legal entity governed by public or private law, and, therefore, will impact the BIG Group. Processing of personal data, as classified by law, is understood as any operation that involves collection, use, access, reproduction, processing, storage and transfer of data that identify or make identifiable a particular person. Information cybersecurity failures due to external actions, intentional or not, such as malware, hackers, cyberterrorism, or internal, such as negligence or misconduct by BIG Group employees and service providers can generate a negative impact on the reputation of the BIG Group, immaterial damage that the brand may suffer as a result of bad publicity and impacts on the relationship with external entities (government, regulatory bodies, consumers, suppliers, among others), financial losses resulting from fines by supervisors and legal actions that the owners of the personal data who feel injured bring against the BIG Group.

Furthermore, the LGPD authorized the creation of the National Data Protection Authority (“ANPD”), which was formally constituted on November 6, 2020 and is responsible, among other things, for drawing up guidelines and applying administrative sanctions in case of non-compliance with the LGPD.

The BIG Group cannot guarantee that it has already adopted all the measures for adequate data protection and that they comply with the rules established in current legislation.



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Furthermore, in relation to the administrative sanctions of the LGPD, if the BIG Group does not comply with the LGPD, the BIG Group may suffer the administrative sanctions applicable by the ANPD provided for by law, which are (i) warning with indication of a deadline for the adoption of corrective measures, (ii) simple fine, of up to 2% (two percent) of the revenue of the private legal entity, group or conglomerate in Brazil in its last fiscal year, excluding taxes, limited, in total, to BRL50,000,000.00 (fifty million reais) per infraction, (iii) daily fine, subject to the total limit to which refers to the immediately preceding item, (iv) publication of the infraction after its occurrence has been duly verified and confirmed, (v) blocking of the personal data to which the infraction refers until its regularization, (vi) elimination of the personal data to which the infraction refers. In case of recidivism, more severe sanctions for the BIG Group, such as suspension of the operation of the database to which the infraction refers for a maximum period of 6 (six) months, extendable for an equal period, until the treatment activity is regularized by the controller; suspension of the exercise of the activity of processing the personal data to which the infraction refers for a period of 6 (six) months, extendable for an equal period; and partial or total prohibition of activities related to data processing.

In addition, several articles of the LGPD have provision of being regulated by the ANPD. Possible new regulations may invalidate or restrict provisions of contracts currently in force that allow the processing of personal data by the BIG Group.

Furthermore, the BIG Group may be held liable for material, moral, individual or collective damages caused by it and be held jointly and severally liable for material, moral, individual or collective damages caused by its subsidiaries, due to non-compliance with the obligations established by the LGPD. In this sense, if the BIG Group failure to use sufficient information security measures to protect the personal data it manages and store, or to ensure compliance with the LGPD and applicable legislation in other jurisdictions where it operates, may incur significant costs that may have a negative effect on its reputation and in its operating results.

There is no guarantee that the suppliers and service providers of the BIG Group do not use irregular practices.

The BIG Group has no control over the operations of suppliers and service providers and any irregularities that they may present. Thus, the BIG Group cannot guarantee that some of its suppliers or service providers will not have problems with labor issues or related to environmental legislation and sustainability, outsourcing of the production chain and improper safety conditions or even that they will use these irregularities to have a lower price of its products and, if its suppliers do so, BIG Group may have financial losses in its image and, consequently, a drop in the value of its shares.

In addition, if the third party service providers that provide services to the BIG Group do not comply with their labor obligations and laws related to social security, or even, if they practice any type of discrimination, racism, prejudice, the BIG Group may be held liable as a subsidiary and/or jointly and severally liable for any non-compliance, resulting in fines, payments of these amounts, eventual termination of contracts and other sanctions that may affect the BIG Group substantially and negatively. The BIG Group may also be liable for bodily injury or death to employees or third parties who are providing services for the BIG Group within its facilities or during the construction of BIG Group stores, which could adversely affect its image and business.

Furthermore, if the suppliers of the BIG Group fail to use ethical business practices and comply with applicable laws and regulations, such as any child or slave labor and environmental protection laws, the BIG Group could be harmed due to negative publicity or the imposition of joint and several liability.

Finally, under the Consumer Protection Code ("CDC"), the BIG Group may be jointly and severally liable in the event of an addition and/or defect in the products and/or services made available to the consumer. For more information on the risks involving consumer rights, see Risk Factor "*The BIG Group may be held liable for damages caused by products marketed to consumers or third parties, which could adversely affect the results of the BIG Group*".



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The activities of the BIG Group depend on the good relationship and reputation of its suppliers.

The success of the activities of the BIG Group depends, in part, on the commercial relationship of the BIG Group with its suppliers. If the BIG Group has commercial disagreements with its suppliers or if these suppliers terminate or do not renew their contracts, especially in the case of brands exclusively distributed by the BIG Group in Brazil, including in relation to international suppliers of Walmart US, due to defaults, lack of achievement of satisfaction standards, changes in internal management structures and corporate control of the BIG Group that do not have their approvals, or for any other reason, BIG Group can be harmed.

(f) Risks Relating to Its Customers

The business of the BIG Group is subject to substantial fluctuation due to the seasonal purchasing patterns of its consumers.

The BIG Group experiences seasonal fluctuations in its net sales and operating results that may vary from quarter to quarter. Historically, the BIG Group generates the most net sales in the fourth quarter of each year, which includes the weeks leading up to and immediately after *Black Friday* and the Christmas sales season. Consequently, a reduction in consumer confidence in the weeks leading up to and immediately after *Black Friday* and the Christmas sales season would have a significant impact on the BIG Group's business. In addition, in the fourth quarter, the BIG Group generally increases employee and advertising expenses due to anticipated higher sales volumes. Seasonality also influences the BIG Group's purchasing patterns, as the BIG Group purchases merchandise for seasonal activities before a season, which directly impacts the BIG Group's cash flows, accounts payable and inventory levels. Furthermore, seasonality affects the level of BIG Group's debt and working capital, as BIG Group generally incurs further debt during the first half of the year to finance the increased cash flow needs of the BIG Group, as a result of (i) the maturity of payments to the BIG Group's suppliers by inventories acquired before high sales seasons, and (ii) a decrease in sales volume, which normally occurs after the Christmas sales season that extends into the first half of the following year. If the BIG Group miscalculate the demand for the quantity of products it will sell or the variety of products during the fourth quarter, BIG Group's net sales may fall and, consequently, impair their financial performance. If fourth quarter net sales are not high enough to fully recoup BIG Group's employee and advertising expenses or are less than the targets used to determine inventory levels, this shortfall could adversely affect the BIG Group's results of operations. In addition, seasonality can affect the logistics of delivering products within the established time, especially through digital, which can negatively affect the operating results of the BIG Group.

BIG Group's quarterly operating results may also vary significantly as a result of various other factors, including, but not limited to, the timing and advertising of new products and changes in the BIG Group's range of products, as well as the dates on which the Easter holiday generally falls (in March or April). As a result of these seasonal and quarterly fluctuations, the BIG Group believes that comparing its operating results between different quarters within a single year is not necessarily valid.

The BIG Group may not timely identify or respond effectively to consumer trends or preferences, which could adversely affect its relationships with consumers, demand for the products it sells and its market share.

The BIG Group competes with other retailers on the basis of price, range or variety of products, services, location and store *layout*. Consumption habits are constantly changing and the BIG Group may not be able to anticipate and respond quickly to these changes. The inability to timely identify or respond effectively to changes in consumer tastes, preferences and consumption patterns may adversely affect the BIG Group's relationship with consumers, the demand for the products it sells and its market share. In addition, changing consumer habits may require additional investments for the BIG Group to be capable of effectively address the changes of consumer needs.



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If the BIG Group is not capable to adapt its business model, variety or store *layout*, identify locations and open stores in preferred areas, quickly adjust its variety and products or prices in each of its banners, properly implement its e-commerce platform or, otherwise be unable to adjust to changes in consumer preferences, the BIG Group's business and operating results could be materially and adversely affected.

The unauthorized disclosure of sensitive or confidential information of BIG Group consumers, or its inability or the perception of its consumers that BIG Group fails to comply with privacy laws or properly manages privacy issues, could harm the BIG Group's business and reputation towards its consumers.

The BIG Group collects, stores, processes and uses certain personal information and other user data in its business. A significant risk related to its business and communications in general is the secure transmission of confidential information over public networks. The perception of well-founded or unsubstantiated privacy issues can affect the BIG Group adversely. The BIG Group must ensure that any processing, collection, use, storage, dissemination, transfer and deletion of data for which it is responsible complies with applicable data protection and privacy laws. The protection of the data of consumers, employees and companies is fundamental for the BIG Group. Currently, several of its users authorize the BIG Group billing directly to their credit cards.

BIG Group's facilities and systems, whether its e-commerce platform or its physical stores, as well as those of its third-party service providers, may be vulnerable to security breaches, fraud, acts of vandalism, computer viruses, lost or misplaced data, programming or human errors, or other similar events. Any breach of security or any perceived failure involving the misappropriation, loss or other unauthorized disclosure of confidential information, as well as any failure, including any perceived failure to comply with laws, policies, legal obligations or industry standards regarding privacy and protection data, either by the BIG Group or its suppliers on the BIG Group's online marketplace platform, could damage its reputation, expose it to liability and risk of litigation, subject it to negative publicity, disrupt its operations and harm its business. The BIG Group cannot guarantee that its security measures will prevent security breaches or that failure to prevent them will not have a material adverse effect on it.

Restrictions on the availability of credit to consumers in Brazil may adversely affect the BIG Group's sales volumes.

Installment sales are an important component of the results of operations of retail companies in Brazil. The increase in the unemployment rate, in addition to higher interest rates, could result in greater restrictions on the availability of credit to consumers in Brazil. In 2021, the unemployment rate in Brazil was 11.1%, in the last quarter, according to the Brazilian Institute of Geography and Statistics, or the IBGE, and the SELIC interest rate closed the year at 9.25% per year. In 2022, the January unemployment rate in Brazil was 11.2% and the SELIC interest rate is at 11.75% per year. The sales volumes of the BIG Group and, consequently, its operating results may be adversely affected if the availability of credit to consumers decreases or if policies implemented by the Federal Government further restrict the granting of credit to consumers.

The Federal Government, through the CMN and BACEN, periodically issues rules with the objective of regulating the availability of credit, in order to reduce or increase consumption and, consequently, control the rate of inflation. These rules include, among other tools, (i) modifying the requirements imposed on compulsory deposits on loans, deposits and other transactions; (ii) regulate the maximum term of financing; and (iii) impose limitations on the amount that can be financed. These standards may reduce the ability of BIG Group's consumers of obtaining credit from financial institutions and, some of them, can affect the financial and credit market for long periods. The BIG Group cannot guarantee that, in the future, the Federal Government will not adopt new rules that reduce consumers' access to credit in financial institutions.

Reductions in credit availability and stricter credit policies adopted by the BIG Group or by other payment institutions or payment arrangement providers may adversely affect BIG Group's sales.



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Unfavorable economic conditions in Brazil, or unfavorable global economic conditions that impact the Brazilian economy, can significantly reduce consumer spending and disposable income, particularly in lower classes, who have relatively less access to credit than higher classes, more limited conditions of debt refinancing and are more susceptible to increases in the unemployment rate. These conditions could have a material adverse effect on the business of the BIG Group.

BIG Group's businesses may be directly and indirectly impacted by unfavorable conditions in agricultural production, including unfavorable weather conditions, natural disasters or other factors beyond the control of the BIG Group that considerably reduce agricultural production in the region.

BIG Group's businesses depend on the performance of agricultural production, given that they are located in regions of the country with majority production focused on this sector of the economy. Impacts on agricultural production caused by factors such as unfavorable weather conditions, natural disasters and other factors beyond the control of the BIG Group that occur in the regions where its businesses are located can negatively impact the financial conditions of its customers and, consequently, their decisions and their purchasing power, resulting in a reduction in the sales volume of the BIG Group. In addition, the reduction in local agricultural production and the consequent worsening of customers' financial conditions may negatively impact the ability of these customers to pay for the products purchased and to honor the other commitments entered into with the BIG Group, which may have an adverse impact on its operating results.

(g) Risks Related to the Sectors of the Economy in which the BIG Group Operates

BIG Group market it is highly competitive and strategic actions by its competitors can weaken its competitiveness and negatively affect its profitability.

The BIG Group, together with other retailers and wholesalers and consumer credit financial institutions, compete for capital, consumers, employees, products, services and other important aspects of their business. In most of the business segments in which it operates, the BIG Group generally competes with a number of large self-service wholesale and delivery networks, Brazilian and multinational retailers, as well as small national companies.

These competitors, some of which have a larger market share in certain geographic regions, store formats and/or product categories, include traditional and *off-price retailers*, mail order and e-commerce companies, direct sales companies, supermarkets and other forms of retail trade. Changes in prices and other negotiated terms, contractual conditions or practices of these competitors may affect the BIG Group substantially and adversely.

In addition, increased competition may result in reduced gross margins, a decline in working capital and loss of market share, which may affect the BIG Group substantially and adversely. Additionally, competitors of the BIG Group may be able to raise more resources than us to invest in the development of their businesses. BIG Group's competitors may be acquired by, receive investment from, or enter into other types of business relationships with larger, well-established, and financially sound companies. Furthermore, the opening of new stores close to those of the BIG Group, by its current competitors or by new competitors, may affect the profitability of each of its stores, which may reduce its cash flow and operating profit. The BIG Group it may also be materially and adversely affected to the extent that it fails to successfully compete with its competitors.

Consumers' purchasing decisions are affected by factors including brand recognition, product quality and performance, availability of credit, price, and consumers' subjective preferences. Some of the BIG Group's competitors may have substantially greater marketing investments than those of the BIG Group. If the BIG Group's marketing, advertising and promotion strategies are not successful and if it is unable to offer new products to meet market demands, the BIG Group could be adversely affected. If the BIG Group fails to introduce new products in a timely manner, or if its end consumers believe that the products of competitors of the BIG Group are better, sales, profitability and operating results could be adversely affected.



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In addition, consumers are increasingly embracing shopping online and through smartphone apps. As a result, a greater share of total consumer spending with retailers and wholesalers can take place online and through smartphone apps. If the BIG Group unable to maintain or increase its market position through the integration of its e-commerce platform and physical retail presence, its net sales and financial performance could be adversely affected. In addition, a greater concentration of retail and wholesale sales in online and mobile commerce may result in reduced traffic in BIG Group's physical stores. Conditions in the online sales market can also change rapidly and significantly as a result of technological advances. New startups and major competitors that are making significant investments in e-commerce may create e-commerce technologies and platforms similar or superior to that of the BIG Group, which will be problematic for both e-commerce operations and physical store operations of the BIG Group.

The retail market is sensitive to declines in consumer purchasing power and unfavorable economic cycles.

Historically, the retail market has experienced periods of economic downturn, due to falling consumer spending. The success of the operations of the BIG Group in most of the business segments in which it operates depends on a number of factors related to consumers' expenses and income, including general business conditions, interest rates, inflation, availability of consumer credit, taxation, consumer confidence in future economic conditions, employment and salary levels.

Since 2014, Brazil has suffered from the economic slowdown. After having shrunk by a total of 6.7% in 2015 and 2016, Brazil's gross domestic product, or GDP, grew at a rate of just 1.3% in 2017 and ended 2018 with a growth of 1.8% and 2019 grew at a rate of 1.2%. In 2020, GDP retracted at a rate of 3.9%, especially impacted by the COVID-19 pandemic, and in 2021, with the resumption of economic activities, it closed the year with a growth of 4.6%.

The operating results and financial conditions of the BIG Group have been and will continue to be affected by the growth rate of Brazilian GDP. The BIG Group cannot guarantee that GDP will increase or remain stable. The evolution of the Brazilian economy may affect Brazil's growth rates and, consequently, its operating results.

In addition, we depend on the growth rate of Brazil's urban population and its different income levels. Any decrease or deceleration in the pace of such growth could adversely affect the sales and results of operations of the BIG Group.

Health risks related to the food industry could adversely affect the BIG Group's ability to sell food products.

The BIG Group is subject to risks that affect the food industry at large, including risks posed by contamination or spoilage of food, evolving nutritional and health concerns, product tampering, and the public perception of product safety for the food industry as a whole, including but not limited to as a result of disease outbreaks or the fear of such outbreaks. These risks are even greater in our online sales, where perishable products are subject to weather conditions outside our stores.

Even if the products that the BIG Group sells are not affected by the contamination, the food industry could face negative publicity if products from food producers or other retailers become contaminated, which could result in a negative public perception of the safety of food products and a reduction in demand for products foods in the affected category. The widespread loss of consumer confidence in the safety and quality of food products, in addition to any real or perceived health risks related thereto, could have an adverse and material impact on the BIG Group.

Fuel storage is an inherently dangerous activity.

The activities that the BIG Group performs at its gas stations involve safety and other operational hazards, including the handling of highly flammable, explosive and toxic materials. Such hazards could result in bodily harm or death, damage to or destruction of facilities and equipment, and



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irreversible or irreparable environmental damage. A major accident at any of BIG Group's gas stations or facilities, such as a significant fuel leak, may compel BIG Group to suspend, for an indefinite period, its activities at the site, resulting in significant costs of remediation and indemnification of damages and reduction of net operating income.

The increase or decrease in commodity prices may affect the prices, demand for products, sales and profit margins of the BIG Group.

The prices of certain commodity products are historically volatile and are subject to fluctuations arising from changes in domestic and international supply and demand, labor costs, competition, market speculation, government regulations and periodic delays in delivery. Rapid and significant changes in commodity prices may affect demand for BIG Group's products, sales and profit margins. Once the BIG Group does not enter into futures or options contracts against variations in commodity prices, the increase in commodity prices could have a material adverse effect on the BIG Group's results.

Uncertainties related to changes in consumption patterns brought about by digital can impact and cannibalize physical and wholesale retail sales.

The retail sector has been undergoing significant changes as a result of digital transformation, which has affected the pattern and purchase channels through which customers interact with brands. In view of the exponential influence of digital transformation on the retail sector, the BIG Group cannot predict possible effects of cannibalization of digital growth to the detriment of physical retail and the wholesale market.

If the BIG Group unable to adapt to the effects of digital transformation on its business, the BIG Group could be materially and adversely affected our results, reputation and operations.

Companies in the retail sector have been frequently volatile as a result of the highly competitive and innovative scenario.

The retail sector is traditionally sensitive to macroeconomic events (GDP evolution, employment and income levels, among others), to political events and also, with significant relevance to the technological factor. Technology focused on customer expectations, trends and demands evolves rapidly and requires changes in applications, products, services, marketing, media, forms of relationships that, to a certain extent, are beyond the control of the BIG Group. Technological innovations must be introduced with agility, efficiency, effectiveness and safety in a pioneering way, because the national market, and mainly international, evolve at a fast speed. The competition is constantly seeking to differentiate itself and present the best performance with a focus on customer expectations, in having the best cost-benefit ratio in view of the different shopping options on digital platforms and physical stores.

The BIG Group cannot guarantee a comfortable position in a market with frequent changes, evolutions and investment levels, as well as allowing the entry of multinational competing retailers that may present such differentials. This environment necessarily brings us the possibility of impacts of a drop in the *market share of the BIG Group*, net revenue, its operating and financial results, as well as high volatility in the shares issued by the BIG Group.

(h) Risks Related to the Regulation of Sectors in which the BIG Group operates

The costs of the BIG Group to do business may increase as a result of changes, expansions of application, or adoption of new federal, state, or local laws or regulations.

The BIG Group is subject to various federal, state and local laws and regulations that govern various aspects of its business. In recent years, new laws and regulations have been adopted and the application of certain existing laws and regulations by federal, state and local agencies has been expanded. In addition, specific restrictions have been adopted as a result of the COVID-19 pandemic.



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These laws, regulations and interpretations related to the activities of the BIG Group may change as a result of a variety of factors, including political, economic or social events. Changes, extensions of application or adoption of new federal, state or municipal laws and regulations that regulate (i) the minimum wage or its requirements, (ii) other labor rights, (iii) health plans, (iv) data protection and cybersecurity, (v) the sale of any of our products, (vi) transportation, (vii) logistics, (viii) supply chain transparency, (ix) taxes, (x) energy costs, (xi) environmental issues, and (xii) safety and health issues in the workplace, among others, can increase business costs or impact the operations of the BIG Group.

The BIG Group may be held liable for damages caused by products sold to consumers or third parties, which could adversely affect the results of the BIG Group.

In Brazil, consumer protection legislation is strict and favorable to consumers and establishes joint and several liability for all those who participate in the supply chain, directly or indirectly. Specifically in the event of a defect in the products sold, the responsibility of the BIG Group is subsidiary and restricted to the hypotheses of article 13 of the CDC, which are, when: (i) the manufacturer, constructor, producer or importer cannot be identified, (ii) the product is supplied without clear identification of its manufacturer, producer, builder or importer, or (iii) the perishable products are not properly preserved. Consumer protection legislation also assigns the BIG Group (supplier) the burden of proof in any claims with a customer (consumer), placing it at a procedural disadvantage in any process involving consumer relations.

Judicial consumer protection can be exercised through individual or collective actions and, in the case of collective actions, actions can be brought by state or federal authorities, through direct or indirect public administration bodies, notably the Public Prosecutor's Office or PROCON (Pro-Consumer Foundation), for the purpose of protecting consumer rights, or by consumer protection organizations.

Furthermore, the products sold in the stores of the BIG Group can cause adverse reactions in their consumers. Legal or administrative proceedings related to these incidents may be brought against the BIG Group, on the grounds, among others, that its products were defective, damaged, tampered with, contaminated, did not have the advertised properties or adequate information about possible side effects or risks of interactions with other chemicals. Any actual or possible health risk associated with these products, including the negative publicity related to these risks, could lead to a loss of confidence by BIG Group's consumers regarding the safety, efficacy and quality of the products sold in its stores.

Unfavorable decisions involving substantial amounts may adversely affect the results of the BIG Group and its financial condition. Additionally, unfavorable court decisions may adversely affect the image of the BIG Group and the image of its brands, consequently affecting its sales and reputation, which may adversely impact the BIG Group's results.

The operations of the BIG Group may be influenced by specific regulations for the states and metropolitan areas in which it operates.

The operations of the BIG Group may be influenced by regulations specific to the states and metropolitan areas in which it operates, such as zoning laws and marketing restrictions.

Untimely compliance or non-compliance with applicable regulations may result in the imposition of civil and criminal sanctions, having an adverse effect on the maintenance of the BIG Group's business, including: suspension of payments related to government programs; loss of government-mandated certifications; loss of authorization to participate or our exclusion from government reimbursement programs; loss of license to operate one or more stores or to engage in certain business activities; or significant fines or financial penalties, may affect the BIG Group adversely.

In addition, changes in these regulations may restrict the operations of the BIG Group. systems, limit the expansion of its business, and require system expansion and operational changes that may be difficult to implement.



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Monetary regulations imposed by the Federal Government may adversely affect the BIG Group.

To support monetary policy, the Federal Government, through the National Monetary Council (CMN) and the Central Bank, periodically introduces regulations with the objective of controlling the rate of inflation, by changing the requirements imposed on compulsory deposits levied on loans and deposits, regulation of the maximum term of financing and imposition of limitations on the amount that can be financed, among other tools. Such controls are used by the Federal Government with the basic objective of regulating the availability of credit and to reduce or increase consumption. These regulations sometimes affect customers' ability to obtain credit. Some of these controls are permanent and affect business for long periods. There is no guarantee that in the future the Federal Government will not adopt new regulations that may affect the liquidity, financing strategy, loan growth or even the profitability of the BIG Group, as well as the solvency of its customers.

The operating results of the BIG Group may be impacted by changes in Brazilian tax legislation, by unfavorable results of tax contingencies or by the modification, suspension or cancellation of tax benefits /special regimes.

The Brazilian tax authorities regularly implement changes in the tax regime that may affect the BIG Group. These measures include changes in the applicable calculation systems, current rates and, occasionally, the creation of temporary and permanent taxes. Some of these changes may directly or indirectly increase BIG Group's tax burden, which may increase the prices that BIG Group charge for its products, restrict its ability to do business and, therefore, materially and adversely impact its business and operating results.

In addition, certain tax laws may be subject to controversial interpretations by tax authorities, as in the case of discussions regarding the levy of PIS and COFINS on commercial discounts entered into with suppliers of goods. In the event that tax authorities interpret tax laws inconsistently with our interpretations, we could be adversely affected, including the full payment of taxes supposedly due, plus charges and penalties.

By way of example, there have been recent discussions about the possible imposition of new taxes, such as the compulsory loan, the wealth tax and a contribution on financial transactions, as well as discussions about the revocation of the income tax exemption on the distribution of dividends.

There are currently proposals in the National Congress for the implementation of tax reforms. Among the proposals under discussion, there is the possibility of a complete change in the consumption taxation system, which would extinguish three federal taxes - IPI, PIS and COFINS, the ICMS, which is state, and the ISS, municipal, for the creation of a single new Tax on Transactions with Goods and Services (IBS), levied on consumption. In addition, the Federal Government recently presented a new proposal for a tax reform to create the Social Contribution on Transactions with Goods and Services (CBS), replacing the PIS and COFINS contributions, which would have a 12% rate, broad right to credit and most beneficial rule for basic basket products. If there is a tax reform or any changes in applicable legislation and regulations, which change the applicable taxes or tax incentives/special regimes during or after their term, it may directly or indirectly affect the business and results of the BIG Group.

In addition, the operating subsidiaries of the BIG Group enjoy tax benefits, tax incentives and special ICMS regimes. It is not possible to guarantee that these benefits will be maintained or renewed. In the event of revocation or amendment of the relevant legislation, business, activities and financial conditions may be adversely affected as a result of the increase in the tax burden. In addition, to ensure the continuity of these incentives, a series of requirements must be met, which can be challenged, including in court. If these tax benefits and special regimes cannot be maintained, they may be suspended or cancelled. If these tax benefits are not renewed or are modified, limited, suspended or revoked, the business, its activities and its financial condition could be adversely affected as a result of the increase in the tax burden.



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Furthermore, given the Brazilian scenario regarding the granting of tax benefits, especially with regard to the "Tax War between States", we cannot rule out the risk of questioning the constitutionality of the special regimes/ tax benefits related to ICMS, in the case of the state legislation on which its concession is based has not been approved within the scope of the National Council for Finance Policy (CONFAZ), through the filing of direct actions of unconstitutionality before the Federal Supreme Court (STF), which may adversely affect the BIG Group's business.

Also with regard to the "Tax War between States", Complementary Law 160/2017 ("LC 160/2017") and the CONFAZ ICMS Agreement No. 190/2017 were published, which aimed at validating the tax benefits granted by the States, reduction of the risks of declaration of unconstitutionality of tax benefits already granted, extinction of the possibility of creating new benefits, as well as establishing a maximum period of duration for the incentives already granted, which varies depending on the sector of activity. The BIG Group cannot guarantee that States will comply with the rules for validating the benefits enjoyed.

Furthermore, any failure to comply with the validation rules, changes in tax legislation or declaration of unconstitutionality of the legislation granting special regimes and tax benefits may affect not only the activities of the BIG Group, but the sector as a whole.

In addition, in view of the thesis established in general repercussion by the Federal Supreme Court (Extraordinary Appeal No. 628.975/RS), in the sense that the proportional return of ICMS credit made by the State of origin without authorization from CONFAZ is according the constitution, although the effects of the aforementioned judgment have been modulated to protect the tax relationships already established and only take effect after the decision of the Supreme Court, the BIG Group cannot exclude the risk of state tax authorities adopting a different approach to disallow ICMS credits from previous periods, which could impact the BIG Group's results.

The BIG Group is subject to inspections by tax authorities at the federal, state and municipal levels. As a result of such inspections, the BIG Group's tax positions may be questioned by the tax authorities. The BIG Group cannot guarantee that the provisions for such proceedings will be correct, that no additional tax exposure will be identified, and that additional tax reserves will not be required for any tax exposure. Any increase in the amount of taxation as a result of challenges to the BIG Group's tax positions could adversely affect its business, results of operations and financial condition.

The Brazilian tax authorities have recently intensified the number of inspections. There are a number of tax issues that are of concern to Brazilian authorities and with respect to which Brazilian authorities regularly inspect companies, including inventory control, goodwill amortization expenses, corporate restructuring and tax planning, among others. Any judicial and administrative proceedings related to tax matters before the courts, including the Administrative Council of Tax Appeals ("CARF") and state and municipal administrative courts, may adversely affect the BIG Group.

Risk of restrictions on the sale of regulated products and services, as well as price controls, could have a material adverse effect on the BIG Group.

The BIG Group sells some products that are approved and controlled by regulatory bodies. Any acts or decisions of these regulatory bodies, including the imposition of price controls, may affect or restrict the sale of such products and services, whose revenue is important to the BIG Group.

Prior to January 2002, prices for petroleum products offered at BIG Group gas stations were regulated by the Federal Government and, occasionally, established below the prices practiced in the world oil market.

The BIG Group cannot guarantee that price controls on petroleum products will not be applied again in Brazil and BIG Group cannot predict whether Brazilian regulatory bodies will impose price controls on any other product that the BIG Group sells, which could have a material adverse effect on the BIG Group's results of operations.



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The BIG Group faces risks related to registrations, authorizations, licenses and permits for the installation and operation of its stores and distribution centers.

The BIG Group depends on various federal, state and municipal registrations, authorizations, licenses and permits, in addition to Inspection Reports from the Fire Department, related to the operation and location of its distribution centers, self-service and delivery wholesale and retail stores (hypermarkets, supermarkets and convenience stores), as well as BIG Group gas stations (all hereinafter referred to as "stores"). Operating licenses and environmental licenses for stores in various locations have expiration dates and must be renewed from time to time, with or without payment of renewal fees. Due to the bureaucracy to obtain and renew registrations, licenses, permits and authorizations, including the time that the BIG Group needed to implement corrective action plans to comply with new regulations and/or requirements from competent authorities, along with the response time of certain public bodies, the BIG Group may not be able to obtain, in a timely manner, all necessary registrations, licenses, permits and authorizations or to renew such registrations, licenses, permits and authorizations for the operation of the stores. Furthermore, in some cases, the BIG Group does not have or is still in the process of renewing some of these registrations, licenses, permits and authorizations.

In addition, the BIG Group's own and occupied properties may have divergences of built-up areas, which may have consequences for the BIG Group, such as the revocation of operating licenses and/or preventing the issuance and/or renewal of the operating license. In these cases, the BIG Group may also (i) have to pay the fines and will be responsible for the regularization of the built-up area, and (ii) if IPTU (Brazilian Urban Real Estate Tax) is collected based on an irregularly registered land/built area, it will be charged retroactively until the last 5 years by the IPTU due by the area in divergence.

Failure to obtain or renew our licenses may: (i) result in infraction notices, (ii) subject BIG Group to the payment of fines, (iii) prevent the BIG Group to open and operate stores and distribution centers, and (iv) result in the closing of BIG Group stores and distribution centers. Furthermore, failure to obtain or not renew licenses in some of the stores in a timely manner could expose the BIG Group to additional risks in the event of an accident or similar event that could affect that store while the license is pending. Furthermore, the occurrence of incidents inside BIG Group stores and distribution centers that do not have all the necessary licenses and/or authorizations for operation may have their consequences aggravated.

BIG Group's business strategy could be materially and adversely affected if it is unable to open and operate new stores and distribution centers or if it has to suspend or close some of its existing stores and distribution centers as a result of its inability to obtain or renew registrations, authorizations, licenses and permits or if an accident adversely affects a store while it is pending a license.

With regard to environmental licenses, the absence of licenses or authorizations from the competent environmental bodies or the operation in disagreement with their conditions are subject to criminal and administrative sanctions, in addition to the obligation to recover any damage caused to the environment. At the administrative level, fines can range from BRL500.00 to BRL10,000,000.00, in accordance with Federal Decree No. 6,514/2008.

The regulation of the internet and electronic commerce by the Federal Government is constantly changing and unfavorable changes could harm the business of the BIG Group.

The BIG Group is subject to general business laws and regulations, as well as regulations and laws specifically governing the internet and e-commerce. Under Brazilian law, there is currently no distinction between laws relating to electronic commerce and retail commerce. These current and future laws and regulations may impede the growth of the internet or other online services. These regulations and laws may encompass taxation, user privacy, data protection, pricing, content, copyright, distribution, electronic contracts and other communications, customer protection, provision of online payment services, residential broadband Internet access, and characteristics and quality of products and services. It is still unclear how existing laws governing matters such as ownership, sales and taxation, defamation and personal privacy would apply to the internet and e-commerce. An unfavorable resolution in relation to these matters could harm the business of the BIG



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Group, causing a decrease in demand for its products and services and an increase in its operating expenses.

Increase in personnel expenses due to new regulatory requirements or unfavorable labor negotiations could adversely affect the BIG Group.

Compliance with new legislation, regulations by the competent authorities or unfavorable labor negotiations may lead to increases in the operating expenses of the BIG Group, such as (i) salary increases, (ii) an increase in the number of employees in stores, distribution centers and in the administrative, (iii) increase in other expenses related to in-store sales, and (iv) handling and controls in our distribution centers.

We cannot guarantee that these possible additional costs will not be passed on to the BIG Group's prices. If such transfers do not occur, these cost increases could impact the profitability of the BIG Group and adversely affect it.

The application of current regulations in the fuel sector or any changes thereto may affect the activities of the BIG Group.

Currently, the BIG Group has active automotive fuel service stations, pursuant to ANP Resolution No. 41/2013. Pursuant to the aforementioned resolution, we must keep the registration with the ANP updated. If the registration update is not carried out within the deadline and under the established conditions, or if the exercise of retail resale of automotive fuels is verified while the authorization is cancelled, the BIG Group would be subject to the application of penalties, such as fines, temporary suspension - total or partial, interdiction and/or seizure of assets, as the case may be.

(i) Risks Related to Foreign Countries where the BIG Group operates

No applicable, as the BIG Group do not operate in foreign countries.

(j) Risks Related to Social and Environmental Issues

The BIG Group is subject to environmental laws and regulations and failure to comply with these standards could adversely affect the reputation and financial position of the BIG Group.

The BIG Group is subject to extensive federal, state and municipal legislation related to the preservation and protection of the environment. Among other obligations, this legislation establishes requirements for environmental licenses, compliance with the conditions established in such licenses, in addition to standards for the disposal of effluents, atmospheric emissions, solid waste management, noise emission parameters, as well as requirements related to preservation and maintenance of specially protected areas and other areas subject to environmental preservation, established in Federal Law No. 12,651/2012 (Forest Code) and related regulations. Any violations of environmental legislation and regulations may expose the BIG Group administrative and criminal sanctions, in addition to the obligation to repair or indemnify the damage caused to the environment and to third parties, in view of the three spheres of environmental responsibility provided for in the Brazilian legal system.

Furthermore, the obligations eventually imposed on the BIG Group for environmental civil reparation may be the subject of Conduct Adjustment Terms (TAC), signed with the Public Prosecutor's office, or Terms of Commitment (TCs), eventually signed with federal, state or municipal supervisory public bodies, as the case may be, whose obligations may give rise to the disbursement of significant amounts that may affect the business, operating results and image of the BIG Group.

In addition, the BIG Group cannot guarantee that this legislation and regulation will not become even stricter, requiring that the BIG Group significantly increase its investments in order to comply with



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environmental legislation and regulations. Unforeseen environmental investments may reduce the resources available for other investments and materially adversely affect their results.

Inadequate management of solid waste generated in its facilities and the risk of possible contamination due to the activities carried out may adversely affect the business of the BIG Group.

The BIG Group is subject to the management of its solid waste, under the terms of Law No. 12,305 of August 2, 2010 ("National Solid Waste Policy"), which aims to bring together a set of principles, instruments, guidelines, goals and actions to enable the integrated management and environmentally appropriate management of solid waste.

Considering that the solid waste generated may, due to its nature, generate impacts to the atmosphere, soil, groundwater and surface water, and the ecosystem, throughout its life cycle, whether on the premises of the project site, or, mainly, at the place of its final destination, is the BIG Group responsible for the segregation, storage, transport and final disposal of waste or final disposal of waste in an environmentally appropriate manner, and may also be required to repair any kind of environmental damage resulting from the inadequate management of such waste.

In this way, being the BIG Group owner or possessor of property in which there is identification of soil and groundwater contamination, it may incur responsibility for the remediation of such contamination and bear the costs involved, since environmental legislation determines that the owner and/or possessor of immovable property that is in an area with environmental contamination may, regardless of whether or not it actually caused it, be held responsible and compelled to carry out the remediation and recovery of the associated damages, both by environmental agencies and by the Public Prosecutor's Office. If the BIG Group is not able to comply with the responsibilities imposed in this regard, it may become the target of remediation proceedings before the competent bodies, and also, objectively responsible for its full recovery, promoting the removal of harmful or toxic substances outside the parameters required by applicable legislation existing on such properties.

Such remediation processes tend to last for significant periods and may lead to the disbursement of significant amounts until the remediation is completed, which could affect our business, results of operations and image.

In addition, the hiring of third parties for services of collection, storage, transport, treatment or final destination of solid waste, or final disposal of tailings, does not exempt the BIG Group liability for damages that may be caused by improper management of waste or tailings. Failure to comply with any obligations related to the management of solid waste or the implementation of reverse logistics and/or causing pollution of any nature may give rise to the application of a fine, which can vary between BRL 5,000.00 (five thousand reais) to BRL 50,000,000.00 (fifty million reais), as established in Federal Decree No. 6514/2008, without prejudice to any obligations and penalties established at the state or municipal level.

The absence of grants for the use of water resources may adversely affect the activities of the BIG Group

Federal Law No. 9,433/1997, which instituted the National Water Resources Policy (Política Nacional de Recursos Hídricos - "PNRH"), establishes that the uses of water resources are subject to the granting of the right of use by the Government, whether for the capture of a body of water (even from an artesian well and/or for public consumption), or for the disposal of sewage and other liquid or gaseous residues, whether treated or not, into a water body, for the purpose of diluting, transporting or final disposal.

According to the PNRH, an administrative infraction is considered to be the execution of hydraulic works and services, derivation or use of water resources under the domain or administration of the Union without the respective granting of the right to use water resources, or for failure to comply with requests made. Such conducts give rise to the application of penalties, including a warning, daily fine and/or simple fine proportional to the seriousness of the infraction, and in both, the



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amounts applied can vary from BRL 100.00 (one hundred reais) to BRL 10,000.00 (ten thousand reais), in addition to a provisional or definitive embargo.

Such sanctions can be applied irrespective of the eventual need to repair environmental damages, as, for example, in the case of the discharge of effluents that do not comply with the standards, causing pollution of the water body.

Environmental and occupational health and safety laws and regulations may require expenditures greater than those in which the BIG Group currently incurs for its compliance and failure to comply with these laws and regulations could result in civil, criminal and administrative penalties.

The BIG Group is subject to federal, state and municipal legislation, as well as regulations, authorizations and licenses, relating to the protection of health and safety at work and the environment. Any failure to comply with these laws, regulations, licenses and authorizations, or failure to obtain or renew them, may result in the application of civil, criminal and administrative penalties, such as the imposition of administrative fines that can reach amounts of up to BRL10,000,000.00 (ten million reais) in case of operation of activities without licenses, in disagreement with the license obtained or contrary to the relevant legal rules and regulations (under the terms of article 66 of Federal Decree No. 6.514/2008), cancellation of licenses and revocation of authorizations, in addition to negative publicity (reputational impact) and responsibility for sanitation or environmental damage. Due to the possibility of regulations or other unforeseen events, especially as environmental laws become more stringent in Brazil, the amount and timeframe required for future expenditures to maintain compliance with regulations may increase and adversely affect the availability of resources for capital expenditures and other purposes. Compliance with new laws or with current environmental laws and regulations may cause an increase in the BIG Group's costs and expenses, resulting in lower profits.

(k) Macroeconomic Risks

The outbreak of the Coronavirus (COVID-19) and the consequent shutdowns on a global scale can generate disruptions in the manufacture of products and crises in the international supply chain, fundamentally affecting the operations of companies in the retail sector, including those of the BIG Group. In addition, the worldwide outbreak could lead to greater volatility in the global capital markets, which could directly impact the BIG Group's business and results.

Outbreaks of diseases that affect people's behavior, such as the current coronavirus responsible for COVID-19, Zika, Ebola, bird flu, foot-and-mouth disease, swine flu, Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory System (SARS), among others, may have a material adverse impact on the global capital market, on global industries, on the global and Brazilian economy and on the results of the BIG Group and its subsidiaries.

On March 11, 2020, the World Health Organization declared a pandemic resulting from COVID-19, and it is up to member countries to establish best practices for preventive actions and treatment of those infected. As a consequence, the outbreak of COVID-19 resulted in restrictive measures related to the flow of people imposed by the governments of several countries in the face of the wide and current spread of the virus, including measures of restrictions on movement, social distancing and lockdown around the world. As a result, countries have imposed restrictions on travel and public transport, prolonged closure of workplaces, disruptions in the supply chain, closure of businesses and reduced consumption in general by the population, which has resulted in volatility in the price of raw materials and other inputs, lower income and unemployment. The adoption of the measures described above, combined with the uncertainties caused by the COVID-19 outbreak, had an adverse impact on the Brazilian economy.

The recent global outbreak of COVID-19 could have far-reaching impacts – from factory closures, challenging working conditions and global supply chain disruption. The COVID-19 outbreak threatens product manufacturing and product/supply chain disruption for companies in the retail sector.



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Currently, the global supply chain is under threat and equipment manufacturers have already reduced the supply of products and/or raw materials. As a result of these stoppages, companies whose supply chain depends on external manufacturers, such as the BIG Group, may have their inventories affected and, consequently, have their revenue reduced.

In this sense, any outbreak of a disease that affects people's behavior can have a material adverse impact on the global capital market, on world industries, on the Brazilian economy, on the results of the BIG Group and in the securities issued by it. Disease outbreaks could also result in BIG Group staff being quarantined or the inability to access its facilities, which would damage the reputation of the BIG Group.

The development and perception of risk in other countries, particularly in emerging economy countries and in the United States, China and the European Union, may adversely affect the Brazilian economy and the Company's business.

The Company's business may be influenced, to different extents, by economic and market conditions in other countries, including the United States, China and the European Union, Latin American countries and emerging economies. The reaction of investors to events in these other countries may, in view of the perspective involving the contours of the event, cause an adverse effect and make it difficult or totally prevent their access to the capital markets and the financing of their operations in the future on acceptable terms, or under any conditions.

Furthermore, on November 7, 2020, Joseph Biden won the presidential election of the United States of America and on January 20, 2021 he took office as the 46th President of the United States of America. The Company has no control over and cannot predict the effect of Biden's management or policies. Such events, as well as potential crises and other forms of political instability arising therefrom or any other unforeseen events, may adversely affect the Company. The President of the United States of America has considerable power to determine governmental policies and actions that could have a material adverse effect on the global economy and global political stability. The Company cannot assure you that the new government will implement policies aimed at promoting macroeconomic stability, fiscal discipline and domestic and foreign investments, which could have a material adverse effect on the financial and securities markets in Brazil, as well as in Brazilian companies, including the Company.

In addition, factors related to international geopolitics may adversely affect the Brazilian economy and, consequently, the capital market. The conflict involving Russia and Ukraine, for example, poses the risk of a new rise in fuel and gas prices; occurring simultaneously with possible impacts on the foreign exchange market, these increases would cause even more inflationary pressure and could hamper the Brazilian economic recovery. Additionally, the conflict impacts the global supply of agricultural commodities, so that, if there is an upward adjustment in the price of grains due to high demand, the demand for Brazilian production would increase, given the high production capacity and the consequent possibility of trading for more competitive values; in this way, export taxes are increased and domestic prices are raised, which generates even more inflationary pressure. Finally, it is important to mention that a significant portion of Brazilian agribusiness is highly dependent on fertilizers imported from Russia; thus, the change in the export policy of these products could have a negative impact on the economy and, consequently, on the capital market. It should be noted that, in the face of the conflict between the two nations, animosities arise not only between the countries directly involved, but in many other nations indirectly interested in the issue, bringing a scenario of very high uncertainty to the global economy.

These developments, as well as potential crises and forms of political instability arising therefrom or any other unforeseen developments, could adversely affect the Company.

Potential fluctuations in interest rates may have a harmful effect on the Company's business and on the market prices of its shares.

Oscillations in the prospective scenario for the main interest rates of both the Brazilian economy and the main reference rates in developed markets may impact the Company's net financial result. The



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direct impact of higher interest rates is on the portion of the fixed-rate investment portfolio, negatively impacting the mark-to-market of these assets sensitive to interest rate variations. Similarly, significant reductions in interest rates may eventually impact the net financial result, as seen in the lower profitability of the portion indexed to floating rates such as CDI and SELIC.

Fluctuations in the main interest rates of the Brazilian economy may have the following effects, direct or indirect (i) impact on the demand for products sold by the Company, including due to the increase in consumer credit interest rates, (ii) changes in the terms commercial transactions with suppliers and service providers, (iii) impact on the Company's ability to obtain loans, and (iv) increase in the Company's cost of indebtedness, resulting in higher financial expenses, among others. These effects may cause both a drop in sales and a decrease in the Company's profitability, and thus, may adversely impact the Company's activities and business.

Possible exchange rate instability events may affect the BIG Group adversely.

As a result of inflationary pressures, the Brazilian currency has, on some occasions, been devalued against the US dollar and other foreign currencies. The devaluation of the real against important foreign currencies, including the US dollar, could create additional inflationary pressure in Brazil, causing BACEN to eventually deem it necessary to increase interest rates in an attempt to stabilize the economy. These measures may affect, depending on the context, the growth of the Brazilian economy as a whole and, in some way, may harm the financial conditions and operating results of the BIG Group. The devaluation of the real can also, within a context of economic slowdown, lead to a decrease in consumption, deflationary pressures and a reduction in the growth of the Brazilian economy as a whole.

Likewise, the appreciation of the real against the US dollar and other foreign currencies could lead, as the case may be, to a deterioration of Brazilian current accounts in foreign currency, as well as reduce the growth of exports, affecting the BIG Group's consumers, who depend on exporting segments, which could have an adverse effect on the BIG Group.

The long-term devaluation of the real is generally related to the rate of inflation in Brazil, just as the devaluation of the real over shorter periods has resulted in significant fluctuations in the exchange rate between the Brazilian currency, the US dollar and other currencies. In 2008, for example, due to the global financial crisis, the real depreciated against the US dollar by 31.9%. In 2009 and 2010, the real appreciated by 25.5% and 4.3%, respectively, against the US dollar. In 2017, the real depreciated by 1.5%, from BRL3.2591 per US dollar at the beginning of the year to a rate of BRL3.3080 per US dollar at the end of 2017. In 2018, the real showed a 17.1% devaluation, from BRL3.3080 per US dollar at the beginning of the year to a rate of BRL3.8748 per US dollar at the end of 2018. In 2019, the real continued to depreciate with 4.0% increase in the exchange rate, from a rate of BRL 3.8748 per US dollar at the beginning of the year to a rate of BRL 4.0307 per dollar at the end of 2019. More recently, in May 2020, the real depreciated to its lowest level since the currency's inception at BRL5.93 per US\$1.00. As of December 31, 2020, the selling exchange rate for the US dollar was BRL5.1967 per US\$1.00 reflecting a 28.9% depreciation of the Brazilian real against the US dollar compared to December 2019. As of December 31, 2021, the selling exchange rate for the US dollar was BRL5.5805 per US\$1.00, reflecting a depreciation of the Real against the US dollar of 7.4% in comparison to December 31, 2020. Therefore, we cannot predict future exchange rate fluctuations.

The BIG Group cannot guarantee that the real will not appreciate or depreciate against the US dollar. Depreciation of the real against the US dollar could create additional inflationary pressures in Brazil and result in higher interest rates, adversely affecting the Brazilian economy as a whole and our results of operations, due to a contraction in consumption and an increase in financial costs. Depreciation of the real against the US dollar may also increase operating costs related to the importation of goods and financial expenses and liabilities related to our US dollar-denominated borrowings and financing. The BIG Group may be adversely affected by changes in such exchange rate policies.



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Additionally, the BIG Group has a relevant portfolio of imported products that are sold in its stores, and in the event of any depreciation of the real against the US dollar, the BIG Group may incur increased costs to market such products and may be adversely affected.

The turmoil and volatility of the global financial markets may have a negative impact on the results of operations of the BIG Group.

The federal government has exercised and continues to exercise significant influence over the Brazilian economy. This influence, as well as the Brazilian economic and political situation, could have a material adverse effect on the BIG Group.

The Brazilian economy has suffered frequent interventions by the federal government, which sometimes makes significant changes in its monetary, credit, tariff, fiscal and other policies and rules, in order to influence the Brazilian economy. Measures taken by the federal government to control inflation, in addition to other policies and regulations, often involve raising interest rates, changing fiscal policies, controlling prices, intervening in the foreign exchange market, controlling capital and limiting imports, among others measures. The BIG Group has no control over and cannot predict what measures or policies the federal government may adopt in the future. The BIG Group could be materially and adversely affected by changes in policies or regulations that involve or affect certain factors, such as:

- expansion or contraction of the Brazilian economy, as measured by GDP growth rates, including as a result of the COVID-19 pandemic;
- inflation;
- exchange rates;
- interest rates;
- rising unemployment;
- changes in tax and fiscal laws;
- liquidity of domestic financial and capital markets;
- reduction of policies and programs to stimulate various sectors of the economy;
- restrictions on remittances of funds abroad; and
- other political, social and economic factors that may occur in or affect Brazil.

Uncertainty regarding the implementation of changes by the Federal Government in policies or regulations that may affect these and other factors in the future may contribute to economic uncertainty in Brazil, aggravated by the impacts of the COVID-19 pandemic in 2020, which could harm the activities and operating results of the BIG Group.

In addition, the Brazilian economy has been affected by recent political events that have also affected the confidence of investors and the general public, such as ongoing investigations conducted by the Federal Police and the Brazilian Federal Public Prosecutor's Office, investigations conducted by the Federal Supreme Court in relation to the President Jair Bolsonaro, among others, thus harming Brazilian economic performance. Additionally, any lack of decision by the Brazilian government to implement changes in certain policies or regulations could contribute to investors' economic uncertainty regarding Brazil and increase market volatility. These uncertainties, the recession with a period of slow recovery in Brazil and other future developments in the Brazilian economy may adversely affect the activities of the BIG Group and, consequently, its operating results.

Inflation and government efforts to combat it may contribute to a scenario of economic uncertainty, adversely affecting the Company.

In the past, Brazil has recorded high rates of inflation, which, together with certain actions taken by the Brazilian government to combat it and speculation about what measures would be adopted, had



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negative effects on the Brazilian economy. COPOM frequently adjusts the interest rate in situations of economic uncertainty to achieve goals established in the Brazilian government's economic policy. Inflation, as well as governmental measures to combat it and public speculation about possible future governmental measures, have produced material negative effects on the Brazilian economy and contributed to economic uncertainty in Brazil, which may have an adverse effect on the Company.

Any measures taken by the Brazilian government in the future, including lowering interest rates, intervening in the foreign exchange market and implementing mechanisms to adjust or determine the value of the real, could trigger inflation, adversely affecting the overall performance of the Brazilian economy. If Brazil experiences high inflation in the future, we may not be able to adjust the prices we charge our customers to offset the effects of inflation on our cost structure, which could increase our costs and reduce our operating and net margins.

In addition, in the event of increased inflation, the Brazilian government may elect to significantly increase interest rates. The increase in interest rates may affect not only the cost of the Company's new loans and financing, but also the cost of its eventual indebtedness, as well as the Company's cash and cash equivalents, marketable securities and lease agreements payable, which are subject to interest rates. Therefore, fluctuations in Brazilian interest rates and inflation may adversely affect the Company, as it may contract loans and financing indexed to the CDI variation and to the official long-term interest rates (TJLP). On the other hand, a significant reduction in CDI, TJLP or inflation rates may adversely affect the income from its financial investments.

Political instability may adversely affect the Company's business and results.

The Brazilian political environment has historically influenced and continues to influence the performance of the country's economy. Political crises have affected and continue to affect the confidence of investors and the general public, resulting in an economic slowdown and increased volatility in securities issued by Brazilian companies.

The recent economic instability in Brazil contributed to the reduction of market confidence in the Brazilian economy and to the worsening of the domestic political environment. In addition, Brazilian markets have experienced an increase in volatility due to uncertainties arising from several ongoing investigations into allegations of money laundering and corruption conducted by the Brazilian Federal Police and the Federal Public Prosecutor's Office, including the largest investigation known as "Lava Jato". Such investigations had a negative impact on the country's economy and political environment. The effects of Lava Jato, as well as other investigations related to corruption, resulted in an adverse impact on the image and reputation of the companies involved, as well as on the general market perception of the Brazilian economy, political environment and capital markets. We have no control over and cannot predict whether such ongoing investigations or allegations will lead to further political and economic instability or whether new allegations against government officials and/or companies will arise in the future.

Until the date of this document, President Jair Bolsonaro is being investigated by the Federal Supreme Court ("STF") for the alleged practice of improper acts alleged by the former Minister of Justice, Mr. Sergio Moro. According to the former minister, the president had requested the appointment of employees of the Brazilian federal police. If the President has committed such acts, any resulting consequences, including the potential opening of impeachment proceedings, could have material adverse effects on the political and economic environment in Brazil, as well as on businesses operating in Brazil, including the Company's business. In addition, the president has been criticized in Brazil and internationally, and the destabilizing effects of the COVID-19 pandemic have heightened political uncertainty and instability in Brazil, particularly following the departure of several ministers and the aforementioned corruption allegations against the president.

On April 14, 2021, the Parliamentary Commission of Inquiry ("CPI") was established to investigate embezzlement of resources intended to combat the effects of COVID-19. With the support and issuance of a precautionary measure by the Minister of the STF (Federal Supreme Court), Luís Roberto Barroso, so that all necessary measures were taken for its creation and installation, the CPI aims to investigate actions and omissions of the Federal Government in the face of the pandemic and the health collapse in the state of Amazonas at the beginning of the year. The potential outcome of



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these and other investigations is uncertain, but they have already had a negative impact on the general market perception of the Brazilian economy and have affected and may continue to adversely affect the business, financial condition and results of operations of the BIG Group.

The Brazilian economy has experienced a sharp decline in recent years due, in part, to the Brazilian government's interventionist economic and monetary policies and the global drop in commodity prices. The current Brazilian federal government is expected to propose general terms of fiscal reform to stimulate the economy and reduce the projected budget deficit, but it is uncertain whether the Brazilian government will be able to muster the necessary support in the Brazilian Congress to pass additional specific reforms.

Political and economic uncertainty and any new policies or changes to current policies could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. Uncertainty as to whether the Brazilian government will implement policy or regulatory changes that affect these or other factors in the future may contribute to economic uncertainty in Brazil and to increase the volatility of securities issued abroad by Brazilian companies. Historically, the political scenario in Brazil has influenced the performance of the Brazilian economy. In particular, political crises affected the confidence of investors and the general public, which adversely affected economic development in Brazil.

Still, it is important to emphasize that 2022 is an election year in Brazil. Historically, in election years, especially those in which presidential elections will take place, levels of foreign investment in the country are reduced; furthermore, political uncertainty generates greater instability and volatility in the political-economic scenario. In addition, the Federal Supreme Court recently reformed its understanding of early execution of the criminal sentence (after conviction in the second instance), as well as reinstated the political rights of politician Luiz Inácio Lula da Silva; in this way, the former president will be able to run for office again in the next elections, bringing an economic plan that is completely different from the current one. In summary, the outcome of the 2022 presidential election and its impact on the Brazilian economy are uncertain and could adversely affect our operations and financial results, as well as the price of our assets.

The President of Brazil has the power to determine policies and issue governmental acts related to the conduct of the Brazilian economy and, consequently, affect the operations and financial performance of companies, including the BIG Group. The BIG Group cannot predict which policies the President will adopt, let alone whether such policies or changes in current policies could have an adverse effect on the BIG Group or on the Brazilian economy.

4.2 - Describe, quantitatively and qualitatively, the main market risks to which the issuer is exposed, including in relation to foreign exchange and interest rate risks.

The BIG Group describes below the risks that it is aware of and believe may currently adversely affect it. Additional risks, which are currently not known to the BIG Group or that the BIG Group considers irrelevant on this date, may also affect the BIG Group adversely.

Liquidity risk

Liquidity risk consists of the event that the BIG Group not having sufficient resources to meet its commitments due to the different currencies and settlement terms of its rights and obligations.

Exchange rate risk

As of December 31, 2021, the Group had payables (imports) denominated in foreign currency totaling BRL173 million (as of December 31, 2020 the amount totaled BRL183 million).

Interest rate risk



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The Group has financial assets and liabilities exposed to the risk of changes in interest rates.

b. Description of the main changes in risk factors that occurred in the previous year and expectations regarding the reduction or increase in risk exposure as a result of the transaction, pursuant to item 5.5 of the reference form

In the last fiscal year, there was no significant change in the main risks to which the BIG Group is exposed.

c. Description of its activities, pursuant to items 7.1, 7.2, 7.3 and 7.4 of the reference form

7.1. Briefly describe the main activities developed by the issuer and its subsidiaries

Overview

The BIG Group operates in food retail in the Northeast and South of Brazil. The BIG Group is a company with a high-performance culture, we develop leadership and team engagement programs, focusing on productivity, efficiency and profitability.

The BIG Group operates in two business segments: (i) wholesale; and (ii) retail. The wholesale segment comprises the cash and carry (Maxxi Atacado) and shopping club (Sam's Club) formats, while the retail segment comprises hypermarkets (BIG and BIG Bompreço), supermarkets (Superbompreço and Nacional); soft discount (TodoDia) and fuel stations.

Main Operating and Financial Indicators

The following table shows the evolution of our financial results for the years ended December 31, 2020 and 2021:

	Fiscal year ended in		
	(in millions of BRL, unless otherwise stated)		
	2021	2020	AH(%)
Gross revenue	23,166	24,930	-7.1%
Net Revenue	20,124	21,743	-7.4%
Gross profit	4,991	5,325	-6.3%
Gross margin	24.8%	24.5%	0.3 pp
Net profit	240	3,026	-92.1%
Net margin	1.2%	13.9%	-12.7 pp
Net worth	8,029	7,789	3.1%

7.1.a - Specific information on semi-public companies

Item not applicable, given that the BIG Group is not a semi-public company.



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7.2 - In relation to each operating segment that has been disclosed in the last fiscal year-end financial statements or, when applicable, in the consolidated financial statements, indicate the following information

(a) Products and services marketed

The operations of the BIG Group are organized into the following business segments: (i) retail; and (ii) wholesale.

- (i)** Retail: the Retail segment of the BIG Group consists of sales of food and non-food products to its final consumers in: (a) hypermarkets under the BIG Bompreço banners in the Northeast and BIG in the South, Midwest and Southeast, (b) supermarkets under the Nacional banners in the South and Superbompreço in the Northeast, (c) soft discount under the TodoDia banner and (d) gas stations.
- (ii)** Wholesale: the Wholesale segment consists of selling food and non-food products under the Maxxi Atacado and Sam's Club banners to end consumers, retailers and food service providers seeking low prices and high volume purchases.

Food products include non-perishable foods, beverages, fruits, vegetables, meats in general, breads, cold cuts, dairy products, cleaning products, disposable products and personal hygiene products. Non-food products include household appliances, non-food products including clothing items, childcare items, footwear and fashion accessories, housewares, books, magazines, CDs and DVDs, stationery, DIY items, toys, sports items and camping, furniture and mattresses, cell phones, pet shop products, gardening tools and electronic products, such as personal computers, software and accessories, sound and image equipment.

(b) Revenue from the segment and its share in the issuer's net revenue

	Fiscal year ended December 31,					
	2021		2020		2019	
(in millions of reais, except percentage)	BRL	% of total	BRL	% of total	BRL	% of total
Wholesale	10,871	54%	10,429	48%	8,583	42%
Retail	9,253	46%	11,314	52%	11,996	58%
Net Revenue	20,124	100%	21,743	100%	20,579	100%

(c) Profit or loss resulting from the segment and its share of the issuer's net income

The BIG Group disclosed the Result by Operating Segments up to the "Income before financial result and taxes". It did not present its financial result and income tax by segment, as these are measured and reviewed by management on a consolidated basis.

Therefore, the table below presents the BIG Group's "Income before financial income and taxes" from each of the business segments and the percentage they represent in the consolidated view, for each period indicated below. The operating segments of the BIG Group are Retail and Wholesale. The BIG Group also incurred costs classified as "Corporate", which include expenses related to its central functions and headquarters. These costs are mainly comprised of support and holding functions costs and parent company costs that cannot be objectively allocated to each of its operating segments.

	Twelve-month period ending in
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	2021		2020		2019	
(in millions of reais, except percentage)	BRL	% of total	BRL	% of total	BRL	% of total
Wholesale	772	140%	1,233	171%	439	239%
Retail	1,228	223%	629	87%	400	217%
Corporate	(1,449)	-263%	(1,142)	-159%	(655)	-356%
Income before financial income and taxes	551	100%	720	100%	184	100%

7.3 - In relation to the products and services that correspond to the operating segments disclosed in item 7.2, describe

(a) Characteristics of the Production Process

Most of the products sold are acquired to be resold to the final consumer. Only a portion of the products is produced and/or handled in stores, based on formulations prepared by the perishables development and technical training team. In some cases, partnerships are established with suppliers who deliver semi-ready products to be finished in stores.

The products produced and/or handled in stores are: (i) fruits and vegetables, when cut and/or packaged in stores; (ii) meat (beef, pork, chicken and fish), as well as cold cuts and cheeses, when cut, weighed and packaged in stores; (iii) ready meals from the rotisserie; and (iv) breads, cakes and sweets from the bakeries located inside the stores.

(b) Characteristics of the distribution process

The BIG Group operates with distribution centers to efficiently distribute perishable food, groceries and general merchandise.

The logistics and distribution processes are organized according to the products and services sold in the stores. Thus, distribution processes are guided by the procedures described below.

Retail:

The logistics process for supplying stores in the supermarket, proximity and hypermarket formats, excluding gas stations, includes distribution centers located in the states of Pernambuco, Bahia, São Paulo, Paraná and Rio Grande do Sul, both owned and outsourced. The distribution process of the BIG Group is carried out through an outsourced fleet.

Wholesale:

The BIG Group operates with distribution centers in the states of Paraíba, Pernambuco, Bahia, São Paulo, Paraná, Santa Catarina and Rio Grande do Sul to supply our Maxxi Atacado and Sam's Club stores. Distribution centers are strategically located within these states to enable high frequency supply, reducing the need for storage space, improving inventory coverage and ensuring the best in-store stocking rate.

Gas Stations

BIG Group gas stations are supplied by exclusive suppliers. Refueling requests are individualized for each of the stations, and the fuel is usually requested by placing orders made directly by the stations, individually, on the website or telephone of the suppliers or through the daily information of the opening stock of the stations to the supplier, who defines the quantity to be delivered, always keeping the stock of the serviced stations. The transport of fuel is carried out exclusively by suppliers and/or third parties hired by them, and unloading is carried out exclusively by the tanker truck



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driver, accompanied by employees of the BIG Group properly trained for this purpose, for safety and quality control reasons.

(c) Characteristics of the markets in which it operates

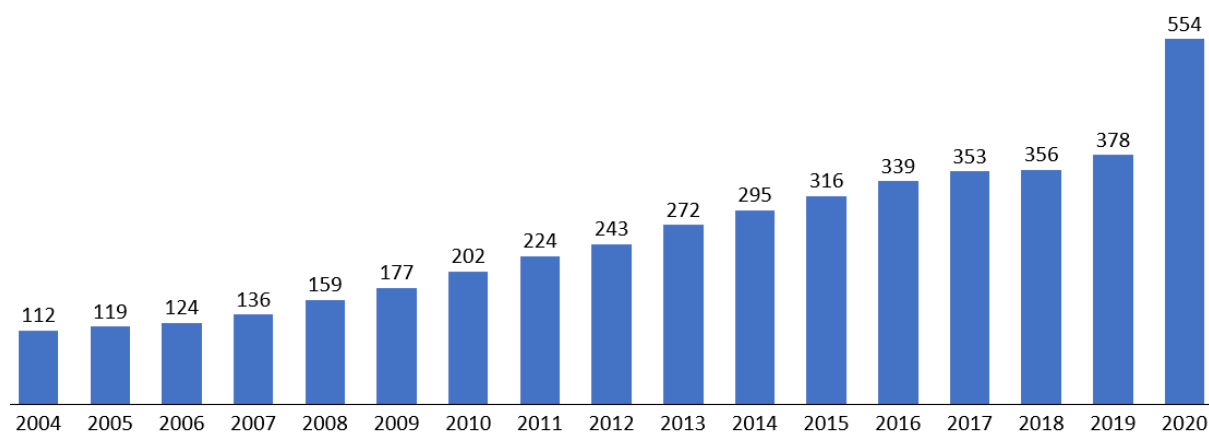
(i) Participation in each of the markets

(ii) Conditions of competition in the markets

Food Retail+

The BIG Group operates in the food retail sector, with a relevant presence in the South, Southeast and Northeast regions. It is a resilient market, which has managed to grow at an annual rate above 10% since 2000 and, since 2014, above 11%, despite the acute crises faced by the country in recent years. The sector maintained robust growth rates even during 2015 and 2016, at the height of the recession and the consequent accumulated drop of 6.7% in Brazil's real GDP.

Annual Revenue (in nominal BRL billion)



Source: Brazilian Association of Supermarkets.

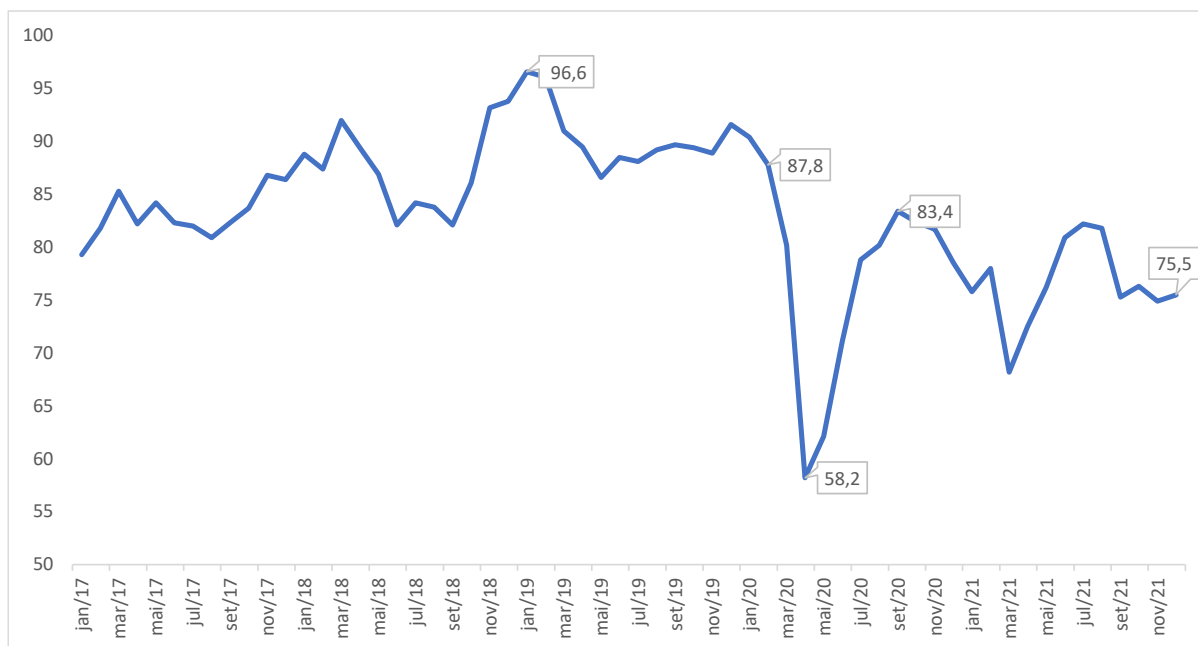
The food retail sector is highly influenced by consumers' disposable income, inflation and population employability. Despite the prolonged effects of the pandemic on the economy, expanded retail - which includes retail activities, vehicles, motorcycles and construction material - accumulated growth of 18%¹ between January and December 2021, according to the IBGE - PMC. The food retail sector, given its relevance to overcoming the crisis and its resilience, reached an increase of 9.7% in nominal sales in the same period, according to the IBGE - PMC. With the resumption of the economy, the sector should maintain its growth path, which is already represented by the Consumer Confidence Index (Índice de Confiança do Consumidor), which returned to pre-pandemic levels after reaching a historic low of 58.2 points in April 2020.

Consumer Confidence Index (Base 100)

¹According to Accumulated variation in the year (base: same period of the previous year) of the IBGE's expanded retail sales nominal revenue index

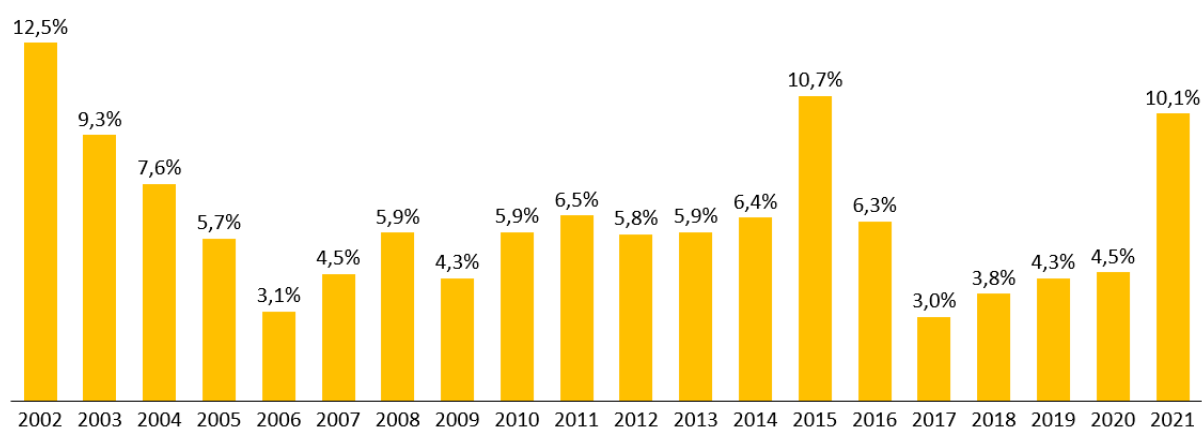


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Source: Fundação Getúlio Vargas

National Broad Consumer Price Index (%)



Source: Brazilian Institute of Geography and Statistics

The supermarket scene in Brazil is highly competitive. Although according to studies by ABRAS, the three largest chains represented 26.2% of the market in 2020, as shown below, the rest is divided between hundreds of regional chains, which represent more than BRL400 billion in revenue in Brazil, with more than 240 retailers of food products with sales above BRL100 million inclusive.

Other Factors that influence the behavior of BIG Group's operation markets

Tax benefits, tax incentives and special regimes

The subsidiaries of the BIG Group, WMS Supermercados do Brasil Ltda., WMB Supermercados do Brasil Ltda., Bompreço Supermercados do Nordeste Ltda. and Bompreço Bahia Supermercados Ltda., are beneficiaries of tax benefits, tax incentives and special regimes related to the calculation of ICMS in Bahia, Pernambuco, Mato Grosso do Sul, São Paulo, Paraná, Santa Catarina and Rio Grande do Sul, in addition to municipal, among which we highlight the following as relevant:



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Pernambuco:

Special Regime No. 2014.000004614490-68 and 03027022013.000003430246-91 (DPC No. 030/2013 and DPC No. 176/2014) granted by the State of Pernambuco to the branch establishment of WMB Supermercados do Brasil Ltda. located in Jaboatão dos Guararapes/PE (CNPJ No. 00.063.960/0069-99), to allow (i) the enjoyment of the specific taxation system for supermarket distribution centers, which grants presumed credit for certain operations, under the terms of the Law No. 13,064/2006 and Decree No. 29,482/2006 and (ii) that the establishment appears as a tax substitute responsible for the ICMS due for the subsequent departure of goods subject to the tax substitution regime. Effective from 09/01/2011 and for an indefinite period;

Special Regime No. 2014.000004614541-42 (DPC No. 177/2014) granted by the State of Pernambuco to the subsidiary establishment of Bompreço Supermercados do Nordeste Ltda. located in Jaboatão dos Guararapes/PE (CNPJ No. 13.004.510/0258-40), to allow (i) the enjoyment of the specific taxation system for supermarket distribution centers, which grants presumed credit for certain operations, under the terms of the Law No. 13,064/2006 and Decree No. 29,482/2006 and (ii) that the establishment appears as a tax substitute responsible for the ICMS due for the subsequent departure of goods subject to the tax substitution regime. Effective from 12/01/2014 and for an indefinite period;

Special Regime No. 2019.000006671333-15 (DPC No. 235/2019) granted by the State of Pernambuco to the subsidiary establishment of Bompreço Supermercados do Nordeste Ltda. located in Cabo de Santo Agostinho/PE (CNPJ No. 13.004.510/0313-00), to allow (i) the enjoyment of the specific taxation system for the supermarket distribution center, which grants presumptive credit for certain operations, under the terms of Law No. 13.064/2006 and Decree No. 29.482/2006 and (ii) that the establishment appears as a tax substitute responsible for the ICMS due for the subsequent departure of goods subject to the tax substitution regime. Effective from 01/01/2020 and for an indefinite period;

Special Regime - PRODEPE - Decrees 47,893 and 47,894 both of August 2019 - It is granted to the company WMB SUPERMERCADOS DO BRASIL LTDA., (branch) established at Rodovia BR-101 Sul, No. 3791, Bloco D, Sala 13, Distrito Industrial Santo Estevão, Cabo de Santo Agostinho - PE, with CNPJ/MF No. 00.063.960/0560-74 and CACEPE No. 0797293-80, and (branch) Rua República Eslovaca, No. 1623, Module II, Muribeca, Jaboatão dos Guararapes - PE, with CNPJ/MF No. 00.063.960/0069-99 and CAZIP Code No. 0352059-54 the stimulus dealt with in arts. 8 and 9 of Decree No. 21,959, of December 27, 1999, the respective enjoyment being conditioned to the observance of the following characteristics; (i) deferral of ICMS due on the importation of merchandise intended for commercialization; (ii) partial deferral of ICMS levied on the internal operation subsequent to importation; (iii) presumed ICMS credit in the operation subsequent to the importation of goods for commercialization; Effective from 08/31/2020 valid until 12/31/2025

Special Regime - PRODEPE - Decree 47,895, of August 2019 - It is granted to the company WMS SUPERMERCADOS DO BRASIL LTDA., established at Rua República Eslovaca, No. 1623, Module IV, Muribeca, Jaboatão dos Guararapes - PE, with CNPJ/MF No. 93.209.765/0314-20 and CACEPE No. 0369078-47, the stimulus dealt with in arts. 8 and 9 of Decree No. 21,959, of December 27, 1999, the respective enjoyment being conditioned to the observance of the following characteristics; (i) deferral of ICMS due on the importation of merchandise intended for commercialization; (ii) partial deferral of ICMS levied on the internal operation subsequent to importation; (iii) presumed ICMS credit in the operation subsequent to the importation of goods for commercialization; Effective from 08/31/2020 valid until 12/31/2025

Special Regime - PRODEPE - Decrees 47,872 and 47,873 both of August 2019 - It is granted to the company BOMPREGO SUPERMERCADOS DO NORDESTE LTDA., (branch) established at Rodovia BR-



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101 Sul, No. 3791, Distrito Industrial Santo Estevão, Cabo de Santo Agostinho- PE, with CNPJ/MF No. 13.004.510/0313-00 and CACEPE No. 0374034-00, (branch) established at Rua República Eslovaca, No. 1623, Muribeca, Jaboatão dos Guararapes-PE, with CNPJ/MF No. 13.004.510/ 0258-40 and CACEPE No. 0273348-05 the stimulus dealt with in arts. 8 and 9 of Decree No. 21,959, of December 27, 1999, the respective enjoyment being conditioned to the observance of the following characteristics; (i) deferral of ICMS due on the importation of merchandise intended for commercialization; (ii) partial deferral of ICMS levied on the internal operation subsequent to importation; (iii) presumed ICMS credit in the operation subsequent to the importation of goods for commercialization; effective from 08/31/2020 valid until 12/31/2025.

Sao Paulo:

Special Regime No. 002888/2015 granted by the State of São Paulo to the São Paulo branch establishments of WMB Supermercados do Brasil Ltda. located in Embu das Artes (CNPJ No. 00.063.960/0122-98, IE No. 241.154.440.117, CD No. 4995), Itapeverica da Serra (CNPJ No. 00.063.960/0049-45, IE No. 370.117.381.112, CD No. 7471), Barueri (CNPJ No. 00.063.960/0027-30, IE No. 241.154.430.112, CD No. 7457), Cajamar (CNPJ No. 00.063.960/0563-17, IE No. 241.132.171.110) and Cajamar (CNPJ No. 00.063.960/0564-06 e I.E nº 241.132.180.111), to permit them to figure out as substitute tax responsables for the retention and payment of ICMS due by virtue of the exits destined to taxpayers based in the State of São Paulo, under the Decree No. 57.608/2011 and CAT Ordinance No. 06/2012. Effective from 10/22/2015 to 06/30/2020, however, the request for an extension of the regime was granted until 07/30/2022;

Special Regime No. 009794/2016 granted by the State of São Paulo to the branch establishment of WMS Supermercados do Brasil Ltda. located in Embu das Artes/SP (CNPJ No. 93.209.765/0317-72, IE No. 298.145.351.111, CD No. 428), to allow it to appear as a tax substitute responsible for withholding and collecting ICMS due for subsequent outflows to taxpayers established in the State of São Paulo, pursuant to Decree No. 57.608/2011 and CAT Ordinance No. 06/2012. Effective from 03/31/2016 to 06/30/2022 (Renewal Request made 60 days in advance based on article 9 of CAT Ordinance No. 43/2007, the provisions of the regime will remain in force until a decision by the administrative authority);

Special Regime No. 0091677/2020 – IMPORT – Granted by the State of São Paulo to the São Paulo branch establishments of WMB Supermercados do Brasil Ltda, located in Embu das Artes (CNPJ No. 00.063.960/0122-98, IE No. 241.154.440.117, CD No. 4995), Itapeverica da Serra (CNPJ No. 00.063.960/0049-45, IE No. 370.117.381.112, CD No. 7471), Barueri (CNPJ No. 00.063.960/0027-30, IE No. 241.154.430.112, CD No. 7457), Cajamar (CNPJ No. 00.063.960/0563-17, IE No. 241.132.171.110) and Cajamar (CNPJ No. 00.063.960/0564-06 and IE No. 241.132.180.111); the release of ICMS levied on imports, on customs clearance, shall be collected at 50% of ICMS directly from abroad, of goods exclusively linked to its commercial activity and whose customs clearance takes place in São Paulo, shall observe the provisions of this special regime. Effective from 01/01/2021 to 12/31/2021. (Renewal request made 60 days in advance based on article 9 of Ordinance CAT No. 43/2007, the provisions of the regime will remain in force until a decision by the administrative authority);

Paraná:

Special Regime No. 6025/2018, amended by Special Regime No. 7071/2021, granted by the State of Paraná to the branch establishment of WMS Supermercados do Brasil Ltda. located in Pinhais/PR (CNPJ No. 93.209.765/0236-72, IE No. 90190421-94), to allow it to appear as a tax substitute responsible for withholding and paying ICMS due for subsequent departures, pursuant to art. 14 of



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Annex IX of the RICMS/PR. Effective from 09/30/2017 to 12/31/2020, however, the request for an extension of the regime was granted until 12/31/2024;

Special Regime No. 5,488/2016 amended by Special Regime No. 6,331/2019 - ICMS ST Collection Period - The State of Paraná granted a Special Regime for extending the collection period to the 9th of the following month, in cases where the tax is subject to payment at the time of entry of goods into the territory of this State, by tax substitution, as provided for in art. 4, I, b, of Annex V to the ICMS Regulation, approved by Decree no. 9,203, of September 18, 1998, effective on 05/01/2019 and expiring on 09/30/2021, however, the request to extend the regime was granted until 04/31/2022. (Renewal Request made 90 days in advance based on clause 2.4 of the Special Regime in question.

Santa Catarina:

Differentiated Tax Treatment ("TTD") – Import signed between the State of Santa Catarina and the branch establishment of WMS Supermercados do Brasil Ltda. located in Balneário Camboriú/SC (CNPJ No. 93.209.765/0439-40, IE No. 25.646.087-6), pursuant to art. 3 of Decree No. 418/2011 and art. 10, Annex 3 of the RICMS/SC, to grant the following tax benefits (i) deferral of ICMS due on the importation of merchandise intended for commercialization; (ii) partial deferral of ICMS levied on the internal operation subsequent to importation; (iii) presumed ICMS credit in the operation subsequent to the importation of goods for commercialization; and (iv) waiver of deferred ICMS guarantee on importation, upon advance payment of ICMS due on subsequent departure. Effective from 09/02/2019 for an indefinite period;

Differentiated Tax Treatment ("TTD") – Wholesaler signed between the State of Santa Catarina and the branch establishment of WMS Supermercados do Brasil Ltda. located in Balneário Camboriú/SC (CNPJ No. 93.209.765/0439-40, IE No. 25.646.087-6), pursuant to article 91-B of Annex 2 of RICMS/SC, which (i) granted the establishment the condition of tax substitute responsible for ICMS levied on interstate transactions with perfumery and personal hygiene products, and (ii) granted the tax benefit of reducing the ICMS tax base in transactions between taxpayers. Effective from 09/02/2019 for an indefinite period.

Mato Grosso do Sul:

Special Regime - ICMS ST Collection Period - the State of Mato Grosso do Sul, granted a Special Regime for extending the collection period, in cases where the tax is subject to payment at the time of entry of goods into the territory of this State, for tax substitution, as provided for in art. 4, I, b, of Annex V to the ICMS Regulation, approved by Decree no. 9,203, of September 18, 1998, effective on 09/30/2019 and expiring on 09/30/2021, however, the request for an extension of the regime was granted until 09/30/2023

Paraíba:

Special Regime ("TARE") - The State of Paraíba, herein represented by the Treasury Department and the Company WMS SUPERMERCADOS DO BRASIL LTDA, registered with the CCICMS/PB under No. 16.362.419-4, and with the CNPJ/MF under No. 93.209.765/0495-58, established ROD BR 101, KM 101, SN, Lot 135, Industrial District, Conde - PB, resolve, based on art. 158 of Law No. 6,379, of 12/02/1996 and in Decree No. 40,211, of 04/29/2020, sign this SPECIAL REGIME AGREEMENT TERM - TARE, in accordance with the following clauses; (i) presumed ICMS credit on the purchase of goods



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for sale; (ii) Condition of taxpayer responsible for the payment of ICMS ST – TAX SUBSTITUTE; (iii) Minimum monthly payment of border and regular ICMS in the amount of BRL 100,000.00 (one hundred thousand reais); Effective from 12/01/2020 and due on 12/31/2022

Rio Grande do Sul:

Special Regime - Declaratory Act No. 2020/041 - "Return" - the taxpayer WMS SUPERMERCADOS DO BRASIL LTDA. (WAL-MART BRASIL), with main establishment located at Avenida Sertório No. 6600 in the city of Porto Alegre and registered with the CNPJ under No. 93.209.765/0001-17 and in the CGC/TE under No. 096/2105503, is authorized, upon return operations of products already taxed in the previous stage by the tax substitution regime; Effective from 09/30/2017 and due on 07/20/2020, however, the request for an extension of the regime was granted until 08/07/2025.

Special Regime - Declaratory Act No. 2021/059 - "White Line" - the taxpayer WMS SUPERMERCADOS DO BRASIL LTDA (WAL-MART BRASIL), with main establishment located at Avenida Sertório No. 765/0001-17 and in the CGC/TE under No. 096/2105503, it is authorized, in relation to white goods and brown goods (television, radio, DVD and others) sold in its establishments and stores in our State, to leave the establishment (Distribution Center - CD) located at Rua Sérgio Jungblut Dieterich No. 913 of this Capital (CNPJ No. 93.209.765/0006-21 and CGC/TE No. 096/2115436) and the direct shipment to the address of the recipient consumer customer, without the need for physical transit through the establishment responsible for marketing the goods; Effective from 11/12/2014 and due on 11/12/2019, however, the request for an extension of the regime was granted until 07/22/2022.

Bahia:

Special Regime - Opinion No. 6831/2021 - The State of Bahia granted the Company WMB SUPERMERCADOS DO BRASIL LTDA., registered in the State Taxpayers Registry under No. 069.254.684, enrolled in the CNPJ/MF under No. 00.063.960/0061 -31, legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, No. 8.420, KM 8, Pirajá neighborhood, Salvador, Bahia, Special Regime to authorize the payment of ICMS related to tax anticipation on acquisitions interstate sugar and edible products resulting from the slaughter of poultry and cattle until the 25th of the month following entry into the respective establishments. Effective from 11/22/2021 and due on 10/31/2023.

Special Regime - Opinion No. 6850/2021 - The State of Bahia granted the Company WMB SUPERMERCADOS DO BRASIL LTDA., registered in the State Taxpayers Registry under No. 069.254.684, enrolled in the CNPJ/MF under No. 00.063.960/0061 -31, a legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, No. 8.420, KM 8, bairro Pirajá, Salvador, Special Regime which authorizes the payment of ICMS relating to the tax advance in the interstate acquisitions of wheat flour and its mixtures until the 25th day of the month following entry into the respective establishments. Effective from 11/22/2021 and due on 10/31/2023

Special Regime - Opinion No. 5831/2021 - The State of Bahia granted the Company WMS SUPERMERCADOS DO BRASIL LTDA., registered in the Taxpayers Registry of the State of Bahia under No. 016,873,942, enrolled with the CNPJ/MF under No. 93,209,765 /0426-26, legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, 8420, KM 8, ZIP Code 40301-155 - Pirajá - Salvador, Special Regime authorizing the payment of ICMS due by total or partial tax advance, is carried out, on a single occasion, until the 25th of the month following the date of issuance of the MDF-e linked to the tax document, in the acquisition of embedded, jerked



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beef, jerked beef and edible products resulting from the slaughter of poultry and cattle, buffalo, swine, goats and sheep, sent by a sender located in another unit of the Federation. Effective from 09/01/2021 and due on 08/31/2023

Special Regime - Opinion No. 6619/2021 - The State of Bahia granted the Company WMS SUPERMERCADOS DO BRASIL LTDA., registered in the State Taxpayers Registry under No. 016.873.942, enrolled in the CNPJ/MF under No. 93.209.765/0426-26, legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, 8.420, KM 8, Pirajá neighborhood, Salvador, Bahia, Special Regime to authorize the payment of ICMS related to tax anticipation on interstate acquisitions sugar companies until the 25th of the month following entry into the respective establishments. Effective from 10/01/2021 and due on 09/30/2023

Special Regime - Opinion No. 6621/2021 - The State of Bahia granted the Company WMS SUPERMERCADOS DO BRASIL LTDA., registered in the State Taxpayers Registry under No. 016.873.942, enrolled in the CNPJ/MF under No. 93.209.765/0426-26, legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, 8.420, KM 8, Pirajá neighborhood, Salvador, Special Regime that authorizes the collection of ICMS related to tax anticipation in interstate acquisitions of wheat flour and its mixtures until the 10th day of the month following the entry into the respective establishments. Effective from 10/01/2021 and due on 09/30/2023

Special Regime - Opinion No. 11633/2020 - The State of Bahia granted the Company WMS SUPERMERCADOS DO BRASIL LTDA., registered in the State Taxpayers Registry under No. 016.873.942, enrolled in the CNPJ/MF under No. 93.209.765/0426 -26, a legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, 8420, KM 8, Pirajá neighborhood, Accreditation in Decree No. 7799/00, Art. 3rd F Reduction in the calculation base of import operations and internal exits of alcoholic beverages from NCMs positions 2204, 2205, 2206, 2207 and 2208. Effective from 01/01/2021 and expiration on 12/31/2022

Special Regime - Opinion No. 11632/2020 - The State of Bahia granted the Company WMS SUPERMERCADOS DO BRASIL LTDA., registered in the State Taxpayers Registry under No. 016.873.942, enrolled in the CNPJ/MF under No. 93.209.765/0426-26, a legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, 8420, KM 8, Pirajá neighborhood, Accreditation in Decree No. 7799/00, Art. 1st and 2nd reduction in the calculation base for internal departures and presumed credit for interstate departures. Effective from 01/01/2021 and due on 12/31/2022

Special Regime - Opinion No. 7312/2021 - The State of Bahia granted the Company BOMPREGO BAHIA SUPERMERCADOS LTDA., registered in the State Taxpayers Registry under No. 40.721.448, enrolled in the CNPJ/MF under No. 97.422.620/0001- 50, a legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, 8.420, KM 8, Pirajá, Salvador, Special Regime authorizing the payment of ICMS related to tax anticipation in interstate purchases of wheat flour and their mixtures until the 10th day of the month following the entry into the respective establishments. Effective from 10/01/2021 and due on 09/30/2023

Special Regime - Opinion No. 7311/2021 - The State of Bahia granted the Company BOMPREGO BAHIA SUPERMERCADOS LTDA., registered in the State Taxpayers Registry under No. 40,721,448, enrolled with the CNPJ/MF under No. 97,422,620/0001-50, a legal entity governed by private law, headquartered at Rodovia Salvador - Feira de Santana, BR 324, 8.420, KM 8, Pirajá, Salvador, Special Regime that authorizes the payment of ICMS due in full or partial tax anticipation, is carried out, on a single occasion, until the 25th of the month following the date of issuance of the MDF-e



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linked to the tax document, in the acquisition of sugar and edible products resulting from the slaughter of poultry and cattle, sent by a sender located in another unit of the Federation. Effective from 11/01/2021 and due on 10/31/2023

In addition, based on public information and within the scope of Complementary Law No. 160/2017 and ICMS Agreement No. 190/2017, it was possible to verify that the States of Pernambuco and Santa Catarina published information on these benefits in compliance with the rules for validating the devices of the state legislation that support the granting of these special regimes:

PE: indicated Law No. 13.064/2006 and Decree No. 29.482/2006 in Decree No. 45.801/2018; and

SC: the art. 3 of Decree No. 418/2011, art. 10, Annex 3 and article 91-B of Annex 2 of RICMS/SC were included in the list for validation of Decree No. 1.555/2018, and it is verified that the tax benefits provided for in art. 3 of Decree No. 418/2011 and in art. 10, Annex 3 of the RICMS/SC were reinstated by Law No. 17,763/2019.

We emphasize that any failure to comply with the requirements for the enjoyment of special regimes/tax benefits, validation rules or reform of legislation may impact the enjoyment of tax benefits/special regimes.

(d) Possible seasonality

The BIG Group historically experiences seasonality in its operating result, mainly due to traditionally more intense sales in the fourth quarter, when events such as "Black Friday" and end-of-year festivities take place.

The BIG Group also has strong seasonality in its results for the months of March or April due to the Easter holiday, when specific products are offered for the occasion.

(e) Main inputs and raw materials

(i) Description of the relationships maintained with suppliers, including whether they are subject to government control or regulation, indicating the bodies and the respective applicable legislation

The BIG Group does not have a main input and/or raw material that is related to a significant portion of the products sold or its revenue.

(ii) Possible dependence on few suppliers

Purchases of food and non-food products come from a large number of suppliers, so there is no dependence on a single supplier.

(iii) Possible volatility in their prices

The BIG Group does not have a main input and/or raw material that is related to a significant portion of the products sold or its revenue.

7.4 - Identify if there are clients that are responsible for more than 10% of the issuer's total net revenue, informing

(a) Total amount of revenue from the customer

No customer was responsible for more than 10% of the BIG Group's total net revenue in the fiscal year ended December 31, 2021.

(b) Operating segments affected by revenues from the customer



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No customer was responsible for more than 10% of the BIG Group's total net revenue in the fiscal year ended December 31, 2021.

d. Description of the economic group, pursuant to item 15 of the reference form

The description of the economic group of the BIG Group pursuant to item 15 of the reference form, this is included as Annex A.

e. Description of capital stock, pursuant to item 17.1 of the reference form

Information about the capital stock

The capital stock of the BIG Group on the date hereof is as follows:

Date of authorization or approval	Capital value (Reais)	Payment period	Number of common shares (Units)	Number of preferred shares (Units)	Total number of shares (Units)
type of capital	Issued capital				
01/07/2022	BRL 261,696,202.48	Not applicable	457,376,521	0	457,376,521
type of capital	Subscribed Capital				
01/07/2022	BRL 261,696,202.48	Not applicable	457,376,521	0	457,376,521
1	Paid-in capital				
01/07/2022	BRL 261,696,202.48	Not applicable	457,376,521	0	457,376,521
type of capital	Authorized capital				
01/07/2022	0	Not applicable	0	0	0

12. Description of capital structure and control after the transaction, pursuant to item 15 of the reference form

Item 15 of the Company's Reference Form, as if the Transaction had already been implemented, is included hereto as Annex A.

13. Number, class, kind and type of securities of each company involved in the transaction held by any other companies involved in the transaction, or by persons linked to these



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companies, as defined by the rules dealing with public offering for the acquisition of shares

Not applicable.

14. Exposure of any of the companies involved in the transaction, or persons related to them, as defined by the rules that deal with public offering for the acquisition of shares, in derivatives referenced in securities issued by the other companies involved in the transaction

Not applicable.

15. Report covering all transactions carried out in the last 6 (six) months by the persons indicated below with securities issued by the companies involved in the transaction:

a. Companies involved in the transaction

Not applicable.

i. Private purchase transactions

Not applicable.

ii. Private sales operations

Not applicable.

iii. Purchase transactions on regulated markets

Not applicable.

iv. Sales transactions on regulated markets

Not applicable.

b. Parties related to companies involved in the transaction

i. Private purchase transactions



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Not applicable.

ii. Private sales operations

Not applicable.

iii. Purchase transactions on regulated markets

Not applicable.

iv. Sales transactions on regulated markets

Not applicable.

16. Document through which the Independent Special Committee submitted its recommendations to the Board of Directors, if the transaction has been negotiated under the terms of CVM Guidance Opinion No. 35, of 2008.

Not applicable.



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Annex A

Description of the Economic Group (according to item 15 of the Reference Form)

15.1 / 15.2 - Shareholding position

Shareholder							
CPF/CNPJ shareholder		Nationality-UF	Participates in shareholders' agreement	Controlling shareholder	last amendment		
Foreign Resident Shareholder		Name of Legal Representative or Attorney-in-fact		Person Type	CPF/CNPJ		
qty common shares (Units)	Ordinary shares %	qty preferred shares (Units)	preferred shares %	qty total shares (Units)	Total %	shares	
Breakdown by class of shares (Units)							
share class		qty of shares (Units)	Shares %				
MOMENTUM - FUNDO DE INVESTIMENTO EM PARTICIPAÇÕES MULTIELABRATÓRIA							
28,670,954/0001-20		Brazilian	Yes	Yes	01/07/2022		
No		BRL Trust Investimentos Ltda.		Legal	23,025,053/0001-62		
371,105,403		81.14%	0	-	371,105,403		81.14%
BRAZIL HOLDINGS SCS							
30,873,752/0001-28		Luxembourg	Yes	No	01/07/2022		
Yes		Marcelo Nastromagario		Individual	266,804,808-76		
86,271,118		18.86%	0	-	86,271,118		18.86%
TREASURY SHARES - Date of last change:							
0		0%	0	0%	0		0%
TOTAL							



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457,376,521	100.000000%	0	100.000000%	457,376,521	100.000000%
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15.3 - Distribution of capital

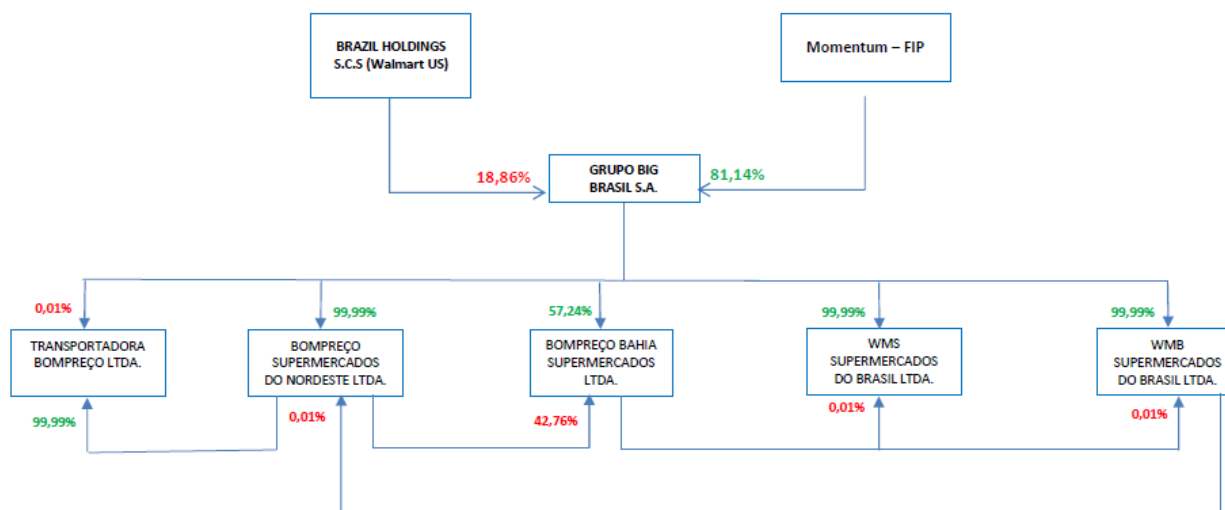
Date of the last meeting / Date of the last change	01/07/2022
Number of individual shareholders (Units)	0
Number of corporate shareholders (Units)	2
Number of institutional investors (Units)	0

Outstanding Shares

Outstanding shares corresponding to all shares of the issuer, with the exception of those held by the controller, persons related to it, the issuer's managers and shares held in treasury.

Ordinary Quantities (Units)	0	0%
Preferred Quantity (Units)	0	0%
Total	0	0%

15.4 - Organizational chart of shareholders and the economic group



15.5 - Shareholders' agreement filed at the issuer's headquarters or to which the controller is a party

A shareholders' agreement is currently in force between Momentum - Fundo de Investimento em Participações Multiestratégia ("FIP Momentum"), Brazil Holdings S.C.S. ("Walmart BR"), Walmart Inc., Grupo Big Brasil S.A., WMS Supermercados do Brasil Ltda., WMB Supermercados do Brasil Ltda., Bompreço Supermercados do Nordeste Ltda., Bompreço Bahia Supermercados Ltda. and Transportadora Bompreço Ltda, which will be terminated with the closing of the transaction with Atacadão.



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15.6 - Relevant changes in the interests of the controlling group members and issuer managers

On August 1, 2018, the BIG Group held an Extraordinary General Meeting in which Brazil Holdings S.C.S., at the time the only shareholder of the BIG Group, approved the capital increase in the amount of BRL 190,000,000.00 (one hundred and ninety million reais), through the issuance of 4,054,817,404 (four billion, fifty-four million, eight hundred and seventeen thousand, four hundred and four) new common shares, nominative and without par value, which was fully subscribed and by Momentum – Fundo de Investimento em Participações Multiestratégia, which became the holder of 80% (eighty percent) of the total capital stock of the BIG Group.

On October 14, 2020, the shareholders Brazil Holdings S.C.S. and Momentum – Fundo de Investimento em Participações Multiestratégia, with the intervention of the BIG Group, entered into a share purchase and sale agreement, through which FIP Momentum acquired 22,277,101 shares issued by the BIG Group owned by Brazil Holdings. The agreement was signed under the condition of publication of the Announcement of Commencement of Public Distribution of Shares issued by the BIG Group until the deadline of April 30, 2021, which was amended on April 30, 2021 to change the resolute condition for the termination of the Share Purchase, Merger Agreement and Other Covenants entered into on March 23, 2021 with Atacadão S.A. ("Agreement") prior to the closing of the transfer of all the shares of the BIG Group to Atacadão ("Transaction"). If this condition is verified, the contract will lose its effects and a return to the status quo ante will occur.

Also on October 14, 2020, the BIG Group held an Extraordinary General Meeting which approved, among other matters, the voluntary conversion of 85,364,576 common shares owned by the shareholder Momentum – Fundo de Investimento em Participações Multiestratégia in the same number of preferred shares, which had their redemption approved in the same act ("Redemption"), subject to the resolute condition of publication of the Announcement of Commencement of Public Distribution of the shares issued by the BIG Group until the deadline of April 30, 2021, and, if said condition is verified, the contract will lose its effects and the status quo ante will occur. The aforementioned Extraordinary General Meeting also approved the issuance, by the BIG Group, of a Subscription Bonus in favor of WMT Brasília S.À.R.L. (a company belonging to the same corporate group as the shareholder Brazil Holdings S.C.S.) ("Subscription Bonus"), which, would allow WMT Brasília S.À.R.L. to subscribe 44,719,326 common, nominative shares with no par value of the BIG Group, which could be exercised if the suspensive condition is verified in the publication of the Announcement of Commencement of Public Distribution of Shares issued by BIG Group until the deadline of April 30, 2021.

On April 30, 2021, a new Extraordinary Shareholders' Meeting was held at which, among other matters, it approved (i) the amendment of the resolute condition applicable to the Redemption, becoming the termination of the Agreement prior to the closing of the Transaction, as well as (ii) the execution of the 1st amendment to the Subscription Bonus to allow its assignment by WMT Brasília S.À.R.L. to Brazil Holdings S.C.S. and to change the suspensive condition applicable to the exercise of the Subscription Bonus, becoming (ii.a) the approval of the Transaction by CADE; (ii.b) compliance with the conditions eventually imposed by CADE so that the Transaction can be closed; and (ii.c) compliance with the other conditions precedent established in the Agreement for the closing of the Transaction. The Subscription Bonus was amended again on September 22, 2021, as approved at the Extraordinary General Meeting, to establish that the shares to be subscribed as a result of the exercise will be the amount sufficient for WMT Brasília S.À.R.L. or the Brazil Holdings S.C.S., as applicable, will become the holder of a shareholding of 26.01% (twenty-six and one hundredth percent) in the capital stock of the BIG Group.

15.7 - Main corporate transactions

(a) event	Contribution from Operating Companies
(b) main business conditions	On July 16, 2018, the capital increase of the BIG Group was approved, which was partially paid in through the contribution of the quotas of WMS Supermercados do Brasil Ltda., Wal-Mart Brasil Ltda. (former corporate name of WMB Supermercados do Brasil Ltda.), Bompreço Supermercados do Nordeste Ltda., Bompreço Bahia Supermercados Ltda., Veraneio



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	Participações Ltda. and Brazil Segundo LLC then held by the shareholder WMT Brasília S.À.R.L., the other part of the capital increase being subscribed and paid in by Brazil Holdings S.C.S.
(c) companies involved	<p>Bompreço do Brasil Participações S.A. (former corporate name of Grupo Big Brasil S.A.)</p> <p>WMT Brasília S.À.R.L.</p> <p>Brazil Holdings S.C.S.</p> <p>WMS Supermercados do Brasil Ltda.</p> <p>Wal-Mart Brazil Ltd. (former corporate name of WMB Supermercados do Brasil Ltda.)</p> <p>Bompreço Supermercados do Nordeste Ltd.</p> <p>Bompreço Bahia Supermercados Ltda.</p> <p>Veraneio Participações Ltda.</p> <p>Brazil Segundo LLC (company later dissolved)</p>
(d) effects resulting from the transaction on the shareholding structure	Changes as per item (e) below.
(e) corporate structure before and after the transaction	<p>Corporate structure before the transaction:</p> <pre> graph TD WMT[WMT Brasília S.À.R.L.] -- 100% --> BP[Bompreço Participações S.A.] WMT -- 99,50% --> V[Veraneio Participações Ltda.] BS[Brazil Segundo LLC] -- 0,01% --> WMS[WMS Supermercados Ltda.] BS -- 99,99% --> WM[Wal-Mart Brasil Ltda.] BP -- 0,01% --> WMS BP -- 99,99% --> WM WMT -- 40,68% --> BB[Bompreço Bahia Ltda.] WMT -- 0,01% --> BN[Bompreço Nordeste Ltda.] V -- 97,64% --> BN V -- 2,36% --> BB BB -- 59,31% --> BN </pre> <p>Corporate structure after the transaction:</p>



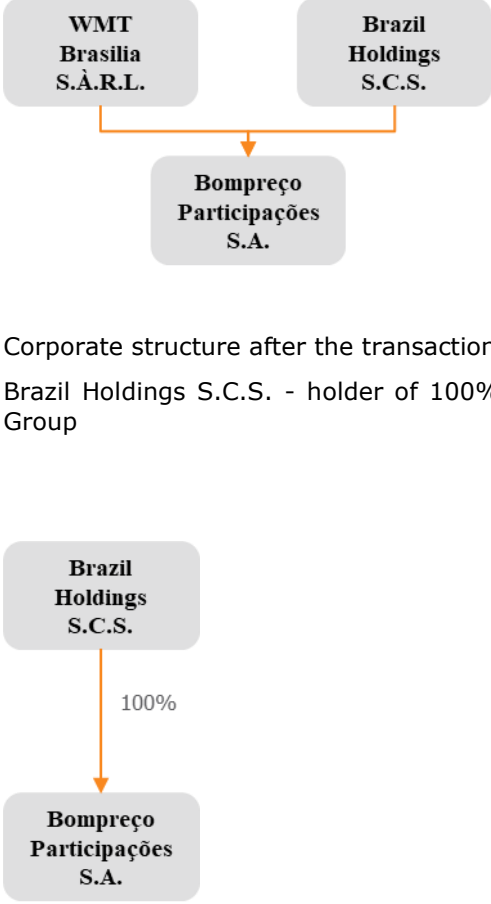
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	<pre> graph TD WMT[WMT Brasília S.À.R.L.] -- 99,99% --> Bomprego[Bomprego Participações S.A.] Brazil[Brazil Holdings S.C.S.] -- 0,01% --> Bomprego Bomprego -- 100% --> BrazilSegundo[Brazil Segundo LLC] Bomprego -- 100% --> Veraneio[Veraneio Participações Ltda.] BrazilSegundo --> WMS[WMS Supermercados Ltda.] BrazilSegundo --> WalMart[Wal-Mart Brasil Ltda.] Veraneio --> BompregoBahia[Bomprego Bahia Ltda.] Veraneio --> BompregoNordeste[Bomprego Nordeste Ltda.] </pre>
(f) mechanisms used to ensure equitable treatment among shareholders	Approval of the transaction at the general shareholders' meeting by the unanimous vote of those present.

(a) event	Withdrawal from WMT Brasília S.À.R.L.
(b) main business conditions	As of July 31, 2018, the BIG Group held an Extraordinary General Meeting at which the redemption of all shares issued by the BIG Group was approved held by WMT Brasília S.À.R.L., which withdrew from the shareholding structure, passing all the shares issued by the BIG Group to be held by Brazil Holdings S.C.S.
(c) companies involved	Bomprego do Brasil Participações S.A. (former corporate name of Grupo Big Brasil S.A.) Brazil Holdings S.C.S. WMT Brasília S.À.R.L.
(d) effects resulting from the transaction on the shareholding structure	Changes as per item (e) below.
(e) corporate structure before and after the transaction	Corporate structure before the transaction:

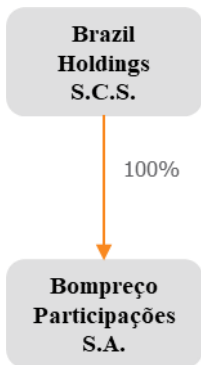
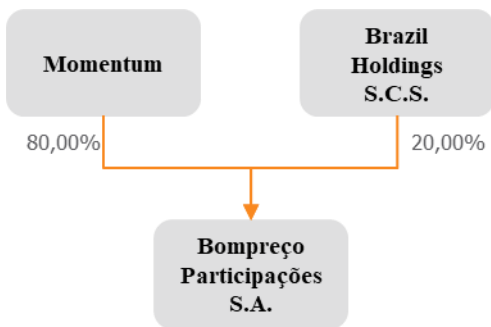


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	 <p>Corporate structure after the transaction: Brazil Holdings S.C.S. - holder of 100% of the shares issued by the BIG Group</p>
(f) mechanisms used to ensure equitable treatment among shareholders	Approval of the transaction at the general shareholders' meeting by the unanimous vote of those present.
(a) event	Capital Increase and Change in Control
(b) main business conditions	On August 1, 2018, the BIG Group held an Extraordinary General Meeting in which Brazil Holdings S.C.S., at the time the only shareholder of the BIG Group, approved the increase in the capital stock of the BIG Group BRL 190,000,000.00 (one hundred and ninety million reais), through the issuance of 4,054,817,404 (four billion, fifty-four million, eight hundred and seventeen thousand, four hundred and four) new common shares, which was fully subscribed by Momentum – Fundo de Investimento em Participações Multiestratégia, current controlling shareholder holding 80% of the total capital stock of the BIG Group.
(c) companies involved	Bompreço do Brasil Participações S.A. (former corporate name of Grupo Big Brasil S.A.) Brazil Holdings S.C.S.



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	Momentum – Fundo de Investimento em Participações Multiestratégia
(d) effects resulting from the transaction on the shareholding structure	Changes as per item (e) below.
(e) corporate structure before and after the transaction	<p>Corporate structure before the transaction:</p> <p>Brazil Holdings S.C.S. - holder of 100% of the shares issued by the BIG Group</p>  <pre> graph TD BH[Brazil Holdings S.C.S.] -- 100% --> BP[Bompreço Participações S.A.] </pre> <p>Corporate structure after the transaction:</p> <p>Brazil Holdings S.C.S. - holder of 20% of the shares issued by the BIG Group</p> <p>Momentum – Fundo de Investimento em Participações Multiestratégia – holder of 80% of the shares issued by the BIG Group</p>  <pre> graph TD M[Momentum] -- 80,00% --> BP[Bompreço Participações S.A.] BH[Brazil Holdings S.C.S.] -- 20,00% --> BP </pre>
(f) mechanisms used to ensure equitable treatment among shareholders	Approval of the transaction at the general shareholders' meeting by the unanimous vote of those present.

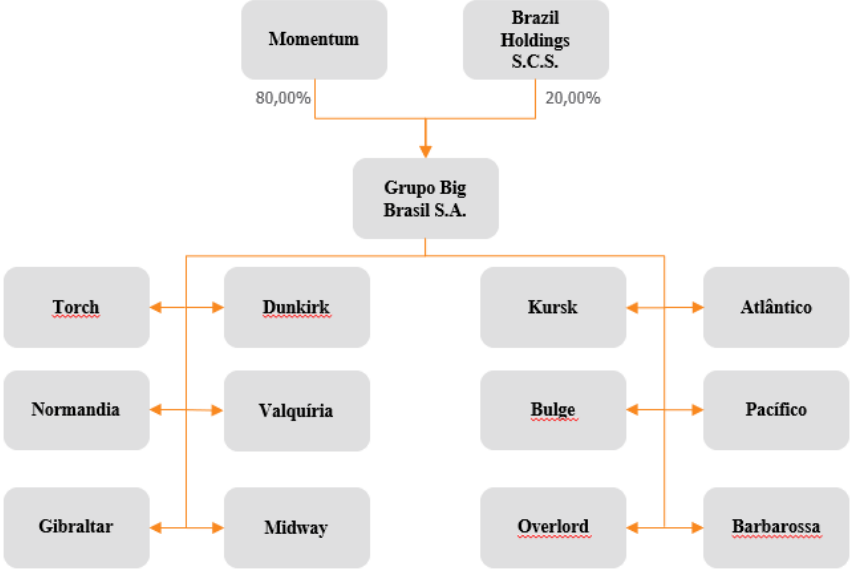
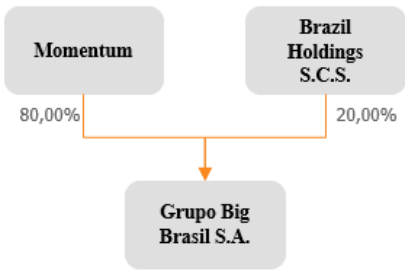


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(a) event	Partial Spin-Off of the BIG Group
(b) main business conditions	On December 31, 2018, the partial spin-off of the BIG Group was approved with the version of the spun-off portion, which was composed of the shares of Torch Empreendimentos e Participações Ltda., Dunkirk Empreendimentos e Participações Ltda., Normandia Empreendimentos e Participações Ltda., Valquíria Empreendimentos e Participações Ltda., Gibraltar Empreendimentos e Participações Ltda., Midway Empreendimentos e Participações Ltda., Kursk Empreendimentos e Participações Ltda., Atlântico Empreendimentos e Participações Ltda., Bulge Empreendimentos e Participações Ltda., Pacífico Empreendimentos e Participações Ltda., Overlord Empreendimentos e Participações Ltda. and Barbarossa Empreendimentos e Participações Ltda. held by the BIG Group, for each of the respective companies (that is, the quotas were delivered to the companies whose quotas were part of the spun-off portion, for example, the quotas of Normandia Empreendimentos e Participações Ltda. were delivered to Normandia Empreendimentos and Participações Ltda.)
(c) companies involved	<p>Big Brasil S.A. Group</p> <p>Torch Empreendimentos e Participações Ltda.</p> <p>Dunkirk Empreendimentos e Participações Ltda.</p> <p>Normandia Empreendimentos e Participações Ltda.</p> <p>Valquíria Empreendimentos e Participações Ltda.</p> <p>Gibraltar Empreendimentos e Participações Ltda.</p> <p>Midway Empreendimentos e Participações Ltda.</p> <p>Kursk Empreendimentos e Participações Ltda.</p> <p>Atlântico Empreendimentos e Participações Ltda.</p> <p>Bulge Empreendimentos e Participações Ltda.</p> <p>Pacífico Empreendimentos e Participações Ltda.</p> <p>Overlord Empreendimentos e Participações Ltda.</p> <p>Barbarossa Empreendimentos e Participações Ltda.</p>
(d) effects resulting from the transaction on the shareholding structure	Changes as per item (e) below.
(e) corporate structure before and after the transaction	Corporate structure before the transaction:

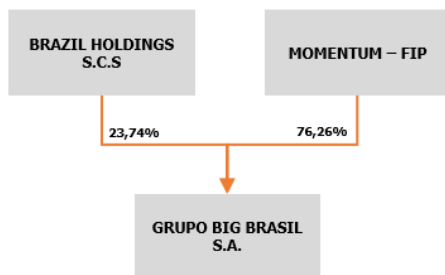
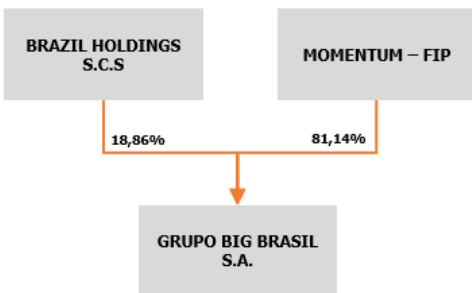


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	 <p>Corporate structure after the transaction:</p> 
(f) mechanisms used to ensure equitable treatment among shareholders	Approval of the transaction at the general shareholders' meeting and quotaholder's meetings, as applicable, by the unanimous vote of those present.
(a) event	Acquisition of Shares
(b) main business conditions	On October 14, 2020, the shareholders Brazil Holdings S.C.S. and Momentum – Fundo de Investimento em Participações Multiestratégia, with the intervention of the BIG Group, entered into a share purchase and sale agreement, through which FIP Momentum acquired 22,277,101 shares issued by the BIG Group owned by Brazil Holdings. The agreement was signed under the condition of publication of the Announcement of Commencement of Public Distribution of Shares issued by the BIG Group until the deadline of April 30, 2021, having been amended, on April 30, 2021, to change the resolute condition for the termination of the Share Purchase, Merger Agreement and Other Covenants entered into on March 23, 2021 at a time prior to the closing transaction provided for therein. If



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	said resolute condition is verified, the contract will lose its effects and a return to the status quo ante will occur.
(c) companies involved	Big Brasil S.A. Group Brazil Holdings S.C.S. Momentum – Fundo de Investimento em Participações Multiestratégia
(d) effects resulting from the transaction on the shareholding structure	Changes as per item (e) below.
(e) corporate structure before and after the transaction	<p>Corporate structure before the transaction:</p>  <pre> graph TD BH[BRAZIL HOLDINGS S.C.S.] -- 23,74% --> GBB[GRUPO BIG BRASIL S.A.] MIP[MOMENTUM – FIP] -- 76,26% --> GBB </pre> <p>Corporate structure after the transaction:</p>  <pre> graph TD BH[BRAZIL HOLDINGS S.C.S.] -- 18,86% --> GBB[GRUPO BIG BRASIL S.A.] MIP[MOMENTUM – FIP] -- 81,14% --> GBB </pre>
(f) mechanisms used to ensure equitable treatment among shareholders	Not applicable.

(a) event	Issuance and amendment of Subscription Bonuses
(b) main business conditions	On October 14, 2020, the Extraordinary General Meeting approved the issuance, by the BIG Group, of a Subscription Bonus in favor of WMT



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	<p>Brasilia S.À.R.L., which allowed the subscription, upon payment of the exercise price, of 44,719,326 (forty-four million, seven hundred nineteen thousand, three hundred and twenty-six) common shares issued by the BIG Group. Said subscription bonus was amended for the first time on April 30, 2021 to promote, among others, the following changes: allow the assignment of the Subscription Bonus to Brazil Holdings S.C.S. and change the suspensive condition applicable to the exercise of the Subscription Bonus, becoming (a) the approval of the transfer of all the shares of the BIG Group to Atacadão ("Transaction"), as agreed in the Share Purchase, Merger Agreement and Other Covenants entered into on March 23, 2021 ("Agreement"), by CADE; (b) compliance with any conditions imposed by CADE for the Transaction to be closed; and (c) compliance with the other conditions precedent established in the Agreement for closing the Transaction. The Subscription Bonus was amended again on September 22, 2021 to establish that the shares to be subscribed as a result of the exercise will become a sufficient amount for WMT Brasilia S.À.R.L. or Brazil Holdings S.C.S., as applicable, to pass to hold a shareholding of 26.01% (twenty-six and one hundredth percent) in BIG Group 's capital stock.</p>
(c) companies involved	<p>Big Brasil S.A. Group</p> <p>WMT Brasilia S.À.R.L.</p> <p>Brazil Holdings S.C.S.</p>
(d) effects resulting from the transaction on the shareholding structure	<p>Changes as per item (e) below.</p>
(e) corporate structure before and after the transaction	<p>Corporate structure before the transaction:</p> <pre> graph TD WMT[WMT Brasilia] -.-> Warrant GB[Grupo Big] WMT --> BH[Brazil Holdings] BH -- "18,86%" --> GB FIP[FIP Momentum] -- "81,14%" --> GB </pre> <p>Corporate structure after the transaction:</p>



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	<pre> graph TD WMT[WMT Brasilia] --> BH[Brazil Holdings] FIP[FIP Momentum] --> GB[Grupo Big] BH -- "26,01%" --> GB </pre>
(f) mechanisms used to ensure equitable treatment among shareholders	Approval of the transaction at the general shareholders' meeting by the unanimous vote of those present.

(a) event	Merger of shares
(b) main business conditions	<p>On February 28, 2022, the merger, by the BIG Group, of the shares issued by Torch Empreendimentos e Participações S.A., Valquíria Empreendimentos e Participações S.A., Gibraltar Empreendimentos e Participações S.A., Midway Empreendimentos e Participações S.A., Kursk Empreendimentos e Participações S.A. was approved., Bulge Empreendimentos e Participações S.A., Pacífico Empreendimentos e Participações S.A., Overlord Empreendimentos e Participações S.A., Kharkov Empreendimentos e Participações S.A., Stalingrado Empreendimentos e Participações S.A. and Barbarossa Empreendimentos e Participações S.A., whose effectiveness is subject to verification of the suspensive condition of approval, final and unapelable, by CADE, of the transfer of all the shares of the BIG Group to Atacadão ("Transaction"), as agreed in the Share Purchase, Merger Agreement and Other Covenants entered into on March 23, 2021 ("Agreement"). As a result of the merger of shares, there was an increase in the capital stock of the BIG Group, the effectiveness of which is subject to the verification of the suspensive condition already mentioned, of BRL 958,858,327.69 (nine hundred and fifty-eight million, eight hundred and fifty-eight thousand, three hundred and twenty-seven reais and sixty-nine cents), through the issuance of 58,466,971 (fifty-eight million, four hundred and sixty-six thousand, nine hundred and seventy-one) new common shares, of which 1,693,394 (eleven million, six hundred and ninety-three thousand, three hundred and ninety-four) were subscribed and paid in by Brazil Holdings S.C.S and 46,773,577 (forty-six million, seven hundred and seventy-three thousand, five hundred and seventy and seven) were subscribed and paid in by the shareholder FIP Momentum.</p>
(c) companies involved	<p>Big Brasil S.A. Group</p> <p>Torch Empreendimentos e Participações S.A.</p> <p>Valquíria Empreendimentos e Participações S.A.</p> <p>Gibraltar Empreendimentos e Participações S.A.</p>



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	<p>Midway Empreendimentos e Participações S.A.</p> <p>Kursk Empreendimentos e Participações S.A.</p> <p>Bulge Empreendimentos e Participações S.A.</p> <p>Pacífico Empreendimentos e Participações S.A.</p> <p>Overlord Empreendimentos e Participações S.A.</p> <p>Kharkov Empreendimentos e Participações S.A.</p> <p>Stalingrado Empreendimentos e Participações S.A.</p> <p>Barbarossa Empreendimentos e Participações S.A.</p>
(d) effects resulting from the transaction on the shareholding structure	Not applicable.
(e) corporate structure before and after the transaction	<p>Corporate structure before the transaction:</p> <pre> graph TD BH[BRAZIL HOLDINGS S.C.S.] -- 18,86% --> GBB[GRUPO BIG BRASIL S.A.] MF[MOMENTUM – FIP] -- 81,14% --> GBB </pre> <p>Corporate structure after the transaction:</p>



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	<pre> graph TD BH[BRAZIL HOLDINGS S.C.S.] -- 18,99% --> GBB[GRUPO BIG BRASIL S.A.] MF[MOMENTUM – FIP] -- 81,01% --> GBB GBB --> TORCH[TORCH EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> PACIFICO[PACÍFICO EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> VALQUIRIA[VALQUÍRIA EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> OVERLORD[OVERLORD EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> BARBAROSSA[BARBAROSSA EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> GIBRALTAR[GIBRALTAR EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> KHARKOV[KHARKOV EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> MIDWAY[MIDWAY EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> STALINGRADO[STALINGRADO EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> KURSK[KURSK EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] GBB --> BULGE[BULGE EMPREENDIMENTOS E PARTICIPAÇÕES S.A.] TORCH <--> GIBRALTAR PACIFICO <--> KHARKOV VALQUIRIA <--> MIDWAY OVERLORD <--> STALINGRADO BARBAROSSA <--> KURSK </pre>
<p>(f) mechanisms used to ensure equitable treatment among shareholders</p>	<p>Approval of the transaction at the general shareholders' meeting by the unanimous vote of those present.</p>



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ANNEX III MERGER PROTOCOL

PROTOCOL AND JUSTIFICATION OF MERGER OF SHARES ISSUED BY GRUPO BIG BRASIL S.A. BY ATACADÃO S.A.

The companies listed below, by their respective managers:

ATACADÃO S.A., a publicly held corporation, headquartered in the City of São Paulo, State of São Paulo, at Avenida Morvan Dias de Figueiredo, No. 6169, Vila Maria, ZIP Code 02170-901, registered with the CNPJ/ME under No. 75.315.333 /0001-09, with its articles of incorporation duly registered under NIRE No. 35.300.043.154 before the Board of Trade of the State of São Paulo ("JUCESP"), herein duly represented in the form of its bylaws ("Atacadão" or "Merging Company"); and

GRUPO BIG BRASIL S.A., a privately-held corporation, headquartered in the City of Barueri, State of São Paulo, at Avenida Tucunaré, No. 125, block A superior, room 109, Tamboré, ZIP Code 06460-020, registered with the CNPJ/ME under No. 30.621.687/0001-43, with its articles of incorporation registered under NIRE No. 35.300.517.270 before JUCESP, herein duly represented in the form of its bylaws ("BIG Group" or "Merged Company");

Atacadão and BIG Group hereinafter also referred to individually as "Party" and collectively as "Parties" or "Companies";

WHEREAS:

(i) Atacadão is a company registered as a securities issuer with the Securities and Exchange Commission ("CVM") in category "A", with shares traded on the Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão ("B3"), whose purpose is: (a) distribution, wholesale and retail trade, industrialization, import and export of articles, materials, products and/or merchandise in general, primary and industrialized; (b) exploration of supermarkets and department stores, restaurants and snack bars; (c) provision of phytosanitary, trade and transport auxiliary services; (d) exploration of correspondent banking activity, including, but not limited to: (1) receipts, payments and other activities arising from service contracts maintained by Atacadão with financial institutions; (2) receipt and forwarding of credit card supply proposals; and (3) supplementary services for collecting registration data and documentation, as well as data control and processing; and (e) provision of call center services;

(ii) BIG Group is a privately held corporation whose purpose is: to participate in the capital of other companies or businesses, in Brazil or abroad (holding company), as a partner, shareholder, debenture holder or otherwise;

(iii) Momentum – Fundo de Investimento em Participações Multiestratégia ("FIP") and Brazil Holdings S.C.S. ("LuxCo") are currently direct holders of all the shares issued by the BIG Group;

(iv) On March 23, 2021, the Share Purchase Agreement, Merger Agreement and Other Covenants (Share Purchase, Merger Agreement and Other Covenants) was signed between Atacadão S.A., FIP



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and LuxCo and, also, as consenting parties, BIG Group and Walmart Inc. ("Purchase and Sale Agreement"), the object of which, subject to certain terms and conditions, is the acquisition of all shares issued by the BIG Group by Atacadão, through (a) the purchase and sale of common shares representing 70% (seventy percent) of the capital stock of the BIG Group ("Purchase and Sale"); and (b) the subsequent and immediate merger of the shares issued by the BIG Group remaining after the implementation of the Purchase and Sale, with the consequent conversion of the BIG Group into a wholly-owned subsidiary of Atacadão, pursuant to article 252 of Law 6,404, of 15 December 1976 ("Brazilian Corporation Law") ("Merger of Shares" and, together with the Purchase and Sale, "Transaction");

(v) The steps provided for in item (iv) above are part of a single legal transaction, and it is a premise for the Transaction that each of the steps is not individually effective, without the other also having it and being, in its entirety, implemented. Therefore, the Transaction cannot be partially approved at the General Meeting of Atacadão or the General Meeting of the BIG Group, or partially implemented;

THE PARTIES RESOLVE, in compliance with the provisions of article 252 of the Brazilian Corporation's Law, and in compliance with the applicable rules of the CVM, to enter into this Protocol and Justification of Merger of Shares ("Protocol"), in order to regulate the terms and conditions applicable to the Merger of Shares, subject to the satisfaction (or waiver, as the case may be) of the conditions precedent set forth in the Purchase and Sale Agreement.

1. PURPOSE

1.1. The purpose of this Protocol is to establish the basis for the proposed Merger of Shares, to be taken to the resolution of the shareholders of Atacadão and the BIG Group, in compliance with the provisions of this Protocol. If the proposal object of this Protocol is approved:

1.1.1. Atacadão will incorporate all the shares issued by the BIG Group, remaining after the implementation of the Purchase and Sale, and the BIG Group will be converted into a wholly-owned subsidiary of Atacadão, attributing itself directly to the shareholders – current shareholder and that ones who may become shareholders before the Merger of Shares, under the terms of the Purchase and Sale Agreement - of the BIG Group new common, nominative shares with no par value issued by Atacadão, in accordance with Clause 0; and

1.1.2. The Merger of Shares will not result in the absorption, by Atacadão, of any assets, rights, goods, obligations or responsibilities of the BIG Group, which will fully maintain its legal personality, without legal succession.

1.2. Atacadão is registered as a publicly-held company, in category A of issuers, with the CVM, and the common shares representing the capital stock of Atacadão to be issued to the shareholders of the BIG Group as a result of the Merger of Shares will also be listed and traded on the Novo Mercado, B3's listing segment.

1.3. The Purchase and Sale and Merger of Shares, as well as other related matters to be submitted to the shareholders of the Parties for approval of the Transaction, are mutually dependent legal transactions, and it is the intention of the Parties that the transaction is not effective without the others also have being effected. The Merger of Shares will only take effect if the suspensive condition referred to in Clause 6.2 below is satisfied and the Purchase and Sale has been carried out,



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provided that the Merger of Shares will take place immediately after (and necessarily on the same day) as the Purchase and Sale.

2. JUSTIFICATION AND INTEREST OF THE PARTIES IN CARRYING OUT THE MERGER OF SHARES

2.1. The Merger of Shares is carried out in the context of the Transaction. Atacadão's Management understands that the Transaction will expand Atacadão's presence in regions where it has limited penetration, such as the Northeast and South of the country, and which offer strong growth potential. Atacadão's Management understands that the BIG Group's store network, therefore, presents strong geographic complementarity.

2.2. The Management of Atacadão understands that the Transaction will allow Atacadão to expand its traditional formats (mainly Wholesale and Hypermarkets) and strengthen its presence in formats in which it has more limited operations, in particular supermarkets and soft discount. In addition, Atacadão will operate in a new market segment with the Sam's Club format, through a licensing agreement with Walmart Inc. This unique, premium and highly profitable business model targeted at the B2C segment is based on a membership system, with over 2 million members, and has a strong focus on private label products.

2.3. The Management of Atacadão identified significant synergy potential from the first year, gradually increasing to represent an additional net contribution to EBITDA of BRL2 billion annually, three years after the completion of the Transaction. Expected synergies include:

- a. Sales density gains and store conversion;
- b. Procurement synergies; and
- c. Optimization of indirect costs and greater efficiency of the supply chain.

2.4. The Management of Atacadão understands that the complementarity of the two groups will enrich Atacadão's ecosystem of products and services, which serves more than 45 million customers, and will expand its customer base with the addition of BIG Group customers.

2.5. Considering that the activities carried out by the BIG Group are similar to the activities of Atacadão, the management of Atacadão understands that the risk factors for BIG Group Shares are similar to those applicable to Atacadão, as described in the Atacadão Reference Form (pages 27 to 82) submitted to the CVM on 04/11/2022, except for those that relate exclusively to the activity of a publicly-held company.

2.6. The Parties estimate that the total costs and expenses of Atacadão, including fees for legal and financial advisors, appraisers and auditors, related to the Merger of Shares, total approximately BRL 60,000,000.00 (sixty million reais).

3. CAPITAL STOCK OF ATACADÃO AND THE BIG GROUP



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3.1. Atacadão capital stock. The capital stock of Atacadão, fully subscribed and paid in, on the present date, is BRL 7,660,725,261.16 (seven billion, six hundred and sixty million, seven hundred and twenty-five thousand, two hundred and sixty-one reais and sixteen cents), divided into 1,986,224,550 (one billion, nine hundred and eighty-six million, two hundred and twenty-four thousand, five hundred and fifty) common, registered, book-entry shares with no par value.

3.2. Capital stock of the BIG Group. The capital stock of the BIG Group, fully subscribed and paid in, on the present date, is BRL 261,696,202.48 (two hundred and sixty-one million, six hundred and ninety-six thousand, two hundred and two reais and forty-eight cents), divided into 457,376,521 (four hundred and fifty-seven million, three hundred and seventy-six thousand, five hundred and twenty-eight a) common shares, all nominative and without par value, and, after the following events occur: (i) the effectiveness of the merger of shares of certain companies by the BIG Group, as approved in the extraordinary general meeting of the Big Group held on 28 February 2022; (ii) the exercise of options by the participants of the Stock Option Plan of the BIG Group; and (iii) the exercise of the subscription bonus by the parent company of LuxCo, as amended in the extraordinary general meeting of the BIG Group held on September 22, 2021, the capital stock of the BIG Group will be divided into 583,134,894 (five hundred and eighty and three million, one hundred and thirty-four thousand, eight hundred and ninety-four) common shares, all registered and without par value.

3.2.1. Considering the Purchase and Sale, of the total shares issued by the BIG Group mentioned above:

(i) shares corresponding to 70% (seventy percent) of the total and voting capital stock of the BIG Group will be, immediately before the Merger of Shares (i.e., after the Purchase and Sale), held by Atacadão (together, "Purchased Shares"); and

(ii) shares corresponding to 30% (thirty percent) of the total and voting capital stock of the BIG Group will be, immediately before the Merger of Shares (that is, after the Purchase and Sale), held by the Sellers ("Merged Shares" and, in together with the Purchased Shares, "Shares").

4. EVALUATION OF SHARES TO BE MERGED AND CAPITAL INCREASE

4.1. Merger of Shares. In view of the Merger of Shares, the shares issued by the BIG Group will become part of Atacadão's equity, pursuant to Clause 0of this Protocol. BIG Group will be converted into a wholly-owned subsidiary of Atacadão, attributing itself directly to the shareholders of BIG Group (current and to become shareholders before the Merger of Shares), in the proportion held by them in the capital stock of BIG Group, 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) common, registered, book-entry shares with no par value issued by Atacadão, in accordance with the provisions of the Purchase and Sale Agreement, reflected in Clause 0of this Protocol, as applicable.

4.2. Base Date and Evaluation of the BIG Group. The Merged Shares were valued in accordance with the provisions of article 252, §1, combined with article 8, both of the Brazilian Corporation Law, according to the appraisal report contained in Annex I to this Protocol ("Appraisal Report"), based on the market value criterion, calculated using the discounted cash flow methodology, on the base date of December 31, 2021 ("Base Date"). The Appraisal Report of the shares issued by the BIG Group was prepared by the specialized company Alvarez & Marsal Assessoria em Transações Ltda., headquartered in the City of São Paulo, State of São Paulo, at Rua Surubim, No. 577, cj. 202, Cidade



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Monções, ZIP Code 04571-050, registered with the CNPJ/ME under No. 28.287. 683/0001-29 ("Appraiser"), ad referendum of the Companies' shareholders.

4.2.1. Accounting record. For the purposes of accounting registration of the Merger of Shares, and pursuant to Law 11,638/07 and the provisions of Technical Pronouncement CPC No. 15 (R1), issued by the Accounting Pronouncements Committee, applicable to the Transaction, the amount to be transferred by Atacadão in consideration for the Merged Shares, will be equivalent to the fair value of the issued shares. Any positive or negative difference between the fair value of the Merged Shares and the amount of the capital increase, as indicated in Clause 0, will be recorded in Atacadão's net equity.

4.2.2. Equity variations. The equity variations that occurred in the BIG Group between the Base Date and the completion of the Merger of Shares will be fully supported by the BIG Group and reflected in Atacadão as a result of the application of business combination accounting, in light of Technical Pronouncement CPC No. 15 (R1).

4.2.3. Conflict. The Appraiser declared that it has no interest, directly or indirectly, in the Companies or, still, with regard to the Merger of Shares itself, which could prevent or affect the preparation of the Appraisal Report requested from it, for the purposes of the Merger of Shares.

4.2.4. Valuation for the purposes of article 264 of the Brazilian Corporation's Law. Article 264 of the Brazilian Corporation's Law is inapplicable, since there is no control relationship between the Parties involved in the Transaction. Furthermore, the Exchange Ratio was defined based on the number of shares to be attributed to the shareholders of the BIG Group as a result of the Merger of Shares negotiated between absolutely independent parties within the scope of the Purchase and Sale Agreement.

4.3. Atacadão Capital Increase due to the Merger of Shares. The Merger of Shares will result in the increase of Atacadão's capital stock, with the issuance of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) common, nominative, book-entry shares with no par value, at the price issue of BRL 19.26 (nineteen reais and twenty-six cents) per share, totaling the amount of BRL 2,250,000,001.80 (two billion, two hundred and fifty million, one real and eighty cents), corresponding to the amount attributed to the Merged Shares, through the Purchase and Sale Agreement. With the increase in Atacadão's capital stock, it will increase from BRL 7,660,725,261.16 (seven billion, six hundred and sixty million, seven hundred and twenty-five thousand, two hundred and sixty-one reais and sixteen cents) to BRL 9,910,725,262.96 (nine billion, nine hundred and ten million, seven hundred and twenty-five thousand, two hundred and sixty-two reais and ninety-six cents), thus changing the caput of article 5 of the Bylaws of Atacadão, according to Clause 4.4 below.

4.4. Atacadão Bylaws Amendment Project. Due to the capital increase resulting from the Merger of Shares, the caput of article 5 of Atacadão's Bylaws shall be amended to reflect the new value of the capital stock and the new number of shares, with the following new wording, subject to compliance with the Conditions Precedent (as defined in Clause 6.2 below):

"Article 5 - The fully subscribed and paid-in capital stock is BRL 9,910,725,262.96 (nine billion, nine hundred and ten million, seven hundred and twenty-five thousand, two hundred and sixty-two reais and ninety-six cents), divided into 2,103.046,980 (two billion, one hundred and three million, forty-six thousand, nine hundred and eighty) common, registered, book-entry shares with no par value".



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5. SECURITIES TO BE ATTRIBUTED TO BIG GROUP SHAREHOLDERS, EXCHANGE RATIO AND POLITICAL AND EQUITY RIGHTS OF THE SHARES

5.1. Exchange Ratio and Criteria for its Determination. Assuming the number, on the present date, of the Merged Shares, each shareholder of the BIG Group, except Atacadão, will receive 0.851395036956871 common shares issued by Atacadão in exchange for each 1 (one) common share issued by the BIG Group held by it on the Closing Date (as defined in Clause 6.3), disregarding the shares held by Atacadão, which will already be owned by Atacadão immediately before the Merger of Shares (after the Purchase and Sale) ("Exchange Ratio"). The Exchange Ratio of the Merged Shares was calculated based on the amount of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) new common, nominative, book-entry shares with no par value to be issued by Atacadão as a result of the Merger ("New Shares") - amount negotiated by the Parties, as independent parties, during the negotiation process for the acquisition of the BIG Group, under the terms of the Purchase and Sale Agreement. Any adjustment in the number of Merged Shares will result in an adjustment of the Exchange Ratio, provided that, in any case, there will be no change in the number of New Shares, so that the New Shares represent 5.55% (five integers and fifty-five hundredths percent) of the total and voting capital stock of Atacadão. Fractions of shares will be disregarded from the total number of New Atacadão Shares issued in connection with the Merger of Shares.

5.2. Atacadão Shares. If the Merger of Shares is approved, Atacadão will issue the New Shares, so that the capital stock of Atacadão after the Merger of Shares will be represented by 2,103,046,980 (two billion, one hundred and three million, forty-six thousand, nine hundred and eighty) common, nominative, book-entry shares with no par value.

5.3. Political and Economic Rights of Shares. The New Shares will have the same rights granted to the shares issued by Atacadão then outstanding, traded on B3 under the ticker "CRFB3", and the shareholders of the BIG Group will fully participate in all benefits, including, without limitation, voting rights, dividends and capital remuneration that may be declared by Atacadão after the effective issuance date of the New Shares, unless otherwise provided for in instruments entered into between the shareholders of the BIG Group and Atacadão.

5.3.1 The New Shares will be fully subscribed by the managers of the BIG Group, on behalf of its shareholders - current shareholders and that may become shareholders before the Merger of Shares, under the terms of the Purchase and Sale Agreement -, pursuant to article 252, § 2 of the Brazilian Corporation's Law, in proportion to the interest of each shareholder in the capital stock of the BIG Group, disregarding the shares held by Atacadão, and paid in through the transfer of the ownership of the shares issued by the BIG Group to the equity of Atacadão that, on the date of consummation of the Merger of Shares, will be free and clear of any encumbrances or liens, under the terms of the Purchase and Sale Agreement, except for the lock-up of 6 (six) months from the consummation of the Merger of Shares, period in which the New Shares may not be sold, transferred, assigned or donated.

5.3.2. The current shareholders of Atacadão will not have preemptive rights in the subscription of such New Shares pursuant to article 252, § 1 of the Brazilian Corporation's Law.

6. OTHER APPLICABLE CONDITIONS



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6.1. Corporate Acts. Without prejudice to the provisions of Clause 0, the consummation of the Merger of Shares will depend on the performance of the following acts:

6.1.1. Meeting of the Board of Directors of Atacadão, pursuant to article 8, item II of the Internal Regulations of the Board of Directors of Atacadão, to consider, among other matters, the proposal to be submitted to the shareholders of Atacadão, consisting of the resolution on: (i) approval of the Purchase and Sale, pursuant to article 256 of the Brazilian Corporation's Law; (ii) the Protocol; (iii) ratification of the hiring of the Appraiser; (iv) the Appraisal Report; (v) the Merger of Shares; (vi) the increase in the capital stock of Atacadão through the issuance of New Shares to be delivered to the shareholders of the BIG Group on the Closing Date as a result of the Merger of Shares; and (vii) the authorization for the managers of Atacadão to perform the necessary acts for the consummation of the Merger of Shares as established herein, and the effectiveness of the above matters will be conditioned to the satisfaction (or waiver, as the case may be) of the Conditions Precedent, in accordance with article 125 of the Civil Code, under the terms and conditions of this Protocol;

6.1.2. Atacadão General Meeting ("Atacadão General Meeting"), pursuant to article 12, item VII of the Atacadão Bylaws, to resolve on: (i) approval of the Purchase and Sale, pursuant to article 256 of the Brazilian Corporation's Law; (ii) approval of the Protocol; (iii) ratification of the hiring of the Appraiser; (iv) approval of the Appraisal Report; (v) approval of the Merger of Shares, the effectiveness of which will be conditioned to the satisfaction (or waiver, as the case may be) of the Precedent Conditions and the consummation of the Purchase and Sale, in accordance with article 125 of the Civil Code, under the terms and conditions of this Protocol; (vi) approval of the capital increase of Atacadão through the issuance of New Shares to be delivered to the shareholders of the BIG Group on the Closing Date as a result of the Merger of Shares; and (vii) the authorization for the managers of Atacadão to perform the necessary acts for the consummation of the Merger of Shares as established herein, and the effectiveness of the above matters will be conditioned to the satisfaction (or waiver, as the case may be) of the Conditions Precedent, in accordance with article 125 of the Civil Code, under the terms and conditions of this Protocol; and

6.1.3. On the same date as the General Meeting of Atacadão, the General Meeting of the BIG Group will take place ("General Meeting of the BIG Group" and, together with the General Meeting of Atacadão, "General Meetings of the Companies") to resolve on: (i) the approval of the Protocol; (ii) ratification of the hiring of the Appraiser; (iii) approval of the Appraisal Report; (iv) approval of the Merger of Shares; and (v) the authorization for the managers of the BIG Group to perform the necessary acts for the consummation of the Merger of Shares, and the effectiveness of the above matters will be conditioned to the satisfaction (or waiver, as the case may be) of the Conditions Precedent, in accordance with article 125 of the Civil Code, under the terms and conditions of this Protocol.

6.2. Conditions Precedent. Subject to the provisions of the Purchase and Sale Agreement, the completion of the Merger of Shares will also be subject to the satisfaction (or waiver, as the case may be) of the Conditions Precedent below, pursuant to article 125 of the Civil Code (together, "Conditions Precedent"):

(i) Obtaining final approval of the Transaction by the Administrative Council for Economic Defense (including the general superintendence and the administrative court) ("CADE") ("CADE Approval") pursuant to the Purchase and Sale Agreement; and

(ii) Satisfaction (or waiver, as the case may be) of the other Conditions Precedent provided for in Chapter 4 of the Purchase and Sale Agreement.



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

6.3. Consummation of the Merger of Shares. After (i) the approval of the Transaction, including the Merger of Shares, at the General Meetings of the Companies mentioned in Clause 0, and (ii) the satisfaction (or waiver, as the case may be) of the Conditions Precedent, the Merger of Shares shall take place on the same date on which the Purchase and Sale of the Purchased Shares takes place ("Closing Date").

6.3.1. In the event that the Conditions Precedent are satisfied (or waived, as the case may be), before the date of the General Meetings of the Companies, it is hereby provided that the consummation of the Transaction, including the Merger of Shares, will no longer be conditioned to any Condition Precedent.

6.4. Right of Withdrawal. Pursuant to articles 252, §1 and 137, §1 and 256 of the Brazilian Corporation's Law, Atacadão's management determines that Atacadão's shareholders who do not vote in favor of the Merger of Shares, who abstain to vote or who do not attend the relevant General Meeting, and who expressly declare their intention to exercise the right to withdraw, within 30 (thirty) days from the date of publication of the minutes of the General Meeting approving the Merger of Shares, shall be granted the right of withdrawal. For clarification purposes, the right of withdrawal can be exercised by the holders of common shares that, in relation to the resolutions of the Atacadão General Meeting that are related to the Transaction, (i) do not vote in favor of the matters; (ii) abstain from voting on the matters, or (iii) do not attend the General Meeting of Atacadão. Atacadão's Management determines that shareholders who, proven to have held, uninterruptedly, shares issued by the Company may exercise the right to withdraw from the date of disclosure of the material fact disclosed on March 24, 2021 (inclusive) until the date of exercise of the effective right. Thus, just for clarification, Atacadão's Management clarifies that shareholders who have acquired common shares issued by the Company as of March 25, 2021 (inclusive) do not have withdrawal rights due to the Merger of Shares.

6.4.1. Refund Amount. The Management of Atacadão determines that the amount of the reimbursement to be paid to the dissenting shareholders of the resolutions of the meeting to be called to address the matters object of this Protocol, per common share issued by Atacadão, will be BRL 8.60316668, calculated based on (i) the net equity of Atacadão included in the financial statements for the fiscal year ended December 31, 2021, to be duly approved by the General Meeting of Atacadão; and (ii) the number of common shares issued by Atacadão existing on this date. The shareholder may request a special balance sheet if the resolution of the meeting takes place after 60 (sixty) days have elapsed from the date of the last balance sheet approved in compliance with the provisions of article 45, §2 of the Brazilian Corporation Law.

6.4.2. Refund Payment. The Management of Atacadão determines that the payment of the reimbursement value of the shares issued by Atacadão will depend on the completion of the Merger of Shares, pursuant to article 230 of the Brazilian Corporation Law.

6.4.3. Reconsideration. Atacadão's managers will not be entitled to call a new general meeting to reconsider the decision to approve the Merger of Shares, even if they understand that the payment of the reimbursement amount to dissenting shareholders who exercised their right to withdraw will jeopardize Atacadão's financial stability.

6.4.4. Right of Withdrawal of Shareholders of the BIG Group. Considering that, under the terms of the Agreement, the Sellers have undertaken to approve the Merger of Shares without reservations, there will be no shareholder of the BIG Group entitled to exercise the right of withdrawal, whether due to dissent, abstention or non-attendance, under the terms of article 137 of the Brazilian Corporation Law.



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

6.5. Termination Hypotheses. This Protocol is signed on an irrevocable and irreversible basis and may only be terminated, before the implementation of the Merger of Shares, in the cases provided for in Clause 11.1 of the Purchase and Sale Agreement.

6.5.1. In the event of termination of this Protocol (i) its provisions shall immediately become ineffective, except for Sections 6.7 (Termination Events), 0(Applicable Law and Dispute Resolution) and 0(General Provisions), which shall remain valid after termination; and (ii) there will be no liability or payment obligation additional to those provided for in the Purchase and Sale Agreement for any of the Parties, if any, except, however, that nothing in this Protocol shall remove the responsibility of the Parties for any breach of this Protocol before its termination.

7. APPLICABLE LAW AND CONFLICT RESOLUTION

7.1. Applicable Law. This Protocol shall be governed by and construed in accordance with the Laws of the Federative Republic of Brazil.

7.2. Conflict Resolution. Without prejudice to all executive measures provided for in this Protocol, the signatories of this document hereby agree that any and all disputes or controversies arising out of or arising from this Protocol, including those relating to its existence, validity, effectiveness, compliance, interpretation or termination and its consequences ("Dispute"), will be definitively decided by arbitration, pursuant to Law No. 9,307/96 (as amended), in accordance with the provisions of the Purchase and Sale Agreement and the provisions below.

7.2.1. Any Dispute shall be submitted to arbitration before the Arbitration and Mediation Center of the Brazil-Canada Chamber of Commerce ("Chamber"), in accordance with the Arbitration Rules in force at the time of filing the application ("Rules"), except where it is modified by the provisions below or is amended by mutual agreement between the signatories of this protocol.

7.2.2. The arbitral tribunal will be composed of 3 (three) arbitrators, one appointed by the claimant and the other by the defendant and the third arbitrator, who will act as president of the arbitral tribunal, will be jointly appointed by the 2 (two) arbitrators appointed by the parties in the arbitration, such arbitrators not being limited, in their choice, by the list of Arbitration Chambers; if one of the parties to the arbitration does not appoint an arbitrator, or if the 2 (two) arbitrators appointed by the parties to the arbitration do not agree on the appointment of the third arbitrator within the time limits established by the Chamber, the default appointment will be made by the Chamber, under the terms of the Rules ("Arbitration Court").

7.2.3. In the case of an arbitration involving three (3) or more parties, if the parties acting as claimants, on the one hand, and those acting as defendants, on the other, do not agree between the claimants and/or between the defendants in the appointment of the corresponding arbitrator, the parties to the arbitration shall jointly appoint 2 (two) arbitrators within 15 (fifteen) days after receiving the last notification from the Chamber to that effect. The third arbitrator, who will act as president of the arbitral tribunal, will be jointly appointed by the two (2) arbitrators appointed by the parties within 15 (fifteen) days after the confirmation of the last arbitrator or, if this is not possible, for any reason, by the Chamber, pursuant to the Regulation. If the parties to the arbitration do not appoint the arbitrators, all members of the Arbitral Tribunal will be appointed by the Chamber, pursuant to the Rules, which will designate one (1) of them to act as president of the Arbitral Tribunal.



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

7.2.4. The arbitration shall be conducted in the English language. The arbitration will take place in the City of São Paulo, State of São Paulo, where the arbitration award shall be rendered. The arbitrators shall not be empowered to decide any Dispute based on rules of equity.

7.2.5. The Arbitral Tribunal cannot resolve the Dispute as an *amiable compositeur* (*ex aequo et bono*). The decisions rendered by the arbitrators will be final and binding on the parties to the arbitration, as well as on their successors in any capacity.

7.2.6. Before the constitution of the Arbitral Tribunal, the interested party may request precautionary and/or urgent measures from the judiciary, pursuant to Clause 7.2.7. After its constitution, all provisional and/or urgent measures will be requested directly from the Arbitral Tribunal, and the Arbitral Tribunal may maintain, modify and/or revoke the order previously requested from the courts.

7.2.7. Provisional and/or urgent measures, as well as enforcement actions, when applicable, may be made, at the discretion of the interested party, (i) to the courts of the jurisdiction of the Parties, the Companies or their assets; or (ii) to the court of the city of São Paulo, State of São Paulo, Brazil. As for the other judicial measures provided for in the Brazilian Arbitration Law, the jurisdiction of the city of São Paulo, State of São Paulo, Brazil will be the exclusive jurisdiction of the court. The request for any provisional and/or urgent relief or any judicial relief available under the Brazilian Arbitration Law shall not be construed as a waiver of the rights provided for in this arbitration clause or a waiver of arbitration as the sole Dispute resolution mechanism. Judgment on the arbitral award may be made in any court having competent jurisdiction.

7.2.8. The arbitration proceedings (including, without limitation, their existence, submissions by the parties, third-party statements, evidence and documents presented, as well as any decisions rendered by the Arbitral Tribunal) will be confidential, and will only be disclosed to the Arbitral Tribunal, the parties to the arbitration and its representatives and any person necessary for the arbitration, unless and to the extent that disclosure is required by law or necessary for permitted legal proceedings.

7.2.9. The arbitration and any proceedings relating thereto shall be confidential and the signatories to this Protocol shall not disclose to any third party any information or documentation presented in such claims that is not in the public domain, or evidence or materials produced in connection with the claims, or any order or report rendered in the demands, except, and only to the extent that such disclosure: (i) results from the force of law or regulation; (ii) aims to protect a right; (iii) is necessary for the judicial enforcement of the arbitral award; or (iv) is necessary to obtain legal, regulatory, financial, accounting or similar advice (in which case the disclosing Party must obtain a confidentiality commitment from the respective advisors).

7.2.10. The Chamber (if before the constitution of the Arbitral Tribunal) or the Arbitral Tribunal (if after its constitution) may, upon request of any of the parties to simultaneous arbitrations, consolidate simultaneous arbitrations involving this Protocol or other instruments related thereto, provided that: (i) the arbitration clauses in question are compatible; (ii) the arbitrations relate to substantially similar matters of fact or law; and (iii) the consolidation does not bring unjustifiable harm to any of the parties to the consolidated arbitrations. The first Arbitral Tribunal constituted will have the power to determine the consolidation of simultaneous arbitrations and its decision will be binding on all parties to the consolidated arbitrations. The arbitrations will be consolidated in the procedures to be decided by the first arbitral tribunal constituted.



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

7.2.11. The expenses of the arbitration procedure, including the administrative costs of the Chamber and the fees of the arbitrators and experts, when applicable, will be borne by each party in accordance with the Rules. After the arbitration award has been rendered, the Arbitral Tribunal may determine that the prevailing party be reimbursed in whole or in part by the losing party for these expenses, including, without limitation, the administrative costs of the Chamber, arbitrator fees, independent experts' fees and reasonable contractual attorneys' fees.

8. GENERAL PROVISIONS

8.1. Independence of provisions. The eventual declaration by any court of nullity or the ineffectiveness of any of the agreements contained in this Protocol will not affect the validity and effectiveness of the others, which will be fully complied with, and the Parties are obliged to use their best efforts in order to validly adjust to obtain the same effects as the agreement that has been canceled or has become ineffective.

8.2. Filing. Once the Merger of Shares has been approved by the shareholders of Atacadão and BIG Group, it will be incumbent upon the management of each of the Companies to file and publish all acts related to the Merger of Shares and carry out the necessary registrations before federal, state and municipal competent agencies. The costs and expenses arising from the implementation of the Merger of Shares will be the responsibility of the Companies, in accordance with applicable legislation.

8.3. Documents. This Protocol, the Appraisal Report and other documents mentioned herein will be made available to shareholders in due course, at Atacadão's registered office and on Atacadão's investor relations websites (www.ri.grupocarrefourbrasil.com.br), of the CVM (www.cvm.gov.br) and B3 (www.b3.com.br).

8.4. Irrevocability and Irreversibility. This Protocol is irrevocable and irreversible (except if amended or waived as provided herein), and the obligations assumed by the Parties are also binding on their successors in any capacity.

8.5. Assignment. The assignment of any of the rights and obligations agreed in this Protocol is prohibited without the prior and express consent, in writing, of the Parties.

8.6. Electronic Signature. The Parties and witnesses enter into this Protocol electronically, through the use of a digital certificate made available by ICP-Brasil, so that their signatures by such means are binding, effective and confer authenticity, integrity and legal validity to this Protocol, making - the extrajudicial enforceable title for all legal purposes, pursuant to article 10, §1 of Provisional Measure nº. 2200-2, of August 24, 2001.

9. Conclusion

9.1. In view of the above elements, which include all the requirements of article 252 of the Brazilian Corporation's Law, the managements of Atacadão and the BIG Group understand that the Merger of Shares meets the interests of the Parties involved and their shareholders, which is why they recommend its approval and implementation.



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

[Signature Page of the Protocol and Justification of Merger of Shares Issued by Grupo Big Brasil S.A. by Atacadão S.A.]

And, in witness whereof, the Parties sign this Protocol for the Merger of Shares, in the presence of the 2 (two) undersigned witnesses.

São Paulo/Barueri, April 28, 2022.

ATACADÃO S.A.

Name:

Name:

Office:

Office:

BIG BRASIL GROUP S.A.

Name:

Name:

Office:

Office:

Witnesses:

Name:
ID: CPF/ME:

Name:
ID: CPF/ME:



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

ANNEX IV

FINANCIAL STATEMENTS OF THE COMPANY AND THE BIG GROUP

Demonstrações dos Resultados - Exercícios findos em 31 de dezembro de 2021 e 2020
(Em milhões de reais - R\$, exceto o lucro líquido do exercício por ação)

	<u>Nota</u>	Controladora		Consolidado	
		2021	2020	2021	2020
Receita operacional líquida	18	-	-	20.124	21.743
Custo das mercadorias vendidas e dos serviços prestados	20	-	-	(15.133)	(16.418)
Lucro bruto		-	-	4.991	5.325
Recargas (despesas)					
Despesas com vendas, gerais e administrativas	20	(5)	(6)	(5.029)	(5.416)
Outras recargas (despesas) operacionais líquidas	20	(1)	-	589	811
Resultado de equivalência patrimonial	10	257	3.045	-	-
Lucro antes do resultado financeiro e impostos		251	3.039	551	720
Resultado financeiro					
Despesas financeiras	21	(11)	(8)	(602)	(643)
Receitas financeiras	21	-	1	388	645
Resultado financeiro líquido		(11)	(7)	(214)	2
Lucro antes do imposto de renda e da contribuição social		240	3.032	337	722
Imposto de renda e contribuição social					
Correntes	8	-	-	71	(272)
Diferidos	8	-	(6)	(168)	2.576
Lucro líquido do exercício		240	3.026	240	3.026
Atribuível aos:					
Acionistas		-	-	240	3.026
Resultado por ação (reais por ação)					
Básico	24	-	-	0,53	5,78
Ajustado	24	-	-	0,53	5,78

As notas explicativas são parte integrante das demonstrações financeiras

Demonstrações dos Resultados Abrangentes					
Exercícios findos em 31 de dezembro de 2021 e 2020 (Em milhões de reais - R\$)					
		Controladora		Consolidado	
	Nota	2021	2020	2021	2020
Lucro líquido do exercício		240	3.026	240	3.026
Resultado abrangente do exercício		240	3.026	240	3.026
Atribuível aos:					
Acionistas		-	-	240	3.026
As notas explicativas são parte integrante das demonstrações financeiras.					
Demonstrações dos Fluxos de Caixa					
Exercícios findos em 31 de dezembro de 2021 e 2020 (Em milhões de reais - R\$)					
	Nota	Controladora		Consolidado	
		2021	2020	2021	2020
Fluxo de caixa das atividades operacionais:					
Lucro líquido do exercício		240	3.026	240	3.026
Ajustes para:					
Depreciações e amortizações	11 e 12	-	-	403	415
Imposto de renda e contribuição social					
diferidos	8	-	-	168	(2.576)
Créditos tributários	7	-	-	(509)	(1.094)
Provisão para expectativa de perda de crédito	5	-	-	2	5
Reversão para perdas de estoques	6	-	-	(174)	(29)
Provisão para demandas judiciais	14	-	-	302	398
Atualização monetária sobre demandas judiciais	14	-	-	155	228
Reversão de <i>impairment</i>	11	-	-	(258)	(213)
Juros sobre passivos de arrendamento	15	-	-	293	269
Desreconhecimento de arrendamento	11 e 15	-	-	(14)	(16)
Depreciação de ativos de direito de uso	11	-	-	296	248

o) na venda de ativo

imobilizado e intangível	11 e 12	-	-	(31)	33
Resultado de equivalência patrimonial	10	(257)	(3.045)	-	-

Diretoria	
Luiz Antonio Fazzio Diretor-Presidente	Vitor Fagá de Almeida Diretor Administrativo Financeiro

Demonstrações do Valor Adicionado					
Exercícios findos em 31 de dezembro de 2021 e 2020 (Em milhões de reais - R\$)					
	Controladora		Consolidado		
	2021	2020	2021	2020	
Receitas	-	-	23.119	25.233	
Vendas de mercadorias, produtos e serviços	-	-	22.444	24.382	
Outras receitas	-	-	677	947	
Provisão para expectativa de perda de crédito	-	-	(2)	(6)	
Insumos adquiridos de terceiros	(5)	(5)	(18.691)	(20.693)	
Custos produtos, mercadorias e serviços vendidos	-	-	(18.690)	(18.453)	
Materiais, energia, serviços de terceiros e outros	-	-	(2.265)	(2.442)	
Recuperação de valores ativos	-	-	273	212	
Valor adicionado bruto	(5)	(5)	4.428	4.630	
Depreciação e amortização	-	-	(659)	(663)	
Valor adicionado líquido produzido	(5)	(5)	3.769	3.967	
Valor adicionado recebido em transferência	257	3.048	388	645	
Resultado de equivalência patrimonial	257	3.045	-	-	
Receitas financeiras	-	1	388	645	
Valor adicionado total a distribuir	252	3.041	4.157	4.612	
Distribuição do valor adicionado	252	3.041	4.157	4.612	
Pessoal	1	1	1.886	2.061	
Remuneração direta	1	1	1.366	1.362	
Benefícios	-	-	248	435	
FóTTS	-	-	117	124	
Demandas judiciais trabalhistas	-	-	135	140	
Impostos, taxas e contribuições	-	7	1.398	(1.174)	
Federais	-	7	640	(1.752)	
Estaduais	-	-	657	467	
Municipais	-	-	101	111	
Remuneração de capitais de terceiros	11	7	653	699	
Juros	11	7	559	603	
Aluguéis	-	-	58	54	
Outros - royalties	-	-	36	42	
Remuneração de capitais próprios	240	3.026	240	3.026	
Dividendos	6	30	6	30	
Lucro retidos	234	2.996	234	2.996	

As notas explicativas são parte integrante das demonstrações financeiras

dadas

• executamos procedimentos de auditoria em resposta a tais riscos, bem como obtemos evidência de auditoria apropriada e suficiente para fundamentar nossa opinião. O risco de não detecção de distorção relevante resultante de fraude é maior do que o proveniente de erro, já que a fraude pode envolver o ato de burlar os controles internos, conluio, falsificação, omissão ou representações falsas intencionais.

• Obtemos entendimento dos controles internos relevantes para a auditoria para planejarmos procedimentos de auditoria e para avaliar o risco de não detecção de distorção relevante decorrente de fraude. Não obtemos evidência suficiente para avaliar a eficácia dos controles internos da Companhia e de suas controladas, nem para avaliar a adequação das políticas contábeis utilizadas e a razoabilidade das estimativas contábeis e respectivas divulgações feitas pela Administração. • Concluímos sobre a adequação do uso, pela Administração, da base contábil de continuidade operacional e, com base nas evidências de auditoria obtidas, se existe incerteza relevante em relação a eventos ou condições que possam levantar dúvida significativa em relação à capacidade de continuidade operacional da Companhia e de suas controladas. Se concluímos que existem condições que possam levantar dúvida significativa em relação à capacidade de continuidade operacional das divulgações nas demonstrações financeiras individuais e consolidadas ou incluir modificação em nossa opinião, se as divulgações forem inadequadas. Nossas conclusões estão fundamentadas nas evidências de auditoria obtidas até a data de nosso relatório. Todavia, eventos ou condições futuras podem levar a Companhia e suas controladas a não mais se manterem em continuidade operacional. • Avaliamos a apresentação geral, a estrutura e o conteúdo das demonstrações financeiras, inclusive as divulgações e se as demonstrações financeiras individuais e consolidadas representam as correspondentes transações e eventos subjacentes e se os objetivos de apresentação e adequação das divulgações de auditoria apropriada e suficiente referentes às informações financeiras das entidades ou unidades de negócio do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela direção, pela supervisão e pelo desempenho da auditoria do Grupo e, consequentemente, pela opinião de auditoria. Comunicamos-nos com os responsáveis pela governança a respeito, entre outros aspectos, do alcance planejado, da época da auditoria e das constatações e conclusões significativas de auditoria, inclusive as eventuais deficiências significativas nos controles internos que poderiam resultar em possíveis impactos financeiros.


• O nosso trabalho não constitui uma garantia de que cumprimos com as práticas éticas relevantes, incluindo os requisitos aplicáveis de independência, e comunicamos todos os eventuais relacionamentos ou assuntos que poderiam afetar consideravelmente, nossa independência, incluindo, quando aplicável, as respectivas salvaguardas

São Paulo, 26 de fevereiro de 2021

consequentemente, pela opinião de auditoria. Comunicar-nos com os responsáveis pela governança a respeito, entre outros aspectos, do alcance planejado, da época da auditoria e das constatações significativas de auditoria, inclusive as eventuais deficiências significativas nos controles internos que identificamos durante nossos trabalhos. Fornecemos também aos responsáveis pela governança uma declaração de que cumprimos com as exigências éticas relevantes, incluindo os requisitos aplicáveis de independência, e comunicamos todos os eventuais relacionamentos ou assuntos que poderiam afetar consideravelmente, nossa independência, incluindo, quando aplicável, as respectivas salvaguardas.

São Paulo, 26 de fevereiro de 2023

Deloitte Touche Tomatsu	Vagner Ricardo Alves
Auditor Independente Ltda.	Contador
CRC nº 2 SP 011609/O-0	CRC nº 1 SP 215739/O-0



Deloitte.



GRUPO
CARREFOUR
BRASIL



2021

FINANCIAL *statements*



Carrefour



Carrefour
soluções
em atacado

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propertydivision

Carrefour
bairro

Carrefour
market

Carrefour
express

Carrefour
drogaria

Carrefour
posto



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Q4 2021 Results

Sales +29% in 2Y with Food GMV growing 6.5-fold
Grupo BIG synergies revised upwards

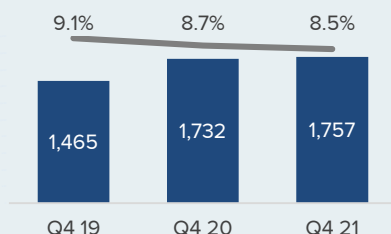


GRUPO
CARREFOUR
BRASIL

Grupo Carrefour Brasil

Adj. EBITDA and Margin (R\$ million and % of net sales)

+ 40 bps market share in FY 21



Gross sales
R\$22.8 bn
+3.7% y/y
+29.2% vs 2019

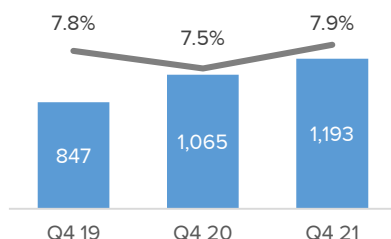
Adjusted EBITDA
R\$ 1.8 bn
+1.4% y/y
+19.9% vs 2019

Adjusted Net Income
R\$ 766 mn
-13.5% y/y
+13.4% vs 2019

Atacadão

Adj. EBITDA and Margin (R\$ million and % of net sales)

Fast expansion pace and increased profitability

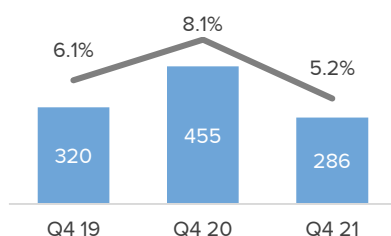


- Gross Sales: **R\$ 16.7 billion** +6.6% y/y (-5.0% LfL y/y and +20.6% LfL vs Q4 19)
- Q4 LFL** faced the highest comparable base of 2020; gradual normalization expected in 2022
- Acceleration in expansion**, contributing **10.9%** to top-line in Q4 21
- +44 stores** in the full year; **250 stores** at year-end, in line with plan
- Continued momentum in digital**: **+97.7%** in sales vs. Q3 21; encouraging results from the partnership with Facily, more to come
- Sequential SG&A dilution**: stable q/q, 30 bps improvement vs. Q2 21 and 50 bps vs. Q1 21; opportunistic purchasing in challenging context to control costs
- Adjusted EBITDA of R\$ 1.2 billion** (+40.9% in 2Y +12.0% y/y) at 7.9% margin

Carrefour Retail

Adj. EBITDA and Margin (R\$ million and % of net sales)

16.9% growth in multi-format food sales over two years

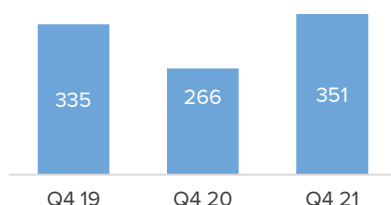


- Gross sales (incl. petrol): R\$ 6.1 billion -3.4% LfL y/y (food +1.4% LfL; non-food -23.0% LfL and +49.6% petrol LfL)
- Multi-format gross sales: **food up 16.9%** and non-food -3.7% over two years
- Record level of private label**: 19.4% of total food net sales, boosted by the price freeze initiative and showing their relevance in an inflationary environment
- SG&A expenses** up 4.6% in the quarter, impacted by increased costs, but **down 0.8% in the FY**, reflecting the structural efficiency improvements implemented since last year
- Adjusted EBITDA of R\$ 286 million** or 5.2% of net sales

Banco Carrefour

Adj. EBITDA (R\$ million)

Adjusted EBITDA above 2019 level



- Total billings: **R\$ 13.3 billion** in Q4 21 (+14.6% y/y)
- Cross-sell and new products up 45.7%** in Q4 and almost doubling in the FY
- Top-line increased by 39.5%** to **R\$1 billion**, reflecting higher borrowing propensity by clients in a tough economic environment
- Spending off-us +20.4%**, highlighting our relevance for clients outside the ecosystem
- Non-Performing Loans under control** despite natural increase in a deteriorated economy
- Efficiency ratio at 30.8%** (920 bps gain vs. Q4 20), highest level since IPO
- Adjusted EBITDA of R\$ 351 million** in the quarter, surpassing 2019 levels

In R\$ million	Consolidated			Atacadão			Carrefour Retail			Banco Carrefour		
	Q4 21	Q4 20	Δ%	Q4 21	Q4 20	Δ%	Q4 21	Q4 20	Δ%	Q4 21	Q4 20	Δ%
Gross sales	22,781	21,963	3.7%	16,722	15,692	6.6%	6,059	6,271	-3.4%			
Net sales	20,661	19,873	4.0%	15,196	14,276	6.4%	5,465	5,597	-2.4%			
Gross profit	4,262	3,940	8.2%	2,362	2,012	17.4%	1,268	1,394	-9.0%	638	539	18.4%
Gross Margin	20.6%	19.8%	80 bps	15.5%	14.1%	145 bps	23.2%	24.9%	-171 bps			
Adj. EBITDA (1) (2)	1,757	1,732	1.4%	1,193	1,065	12.0%	286	455	-37.1%	351	266	32.0%
Adj. EBITDA Margin	8.5%	8.7%	-21 bps	7.9%	7.5%	39 bps	5.2%	8.1%	-290 bps			
Adj. Net Income, Group share	766	886	-13.5%									
Adj. Net Income Margin	3.7%	4.5%	-75 bps									

(1) Includes intragroup elimination of R\$ -6 million and R\$ -5 million between Bank and Retail in 2021 and 2020, respectively; (2) Includes global functions expenses of R\$ -67 million and R\$ -49 million in 2021 and 2020, respectively.

In R\$ million	Consolidated			Atacadão			Carrefour Retail			Banco Carrefour		
	FY 21	FY 20	Δ%	FY 21	FY 20	Δ%	FY 21	FY 20	Δ%	FY 21	FY 20	Δ%
Gross sales	81,185	74,751	8.6%	58,993	51,817	13.8%	22,192	22,934	-3.2%			
Net sales	73,552	67,640	8.7%	53,595	47,058	13.9%	19,957	20,582	-3.0%			
Gross profit	14,876	13,918	6.9%	8,137	7,040	15.6%	4,745	5,161	-8.1%	2,016	1,740	15.9%
Gross Margin	20.2%	20.6%	-35 bps	15.2%	15.0%	22 bps	23.8%	25.1%	-130 bps			
Adj. EBITDA (1) (2)	5,715	5,610	1.9%	3,925	3,605	8.9%	1,114	1,502	-25.8%	930	698	33.2%
Adj. EBITDA Margin	7.8%	8.3%	-52 bps	7.3%	7.7%	-34 bps	5.6%	7.3%	-172 bps			
Adj. Net Income, Group share	2,399	2,758	-13.0%									
Adj. Net Income Margin	3.3%	4.1%	-82 bps									

(1) Includes intragroup elimination of R\$ -22 million and R\$ -23 million between Bank and Retail in 2021 and 2020, respectively; (2) Includes global functions expenses of R\$ -232 million and R\$ -172 million in 2021 and 2020, respectively.

Stéphane Maquaire, Chief Executive Officer, declared:

“ Grupo Carrefour Brasil turned in a very resilient performance in the fourth quarter and full year of 2021, with growth in gross sales and adjusted EBITDA while cycling over a very tough comparable base. Atacadão's expansion accelerated and Banco Carrefour continued its strong recovery, while Carrefour Retail's food sales were up again and the Business Unit's turnaround is on the way. Carrefour is at the side of Brazilian consumers in the country's challenging environment, as attested by its decision to freeze prices on private-label food products to protect purchasing power. Our multi-format and multi-channel ecosystem has been further strengthened and the expected closing by June of the acquisition of Grupo BIG, whose synergies target has been raised, should contribute to another year of growth in 2022. ”



A new step towards closing, synergies revised upwards

Nearing the closing

As disclosed in the Material Fact of January 25, 2022, the General Superintendence of the Brazilian antitrust regulator (CADE) recommended approval of the acquisition of Grupo BIG by Grupo Carrefour Brasil, announced in March 2021. The final decision should be issued by June.

The recommendation relies on the execution of a Merger Control Agreement that foresees the divestment of operations to mitigate excessive concentration issues. The Superintendence mentions up to 11 of Grupo BIG's 388 stores, representing up to 2.8% of the total stores portfolio.

Synergies: At least 15% upside potential

Expected synergies identified by Grupo Carrefour Brasil at the time of the signing of the operation amounted to additional EBITDA of R\$ 1.7 billion on an annual basis three years after the closing.

After revision, **we currently see at least 15% upside vs the initial figure we initially communicated.** We estimated now that the amount of synergies is at least R\$ 2.0 billion in year 2025. Main opportunities include:

- i. Higher gains related to sales density and conversion of stores
- ii. Procurement synergies
- iii. Optimization of overhead costs and enhanced supply chain efficiency

SYNERGIES

+15% potential

At least

Updated portfolio

Grupo BIG has been transforming stores and adapting its exposure to different formats. The following changes have occurred compared to December 2020 figures:



Further Advances in ESG

Grupo Carrefour Brasil made further advances on Environmental, Social and Governance (ESG) aspects in Q4 21.

Environmental

Zero Deforestation

Among the monitored farms 87% are in compliance with the Group's meat purchasing policy and the 13% that are non-compliant are delisted or in a requalification process

84 tons of packaging avoided

Circular Economy

Energy Consumption

21% reduction 2021 y/y
1st store with solar panels and 100% of new openings following that model

28% increase in products collected through reverse logistics



Social

One year since the launch of the Group's antiracism plan

8 public commitments

49 actions

100% of the 2021 action plan achieved

Accelerating black entrepreneurship

Inclusion and promotion of 10 black suppliers in our stores

Creation of a commercial squad focused on black suppliers

Investments in professional qualification

R\$ 115 million investment in initiatives against racism until the end of the Conduct Adjustment Agreement (TAC)

300 scholarships for professional qualification in technology for young black people in socially vulnerable situations

Leadership

38% women

53% black
In December 2021



2 women in top management



Consolidated Financial Results

Sales

Atacadão leading the way with two-year growth of 41.1%

Grupo Carrefour Brasil posted 29.2% growth (+15.3% in LfL) on a two-year stack in Q4 21, supported by Atacadão's 41.1% growth in the period. Consolidated sales in Q4 21 reached R\$ 22.8 billion, growing by 3.7% vs. the same quarter last year (2.4% excluding petrol). Atacadão grew 6.6% in the quarter, mainly driven by the strong 10.9% contribution from an acceleration in expansion, which more than offset the momentary negative LfL sales of -5.0% (on a very tough +27.0% LfL in Q4 20). Carrefour Retail improved the trend from previous quarters, with a resilient performance in the food segment (+1.5%) and pressure in the non-food segment (-23.0%), resulting in a 3.4% drop in total gross sales.

This performance came amid a volatile macro environment marked by the deterioration of consumer purchasing power: food inflation over the last 12 months remained persistently high throughout the year and ended 2021 at 8.2% (10.4% in the quarter), according to IBGE (Brazilian Institute of Geography and Statistics). In FY 21, total gross sales reached record level of R\$ 81.2 billion (+8.6% y/y and +30.5% on a 2-year basis).

Expansion in line with plan

Grupo Carrefour Brasil's expansion strategy continued and we opened 9 Cash & Carry stores and 2 wholesale operations in Q4 21, totaling 44 stores and 3 wholesale in 2021, in line with the plan announced at the beginning of the year. The successful integration of Makro stores in 2021 is very encouraging in the perspective of Grupo BIG integration.

In the Retail segment we opened 12 convenience stores – including autonomous stores - and 1 supermarket. In FY 21 we opened 14 Express stores (11 autonomous) and 1 supermarket. Grupo Carrefour Brasil's total store network reached 779 stores at the end of 2021.

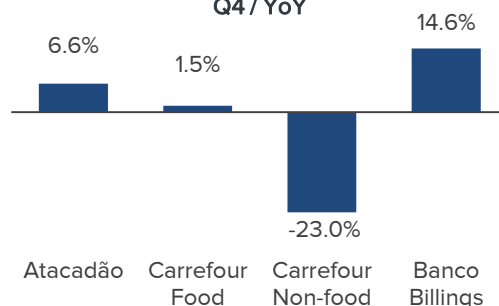
Strong results at Banco Carrefour

Gross billings at Banco Carrefour totaled R\$ 13.3 billion or +14.6% compared to the same period of 2020, boosted by both the Carrefour (+8.8%) and Atacadão (+26.1%) credit cards. The off-us channel continued its strong trend, growing 20.4% y/y in Q4 21, highlighting the strength of our credit cards in our client's life outside the ecosystem. The on-us sales, impacted especially by the lower volumes in non-food during the year, decreased by 1.6% y/y in the last quarter 2021.

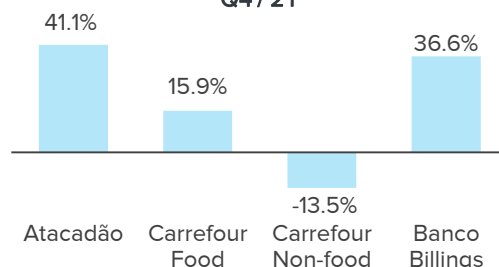
+40 bps
Market Share YTD

Gross Sales/Billings Growth

Q4 / YoY



Q4 / 2Y



	Q4 20	Q4 21			
	LFL	Gross Sales (R\$MM)	LFL ex. Calendar ⁽¹⁾	Expansion	Total Growth
Atacadão	27.0%	16,722	-5.0%	10.9%	6.6%
Carrefour (ex-petrol)	13.3%	5,138	-9.2%	0.1%	-9.2%
Petrol	-23.7%	920	49.6%	0.0%	49.6%
Carrefour (inc petrol)	8.2%	6,059	-3.4%	0.1%	-3.4%
Consolidated (ex-petrol)	22.9%	21,860	-6.1%	8.0%	2.4%
Consolidated (inc petrol)	20.8%	22,781	-4.6%	7.8%	3.7%
Banco Carrefour Billings Total Growth	19.2%	13,282	n.a.	n.a.	14.6%

(1) Excluding calendar effect of +0.3% at Atacadão and +0.2% in consolidated.

	FY 20	FY 21			
	LFL	Gross Sales (R\$MM)	LFL ex. Calendar ⁽¹⁾	Expansion	Total Growth
Atacadão	17.6%	58,993	4.2%	9.7%	13.8%
Carrefour (ex-petrol)	19.6%	19,231	-7.1%	0.1%	-7.3%
Petrol	-24.1%	2,961	35.1%	0.1%	35.2%
Carrefour (inc petrol)	13.4%	22,192	-3.0%	0.1%	-3.2%
Consolidated (ex-petrol)	18.2%	78,224	1.0%	7.0%	7.8%
Consolidated (inc petrol)	16.3%	81,185	2.0%	6.7%	8.6%
Banco Carrefour Billings Total Growth	15.5%	48,171	n.a.	n.a.	26.1%

(1) Excluding calendar effect of -0.3% at Atacadão, -0.3% at Carrefour Retail and -0.3% in consolidated.

» LfL is calculated on the basis of GROSS SALES.

Other Revenues

Banking business supporting 30.0% y/y increase

Other revenues increased by 30.0% and reached R\$ 1.2 billion, mainly driven by the increase in the bank's revenues, reflecting higher borrowing propensity by clients in a tough economic environment, as well as the continued growth of Atacadão's marketplace.

Consolidated Gross Margin and SG&A

Market knowledge and Bank's recovery supporting results

Gross profit reached R\$ 4.3 billion in Q4 21, increasing by 8.2%, driven by sales growth at Atacadão and Banco Carrefour, which once again were able to more than offset the expected pressure in Retail operations. Consolidated gross margin stood at 20.6%, increasing 80 bps y/y, mainly driven by Atacadão's opportunistic purchasing amid the challenging inflationary environment.

SG&A expenses totaled R\$ 2.5 billion, up 13.4% and representing 12.2% of net sales in Q4 21, up 101 bps y/y, mainly due to the acceleration in expansion. They were stable on a sequential basis.

In R\$ million	Consolidated			Atacadão			Carrefour Retail			Banco Carrefour		
	Q4 21	Q4 20	Δ%	Q4 21	Q4 20	Δ%	Q4 21	Q4 20	Δ%	Q4 21	Q4 20	Δ%
Gross sales	22,781	21,963	3.7%	16,722	15,692	6.6%	6,059	6,271	-3.4%			
Gross sales ex petrol	21,860	21,348	2.4%	16,722	15,692	6.6%	5,138	5,656	-9.2%			
Net sales	20,661	19,873	4.0%	15,196	14,276	6.4%	5,465	5,597	-2.4%			
Other revenues (1)	1,203	926	30.0%	47	40	16.6%	155	169	-8.5%	1,007	722	39.5%
Total Revenues	21,864	20,799	5.1%	15,243	14,316	6.5%	5,620	5,766	-2.5%	1,007	722	39.5%
Gross profit	4,262	3,940	8.2%	2,362	2,012	17.4%	1,268	1,394	-9.0%	638	539	18.4%
<i>Gross Margin</i>	<i>20.6%</i>	<i>19.8%</i>	<i>80 bps</i>	<i>15.5%</i>	<i>14.1%</i>	<i>145 bps</i>	<i>23.2%</i>	<i>24.9%</i>	<i>-171 bps</i>			
SG&A Expenses (2)	(2,518)	(2,221)	13.4%	(1,173)	(951)	23.3%	(991)	(948)	4.6%	(287)	(273)	5.1%
<i>SG&A of Net Sales</i>	<i>12.2%</i>	<i>11.2%</i>	<i>101 bps</i>	<i>7.7%</i>	<i>6.7%</i>	<i>106 bps</i>	<i>18.1%</i>	<i>16.9%</i>	<i>120 bps</i>			
Adj. EBITDA (1) (2)	1,757	1,732	1.4%	1,193	1,065	12.0%	286	455	-37.1%	351	266	32.0%
<i>Adj. EBITDA Margin</i>	<i>8.5%</i>	<i>8.7%</i>	<i>-21 bps</i>	<i>7.9%</i>	<i>7.5%</i>	<i>39 bps</i>	<i>5.2%</i>	<i>8.1%</i>	<i>-290 bps</i>			
Adj. Net Income, Group share	766	886	-13.5%									
<i>Adj. Net Income Margin</i>	<i>3.7%</i>	<i>4.5%</i>	<i>-75 bps</i>									

(1) Includes intragroup elimination of R\$ -6 million and R\$ -5 million between Bank and Retail in 2021 and 2020, respectively; (2) Includes global functions expenses of R\$ -67 million and R\$ -49 million in 2021 and 2020, respectively.

In R\$ million	Consolidated			Atacadão			Carrefour Retail			Banco Carrefour		
	FY 21	FY 20	Δ%	FY 21	FY 20	Δ%	FY 21	FY 20	Δ%	FY 21	FY 20	Δ%
Gross sales	81,185	74,751	8.6%	58,993	51,817	13.8%	22,192	22,934	-3.2%			
Gross sales ex petrol	78,224	72,561	7.8%	58,993	51,817	13.8%	19,231	20,744	-7.3%			
Net sales	73,552	67,640	8.7%	53,595	47,058	13.9%	19,957	20,582	-3.0%			
Other revenues (1)	4,199	3,551	18.2%	178	147	21.1%	546	494	10.5%	3,497	2,933	19.2%
Total Revenues	77,751	71,191	9.2%	53,773	47,205	13.9%	20,503	21,076	-2.7%	3,497	2,933	19.2%
Gross profit	14,876	13,918	6.9%	8,137	7,040	15.6%	4,745	5,161	-8.1%	2,016	1,740	15.9%
<i>Gross Margin</i>	<i>20.2%</i>	<i>20.6%</i>	<i>-35 bps</i>	<i>15.2%</i>	<i>15.0%</i>	<i>22 bps</i>	<i>23.8%</i>	<i>25.1%</i>	<i>-130 bps</i>			
SG&A Expenses (2)	(9,211)	(8,360)	10.2%	(4,225)	(3,448)	22.5%	(3,668)	(3,698)	-0.8%	(1,086)	(1,042)	4.2%
<i>SG&A of Net Sales</i>	<i>12.5%</i>	<i>12.4%</i>	<i>16 bps</i>	<i>7.9%</i>	<i>7.3%</i>	<i>56 bps</i>	<i>18.4%</i>	<i>18.0%</i>	<i>41 bps</i>			
Adj. EBITDA (1) (2)	5,715	5,610	1.9%	3,925	3,605	8.9%	1,114	1,502	-25.8%	930	698	33.2%
<i>Adj. EBITDA Margin</i>	<i>7.8%</i>	<i>8.3%</i>	<i>-52 bps</i>	<i>7.3%</i>	<i>7.7%</i>	<i>-34 bps</i>	<i>5.6%</i>	<i>7.3%</i>	<i>-172 bps</i>			
Adj. Net Income, Group share	2,399	2,758	-13.0%									
<i>Adj. Net Income Margin</i>	<i>3.3%</i>	<i>4.1%</i>	<i>-82 bps</i>									

(1) Includes intragroup elimination of R\$ -22 million and R\$ -23 million between Bank and Retail in 2021 and 2020, respectively; (2) Includes global functions expenses of R\$ -232 million and R\$ -172 million in 2021 and 2020, respectively.

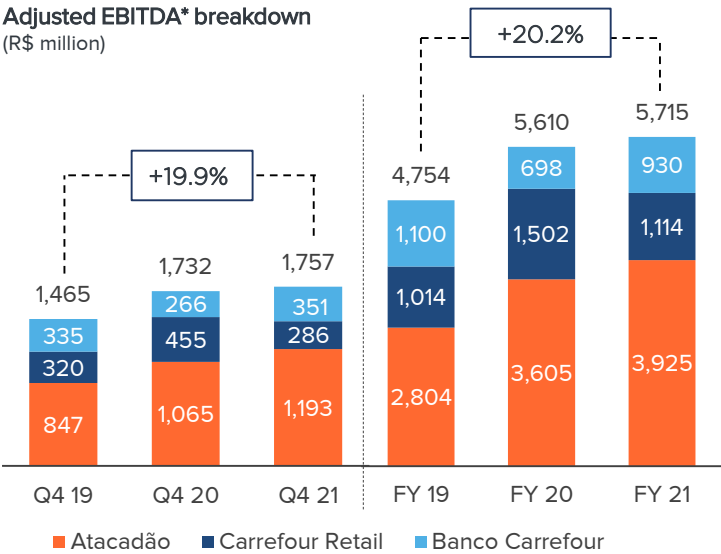
Adjusted EBITDA

Powerful ecosystem leading to double-digit growth over two years

Consolidated adjusted EBITDA in Q4 was R\$ 1.8 billion, up 1.4% y/y, with 8.5% margin. This results from a combination of the strong performance of Atacadão's stores and the continued recovery trend at Banco Carrefour. This more than offset the performance of the Retail division, which was negatively impacted by the non-food segment.

On a two-year stack, Q4 consolidated Adjusted EBITDA increased 19.9%, demonstrating once again the assertiveness of our strategy and the power of our ecosystem.

In the full year, adjusted EBITDA reached R\$ 5.7 billion (7.8% margin) increasing 1.9% vs. 2020 and 20.2% over two years.



*Total includes global functions and intragroup eliminations.

Operating Performance By Segment

Digital initiatives

Continued momentum of digital food sales at Atacadão

Total GMV in Q4 21 reached R\$ 1.012 billion, up 6.6% y/y, driven by food digital sales.

Food GMV grew by 2.5x (+146.5%) in Q4 21 compared to the same period last year, and already represents 46.6% of total GMV. This performance is even more relevant considering last year's strong comparable base. The digital channel at Atacadão keeps gaining momentum (100.7% increase vs Q3 21), representing 2.1% of its total sales in the quarter or 73.7% of total food sales via the Group's digital channel, underscoring the power and scalability of our model. In FY 21, food GMV was up +77.7% and, over two years, the segment has grown six-fold.

The trend in the non-food segment was similar to that observed in Q3 21 and was largely impacted by the strong comparable base. Appliances were the most impacted category in 1P in the quarter, showing a decrease of -48.1% vs. Q4 20 and -35.1% in the full year.

3P, which nearly entirely consists of Retail's non-food products, showed the same dynamics.

Rolling out new initiatives

Atacadão continues to evolve its partnerships with last-mile delivery operators, now available in 121 stores in 20 states. In Q4 21, in line with its strategy of providing more digital services to B2B customers, Atacadão started a partnership with the Facily app: a group shopping platform that, through its business model, delivers to remote and hard-to-reach regions. With this new partnership, Atacadão once again reinforces its ability to provide convenience and better prices to all customers.

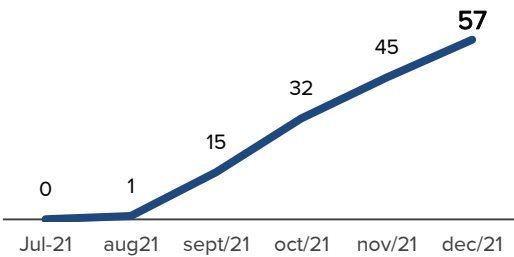
In the Retail segment, the implementation of in-store picking is evolving and at year-end was in place in 57 stores, gradually substituting side stores. In December 2021, the total number of clients more than doubled as we achieved nearly 40% of new clients post implementation of the initiative (vs. 25% previously), driving a doubling of food e-commerce sales in Retail as well. These results reinforce the assertiveness of our new model, with higher assortment, reduced delivery radius/delivery time and the same price as in stores.

Digital food sales

6.5-fold growth in 2Y

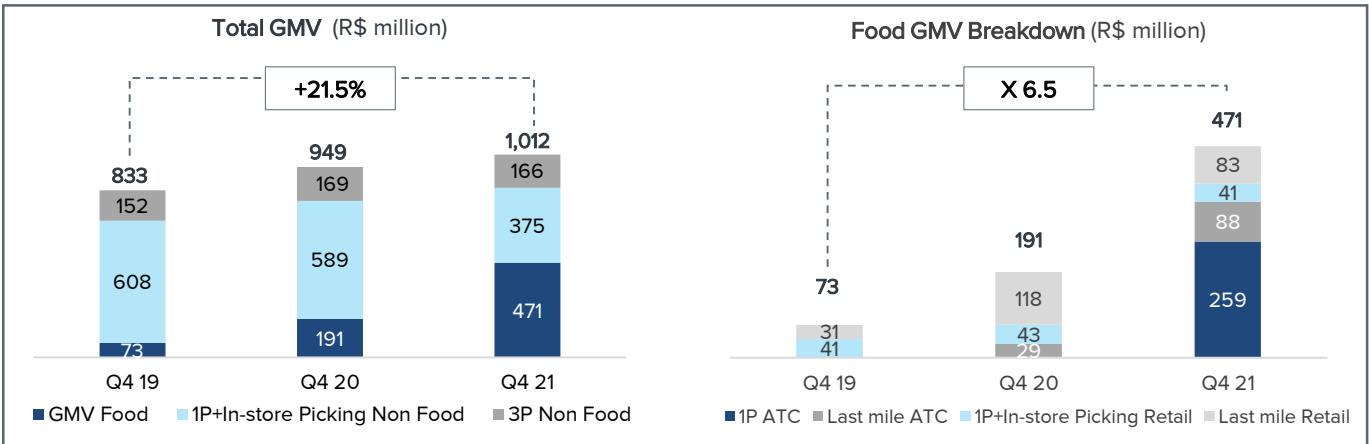
47% of total GMV in Q4 21

Picking in Stores Roll-out (# of stores)



	Q4 21 (R\$ MM)	Q4 21 vs Q4 20	Total Growth Q4 20 vs Q4 19	Q4 21 vs Q4 19	FY 21 (R\$ MM)	FY 21 vs FY 20	Total Growth FY 20 vs FY 19	FY 21 vs FY 19
Last mile delivery ⁽¹⁾	172	17.0%	369.8%	449.5%	631	41.1%	376.1%	571.6%
Retail In-store Picking Food	20	n.a.	n.a.	n.a.	20	n.a.	n.a.	n.a.
1P Food	280	529.4%	7.5%	576.6%	569	137.9%	119.3%	421.8%
GMV Food	471	146.5%	163.3%	549.2%	1,220	77.7%	238.3%	500.9%
Retail In-store Picking Non-Food	3	n.a.	n.a.	n.a.	3	n.a.	n.a.	n.a.
1P Non Food	371	-37.0%	-3.1%	-39.0%	1,463	-26.4%	23.8%	-8.9%
3P	166	-1.7%	10.9%	9.0%	529	-19.9%	52.1%	21.9%
GMV Non Food	540	-28.7%	-0.3%	-28.9%	1,995	-24.7%	29.8%	-2.2%
Total GMV (incl. last mile)	1,012	6.6%	13.9%	21.5%	3,215	-3.6%	48.7%	43.4%

(1) Last-mile delivery is already included in multi-format and Atacadão's sales.



Atacadão: 2021 marked by fast expansion, strong 2Y LfL growth

Acceleration in expansion offsets the challenging LfL comparable base

2021 was marked by the acceleration of expansion at Atacadão, and Q4 21 demonstrated this again. Gross sales reached R\$ 16.7 billion in the quarter, and despite a negative LfL evolution of -5.0% y/y, the faster expansion of 10.9% y/y, combined with the good performance of the digital channel – which represented 2.1% of Atacadão's total sales - led to total growth of 6.6% y/y.

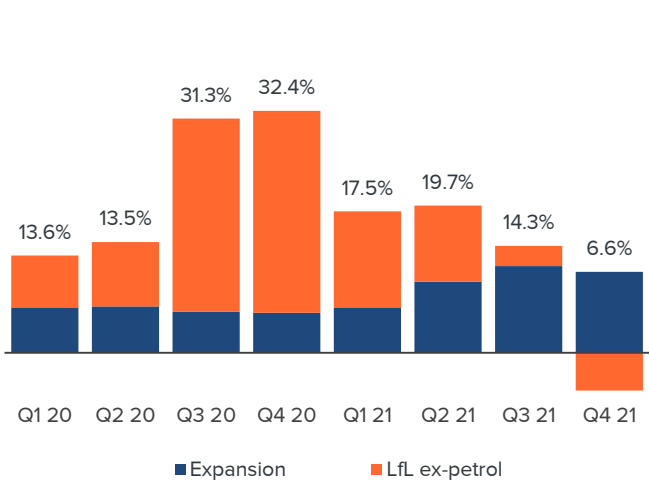
The expected negative LfL performance in the quarter comes on top of the strongest comparable base in 2020 - LfL in Q4 20 was 27.0% - and amid a deteriorating macro environment. With persistently high inflation – the IPCA Food-at-Home index closed the year at 8.2% (10.4% in the quarter) according to IBGE – the drop in volumes was expected. As of January 2022, we expect a gradual normalization in volume levels and, consequently, in Atacadão's LfL.

Expansion continued at a steady pace and we opened 9 new Cash & Carry stores in the quarter, reinforcing the relevance of the format in a crisis environment.

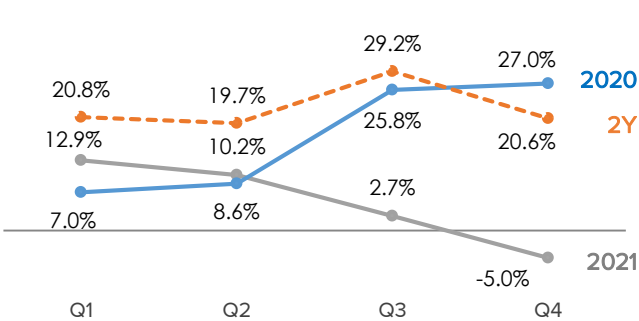
Committed to accelerating the pace of expansion and in line with what was announced at the beginning of 2021, in the last 12 months we opened 44 Cash & Carry stores - of which 22 Makro and 22 new store openings - and 3 wholesale operations. We ended the year with 250 Cash & Carry stores and 33 wholesale.

Over a two-year period, we delivered 41.1% total growth (21% LfL).

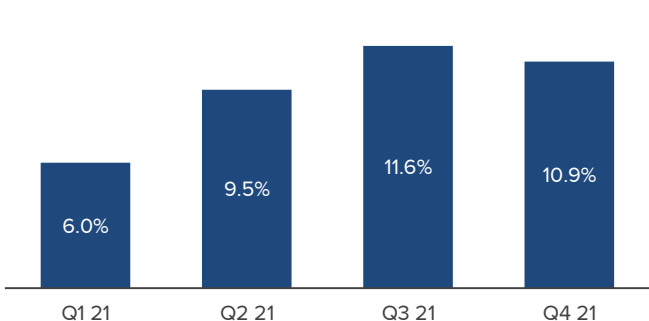
Atacadão sales evolution y/y



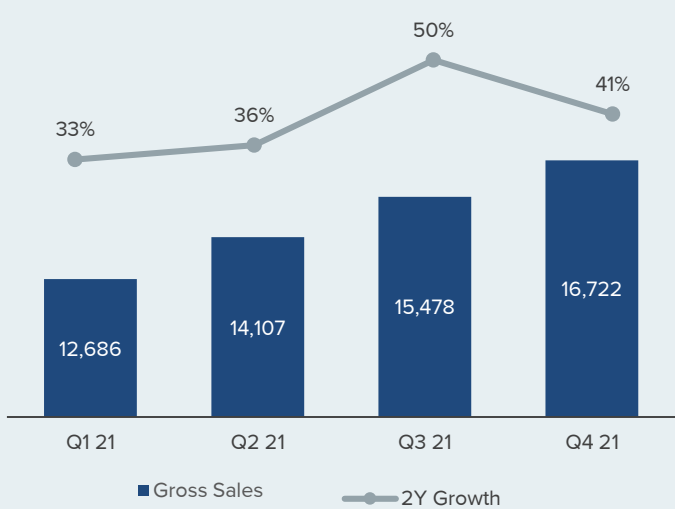
LfL ex-petrol



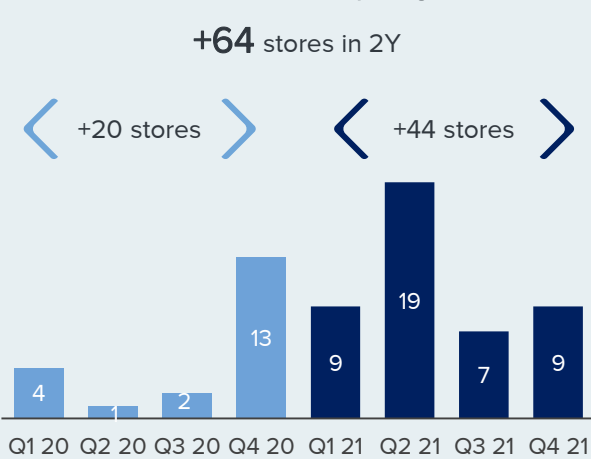
Expansion



Total gross sales growth in 2 years



Evolution of store openings



Another quarter of record EBITDA, demonstrating the strength of the model

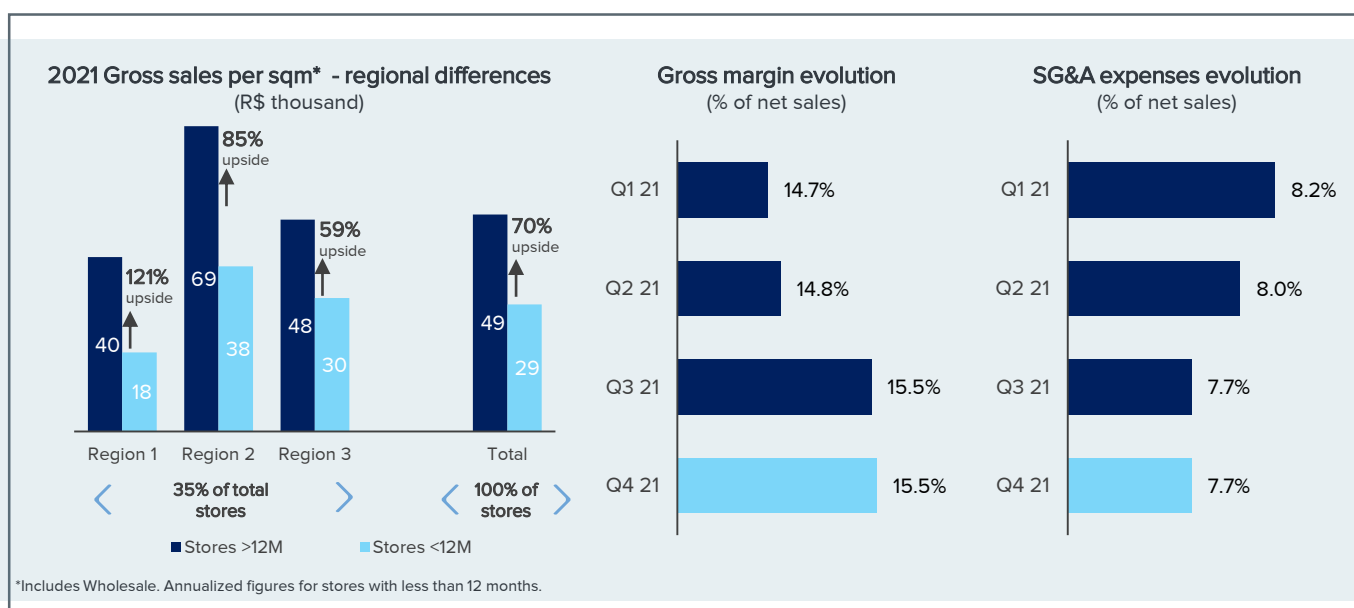
In R\$ million	Q4 21	Q4 20	Q4 19	Q4 21 vs Q4 20	Q4 21 vs Q4 19	FY 21	FY 20	FY 19	FY 21 vs FY 20	FY 21 vs FY 19
Gross sales	16,722	15,692	11,855	6.6%	41.1%	58,993	51,817	42,055	13.8%	40.3%
Net sales	15,196	14,276	10,790	6.4%	40.8%	53,595	47,058	38,220	13.9%	40.2%
Other revenues	47	40	40	16.6%	16.6%	178	147	140	21.1%	27.1%
Total revenues	15,243	14,316	10,830	6.5%	40.7%	53,773	47,205	38,360	13.9%	40.2%
Gross profit	2,362	2,012	1,669	17.4%	41.5%	8,137	7,040	5,895	15.6%	38.0%
<i>Gross margin</i>	<i>15.5%</i>	<i>14.1%</i>	<i>15.5%</i>	<i>145 bps</i>	<i>8 bps</i>	<i>15.2%</i>	<i>15.0%</i>	<i>15.4%</i>	<i>22 bps</i>	<i>-24 bps</i>
SG&A expenses	(1,173)	(951)	(823)	23.3%	42.5%	(4,225)	(3,448)	(3,101)	22.5%	36.2%
<i>SG&A of net sales</i>	<i>7.7%</i>	<i>6.7%</i>	<i>7.6%</i>	<i>106 bps</i>	<i>9 bps</i>	<i>7.9%</i>	<i>7.3%</i>	<i>8.1%</i>	<i>56 bps</i>	<i>-23 bps</i>
Adj. EBITDA	1,193	1,065	847	12.0%	40.9%	3,925	3,605	2,804	8.9%	40.0%
<i>Adj. EBITDA margin</i>	<i>7.9%</i>	<i>7.5%</i>	<i>7.8%</i>	<i>39 bps</i>	<i>0 bps</i>	<i>7.3%</i>	<i>7.7%</i>	<i>7.3%</i>	<i>-34 bps</i>	<i>-1 bps</i>

Q4 21 followed the same trends observed in Q3 21 and we continued to face an environment of high inflation and less consumer elasticity to prices, especially in basic products. In this scenario we carried out opportunistic purchasing and were able again to achieve competitive price positioning, topline growth and high profitability levels.

Atacadão's total gross profit increased by 17.4% in the quarter to R\$ 2.4 billion and gross margin stood at 15.5%, +145 bps vs Q4 20 and stable vs Q3 21. SG&A expenses increased to R\$ 1.2 billion (+23.3%), mainly driven by the acceleration in store openings.

SG&A expenses as percentage of net sales showed an increase of 106 bps y/y, impacted by the acceleration in expansion. Despite this increase, the sequential trend is stable q/q and improved by 30 bps vs Q2 21 and 50 bps vs Q1 21, resulting from the maturation of new stores.

Adj. EBITDA reached an impressive R\$ 1.2 billion in the quarter, surpassing the strong level of Q3 21 and 12% higher y/y, with 7.9% margin. Compared to Q4 19, Atacadão's Adj. EBITDA is 40.9% higher in nominal terms with stable margin, demonstrating once again the strength of the model, capacity to grow and to integrate M&A quickly with superior execution.



Carrefour Retail

Food resilience and stable profitability on a 2-year basis

Carrefour Retail's total sales stood at R\$ 6.1 billion in Q4 21, a 3.4% LfL decrease vs. Q4 20 (-9.2% LfL ex-petrol). This marks a continuation of the trends observed during 2021.

The food category again showed its resilience and posted positive LfL growth of 1.4% on top of strong 14.2% growth in Q4 20, which was boosted by an atypical COVID-19 environment. Over two years, total sales remained solid and ended Q4 21 in positive territory (+3.0%), driven by 15.9% growth in food in the period.

Our private label products continue to break records every quarter. In Q4 21, they represented 19.4% of total food net sales (+451 bps vs Q4 20) and volumes continued to grow by +33% in Q4 21 y/y, with a strong performance mainly in the fresh products category (volumes +65%). We ended the quarter with approximately 3,240 SKUs (+16.9% or 470 SKUs y/y).

We also saw significant 35% y/y growth in Q4 21 of "Unique fruits and vegetables" – those that do not meet the usual standards in visual terms, but are suitable for consumption and sold at discounted prices.

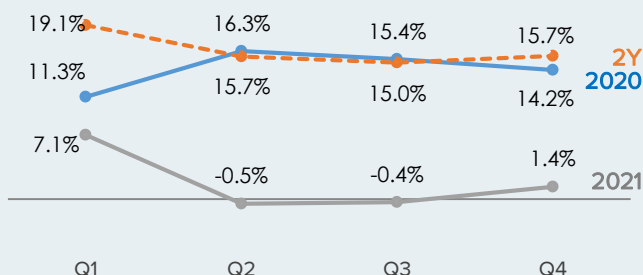
Grupo Carrefour Brasil recognizes its role in society and believes that private label items have heightened relevance in client baskets in the current inflationary, volatile and challenging environment that impacts purchasing power. Accordingly, for the second time during this pandemic period, we decided to freeze prices on our private label products from November/21 to January/22.

Non-food LfL sales declined by 23.0% in Q4 21 y/y, as it continued to be impacted by a very challenging comparable base and the forementioned deterioration of the economic environment.

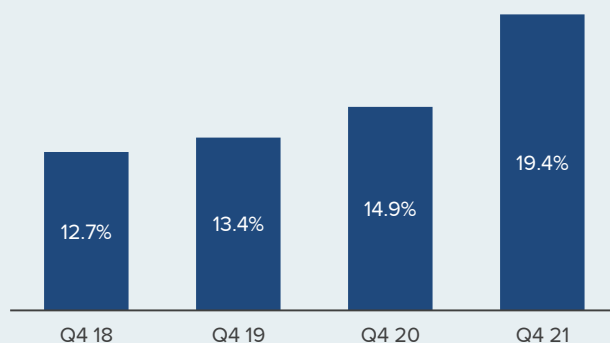
	Q4 21	LfL		Total Growth			FY 21	LfL		Total Growth	
	Sales (R\$ MM)	Q4 21 vs Q4 20	Q4 21 vs Q4 19	Q4 21 vs Q4 20	Q4 21 vs Q4 19		Sales (R\$ MM)	FY 21 vs FY 20	FY 21 vs FY 19	FY 21 vs FY 20	FY 21 vs FY 19
Multi-format⁽¹⁾	4,746	-5.6%	9.4%	-5.5%	9.4%		17,601	-4.7%	12.9%	-5.0%	12.8%
Food	3,231	2.1%	16.8%	2.2%	16.9%		11,819	2.5%	16.0%	2.3%	16.0%
Non-food ⁽²⁾	1,515	-18.5%	-3.6%	-18.6%	-3.7%		5,781	-16.6%	7.0%	-16.9%	6.7%
E-commerce	392	-37.9%	-39.9%	-37.9%	-39.6%		1,630	-26.5%	-4.9%	-26.7%	-4.9%
Food 1P	21	-50.7%	-49.5%	-50.7%	-49.2%		168	-28.8%	54.1%	-29.0%	53.9%
Non-food 1P ⁽²⁾	371	-37.0%	-39.3%	-37.0%	-39.0%		1,463	-26.2%	-8.9%	-26.4%	-8.9%
Carrefour (ex-petrol): Multiformat + E-comm	5,138	-9.2%	2.9%	-9.2%	3.0%		19,231	-7.1%	11.1%	-7.3%	11.0%
Food	3,252	1.4%	15.7%	1.5%	15.9%		11,987	1.8%	16.4%	1.6%	16.4%
Non-food ⁽²⁾	1,886	-23.0%	-13.6%	-23.0%	-13.5%		7,244	-18.8%	3.4%	-19.1%	3.2%
3P	161	-2.5%	5.6%	-2.5%	6.1%		512	-21.4%	17.8%	-21.7%	17.8%
Carrefour + GMV (ex petrol)	5,300	-9.0%	3.0%	-9.0%	3.1%		19,743	-7.5%	11.3%	-7.7%	11.2%

(1) Includes drugstores.

Food LfL ex-petrol



Private label penetration evolution



Structural improvements confirmed in 2021

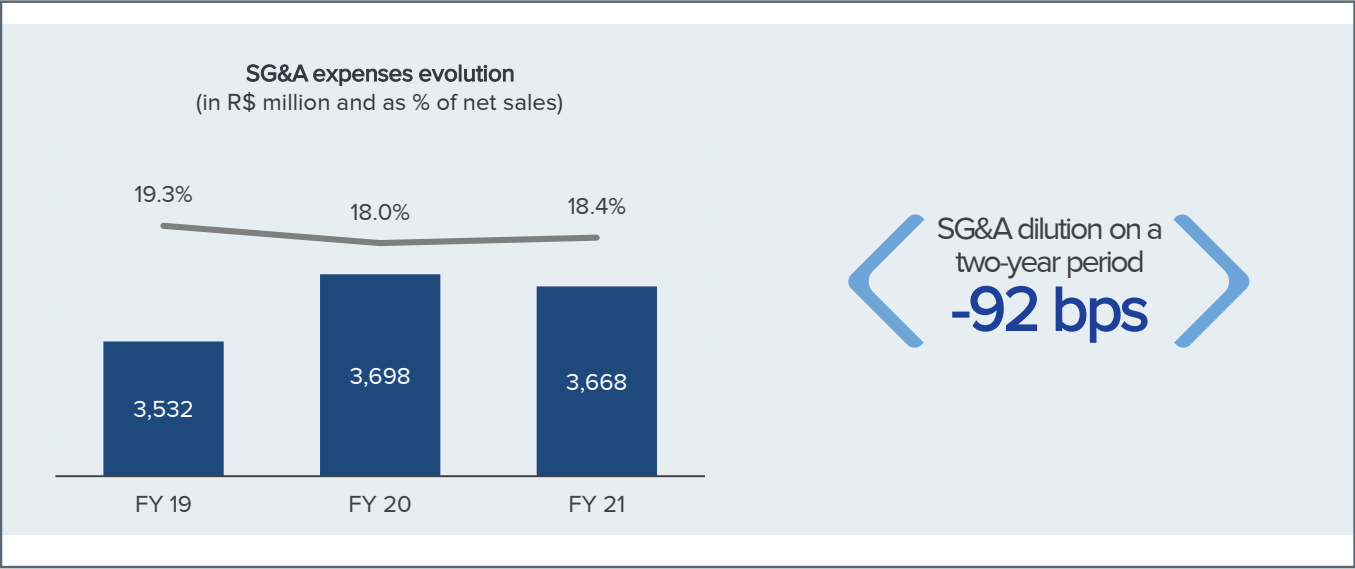
Carrefour Retail’s consolidated gross profit reached R\$ 1.3 billion or 23.2% in Q4 21, 171 bps lower than the same period last year, affected by the new loyalty program and the expected trading down by consumers amid the current difficult environment. Additionally, last year’s gross margin was slightly boosted by the cancellation of Black Friday, which was not the case in Q4 21.

Even though SG&A expenses increased by 4.6% to R\$ 991 million in Q4 21, impacted by increased energy and labor costs, the structural efficiency improvements implemented since last year resulted in an 0.8% decrease in the FY. It’s important to mention that we still have additional COVID-19 related expenses in place.

Over a two-year period, Carrefour Retail’s SG&A expenses increased by 5.7% and remained virtually in line in proportion of net sales.

In R\$ million	Q4 21	Q4 20	Q4 19	Q4 21 vs Q4 20	Q4 21 vs Q4 19	FY 21	FY 20	FY 19	FY 21 vs FY 20	FY 21 vs FY 19
Gross sales	6,059	6,271	5,783	-3.4%	4.8%	22,192	22,934	20,165	-3.2%	10.1%
Gross sales ex-petrol	5,138	5,656	4,987	-9.2%	3.0%	19,231	20,744	17,321	-7.3%	11.0%
Net sales	5,465	5,597	5,224	-2.4%	4.6%	19,957	20,582	18,299	-3.0%	9.1%
Other revenues	155	169	130	-8.5%	18.9%	546	494	460	10.5%	18.7%
Total revenues	5,620	5,766	5,354	-2.5%	5.0%	20,503	21,076	18,759	-2.7%	9.3%
Gross profit	1,268	1,394	1,248	-9.0%	1.6%	4,745	5,161	4,507	-8.1%	5.3%
<i>Gross margin</i>	<i>23.2%</i>	<i>24.9%</i>	<i>23.9%</i>	<i>-171 bps</i>	<i>-69 bps</i>	<i>23.8%</i>	<i>25.1%</i>	<i>24.6%</i>	<i>-130 bps</i>	<i>-85 bps</i>
SG&A expenses	(991)	(948)	(938)	4.6%	5.7%	(3,668)	(3,698)	(3,532)	-0.8%	3.9%
<i>SG&A of net sales</i>	<i>18.1%</i>	<i>16.9%</i>	<i>18.0%</i>	<i>120 bps</i>	<i>18 bps</i>	<i>18.4%</i>	<i>18.0%</i>	<i>19.3%</i>	<i>41 bps</i>	<i>-92 bps</i>
Adj. EBITDA	286	455	320	-37.1%	-10.6%	1,114	1,502	1,014	-25.8%	9.9%
<i>Adj. EBITDA margin</i>	<i>5.2%</i>	<i>8.1%</i>	<i>6.1%</i>	<i>-290 bps</i>	<i>-89 bps</i>	<i>5.6%</i>	<i>7.3%</i>	<i>5.5%</i>	<i>-172 bps</i>	<i>4 bps</i>

Carrefour Retail’s consolidated Adjusted EBITDA totaled R\$ 286 million or 5.2% of net sales in Q4 21. In FY 21, Adjusted EBITDA totaled R\$ 1.1 billion or 5.6% of net sales, virtually stable on a two-year stack, benefitting from the resilience in Retail and continued structural improvements in digital.



Banco Carrefour

Strong results in a deteriorating environment

Billings at Banco Carrefour grew by 14.6% and reached R\$ 13.3 billion in Q4 21, boosted by both the Carrefour and Atacadão credit cards, which showed growth of +8.8% and +26.1% respectively. Cross sell and new products, which mainly comprise personal loans, also presented solid figures at R\$ 155 million.

The off-us channel continued its strong trend by growing 20.4% y/y in Q4 21, highlighting the strength of our credit cards and the potential we have in our client's life outside the ecosystem. The on-us sales, impacted especially by the lower volumes in non-food in Retail during the year, decreased by 1.6% in the last quarter of 2021 y/y.

The total credit portfolio stood at R\$ 15.4 billion, up 13.4% y/y (IFRS9), confirming the assertiveness of our strategy during the past two years, balancing a focus on growth with a disciplined exposure to risk.

Our top-line increased by 39.5% y/y in Q4 21, favored by the usual seasonality in the last quarter of the year, but also reflecting a higher borrowing propensity by clients in a tough economic environment.

In R\$ million	Q4 21	Q4 20	Q4 19	Q4 21 vs Q4 20	Q4 21 vs Q4 19	FY 21	FY 20	FY 19	FY 21 vs FY 20	FY 21 vs FY 19
Billings Carrefour credit card	8,486	7,802	6,879	8.8%	23.4%	30,907	25,919	23,650	19.2%	30.7%
Billings Atacadão credit card	4,641	3,680	2,721	26.1%	70.6%	16,624	11,971	8,966	38.9%	85.4%
Cross-sell and new products*	155	106	122	45.7%	26.8%	640	325	482	96.7%	32.8%
Total billings	13,282	11,588	9,722	14.6%	36.6%	48,171	38,216	33,097	26.1%	45.5%
Total Credit portfolio	15,351	13,535	11,570	13.4%	32.7%	15,351	13,535	11,570	13.4%	32.7%

* Cross-sell and new products include personal loans and payment of bills using the card.

Risk charges: Adequate level in a deteriorated economic environment

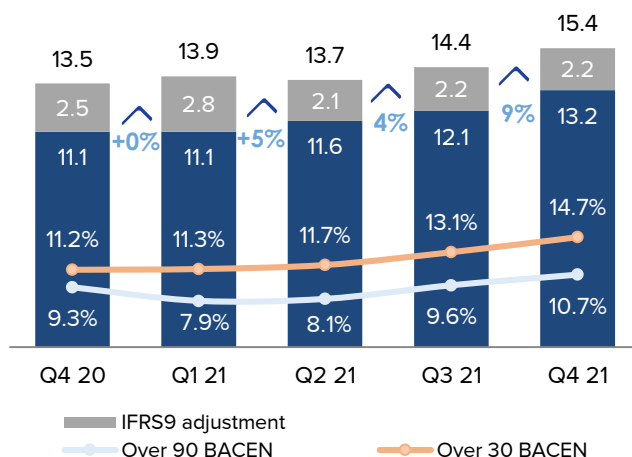
Risk charges remained at virtually the same levels observed during 2021 and reached R\$ 369 million in Q4, -5.1% q/q. In the y/y comparison, they grew by 101.6%, reflecting the adequate provisioning approach in light of a deteriorated economic environment.

Even though Q4 21 is seasonally favored by the Christmas bonus, our Non-Performing Loans (NPLs) continued to increase in Q4 21, after the natural aging process observed since the end of 2020. The Over 90 indicator reached 10.7% and Over 30 was 14.7%.

The efficiency ratio – the index that measures efficiency in managing the Bank's expenses - reached 30.8% in the quarter, its best level since Grupo Carrefour Brasil's IPO and a 920 bps improvement vs Q4 20.

Even with the additional impact from Law 14,183/21, which increased the income tax rate for financial institutions from 45% to 50% from July to December 2021, net income reached R\$ 193 million in the last quarter of 2021, a 35.9% increase.

Credit Portfolio Evolution
(R\$ billion)



In R\$ million	Q4 21	Q4 20	Q4 19	Q4 21 vs Q4 20	Q4 21 vs Q4 19	FY 21	FY 20	FY 19	FY 21 vs FY 20	FY 21 vs FY 19
Net operating revenues	1,007	722	829	39.5%	21.5%	3,497	2,933	2,965	19.2%	17.9%
Risk Charges	(369)	(183)	(239)	101.6%	54.4%	(1,481)	(1,193)	(898)	24.1%	64.9%
Gross profit	638	539	590	18.4%	8.1%	2,016	1,740	2,067	15.9%	-2.5%
SG&A expenses	(287)	(273)	(255)	5.1%	12.5%	(1,086)	(1,042)	(967)	4.2%	12.3%
Adjusted EBITDA	351	266	335	32.0%	4.8%	930	698	1,100	33.2%	-15.5%
Depreciation and amortization expenses	(12)	(9)	(9)	33.3%	33.3%	(44)	(36)	(34)	22.2%	29.4%
Adjusted EBIT	339	257	326	31.9%	4.0%	886	662	1,066	33.8%	-16.9%
Other revenues (expenses)	(28)	(14)	(13)	100.0%	115.4%	(69)	(59)	(54)	16.9%	27.8%
Net Financial results	(6)	(4)	(6)	50.0%	0.0%	(15)	(13)	(25)	15.4%	-40.0%
Income tax	(112)	(97)	(84)	15.5%	33.3%	(339)	(237)	(344)	43.0%	-1.5%
Net income (100%)	193	142	223	35.9%	-13.5%	463	353	643	31.2%	-28.0%

Consolidated Financial Results (Below ADJ. EBITDA)

Other operational income and expenses

In R\$ million	Q4 21	Q4 20	Δ R\$ million	FY 21	FY 20	Δ R\$ million
Restructuring costs	(7)	(4)	(3)	(50)	(26)	(24)
Net gains or losses on asset sale	(32)	(19)	(13)	(47)	(105)	58
Income and expenses related to litigations	204	138	66	325	208	117
Pinheiros project	0	0	-	495	0	495
M&A transaction fees and others	(17)	(59)	42	(89)	(83)	(6)
Other operational income and expenses	148	56	92	634	(6)	640

Other revenues increased by R\$ 92 million to R\$ 148 million in Q4 21, driven by higher income related to litigation, which was mainly due to: (i) favorable decisions and settlement agreements reached in administrative claims (civil sphere); and (ii) recent assessments at Atacadão related to the ICMS exclusion from the PIS/COFINS calculation basis.

Income tax

Income and social contribution tax expenses reached R\$ 230 million in Q4 21, R\$ 134 million or 36.8% lower than the same period in the previous year. The effective tax rate in the quarter was 17.4% vs. 26.5% in Q4 20, favored by the R\$ 107 million effect from a decision by Brazil's Federal Supreme Court declaring the unconstitutionality of taxation on the amounts related to the Selic interest rate received in case of undue tax payments.

This more than compensated for the higher contribution in our pre-tax consolidated income of our bank, whose income and social contribution tax rate was 50% from July to December 2021, as determined by Law 14,183/21 (from 45% before).

The effective tax rate adjusted for non-recurring items stood at 28.1% in Q4 21 and 29.4% in FY 21.

FY 21 Effective Tax Rate
22.2%
(29.4% adjusted)

In R\$ million	Q4 21	Q4 20	Δ	Δ%	FY 21	FY 20	Δ	Δ%
Adjusted EBITDA	1,757	1,732	25	1.4%	5,715	5,610	105	1.9%
Other operational income and expenses	148	56	92	163.9%	634	(6)	640	n.m.
Depreciation and amortization	(314)	(278)	(36)	13.0%	(1,223)	(1,092)	(131)	12.0%
Financial income and expenses	(266)	(140)	(126)	89.7%	(786)	(579)	(207)	35.8%
Income Before Taxes*	1,325	1,370	(45)	-3.3%	4,340	3,933	407	10.3%
Income and Social Contribution Tax	(230)	(364)	134	-36.8%	(965)	(1,081)	116	-10.7%
Effective Tax Rate	17.4%	26.5%			22.2%	27.5%		

In R\$ million	Q4 21	Adjustments	Q4 21 Adjusted	FY 21	Adjustments	FY 21 Adjusted
Income before income tax and social contribution*	1,325	(151)	1,174	4,340	(639)	3,701
Income and Social Contribution Tax	(230)	(100)	(330)	(965)	(125)	(1,090)
Effective Tax Rate	17.4%		28.1%	22.2%		29.4%

*Does not include equity income.

Net Income and Adjusted Net Income, Group Share

Adjusted net income provides a clearer view of recurring net income. It is calculated as net income less other operational income and expenses and the corresponding financial and income tax effect.

As a result of the forementioned effects and also the impact of increased financial expenses (higher debt level and interest rates), adjusted net income reached R\$ 766 million or 3.7% of net sales in Q4 21. In FY 21, adjusted net income totaled R\$ 2.4 billion or 3.3% of Grupo Carrefour Brasil's net sales.

FY 21 Net Income
R\$ 2.4 bn
on strong comparable base

In R\$ million	Q4 21	Q4 20	Δ%	FY 21	FY 20	Δ%
Net income, Group share	1,017	935	8.8%	3,144	2,671	17.7%
(+/-) Other income (expenses)	(148)	(56)	163.8%	(635)	6	n.m.
(+/-) Financial results (non recurring)	(3)	2	-268.5%	(4)	67	-105.6%
(+/-) Tax income on other income (expenses) items	(100)	5	n.m.	(125)	14	n.m.
(+/-) Equity income	0	0	n.m.	19	0	n.m.
Net income, Group share, adjusted	766	886	-13.5%	2,399	2,758	-13.0%
Net margin	3.7%	4.5%	-75 bps	3.3%	4.1%	-82 bps

Operating Working Capital

Demonstrating the strong seasonality of the last quarter of the year, our working capital remained at comparable levels vs Q4 20, with inventories up by 2 days, boosted by Atacadão's purchases. Before receivables, working capital represented a net resource of R\$ 5.8 billion (34 days) in Q4 21. All in, it represented a net resource of R\$4.8 billion or 29 days.

Net Working Capital
R\$ 4.8 bn

	Q4 21		Q3 21		Q2 21		Q1 21		Q4 20	
	R\$ million	Days	R\$ million	Days	R\$ million	Days	R\$ million	Days	R\$ million	Days
(+) Inventories	8,788	52	8,534	53	7,867	50	7,958	52	7,709	50
(-) Suppliers (**)	(14,553)	(87)	(8,670)	(54)	(9,194)	(58)	(8,428)	(55)	(13,860)	(90)
(=) Working Capital before receivables	(5,766)	(34)	(136)	(1)	(1,327)	(8)	(470)	(3)	(6,151)	(40)
(+) Accounts Receivable (*)	951	6	2,503	15	1,659	11	1,429	9	1,051	7
(=) Working Capital including receivables	(4,815)	(29)	2,367	15	332	2	959	6	(5,100)	(33)

(*) Commercial receivables excluding receivables from property and from suppliers, that were classified net from suppliers debt;

(**) Suppliers related to business, excluding suppliers of tangible and intangible assets, and net from discounts to be received from suppliers;

Working capital ratios above are calculated using Cost of Goods Sold

Net Debt Profile and Net Financial Result

Loans net of derivatives for coverage totaled R\$ 6.9 billion in December 2021, R\$ 3.3 billion higher than 2020 year-end, explained by two revolving credit lines signed with Carrefour Finance in December 2019 and February 2020, of which the Company has drawn down a total amount of € 725 million (R\$ 4.6 billion) – the Company has already paid R\$ 3.0 billion of that amount that was due in December 2021. There was also a R\$ 1.9 billion four-bank loan signed in September.

With effect of the recent capital inflow from the forementioned new debt and also as a result of its strong cash generation, the Company ended 2021 with net cash of R\$ 565 million. Including discounted receivables, Grupo Carrefour Brasil ended December with net debt of R\$ 2.4 billion or 0.43x LTM Adjusted EBITDA. Considering LTM average net debt (R\$ 5.9 billion, including discounted receivables and using end of quarter figures), leverage would represent 1.03x LTM Adjusted EBITDA in December 2021 (vs 0.51x in 2020).

In R\$ million	Dec. 21	Dec. 20
Loans and derivatives for coverage	(6,877)	(3,617)
Cash and cash equivalents	6,945	5,672
Marketable securities - Banco Carrefour	497	358
(Net Debt) Net Cash	565	2,413
Discounted receivables	(3,013)	(2,100)
(Net Debt) Net Cash (incl. discounted receivables)	(2,448)	313
Lease debt (IFRS 16)	(2,038)	(1,860)
(Net Debt) Net Cash (incl. lease and discounted receivables)	(4,486)	(1,547)
<i>(Net Debt) Net Cash (incl. discounted receivables)/Adj. EBITDA LTM</i>	-	0.43x
<i>(Net Debt) Net Cash (incl. lease debt and discounted receivables)/Adj. EBITDA LTM</i>	-	0.79x

Net cost of debt (incl. discounted receivables) totaled R\$ 169 million in Q4 21, driven by the increased debt level compared to 2020 and also increased interest rates in Brazil. Net financial result represented a R\$ 266 million expense this quarter, R\$ 126 million higher vs. Q4 20.

In R\$ million	Q4 21	Q4 20	Δ%	FY 21	FY 20	Δ%
Cost of bank debt, gross	(178)	(52)	242.2%	(426)	(199)	114.0%
Cost of discounted credit card receivables	(40)	(14)	187.1%	(66)	(89)	-25.6%
Financial Revenue	49	10	390.7%	67	47	42.7%
Cost of Debt, Net (incl. discounted receivables)	(169)	(56)	201.9%	(425)	(241)	76.4%
Interest expenses on leases (IFRS 16)	(52)	(49)	6.1%	(211)	(183)	15.3%
Cost of Debt, Net (incl. Lease debt and discounted receivables)	(221)	(105)	110.5%	(636)	(424)	50.0%
Net interests on provisions and judicial deposits	(33)	(18)	84.5%	(109)	(70)	56.0%
FX gains or losses	(1)	(7)	-82.6%	(1)	(32)	n.m.
Others	(11)	(10)	8.6%	(40)	(53)	-24.8%
Net financial result	(266)	(140)	89.7%	(786)	(579)	35.8%

Investments

Total Capex was R\$ 927 million in Q4 21 (+34.3% y/y) mainly boosted by the continued acceleration in Atacadão's expansion (+9 organic stores in Q4 21 on top of 35 until September) and also increased construction costs. The negative amount in the effect of IFRS 16 (right-of-use assets) in Q4 21 refers to a R\$ 55 million accounting adjustment due to the review of registered rental values to be paid by the Company in the future. All in, total investments were R\$ 911 million in Q4 21.

In R\$ million	Q4 21	Q4 20	Δ%	FY 21	FY 20	Δ%
Expansion*	670	434	54.4%	2,035	1,028	98.0%
Maintenance	122	94	29.6%	338	293	15.2%
Remodeling	26	39	-33.6%	87	85	2.2%
IT and other	109	123	-11.3%	324	277	16.8%
Total Capex	927	690	34.3%	2,784	1,683	65.4%
Right-of-use assets	-16	463	-103.5%	360	651	-44.7%
Total fixed assets addition	911	1,153	-21.0%	3,144	2,334	34.7%
Makro stores acquisition	-	1,333	n.m.	170	1,529	-88.9%
Grupo BIG acquisition	-	-	n.m.	900	-	n.m.
Total investments Capex + M&A	911	2,487	-63.4%	4,214	3,863	9.1%

*Includes the amount related to Makro stores conversion.

Free Cash Flow

Grupo Carrefour Brasil was able to maintain very strong cash flow generation even when compared to the atypical year of 2020, thanks to its solid performance from operations and also working capital management. As a result, net cash generated by operating activities grew by 14.3%.

Including the effect of increased Capex (+65.4%) to support the faster expansion at Atacadão (+44 stores in FY 21 vs. +20 stores in FY 20), Free Cash Flow totaled R\$ 2.1 billion (-15.1% vs. 2020).

In R\$ million	FY 21	FY 20	Δ%
Gross cash flow from operating activities	5,543	5,416	2.3%
Income tax paid	-1,144	-1,201	-4.7%
Gross cash flow from operating activities after taxes	4,399	4,215	4.4%
Merchandise related working capital	-285	342	-183.3%
Change in Trade Payables	693	2,371	-70.8%
Change in Inventory	-1,079	-1,760	-38.7%
Change in Receivables	100	-269	-137.3%
Change in other assets and liabilities	333	-393	-184.7%
Consumer credit business working capital	109	-178	-161.2%
Change in Net Working Capital	157	-229	-168.6%
Net cash generated by operating activities	4,556	3,986	14.3%
Capex (w/o right of use or Makro and Grupo BIG acquisitions)	-2,784	-1,683	65.4%
Change in fixed assets suppliers	277	81	241.4%
Cash received from fixed assets sales	11	42	-73.8%
Net cash generated by operating investments	-2,496	-1,560	60.0%
FREE CASH FLOW (*)	2,060	2,426	-15.1%
Operating leases (IFRS16)	-339	-290	16.9%
Cost of debt	-193	-275	-29.8%
EQUITY FREE CASH FLOW	1,528	1,861	-17.9%

(*) as defined in the glossary.

Store network

In Q4, we opened **9 new Cash & Carry** stores in the states of São Paulo, Rio de Janeiro, Santa Catarina, Pernambuco and Bahia and **2 wholesale operations** in the states of Minas Gerais and Acre. Under Carrefour banners, we opened **12 proximity stores** - including autonomous stores - and **1 supermarket** openings and we closed 1 drugstore in the state of São Paulo.

We now operate 779 stores for total sales area of 2,180,514 sqm.



N° of stores	Dec. 20	Openings	Closures	Dec. 21
Cash & Carry	206	44		250
Hypermarkets	100			100
Supermarkets	53	1		54
Convenience Stores	130	14		144
Wholesale	30	3		33
Drugstores	125	1	5	121
Gas Stations	77			77
Group	721	63	5	779

Sales área*	Dec. 20	Dec. 21	Δ (%)
Cash & Carry	1,136,762	1,348,527	18.6%
Hypermarkets	704,876	700,179	-0.7%
Supermarkets	67,781	68,403	0.9%
Convenience Stores	23,023	23,736	3.1%
Drugstores	8,035	7,811	-2.8%
Gas Stations	31,858	31,858	0.0%
Total sales area (m²)	1,972,335	2,180,514	10.6%

*In Q4 21, we aligned the criteria of sales area measurement between our businesses (Cash and Carry and Retail). Historical figures were also updated.

Results Video Conference Information

Video Streaming

 [English](#)
 [Portuguese](#)

February 16, 2022
(Wednesday)

10:00 am – Brasília
08:00 am – New York
01:00 pm – London
02:00 pm – Paris

Investor relations information

David Murciano
Vice-President of Finance
(CFO) and Director of Investor
Relations

Natália Lacava
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Consolidated Income Statement

<i>In R\$ Million</i>	Q4 21	Q4 20	Δ%	FY 21	FY 20	Δ%
Gross sales	22,781	21,963	3.7%	81,185	74,751	8.6%
Net sales	20,661	19,873	4.0%	73,552	67,640	8.7%
Other revenues	1,203	926	30.0%	4,199	3,551	18.2%
Net operating revenue	21,864	20,799	5.1%	77,751	71,191	9.2%
Cost of goods sold, service and financial operations	(17,602)	(16,859)	4.4%	(62,875)	(57,273)	9.8%
Gross Profit	4,262	3,940	8.2%	14,876	13,918	6.9%
Gross Margin	20.6%	19.8%	80 bps	20.2%	20.6%	-35 bps
SG&A expenses	(2,518)	(2,221)	13.4%	(9,211)	(8,360)	10.2%
Adjusted EBITDA	1,757	1,732	1.4%	5,715	5,610	1.9%
Adjusted EBITDA Margin	8.5%	8.7%	-21 bps	7.8%	8.3%	-52 bps
Depreciation and amortization	(301)	(265)	13.7%	(1,173)	(1,040)	12.8%
Net income from equity accounted company	14	(1)	n.m.	(9)	(8)	12.5%
Other income (expenses)	148	56	163.9%	634	(6)	n.m.
EBIT	1,605	1,509	6.3%	5,117	4,504	13.6%
Net financial expenses	(266)	(140)	89.7%	(786)	(579)	35.8%
Income before income tax and social contribution	1,339	1,369	-2.2%	4,331	3,925	10.3%
Income Tax	(230)	(364)	-36.8%	(965)	(1,081)	-10.7%
Net income	1,109	1,005	10.4%	3,366	2,844	18.4%
Net income, Group share	1,017	935	8.8%	3,144	2,671	17.7%
Net Income - Non-controlling interests (NCI)	92	70	31.2%	222	173	28.3%

Consolidated Balance Sheet

In R\$ Million	Dec. 21	Dec. 20
Assets		
Cash and cash equivalents	6,945	5,672
Marketable securities	47	-
Accounts receivable	1,298	1,330
Consumer credit granted by our financial solutions company	11,038	9,417
Inventories	8,788	7,709
Tax receivables	1,294	721
Income tax and social contribution recoverable	30	106
Derivative financial instruments	95	116
Upfront payment – Grupo BIG	900	0
Other accounts receivable	403	342
Current assets	30,838	25,413
Accounts receivable	9	4
Consumer credit granted by our financial solutions	485	457
Derivative financial instruments	107	185
Marketable securities	450	358
Tax receivables	2,812	4,101
Income tax receivables	107	0
Deferred tax assets	633	482
Prepaid expenses	48	40
Judicial deposits and collateral	2,570	2,401
Other accounts receivable	142	87
Inventories	300	0
Investment properties	560	397
Investments in equity accounted companies	104	111
Property and equipment	17,417	15,465
Intangible assets and goodwill	2,342	2,323
Non-current assets	28,086	26,411
Total assets	58,924	51,824

Consolidated Balance Sheet

<i>In R\$ Million</i>	Dec. 21	Dec. 20
Liabilities		
Suppliers	15,449	14,423
Borrowings	3,019	574
Lease debt	161	139
Consumer credit financing	8,249	7,534
Tax payable	372	531
Income tax and social contribution payables	267	101
Payroll, vacation and related charges	825	891
Dividends payable	65	49
Deferred income	33	55
Other accounts payable	551	410
Derivative financial instruments	85	13
Current liabilities	29,076	24,720
Borrowings	3,973	3,344
Lease debt	1,877	1,721
Consumer credit financing	1,266	223
Deferred tax liabilities	439	602
Provisions	3,290	3,618
Provisions (tax liabilities)	582	510
Deferred income	18	18
Other accounts payable	7	23
Non-current liabilities	11,452	10,059
Share capital	7,651	7,649
Capital reserve	2,213	2,193
Income reserve	7,487	6,143
Net effect of acquisition of minority interest	(282)	(282)
Retained earnings	0	0
Equity evaluation adjustment	10	6
Shareholders' equity, Group share	17,079	15,709
Non-controlling interests	1,317	1,336
Total liabilities and shareholders' equity	58,924	51,824

Banco Carrefour

Under local accounting standards (BACEN GAAP), provisioning methodology is purely based on the ageing of receivables and greater impacts in P&L are directly associated with higher delinquency ratios.

On the other hand, IFRS9 implies the constitution of provisions not only for past due loans, but it also adds material impacts according to the expected losses associated with the credit risk – even for loans with payments on time. As this calculation relies on many indicators and expectations, it adds greater volatility to the results and impacts in indicators and capital requirements.

Simplified P&L

BACEN Methodology

In R\$ million	Q4 21	Q4 20	Δ%	FY 21	FY 20	Δ%
Net operating revenues	1,022	731	39.8%	3,527	2,971	18.7%
Risk Charges	(401)	(111)	261.3%	(1,270)	(1,199)	5.9%
Gross profit	621	620	0.2%	2,257	1,772	27.4%
SG&A expenses	(304)	(283)	7.4%	(1,119)	(1,083)	3.3%
Adjusted EBITDA	317	337	-5.9%	1,138	689	65.2%
Net income (100%)	164	188	-12.8%	580	349	66.2%

IFRS 9

In R\$ million	Q4 21	Q4 20	Δ%	FY 21	FY 20	Δ%
Net operating revenues	1,007	722	39.5%	3,497	2,933	19.2%
Risk Charges	(369)	(183)	101.6%	(1,481)	(1,193)	24.1%
Gross profit	638	539	18.4%	2,016	1,740	15.9%
SG&A expenses	(287)	(273)	5.1%	(1,086)	(1,042)	4.2%
Adjusted EBITDA	351	266	32.0%	930	698	33.2%
Net income (100%)	193	142	35.9%	463	353	31.2%

Overdue Portfolio Analysis

BACEN Methodology

In R\$ million	December 21		September 21		June 21		March 21		December 20	
Total Portfolio	13,194	100.0%	12,131	100.0%	11,620	100.0%	11,065	100.0%	11,063	100.0%
On time payments	10,985	83.3%	10,256	84.5%	10,019	86.2%	9,597	86.7%	9,686	87.6%
Over 30 days	1,936	14.7%	1,586	13.1%	1,361	11.7%	1,249	11.3%	1,240	11.2%
Over 90 days	1,410	10.7%	1,160	9.6%	943	8.1%	875	7.9%	1,034	9.3%
Provisions for loan losses	1,579	12.0%	1,377	11.4%	1,160	10.0%	1,097	9.9%	1,333	12.1%
Provisions for loan losses / over 90 days	112.0%		118.7%		123.0%		125.5%		128.9%	

IFRS 9

In R\$ million	December 21		September 21		June 21		March 21		December 20	
Total Portfolio	15,351	100.0%	14,375	100.0%	13,726	100.0%	13,901	100.0%	13,535	100.0%
On time payments	10,985	71.6%	10,253	71.3%	10,000	72.9%	9,577	68.9%	9,671	71.5%
Over 30 days	4,077	26.6%	3,820	26.6%	3,467	25.3%	4,080	29.4%	3,708	27.4%
Over 90 days	3,501	22.8%	3,350	23.3%	3,009	21.9%	3,651	26.3%	3,458	25.6%
Portfolio until 360 days										
Over 30 days	1,999	15.1%	1,670	13.7%	1,455	12.4%	1,307	11.7%	1,307	11.7%
Over 90 days	1,422	10.7%	1,201	9.8%	996	8.5%	877	7.9%	1,057	9.5%
Provisions for loan losses	4,120	26.8%	4,038	28.1%	3,706	27.0%	4,290	30.9%	3,978	29.4%
Provisions for loan losses / over 90 days	117.7%		120.5%		123.2%		117.5%		115.0%	

Glossary

Adjusted EBITDA

EBITDA adjusted for the income statement line item “other income and expenses” (comprising losses on disposals of assets, restructuring costs, income & expenses related to litigations, and tax credits recovered related to prior periods).

Adjusted EBITDA Margin

Adjusted EBITDA divided by net sales for the relevant period, expressed as a percentage.

Adjusted Net income

Net Income, excluding Other Income and Expenses and the corresponding financial and income tax effect.

Banco Carrefour Billings

Represents the total amount related to an operation transacted by credit card.

EBITDA

Net income (for the year or for the period) adjusted for “financial result, net”, “income tax and social contribution”, “equity income” and “depreciation and amortization”. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are not measures of financial performance under Brazilian GAAP or IFRS, and should not be considered as alternatives to net income or as measures of operating performance, operating cash flows or liquidity. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin have no standardized meaning, and our definitions may not be comparable with those used by other companies.

Free Cash Flow

Net cash provided by our operating activities, plus cash used in changes in judicial deposits and judicial freeze of deposits (and opposite), less cash provided from the disposal of non-operational assets, less cash used in additions to property and equipment, less cash used in additions to intangible assets.

FMCG

Fast-moving consumer goods

Global Functions

Central costs in relation to our central functions and headquarters. These comprise the activities of (i) the cost of our holding divisions, (ii) certain expenses incurred in relation to certain support functions of our parent company which are allocated to the various segments proportionately to their sales, and (iii) cost allocations from our parent company, which are not specific to any segment.

GMV

Gross Merchandise Volume refers to all online sales (own sales + marketplace sales) as well freight revenues. It excludes marketplace commissions, but includes sales taxes.

Gross Profit Margin

Gross profit divided by net sales for the relevant period, expressed as percentage.

Gross Sales

Total revenues from our customers at the Group’s stores, gas stations, drugstores and on our e-commerce platform.

Like for Like

LfL sales compare gross sales in the relevant period with those in the immediately preceding period, based on gross sales provided by comparable stores, which are defined as stores that have been open and operating for a period of at least twelve consecutive months and that were not subject to closure or renovation within such period. As petrol sales are very sensitive to market prices, they are excluded from the LfL computation. Other retail companies may calculate LfL sales differently from us, and therefore, our historical and future LfL sales performance may not be comparable with other similar metrics used by other companies.

Net Income Margin

Net income for the year divided by net sales for the relevant period, expressed as a percentage.

Net Promoter Score (NPS)

Management tool used to gauge customers’ satisfaction. Depending on their satisfaction level, customers are classified as “Promoters”, “Passives” or “Detractors”; NPS is calculated as the difference between Promoters and Detractors.

Net Sales

Gross sales adjusted for taxes levied on sales (in particular PIS/COFINS and ICMS).

Other Revenue

Comprises revenue from our Financial Solutions segment (including bank card fees and interest from consumer credit activities), shopping mall rents and commissions related to other services provided in the stores, fast cash and handling fees.

Disclaimer

This document contains both historical and forward-looking statements on expectations and projections about operational and financial results of the Company. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantees of future performance. Actual results or performances may differ materially from those in such forward-looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the CVM (Brazilian Securities Commission) in particular the Reference Form. The Company does not assume any obligation to update or revise any of these forward-looking statements in the future.

INDEPENDENT AUDITORS

The parent company and consolidated financial statements of Atacadão S.A.'s for the fiscal year ended December 31, 2021 were audited by Deloitte Touche Tohmatsu. Our hiring of independent auditors and the services provide by them require that auditors maintain their independence, objectivity and integrity of the services provided. As such, our independent auditors (i) can't audit their own work; (ii) they can neither act or assume managerial responsibilities on our behalf and they can neither act as our attorneys nor provide any other services which will contradict these restrictions.

In accordance with the instruction issued by the Brazilian Securities and Exchange Commission - CVM No. 381/03, we declare that services were not provided services besides those related to the financial statements for the year ended December 31, 2021 of the Company and its subsidiaries.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Management of
Atacadão S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Atacadão S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2021 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Atacadão S.A. as at December 31, 2021, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with 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 under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters ("KAMs") are those matters that, in our professional judgment, were of most significance in our audit of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on these matters.

Provisions for tax risks

Why it is a KAM

As disclosed in note 18 to the individual and consolidated financial statements, the Company is subject to inspection by the tax authorities and is a party to administrative and legal proceedings in the normal course of its activities arising from several tax contingencies.

Company's Management, together with its legal counsel, uses significant judgment to determine the need of recognizing provisions and disclosing the required respective administrative and legal proceedings and other contingent liabilities. The Company's significant judgments include uncertainties related to certain assumptions used to estimate the likelihood of loss and measure future cash outflows. Additionally, the complex tax environment and possible changes in external conditions and the position of tax authorities can significantly impact provisions and disclosures in the financial statements. Accordingly, due to the materiality of the related amounts, significant judgment and complex tax environment, this matter required a high level of judgment by the independent auditor and was considered a KAM.

Management's assessment in relation to the likelihood of loss regarding tax contingencies was significant for our audit as it is complex and involves significant judgment based on interpretations of the tax law and legal regulations.

How the matter was addressed in our audit

Our audit procedures included, but were not limited to: (i) assessing the design and implementation of relevant internal control activities related to the identification, monitoring and assessment of tax lawsuits and determining the likelihood of loss of tax risks; (ii) obtaining confirmation letters directly from the Company's outside legal counsel to assess the judgments made by the Company's Management on the risk of loss and amounts of tax lawsuits; (iii) involving our tax and legal specialists to assess the arguments and judgments made by Management and its legal counsel with respect to the most significant tax lawsuits; and (iv) assessing the appropriateness of the disclosures in the financial statements.

During our audit work, we identified adjustments that were not reflected by Management, and even though these adjustments are immaterial in the context of the financial statements taken as a whole, they affected the measurement and disclosure of provisions and contingent liabilities.

Based on the procedures performed, we believe that the judgments made and criteria adopted by Management for the provision for tax risks, as well as the related disclosures in the notes to the individual and consolidated financial statements, are acceptable within the context of the financial statements taken as a whole.

Asset exchange transaction

Why it is a KAM

As disclosed in notes 3 and 25 to the individual and consolidated financial statements, the Company has recorded an asset exchange transaction ("Pinheiros Project"), consisting of an exchange of properties, where the Company will transfer the land of its store located at Avenida das Nações Unidas, at the Southern region of the city of São Paulo, and will receive a new store in exchange, including a new shopping area, parking spaces and units in a new corporate building, to be built with a third party involved in the exchange transaction. The exchange transaction was accounted for at fair value and resulted in a gain recognized in profit or loss for the year ended December 31, 2021 in the amount of R\$495,000 thousand.

The exchange transaction comprised the measurement of a significant gain arising from the difference between fair value and the historical cost of the asset and required significant efforts by the Company and performance of asset appraisal services by third parties. This matter was considered a KAM due to: (i) its unusual transaction for the year ended December 31, 2021; (ii) the amount involved and significance of the estimate and aspects relating to the appreciation of assets of different nature and, consequently, measurement of the gain on the sale; and (iii) assessment of the respective accounting impacts arising from transactions of this nature, as well as appropriate disclosure in the notes to the individual and consolidated financial statements.

How the matter was addressed in our audit

Our audit procedures included, but were not limited to: (i) inspection and assessment of the property purchase and sale instruments and other related agreements and arrangements; (ii) assessing the accounting records and whether they are in line with the documents presented; (iii) involving our technical specialists and accounting professionals to analyze the assessment made by Management; (iv) reviewing the asset appraisal report prepared by the specialists hired by the Company; (v) involvement of our financial support specialists to assess the key assumptions and criteria adopted by the Company for fair value measurement purposes; and (vi) assessing the appropriateness of the respective disclosures in the financial statements.

Based on the procedures performed, we believe that the judgments made and criteria adopted by Management for the recognition of the exchange transaction and related impacts, as well as the related disclosures in the notes to the individual and consolidated financial statements, are acceptable within the context of the financial statements taken as a whole.

Allowance for expected credit losses

Why it is a KAM

The allowance for expected credit losses is recognized in accordance with technical pronouncement CPC 48/IFRS 9 - Financial Instruments. This accounting standard requires the measurement of such allowance based on the expected loss model. The Company has developed and implemented policies and methodologies to measure the allowance for expected losses to cover its credit risks arising from credit transactions, as shown in notes 8 and 28.7 to the individual and consolidated financial statements.

Due to the significance of the credit portfolio and amounts receivable from payment transactions and the fact that the determination of the allowance for expected credit losses requires significant judgment by Management, estimates and assumptions based on historical loss and projections by Management, we consider this a KAM.

How the matter was addressed in our audit

Our audit procedures included, but were not limited to: (i) understanding the policies and methodologies used by the Company in measuring the allowance for expected credit losses; (ii) specialists' involvement in the review of the model and assumptions used; (iii) assessing the adoption of the provision criteria for such transactions, on a sampling basis; and (iv) assessing the disclosures made by Management in the financial statements.

Based on the audit procedures performed, we believe that the criteria and assumptions adopted by Management to determine the allowance for expected credit losses associated with the credit risk are acceptable within the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (“DVA”) for the year ended December 31, 2021, prepared under the responsibility of the Company’s Management and disclosed as supplemental information for IFRS purposes, were subject to audit procedures performed together with the audit of the Company’s financial statements. In forming 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 set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Audit of individual and consolidated financial statements for the year ended December 31, 2020

The individual and consolidated financial statements for the year ended December 31, 2020 were audited by another independent auditor, who issued a report dated February 17, 2021 with an unqualified opinion on these financial statements.

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

Company’s Management is responsible for the other information that comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with our 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 materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and 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 accounting practices adopted in Brazil and IFRS, issued by the IASB, and for such internal control 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 Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and its subsidiaries’ financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements taken as a whole are free from 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 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 taken 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 higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. 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 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 individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit 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 charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, when applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the KAMs. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, February 15, 2022



DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.



Fernando Stolf Litwin
Engagement Partner



Statements of financial position

Atacadão S.A.

Statements of financial position
As of December 31, 2021 and 2020
(In millions of Reais)

		Parent Company		Consolidated	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Assets					
Current assets					
Cash and cash equivalents	5	3,267	2,131	6,945	5,672
Marketable securities	6	-	-	47	-
Trade receivables	7	1,031	907	1,298	1,330
Consumer credit granted by our financial solutions company	8.1	-	-	11,038	9,417
Inventories	9	6,343	5,238	8,788	7,709
Tax receivables	10	792	310	1,294	721
Income tax and social contribution recoverable		-	-	30	106
Derivative financial instruments	28.8	93	116	95	116
Borrowings to subsidiaries	29	1,079	-	-	-
Acquisition advance of Group BIG	3	900	-	900	-
Other accounts receivable		60	98	403	342
		13,565	8,800	30,838	25,413
Non-current assets					
Trade receivable	7	-	-	9	4
Consumer credit granted by our financial solutions company	8.1	-	-	485	457
Derivative financial instruments	28.8	107	185	107	185
Marketable securities	6	-	-	450	358
Tax receivables	10	1,664	2,495	2,812	4,101
Income tax and social contribution recoverable		73	-	107	-
Deferred tax assets	17.2	-	-	633	482
Prepaid expenses		10	16	48	40
Judicial deposits and collateral	11	131	106	2,570	2,401
Borrowings to subsidiaries	29	-	1,019	-	-
Other accounts receivable		17	29	142	87
		2,002	3,850	7,363	8,115
Inventories	9	-	-	300	-
Investment properties	13.1	-	-	560	397
Investments in equity accounted companies	12	7,707	6,721	104	111
Property and equipment	13.2	13,414	11,371	17,417	15,465
Intangible assets	14	1,424	1,414	2,342	2,323
		24,547	23,356	28,086	26,411
Total assets		38,112	32,156	58,924	51,824

The explanatory notes are an integral part of these individual and consolidated financial statements.



Statements of financial position

Atacadão S.A.

Statements of financial position

As of December 31, 2021 and 2020

(In millions of Reals)

		Parent Company		Consolidated	
	Note	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Liabilities					
Current liabilities					
Suppliers	16	11,148	9,708	15,449	14,423
Borrowings	28.3	2,939	491	3,019	574
Derivative financial instruments	28.8	85	-	85	13
Lease debt	15	33	34	161	139
Consumer credit financing	8.2	-	-	8,249	7,534
Tax payables		139	159	372	531
Income tax and social contribution payable		84	60	267	101
Payroll, vacation and related charges	32.2	380	378	825	891
Dividends payable	20.4	-	-	65	49
Deferred income	19	28	28	33	55
Other accounts payable		268	175	551	410
		15,104	11,033	29,076	24,720
Non-current liabilities					
Borrowings	28.3	3,871	3,167	3,973	3,344
Lease debt	15	1,010	875	1,877	1,721
Consumer credit financing	8.2	-	-	1,266	223
Deferred tax liabilities	17.2	435	599	439	602
Provisions	18.1	360	488	3,290	3,618
Income tax and social contribution payable	18.1	-	-	582	510
Deferred income	19	249	276	18	18
Other accounts payable		4	9	7	23
		5,929	5,414	11,452	10,059
Shareholders' Equity					
Share capital	20.2.1	7,651	7,649	7,651	7,649
Capital reserve	20.2.2	2,213	2,193	2,213	2,193
Income reserve	20.2.4	7,487	6,143	7,487	6,143
Net effect of minority interest acquisition	20.2.3	(282)	(282)	(282)	(282)
Equity evaluation adjustment	20.2.5	10	6	10	6
		17,079	15,709	17,079	15,709
Shareholders' equity group share					
Non-controlling interest	20.5	-	-	1,317	1,336
		17,079	15,709	18,396	17,045
Total liabilities and shareholders' equity					
		38,112	32,156	58,924	51,824

The explanatory notes are an integral part of these individual and consolidated financial statements.



Income Statements

Atacadão S.A.

Income statements

For the year ended 2021 and 2020

(In millions of Reais)

	Note	Parent Company		Consolidated	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net sales	22.1	53,598	47,062	73,552	67,640
Other revenue	22.2	202	170	4,199	3,551
Net operating revenue	22	53,800	47,232	77,751	71,191
Cost of goods sold, services and financial operations	23	(45,640)	(40,169)	(62,875)	(57,273)
Gross profit		8,160	7,063	14,876	13,918
Income (expense)					
Selling, general and administrative expenses	24	(4,401)	(3,592)	(9,211)	(8,360)
Depreciation and amortization	24	(571)	(460)	(1,173)	(1,040)
Net income from equity accounted company	12	968	555	(9)	(8)
Other income (expenses)	25	54	123	634	(6)
Income before net financial income and income tax and social contribution		4,210	3,689	5,117	4,504
Financial income		1,121	890	1,147	948
Financial expense		(1,554)	(1,102)	(1,933)	(1,527)
Financial result	26	(433)	(212)	(786)	(579)
Income before income tax and social contribution		3,777	3,477	4,331	3,925
Income tax and social contribution					
Current	17.1	(793)	(744)	(1,279)	(1,021)
Deferred	17.1	160	(62)	314	(60)
Net income for the year		3,144	2,671	3,366	2,844
Attributable to:					
Controlling shareholders				3,144	2,671
Non-controlling shareholders	20.5			222	173
Basic and diluted earnings per share (in Reais)	21			1,58	1,35

The explanatory notes are an integral part of these individual and consolidated financial statements.



Statements of comprehensive income

Atacadão S.A.

Statements of comprehensive income

For the year ended 2021 and 2020

(In millions of Reals)

	Parent company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net income for the year	3,144	2,671	3,366	2,844
Other comprehensive income – net of tax impacts:	4	7	4	7
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
<i>Gains and (losses) on derivative financial instruments used for hedge accounting</i>	(14)	21	(4)	16
<i>Gains and (losses) on derivative financial instruments used for hedge cash flow in subsidiaries</i>	10	(5)	-	-
Net other comprehensive income/(loss) not being reclassified to profit or loss in subsequent periods:				
<i>Actuarial gains and (losses) on benefits to employees, net of tax</i>	7	(9)	8	(9)
<i>Actuarial gains on benefits to employees, net of tax in subsidiaries</i>	1	-	-	-
Total comprehensive income	3,148	2,678	3,370	2,851
Attributable to:				
Controlling shareholders			3,148	2,678
Non-controlling shareholders			222	173

The explanatory notes are an integral part of these individual and consolidated financial statements.



Statements of changes in shareholders' equity

Atacadão S.A.

Statements of changes in shareholders' equity

For the year ended December 31, 2020

(In millions of Reais)

	Note	Share Capital	Capital Reserve	Income reserve			Net effect of acquisition of minority interest	Retained earnings	Equity evaluation adjustment	Shareholders equity group share	Non-controlling interest	Total shareholder' equity
				Legal reserve	Profit retention reserve	Additional dividend proposed						
Shareholders' equity at January 1st, 2020		7,643	2,178	249	3,705	12	(282)	-	(1)	13,504	1,201	14,705
Net income for the year		-	-	-	-	-	-	2,671	-	2,671	173	2,844
Other comprehensive income for the year		-	-	-	-	-	-	-	7	7	-	7
Total other comprehensive income for the year		-	-	-	-	-	-	2,671	7	2,678	173	2,851
Issuance of common shares	20.2.1	6	-	-	-	-	-	-	-	6	-	6
Effect of the equity-settled stock option plan	20.2.4	-	15	-	-	-	-	-	-	15	-	15
Additional dividends		-	-	-	-	(12)	-	-	-	(12)	-	(12)
Allocation of net income												
Legal reserve	20.2.4	-	-	134	-	-	-	(134)	-	-	-	-
Mandatory minimum dividends	20.4	-	-	-	-	-	-	(3)	-	(3)	(49)	(52)
Anticipation of additional dividends	20.4	-	-	-	-	-	-	(479)	-	(479)	-	(479)
Additional purposed dividend	20.4	-	-	-	-	759	-	(759)	-	-	-	-
Transfer of retained earnings to reserve	20.2.4	-	-	-	1,296	-	-	(1,296)	-	-	-	-
Reversal of dividend payable	20.4	-	-	-	-	-	-	-	-	-	11	11
Total capital transactions with shareholders		6	15	134	1,296	747	-	(2,671)	-	(473)	(38)	(511)
Shareholders' equity at December 31, 2020		7,649	2,193	383	5,001	759	(282)	-	6	15,709	1,336	17,045

The explanatory notes are an integral part of these individual and consolidated financial statements.



Statements of changes in shareholders' equity

Equity evaluation adjustment

Consolidated statements of changes in shareholders' equity

For the year ended December 31, 2021

(In millions of Reais)

	Note	Share Capital	Capital Reserve	Income reserve			Net effect of acquisition of minority interest	Retained earnings	Equity evaluation adjustment	Shareholders equity group share	Non-controlling interest	Total shareholder' equity
				Legal reserve	Profit retention reserve	Additional dividend proposed						
Shareholders' equity at January 1st, 2021		7,649	2,193	383	5,001	759	(282)	-	6	15,709	1,336	17,045
Net income for the year		-	-	-	-	-	-	3,144	-	3,144	222	3,366
Other comprehensive income for the year		-	-	-	-	-	-	-	4	4	-	4
Total other comprehensive income for the year		-	-	-	-	-	-	3,144	4	3,148	222	3,370
Issuance of common shares	20.2.1	2	-	-	-	-	-	-	-	2	-	2
Effect of the equity-settled stock option plan	20.2.4	-	20	-	-	-	-	-	-	20	-	20
Additional dividends		-	-	-	-	(759)	-	-	-	(759)	(92)	(851)
Allocation of net income												
Legal reserve	20.2.4	-	-	157	-	-	-	(157)	-	-	-	-
Mandatory minimum dividends	20.4	-	-	-	-	-	-	(3)	-	(3)	(65)	(68)
Anticipation of additional dividends	20.4	-	-	-	-	-	-	(1,038)	-	(1,038)	-	(1,038)
Additional purposed dividend	20.4	-	-	-	-	-	-	-	-	-	(84)	(84)
Transfer of retained earnings to reserve	20.2.4	-	-	-	1,946	-	-	(1,946)	-	-	-	-
Total capital transactions with shareholders		2	20	157	1,946	(759)	-	(3,144)	-	(1,778)	(241)	(2,019)
Shareholders' equity at December 31, 2021		7,651	2,213	540	6,947	-	(282)	-	10	17,079	1,317	18,396

The explanatory notes are an integral part of these individual and consolidated financial statements.



Statements of cash flow

Atacadão S.A.

Statements of cash flow

For the year ended 2021 and 2020

(In millions of Reais)

	Notes	Parent Company		Consolidated	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash flow from operating activities					
Income before income tax and social contribution		3,777	3,477	4,331	3,925
Adjustments					
Depreciation and amortization	24	584	473	1,223	1,092
Interest on borrowings and on assignments of receivables	26	187	128	255	227
Interest on borrowings to subsidiaries	29	(61)	(19)	-	-
Exchange variation on borrowings	26	79	574	79	574
Interest on leasing	26	107	74	211	183
Result on derivative financial instruments	26	159	(514)	159	(514)
Provision for impairment of fixed assets		-	-	18	(7)
Write-off assets and gain on disposals		8	30	56	120
Result of Pinheiros project	25	-	-	(495)	-
(Gain) and losses on lawsuits, net	25	(123)	(149)	(325)	(208)
Equity in earnings of subsidiaries	12	(968)	(555)	9	8
Share based payments		12	11	22	16
Cash flow before the variation of operating assets and liabilities		3,761	3,530	5,543	5,416
Change in operating working capital	27	365	(54)	(64)	(4)
Change in consumer credit granted by our financial solutions company	27	-	-	109	(178)
Income tax and social contribution paid		(842)	(765)	(1,144)	(1,201)
Cash flow generated by operating activities		3,284	2,711	4,444	4,033
Cash flow from investing activities					
Additions to intangible assets	14.2	(19)	(10)	(161)	(170)
Additions to fixed assets and investment properties	13	(2,488)	(3,058)	(2,793)	(3,275)
Acquisition advance of Group BIG	3	(900)	-	(900)	-
Suppliers of fixed and intangible assets		268	78	276	81
Capital contributions in subsidiary and acquisition of joint control company	12	-	(82)	-	(1)
Borrowings to subsidiaries		-	(1,000)	-	-
Disposal of fixed and intangible assets		9	22	11	42
Net cash used in investing activities		(3,130)	(4,050)	(3,567)	(3,323)
Cash flow from financing activities					
Capital increase		2	6	2	6
Proceeds from borrowings	28.4	6,620	2,662	6,620	3,177
Repayment of borrowings	28.4	(3,593)	(2,049)	(3,671)	(2,641)
Interests paid	28.4	(125)	(176)	(193)	(275)
Derivatives financial instruments		2	236	2	236
Amortization of principal – lease agreements	28.4	(17)	(13)	(131)	(109)
Amortization of interest – lease agreements	28.4	(107)	(74)	(208)	(181)
Dividends paid		(1,800)	(494)	(2,025)	(573)
Net cash generated by (used in) financing activities		982	98	396	(360)
Cash and cash equivalents variation		1,136	(1,241)	1,273	350
Cash and cash equivalents at beginning of the year	5	2,131	3,372	5,672	5,322
Cash and cash equivalents at end of the year	5	3,267	2,131	6,945	5,672
Cash and cash equivalents variation		1,136	(1,241)	1,273	350

The explanatory notes are an integral part of these individual and consolidated financial statements.



Statements of value added

Atacadão S.A.

Statement of value added

For the year ended 2021 and 2020

(In millions of Reals)

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Sales of goods and services rendered	59,225	52,014	85,649	78,657
Other revenue	42	48	493	31
Constitution of provision for expected credit losses in financial assets	(10)	(7)	(65)	(145)
	59,257	52,055	86,077	78,543
Cost of bought in Material and Services				
Cost of goods sold, services and financial operations	(50,035)	(43,964)	(67,390)	(61,380)
Raw material, energy, services and others	(2,114)	(1,528)	(4,485)	(4,145)
Loss/Write-off of assets	(24)	(62)	(106)	(142)
	(52,173)	(45,554)	(71,981)	(65,667)
Gross value added	7,084	6,501	14,096	12,876
Depreciation and amortization				
Depreciation and amortization	(584)	(473)	(1,223)	(1,092)
Net value added produced	6,500	6,028	12,873	11,784
Value added generated from transfers				
Equity evaluation adjustment	968	555	(9)	(8)
Financial income	1,121	890	1,147	948
Total value added to distribute	8,589	7,473	14,011	12,724
Distribution of value added				
Personnel				
Direct compensation	(1,822)	(1,592)	(3,242)	(3,111)
Benefits	(261)	(219)	(579)	(525)
Government Severance Indemnity Fund for Employees (F.G.T.S)	(115)	(95)	(190)	(168)
	(2,198)	(1,906)	(4,011)	(3,804)
Taxes and contributions				
Federal	(1,217)	(1,258)	(3,199)	(3,282)
State	(357)	(441)	(1,120)	(984)
Municipal	(68)	(53)	(213)	(188)
	(1,642)	(1,752)	(4,532)	(4,454)
Providers of capital				
Interests	(1,547)	(1,096)	(1,921)	(1,543)
Rents	(58)	(48)	(126)	(79)
Financial charges	-	-	(55)	-
	(1,605)	(1,144)	(2,102)	(1,622)
Distributions to shareholders				
Dividends	(1,041)	(482)	(1,041)	(482)
Net income attributable to controlling shareholders	(2,103)	(2,189)	(2,103)	(2,189)
Net income attributable to minority interests	-	-	(222)	(173)
	(3,144)	(2,671)	(3,366)	(2,844)
Total value added distributed	(8,589)	(7,473)	(14,011)	(12,724)

The explanatory notes are an integral part of these individual and consolidated financial statements.



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NOTE 1: OPERATIONS

Atacadão S.A. ("Atacadão" or the "Company"), directly or through its subsidiaries ("Group Carrefour Brazil", "Group" or "We") engages in the retail and wholesale of food, clothing, home appliances, electronics and other products through its chain of Cash & Carry stores, hypermarkets, supermarkets, convenience stores, gas stations, drugstores, and e-commerce, mainly under the trade names "Atacadão" and "Carrefour".

To support its core retailing business, the Group also offers banking services to customers, under the trade name Banco CSF, a company overseen and regulated by the Central Bank of Brazil (BACEN). The Banco Carrefour Soluções Financeiras ("Banco CSF") offers to its customers "Carrefour" and "Atacadão" credit cards that can be used in the Group Carrefour Brazil's stores and elsewhere, consumer loans and other products such as insurance policies.

The Group Carrefour Brazil is a public limited company, with headquarter located in the 213, George Eastman Street, city of São Paulo, State of São Paulo, Brazil. The Company's shares are traded on "Novo Mercado" segment of Corporate Governance at the São Paulo Stock Exchange - B3, under the code "CRFB3".

The company ultimate parent is Carrefour S.A., a French company listed on the Paris Stock Exchange.

NOTE 2: BASIS OF PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

These individual and consolidated financial statements for the year ended December 31, 2021 were authorized by the Board of Directors on February 15, 2022.

The individual and consolidated financial statements for the years ended December 31, 2021 and 2020 comprise the financial statements of the Company and its subsidiaries and the Group's share of the profits and losses and net assets of a jointly controlled enterprise accounted for using the equity method. The presentation currency of the individual and consolidated financial statements is the Real, which is the Company's functional currency. All financial information presented in Reais has been rounded to the nearest million, unless otherwise stated.

Note 2.1. Statement of compliance

The Company's individual and consolidated financial statements ("Financial Statements") have been prepared in accordance with accounting practices adopted in Brazil (BR GAAP) and in accordance with the International Financial Reporting Standards ("IFRSs"), as issued by the **International Accounting Standards Board** ("IASB").

In conformity with "OCPC 07 - Evidenciação na *Divulgação dos Relatórios Contábil - Financeiros de Propósito Geral*" (General Purpose Evidencing the Disclosure of Financial Statements), relevant information regarding the financial statements has been disclosed and issued from those used by the Administration for its management.

Accounting practices adopted in Brazil comprise the policies set out in the Brazilian Corporate Law and the pronouncements, guidance, and interpretations issued by the Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC).

International Financial Reporting Standards (IFRSs), comprise the International Accounting Standards (IASs), International Financial Reporting Standards Interpretation Committee (IFRIC), and Interpretations and Standing Interpretations Committee (SIC).

NOTE 2.2. Use of estimates and judgments

Preparation of individual and consolidated financial statements involves the use of management estimates and assumptions that may affect the reported amounts of certain assets, liabilities, income and expenses, as well as the disclosures contained in the notes. The settlement of the transactions involving these estimates may result in differences from the one registered in the financial statements, due to the probabilistic part of the estimative process. Estimates and assumptions are reviewed at least once a year to ensure that they are reasonable in light of experience and the current economic situation. In addition to using estimates, Group management is required to exercise



Notes to the financial statements

judgment when determining the appropriate accounting treatment of certain transactions and activities and how it should be applied.

The main estimates and judgments applied in the preparation of these individual and consolidated financial statements are related to:

- Note 9 - the main assumptions underlying the net realizable value of inventories;
- Note 10 - provision for impairment in the value of State VAT (ICMS) and ICMS Tax Substitution (ICMS-ST);
- Note 13.2, 14.1, 14.2 and 14.3 - recoverable amount of goodwill, other intangible assets and property and equipment;
- Note 15 - leases;
- Note 17 - expected effective income tax rate, recognition of deferred tax asset and availability of the future taxable income for the use of the carry forward tax losses;
- Note 18 - measurement of provisions for contingencies and other business-related provisions and the main assumptions on the likelihood and scale of any outflow of funds; and
- Note 28.7 - allowance for doubtful accounts in financial assets.

NOTE 2.3. Measurement methods

The individual and consolidated financial statements have been prepared using the historical cost convention, except for certain financial assets and liabilities measured using the fair value model (marketable securities, accounts receivable, loans and derivative financial instruments).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Based on the hierarchy defined in IFRS 13/CPC 46 – *financial instruments* the fair value is calculated by the following criteria:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: models that use inputs that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. price-based data), except quoted prices included in level 1; and
- Level 3: information for assets and liabilities, inputs that are not based on observable market data for the asset or liability (non-observable input).

NOTE 2.4. Statements of Value Added ("DVA")

The Group prepared the Statements of Value Added ("DVA") in respect with the "CPC 09 – Demonstração do Valor Adicionado", such statements are mandatory part of the BRGAAP individual and consolidated financial statements for listed entities but should be considered as a supplementary financial information for the IFRS ones.

NOTE 2.5. Changes in significant account policies

- Amendments to CPC 15 (R1): Business definition - The amendments to CPC 15 (R1) clarify that, to be considered a business, an integrated set of activities and assets must include, at a minimum, an input - input of resources and a substantive process that together contribute significantly to the ability to generate output - resource output. Furthermore, it clarified that a business can exist without including all inputs - inputs of resources and processes necessary to create outputs - outputs of resources. These changes had no impact on the Group's individual and consolidated financial statements, but may impact future periods if the Group enters into any business combinations.
- Amendments to CPC 38, CPC 40 (R1) and CPC 48: Reform of the Reference Interest Rate - The amendments to Pronouncements CPC 38 and CPC 48 provide exemptions that apply to all hedging relationships directly affected by the reference reform of the interest rate. A hedging relationship is directly affected if the reform raises uncertainties about the period or amount of cash flows based on the reference interest rate of the hedged item or hedging instrument. These changes have no impact on the Group's individual and consolidated financial statements.
- Changes to CPC 26 (R1) and CPC 23: Definition of material - The amendments provide a new definition of material that states, "Information is material if its omission, distortion or obscurity



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could reasonably influence decisions that users statements of general purpose financial statements are based on those financial statements, which provide financial information about entity-specific reporting". The amendments clarify that materiality will depend on the nature or magnitude of information, individually or in combination with other information, in the context of the financial statements. Distorted information is material if it could reasonably be expected to influence decisions made by primary users. These changes had no impact on the individual and consolidated financial statements, nor is it expected that there will be any future impact for the Group.

- Revision of CPC 00 (R2): Conceptual Framework for Financial Reporting – The pronouncement revises some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These changes had no impact on the individual and consolidated financial statements of the Group.
- Amendments to CPC 06 (R2): Benefits Related to Covid-19 Granted to Lessees in Lease Agreements - The amendments provide for granting to lessees in the application of the guidelines of CPC 06 (R2) on the modification of the lease agreement, when accounting for the related benefits as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may choose not to assess whether a Covid-19-related benefit provided by the lessor is a modification of the lease. A lessee making this choice must account for any change in the lease payment resulting from the benefit granted in the lease agreement related to Covid-19 in the same way that it would account for the change applying CPC 06 (R2) if the change were not a contract modification. lease. This change had no impact on the Group's individual and consolidated financial statements.

Additionally, the IASB has issued / revised some IFRS standards, which are to be adopted for the year 2021 or later, and the Group is evaluating the impacts on its financial statements of the adoption of these standards:

- IFRS 17 - Insurance Contracts - In May 2017, the IASB issued IFRS 17 - Insurance Contracts (a standard not yet issued by the CPC in Brazil, but which will be codified as CPC 50 - Insurance Contracts and will replace CPC 11 - Insurance Contracts), a new comprehensive accounting standard for insurance contracts that includes recognition and measurement, presentation and disclosure. Once effective, IFRS 17 (CPC 50) will replace IFRS 4 - Insurance Contracts (CPC 11) issued in 2005. IFRS 17 applies to all types of insurance contracts (such as life, property and casualty, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation characteristics. Some scope exceptions apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements of IFRS 4, which are largely based on local accounting policies in effect in prior periods, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The focus of IFRS 17 is the general model, complemented by:
 - A specific adaptation for contracts with direct participation features (variable rate approach);
 - A simplified approach (premium allocation approach) primarily for short-term contracts.

IFRS 17 is effective for periods beginning on or after January 1, 2023, requiring the presentation of comparative amounts. Early adoption is permitted if the entity also adopts IFRS 9 and IFRS 15 on the same date or before the first-time adoption of IFRS 17. This standard does not apply to the Group.

- Amendments to IAS 1: Classification of liabilities as current or non-current – In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, related to CPC 26, in order to specify the requirements for classifying the liability as current or non-current. The amendments clarify:
 - What does a right to defer settlement mean;
 - The right to defer must exist on the base date of the report;
 - That this classification is not affected by the likelihood that an entity will exercise its right to defer;



- That only if a derivative embedded in a convertible liability is itself an equity instrument would the terms of a liability not affect its classification.

The changes are effective for periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact that the changes will have on current practice and whether existing loan agreements may require renegotiation.

NOTE 3: SIGNIFICANT EVENTS OF THE YEAR

COVID – 19

The Carrefour Brasil Group maintained the initiatives adopted since March 2020 to ensure the health and safety of its customers and employees. Our stores in the Atacadão Segment, Retail, our drugstores and shopping malls are part of a rigorous verification process conducted by a third party company to ensure that our protocols are in line with the best international practices. Our initiatives and efforts were recognized as the first Brazilian retail company to receive the international seal "My Care" that attests to the efficiency and security of the measures that the Group has adopted to protect its customers and employees.

Among the main measures taken by the Group, we can mention:

- Early and rapid implementation of a comprehensive set of measures in stores and distribution centers, exceeding public health requirements;
- Implementation of several measures to mitigate the risk of transmission in administrative workplaces, such as the recommendation of home office, creation of crisis committees and the cancellation of national and international trips and participation in external events;
- Increased inventory for the most sensitive and priority products, increased the number of staff of stores and Distribution Center teams, accelerated development of our e-commerce capacities; and
- Systematic negotiations with suppliers to avoid or contain price increases.

The lockdown measures taken in various states also affected other formats and segments:

- Our shopping malls and galleries were closed or open with restrictions according to the decreed measures and;
- Restrictions on the activities of our stores, such as limitation on the capacity of the stores, limitation on the sales of non-essential products, restrictions on the opening hours, among others.

The Group revaluated the followings accounting estimates:

- Allowances on the receivables from real estate activities related to the rent revenues of the period in which these permanent assets are closed, as described in note 28.7;
- Fair value of the investment properties, as described in note 13.1; and
- In our Financial Solution Segment, the credit risk provision was calculated according to the classification of its portfolio by stages, as described in note 28.7.

The Group carried out in 2021, its constant monitoring of the market in order to identify an eventual deterioration, especially due to the COVID-19 pandemic, relevant changes in the economy or financial market that lead to an increase in the perception of credit risk on the accounts receivable from the Financial Solutions segment. Eventual changes that deteriorate the economic and business environment, if manifested in a greater intensity than anticipated in the scenarios contemplated by the Management, can cause losses due to the non-recoverability of financial assets.

The impacts related to the post-pandemic status announcement are not easily quantified, mainly due to the fast and constantly developing situation. The risks arising from disease outbreaks and epidemics, especially those arising from the COVID-19 pandemic, can contribute significantly to the deterioration of economic conditions in Brazil and globally and could, among other consequences, (i) make it more difficult or onerous for the Group to obtain financing for operations or refinance debt in the future; (ii) impair the financial condition of customers and suppliers; and (iii) reducing investment programs. The Group constantly monitors interest rate and exchange rate risks, credit risk management and capital management (note 28.2). In addition, the Company's management maintains a permanent monitoring of liquidity risk through the management of its cash and cash



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equivalents and financial investments (note 5) and the availability of credit lines that allow it to manage its level of indebtedness (note 33).

Verpar

On October 13, 2021, an Instrument of Transaction and Other Covenants was signed between the Company and Verpar S.A. with the objective of definitively finalizing the Contract Termination Lawsuits filed by Verpar S.A. in 2000 and the Collection Lawsuit filed by Carrefour Comércio e Indústria in 2012. According to the instrument signed, Verpar S.A. will pay the Company the amount of R\$ 86 million in monthly and consecutive installments over the next 10 years.

Purchase of Makro assets

On June 24, 2021, all stores acquired from Makro Atacadista S.A. have been fully converted to the Atacadão, with the sole exception of a leased store located in São Gonçalo/RJ (and its respective petrol station), which was excluded from the transaction due to negotiation issues with its landlord.

The Company paid out a total amount of R\$ 1,958 million, in relation to the acquisition of the 22 owned stores, 7 leased stores (totaling 29 new stores) and 13 petrol stations announced in the Material Fact on February 16, 2020.

Porto Alegre case

On June 11, 2021, the Company has signed a Conduct Adjustment Agreement ("TAC") with the Federal Prosecutor's Office, the Prosecutor's Office of the State of Rio Grande do Sul, the Labor Prosecutor's Office, the Federal Public Defender and the Public Defender of the State of Rio Grande do Sul, as well as certain non-governmental organizations, in relation to the event that occurred at the Carrefour store located in the neighborhood of Passo D' Areia, in Porto Alegre/RS, on November 19, 2020.

Through this Agreement, Group Carrefour Brasil reaffirms its irrevocable commitment to fight against racism and act as a transformation agent of society. The Agreement, valid for three years, ratifies the various commitments already publicly made by Group Carrefour Brasil and further reinforced since then, and raises to a total amount of R\$ 115 million the fund created in November 2020 to promote racial inclusion and combat racism. The amount agreed upon in the TAC will mainly be allocated to scholarships, educational campaigns, social projects and professional qualification for black men and women. Compliance with the defined initiatives will be verified by an external audit.

The Agreement extinguishes the collective procedures underway related to the case and adds to the various agreements already signed with members of Mr. João Alberto Silveira Freitas' family, demonstrating Group Carrefour Brasil's diligence and proactivity after the incident in Porto Alegre.

Grupo BIG Acquisition

On March 24, 2021, the Company announced the signing of the Share Purchase, Merger Agreement and Other Covenants with Momentum – Fundo de Investimento em Participações Multiestratégia, controlled by entities under management of an Advent International Corporation affiliated entity, and Brazil Holdings S.C.S, a company controlled by Walmart Inc., for the acquisition of the totality of the shares issued by Grupo BIG Brasil S.A. for the total amount of R\$ 7,5 billion, subject to other adjustments set forth in the Agreement. Of the total amount, the equivalent to R\$ 900 million was paid in advance.

The closing of the transaction is subject to the accomplishment of certain conditions provided for in the contract including, but not limited to the approval of Brazil's antitrust authority (CADE) and the approval of the Company shareholders' at the General Meeting.

Pinheiros project

On February 3, 2021, the Execution Permit No. 2021/00700-00 of the Pinheiros Project was issued by the São Paulo City Hall, published in the Municipal Official Gazette on January 30, 2021. The project consists in an exchange of assets, where the Company will give the land where its store is located on Nações Unidas Avenue, in the south side São Paulo, and will receive in exchange a new store, along with a new commercial gallery, parking spaces, and units of a new corporate tower, to be built by its partner. With the issuance of the Execution Permit No. 2021/00700-00, all the conditions precedent to the deed of exchange were fulfilled. The accounting impacts of the



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transaction were recorded in accordance with the measurement criteria given to swap transactions for non-financial assets (CPC 27 / IAS 16) and recorded in accordance with Company's intention to use the asset, their effects are described in notes 9, 13 and 25.

NOTE 4: SCOPE OF CONSOLIDATION

Accounting policies

The individual and consolidated financial statements include the financial statements of subsidiaries from the date of acquisition (the date when the Group gains control) up to the date when the Group ceases to control the subsidiary, and the Group's equity in joint ventures accounted for by the equity method.

(i) Subsidiaries

A subsidiary is an entity over which the Group exercises control, directly or indirectly. An entity is controlled when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group considers all facts and circumstances when assessing whether it controls an investee, such as rights resulting from contractual arrangements or substantial potential voting rights held by the Group.

The results of subsidiaries acquired during the year are included in the individual and consolidated financial statements from the date when control is acquired. The results of subsidiaries sold during the year or that the Group ceases to control, are included up to the date when control ceases.

(ii) Associates and joint ventures

Entities in which the Group exercises significant influence (associates), and entities over which the Group exercises joint control and that meet the definition of a joint venture are accounted for by the equity method, as explained in Note 12 "Investments".

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. As of December 31, 2021 and 2020, the Group does not participate in any associate.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities required the unanimous consent of the parties sharing control.

Business combinations

Business combinations, defined as transactions where the assets acquired and liabilities assumed constitute a business are accounted for by the purchase method. Business combinations carried out since January 1, 2010 are measured and recognized as described below, in accordance with IFRS 3 (CPC 15) – *Business Combinations*.

- As of the acquisition date, the identifiable assets acquired and liabilities assumed are recognized and measured at fair value.
- Goodwill corresponds to the excess of (i) the sum of the consideration transferred (i.e., the acquisition price) and the amount of any non-controlling interest in the acquire, over (ii) the net of the acquisition-date amounts of the identifiable assets acquirer and the liabilities assumed. It is recorded directly in the statement of financial position of the acquire and is subsequently tested for impairment at the level of the group of Cash Generating Units ("CGU") which corresponds to the Group's segment reporting, by the method described in Note 14.3. Any gain from a bargain purchase (i.e., negative goodwill) is recognized directly in profit or loss.
- For business combinations on a less than 100% basis, the acquisition date components of non-controlling interests in the acquire (i.e., interests that entitle their holders to a proportionate share of the acquirer's net assets) are measured at either:
 - fair value, such that part of the goodwill recognized at the time of the business combination is allocated to non-controlling interests ("full goodwill" method), or
 - the proportionate share of the acquirer's identifiable net assets, such that only the goodwill attributable to the Group is recognized ("partial goodwill" method).

The method used is determined on a transaction-by-transaction basis.

The Group measured the non-controlling interest for its acquisitions based on the partial goodwill method.

- The provisional amounts recognized for a business combination may be adjusted during a measurement period that ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable, or at the latest 12 months from the acquisition date. Adjustments during the measurement period to the fair value of the identifiable assets acquired and liabilities assumed or the consideration transferred are offset by a corresponding adjustment to goodwill, provided they result from facts and circumstances that existed as of the acquisition date. Any adjustments identified after the measurement period ends are recognized directly in profit or loss.
- For a business combination achieved in stages (step acquisition), when control is acquired the previously held equity interest is remeasured at fair value through profit or loss. In the case of a reduction in the Group's equity interest resulting in a loss of control, the remaining interest is also remeasured at fair value



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through profit or loss.

- Transaction costs are recorded directly as an operating expense for the period in which they are incurred.

Changes in ownership interest not resulting in a change of control

Any change in the Group's ownership interest in a subsidiary after the business combination that does not result in control being acquired or lost is qualified as a transaction with owners in their capacity as owners and recorded directly in equity, in caption named "net effect of acquisition of minority interest", in accordance with IFRS 10 (CPC 36) – Consolidated Financial Statements. The corresponding cash outflow or inflow is reported in the consolidated statement of cash flows under "Net cash from / (used in) financing activities".

Translation of foreign currency transactions

Transactions by Group entities in a currency other than their functional currency are initially translated at the exchange rate on the transaction date.

At each period-end, monetary assets and liabilities denominated in foreign currency are translated at the period-end closing rate and the resulting exchange gain or loss is recorded in the income statement.

Transactions eliminated in consolidation

Intra-group transactions and balances and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with investees recorded under equity method are eliminated against investments proportionally to the interest held in that investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment loss.

The list of consolidated entities (subsidiaries) is presented below:

	December 31, 2021		December 31, 2020	
	% of interest		% of interest	
	Direct	Indirect	Direct	Indirect
Carrefour Comércio e Indústria Ltda. ("Carrefour" ou "CCI") – Subsidiaries	100.00	-	100.00	-
Comercial de Alimentos Carrefour Ltda.	0.01	99.99	0.01	99.99
Imopar Participações e Administração Imobiliária Ltda.	0.10	99.90	0.10	99.90
Nova Tropi Gestão de Empreendimentos Ltda.	0.01	99.99	0.01	99.99
CMBCI Investimentos e Participações Ltda.	0.01	99.99	0.01	99.99
E-mídia informações Ltda.	-	100.00	-	100.00
BSF Holding S.A. – Subsidiaries	-	51.00	-	51.00
Banco CSF S.A.	-	51.00	-	51.00
CSF Administradora E Corretora De Seguros EIRELI	-	51.00	-	51.00
Pandora Participações Ltda.	99.99	-	99.99	-
Rio Bonito Assessoria de Negócios Ltda.	0.01	99.99	0.01	99.99
Verparinvest S.A.	0.01	99.99	0.01	99.99
Cotabest Informação e Tecnologia S.A.	51.00	-	51.00	-

As of December 31, 2021, there were no changes in the facts and circumstances considered by the Group to assess whether it has control over the subsidiaries.

NOTE 5: CASH AND CASH EQUIVALENTS

Accounting policies

Cash and cash equivalents comprise cash balances and short-term highly liquid investments that are readily convertible into a known amount of cash and subject to an insignificant risk of any change in value.

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash	555	445	701	613
Cash equivalents	2,712	1,686	6,244	5,059
Total Cash and cash equivalents	3,267	2,131	6,945	5,672

Cash equivalents substantially refers to bank deposit certificates ("CDB") and repurchase agreement which are remunerated at the weighted average buyback rate of 84% of the interbank deposit certificate rate ("CDI") at the parent company (87% as of December 31, 2020), and at the weighted average buyback rate of 86% in consolidated (90% as of December 31, 2020).

There are no material restrictions on the ability to recover or use the aforementioned assets.

The Group's exposure to interest rate risks and a sensitivity analysis for financial assets and liabilities is disclosed in Note 28.5.



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NOTE 6: MARKETABLE SECURITIES

The Banco CSF and its Holding BSF acquire marketable securities as part of their liquidity strategy, with the purpose of maintain them at medium term. In this way, the securities portfolio was classified in the "fair value in other comprehensive income" category and are held for future negotiation or until maturity.

The portfolio of securities was composed as follows:

	Consolidated	
	December 31, 2021	December 31, 2020
<i>(In millions of Reais)</i>		
Portfolio:		
Financial Treasury Bill – LFT	497	358
Total Marketable securities	497	358
Current	47	-
Non-current	450	358

In December 31, 2021 and 2020, investments in securities refer substantially to government bonds with the average returns rate of 100% of the Selic rate.

NOTE 7: TRADE RECEIVABLES

Accounting policies

Trade receivables correspond for the most part to receivables from wholesale and cash and carry activities, credit cards receivables, and shopping mall rental receivables.

They represent financial instruments classified as "Amortized cost" (Note 28).

Trade receivables are initially recognized for the invoice amount and adjusted to present value (when applicable), including the respective direct taxes for which the Group is responsible. Allowance for doubtful accounts is recognized when necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable (Note 28).

The Group operates receivables discounting programs. In accordance with IFRS 9 (CPC 48) - Financial Instruments, receivables sold under these programs are derecognized as the Company surrenders control and transfers to the buyer all the related risks and rewards.

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<i>(In millions of Reais)</i>				
Wholesale and cash and carry receivable	678	729	678	729
Credit card receivable	68	-	225	326
Credit card receivable from related parties (a)	69	68	-	-
Shopping malls rental receivable	-	-	178	168
Meal voucher	57	-	69	8
Commercial funds receivable (b)	93	81	171	142
Commercial funds receivable from related parties (b) and (c)	82	44	119	78
Provision for expected losses	(16)	(15)	(133)	(117)
Total Trade receivables, net	1,031	907	1,307	1,334
Current	1,031	907	1,298	1,330
Non-current	-	-	9	4

(a) Represented by sales made with Atacadão and Carrefour credit card, eliminated on consolidation.

(b) Represented by amounts of receivable from suppliers because of commercial agreements made at the time of the purchase of goods for resale and other timely agreements. The counterpart is recorded in profit or loss for the period, reducing the cost of goods sold at the time of the sale.

(c) Balance receivable from related parties, refers to the global agreements negotiated by the ultimate parent company in France (see Note 29).

The Group's credit risks are disclosures on note 28.7.

Assignment of trade accounts receivable

The Group assigned, without right to recourse, part of their trade accounts receivable to external banks, against the payment of interests, in order to anticipate its cash flow. The balance corresponding to these operations amounted to R\$ 3,013 million as of December 31, 2021 (R\$ 2,100 million as of December 31, 2020). The amount was written off from the balance of trade accounts receivable, since all risks related to receivables were substantially transferred.



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The cost of these discounted receivables is classified as "Charges on financial transactions" (Note 26 – Financial result).

NOTE 8: FINANCIAL SOLUTIONS ACTIVITIES

Accounting policies

To support its core retailing business, the Group offers financial solutions to customers.

The financial solutions offered to the customers of "Carrefour" and "Atacadão" include credit cards that can be used in the Group's stores and elsewhere, and consumer credit loans.

Due to its contribution to the Group's total assets and liabilities and its specific financial structure, this secondary business is presented separately in the consolidated financial statements:

- Consumer credit granted by our financial solutions (payment credit card receivables, personal loans, etc.) is presented in the statement of financial position under "Consumer credit granted by our financial solutions– current" and "Consumer credit granted by our financial solutions– non-current", as appropriate.
- Financing for these loans is presented under "Consumer credit financing – current" and "Consumer credit financing – non-current", as appropriate.
- The other assets and liabilities of the financial solutions (property and equipment, intangible assets and goodwill, cash and cash equivalents, accrued taxes and payroll costs, etc.) are presented on the corresponding lines of the statement of financial position.
- Net revenue from financial solutions is reported in the income statement under "Other revenue", while the correspondent costs, including those related to provisions for losses due to impairment of credit granted to the consumer, are recorded in the income statement under "Other costs".

The change in the financial solutions activities' working capital, including the effects related to provisions for losses due to reduction in the recoverable amount of credit granted to the consumer, is reported in the statement of cash flows under "Consumer credit granted by the financial solutions company".

Note 8.1. Consumer credit granted by our financial solutions company (assets)

As of December 31, 2021, consumer credit totaled R\$ 11,523 million (R\$ 9,874 million as of December 31, 2020), as follows:

(In millions of Reais)	Consolidated	
	December 31, 2021	December 31, 2020
Payment card receivable	8,861	7,945
Loans (a)	6,491	5,590
Provision for expected losses (b)	(3,829)	(3,661)
Total consumer credit granted by the financial solutions company	11,523	9,874
Current	11,038	9,417
Non-current	485	457

- (a) The balance receivable refers primarily to transactions arising from Banco CSF S.A. credit card for customers who have unpaid balances on their credit card bills.
- (b) The Group's exposure to credit risks and classification by stage of risk of the balance of consumer credit granted by the financial solutions company are disclosed in Note 28.7.

Note 8.2. Consumer credit financing (liabilities)

The related consumer credit financing, from credit card transactions, amounted to R\$ 9,515 million at December 31, 2021 (R\$ 7,757 million as of December 31, 2020), as follows:

(In millions of Reais)	Consolidated	
	December 31, 2021	December 31, 2020
Debt securities (interbank deposits)	1,905	1,245
Merchant debt	7,610	6,512
Related to acquirers	6,729	5,544
Sales of credit card receivables made on Carrefour Card (a)	881	968
Total Consumer credit financing	9,515	7,757
Current	8,249	7,534
Non-current	1,266	223

- (a) Referring to values of credit card receivables sold to external bank by Carrefour Comércio e Indústria Ltda. and Comercial de Alimentos Carrefour S.A.



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NOTE 9: INVENTORIES

Accounting policies

In accordance with IAS 2 (CPC 16) – *Inventories*, inventories are recorded at average cost and includes all components of the purchase price and takes into account the rebates and commercial income negotiated with suppliers.

Inventories are measured at the lower of average cost and net realizable value. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated additional costs necessary to make the sale. The Group regularly adjusts the realization of inventories value due to losses and breakages.

Provision for inventory losses are recorded based on percentages applied to goods with low inventory turnover and on the average inventory losses for the last 12 months.

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Food	5,892	4,916	6,939	5,939
Non food	451	322	1,671	1,602
Inventory in construction (a)	-	-	300	-
Other products	-	-	178	168
Total Inventories, net	6,343	5,238	9,088	7,709
Current	6,343	5,238	8,788	7,709
Non-current	-	-	300	-

(a) The balance refers to the acquired units of a new corporate tower which still is being constructed in the exchange of assets of the Pinheiros project (Note 3).

As of December 31, 2021, the provision for inventory losses, which impacted the result, decreased by R\$ 5 million at the Parent Company, totaling R\$ 17 million (R\$ 22 million as of December 31, 2020), and increased by R\$ 15 million in Consolidated, totaling R\$ 80 million (R\$ 65 million as of December 31, 2020).

NOTE 10: TAX RECEIVABLES

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
State VAT (ICMS)	199	184	583	807
ICMS-ST - tax substitution (a)	2,068	1,922	3,564	3,508
ICMS recoverable on property and equipment	121	87	122	88
PIS and COFINS (b)	228	771	252	788
Others	-	1	9	34
Provision for ICMS and ICMS-ST losses	(160)	(160)	(424)	(403)
Total Tax receivables	2,456	2,805	4,106	4,822
Current	792	310	1,294	721
Non-current	1,664	2,495	2,812	4,101

- (a) The Group maintains distribution centers located in certain States and in the Federal District, which receive goods with ICMS and ICMS-ST already prepaid by suppliers or the Group. Then, part of the goods is sent to locations in other States. Such interstate operations allow the Group to refund the prepaid ICMS and ICMS-ST, i.e. the ICMS and ICMS-ST paid on the acquisitions become a tax credit to be refund/offset, based on the State laws.

Given to the decision of the Federal Supreme Court - "STF" relative to the RE 593,849 from 2016, which recognized the right of the taxpayer to the reimbursement of the overpaid ICMS-ST amount, corresponding to the difference between the prepaid tax amount and the one actually due at the time of the sale, the tax credits to be refunded/offset by the Group also grew. The Group has been realizing part of these credits with authorization of offsetting, based on special regimes and also for complying with others procedures issued by the states.

Related to the credits which cannot be offset immediately, the Group understands that the realization will occur in short or long term, based on a credit recoverability study for each State which includes, among others, history of realization, changes in supply chain, additional special regimes requests, growth future expectation, consumed against debts deriving from its operations and transfer of credits to third parties. These studies were prepared based on information extracted from strategically planning report previously approved by the Group's Board of Directors.

The Group expects to consume its non-current ICMS credits over a period of approximately 6 years to 8 years.

- (b) The Company has filed lawsuits to argue the unconstitutionality to include the ICMS in the basis of PIS and COFINS taxes and to argue the over payment of ICMS due to the ICMS-ST methodology, that is based on a deemed price for the final customer. Related to such matters, Federal Supreme Court - "STF" ruled favorable understanding to the taxpayers in relation to the merits by means of the judgment with general repercussion in RE 574,706 of March 15, 2017. The lawsuits cover, at least, the past five years.

On non-cumulative PIS and COFINS methodology basis, the Group required the right to exclude value of the ICMS from the calculation basis of these two contributions.



Notes to the financial statements

Proceedings on behalf of the direct subsidiary Carrefour Comércio e Indústria Ltda. and the indirect subsidiary Comercial de Alimentos Ltda. reached *res judicata*, becoming definitive and not subject to appeal, during the quarter ended on September 30, 2018, when a tax credit was recognized which could be reliably measured in the amount of R\$ 121 million, of which R\$ 87 million of principal and R\$ 34 million of monetary restatement, related to the period from 2013 to 2016, and its effects were recognized in the item of other income and expenses at the time.

The lawsuit on behalf of the Company, however, reached *res judicata*, becoming final and not subject to appeal during the quarter ended on June 30, 2019, when the tax credit that could be reliably measured was recognized in the amount of R\$ 537 million, R\$ 361 million of principal and R\$ 176 million of monetary restatement for the period from 2011 to 2016, the effects of which were recognized as other income and expenses at the time. In addition, the Company recognized deferred income tax liabilities in the amount of R\$ 183 million in relation to the credit recorded.

The Company and its subsidiaries reliably measured and recognized such credits based on the amount actually shown in the sales invoices, applying the index of monetary correction determined in the decisions of its processes.

Given all the facts described above and based on the final and unappealable decision of RE 574,706, which occurred in May 2021, by which the Superior Federal Court - STF: (i) confirmed the understanding that it is the Highlighted ICMS that should be excluded of the PIS/COFINS calculation basis, and (ii) modulated the effects of the decision, effective from 03/15/2017, except for the judicial and administrative actions filed up to that date, which is the case of the Company and its subsidiaries, the Group, supported by the opinion of its external legal advisors, concluded that: (i) the position signed by the STF in RE 574,706 was applied to the Group companies, and the right to exclude ICMS from the calculation basis of the PIS and COFINS in the Group's lawsuits, including for credit recovery purposes, since the exclusion of ICMS included in the PIS and COFINS calculation basis (which is the highlighted ICMS) was claimed; and (ii) despite the modulation of the effects of the STF decision, there was protection for taxpayers who filed lawsuits until the STF judgment in 2017, as is the case for the Group's companies.

Additionally, the Company and its subsidiaries have been regularly recognizing the exclusion of ICMS in the PIS and COFINS calculation base since the 2017 STF decision with general repercussions, based on the same assumptions highlighted above.

Based on the opinion of its external legal advisors, the Group understands that the PIS and COFINS credits reliably measured and legally recognized are based on the best interpretation of the current legislation, on the jurisprudential scenario, as well as on the decision rendered by the STJ in Resp 1,221.170 / PR, whose judgment defined the concept of input for the purpose of calculating PIS and COFINS credits, recognizing the application of the intermediate concept of input, in other words, expenses that are essential or relevant to the taxpayer's economic activity. The Group, supported by its external legal advisors, constantly evaluates the jurisprudence on the matter.

Consistently adopting the underlying interpretation described above, the Group has been calculating PIS and COFINS credits annually, all of which are subject to reliable measurement and recognized accordingly. Aside from the tax assessments referred to in note 18, the Group is not aware of any claims by third parties regarding such credits.

NOTE 11: JUDICIAL DEPOSITS AND COLLATERAL

Accounting policies

The Group's judicial deposits and collateral are stated and recorded by the amount paid when the deposit or collateral are required and subsequently adjusted to reflect monetary correction adjustments. They are presented as Non-current assets, once those are expected to be utilized more than 12 months after the end of the reporting period.

The Group is contesting the payment of certain taxes, contributions and labor-related obligations and has made court restricted deposits in the corresponding amounts, as well as escrow deposits related to the provision for legal proceedings.

They are classified in the following categories:

(In millions of Reals)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Tax	129	103	2,489	2,310
Labor	1	2	53	56
Civil	1	1	28	35
Total Judicial deposits and collateral	131	106	2,570	2,401

Tax judicial deposits are mainly composed of:

- CCI and Comercial de Alimentos' lawsuit on non-cumulative PIS and COFINS representing a total of R\$ 1,533 million at December 31, 2021 (R\$ 1,502 million as of December 31, 2020); and
- Banco CSF's lawsuit on the constitutionality of the additional social contribution on profits (CSLL) for an amount of R\$ 557 million at December 31, 2021, (R\$ 513 million as of December 31, 2020).

Provisions for the same matters are booked at each closing, see notes 18.2.1 and 18.2.2.



Notes to the financial statements

Changes in the judicial deposits and collateral

<i>(In millions of Reais)</i>	Parent Company	Consolidated
As of January 1, 2020	108	2,382
Interest	2	58
Addition (reversal)	(2)	2
Utilization	(2)	(41)
As of December 31, 2020	106	2,401
Interest	3	55
Addition (reversal)	22	134
Utilization	-	(20)
As of December 31, 2021	131	2,570



Notes to the financial statements

NOTE 12: INVESTMENTS

Accounting policies

The individual and consolidated statements of financial position include the Group's share of the change in the net assets of companies accounted for by the equity method (joint ventures), as adjusted to comply with Group accounting policies, from the date when joint control is acquired until the date when it is lost.

The company accounted for by the equity method are an integral part of the Group's operations and the Group's share of their net profit or loss is therefore reported as a separate component in the consolidated financial statements.

		Parent Company		Consolidated	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<i>(In millions of Reais)</i>					
Interest directly held					
Controlled:					
Carrefour Comércio e Indústria Ltda.	100.00%	7,723	6,753	-	-
Comercial de Alimentos Carrefour Ltda.	0.01%	-	-	-	-
Imopar Part. Adm. Imob. Ltda.	0.10%	-	-	-	-
Nova Tropi Empreendimentos Imobiliários Ltda.	0.01%	-	-	-	-
Pandora Participações Ltda.	99.99%	273	279	-	-
CMBCI Invest. e Participações Ltda.	0.01%	-	-	-	-
Cotabest Informação e Tecnologia S.A.	51.00%	(5)	1	-	-
(-) Intragroup elimination (a)		(284)	(312)	-	-
Joint ventures:					
Cosmopolitano Shopping Empreendimentos S.A. (b)	50.00%	-	-	70	73
Ewally Tecnologia e Serviços S.A. (c)	49.00%	-	-	34	38
Total Investments		7,707	6,721	104	111

Changes in shareholders' equity statement (Parent company)

		January 1st, 2021	Stock options grant	Net income from equity accounted company	Other Comprehensive Income	Capital Increase	December 31, 2020	Stock options grant	Net income from equity accounted company	Other Comprehensive Income	Capital Increase	December 31, 2021
<i>(In millions of Reais)</i>												
Carrefour Comércio e Indústria Ltda.		6,131	6	541	(5)	80	6,753	8	952	10	-	7,723
Pandora Participações Ltda.		291	-	(12)	-	-	279	-	(6)	-	-	273
Cotabest Informação e Tecnologia S.A.		-	-	(1)	-	2	1	-	(6)	-	-	(5)
(-) Elimination (a)		(339)	-	27	-	-	(312)	-	28	-	-	(284)
Total		6,083	6	555	(5)	82	6,721	8	968	10	-	7,707

- (a) Elimination of the intragroup value relating to the acquisition of the exclusivity right of the financial services distribution disclosed in note 19.
- (b) Amount refers to the balance in joint venture by Cosmopolitano Shopping Empreendimentos S.A., whose interest is held by CMBCI Investimentos e Participações Ltda. The equity expense for the year was R\$ 5 million (R\$ 3 million on December 31, 2020).
- (c) Amount refers to the interest acquired on October 4, 2019 by the subsidiary Carrefour Comércio e Indústria Ltda. The equity expense for the year was R\$ 4 million (R\$ 5 million on December 31, 2020).



Notes to the financial statements

BSF Holding S.A

The indirect subsidiary BSF Holding S.A. has a significant non-controlling interest and had the following balances for the year ended December 31, 2021 and 2020:

Balance Sheet:

<i>(In millions of Reais)</i>	Consolidated	
	December 31, 2021	December 31, 2020
Assets	2,863	2,826
Liabilities	162	100
Shareholders' equity	2,701	2,726

Income Statement:

<i>(In millions of Reais)</i>	Consolidated	
	December 31, 2021	December 31, 2020
Revenue	511	363
Net income	463	353

NOTE 13: INVESTMENT PROPERTIES AND PROPERTY EQUIPMENT

Accounting policies

IAS 40 (CPC 28) – Investment Property defines investment property as property (land or a building or both) held to earn rentals or for capital appreciation or both. Based on this definition, investment property held by the Group consists of shopping malls (retail and service units located behind the stores' check-out area) that are exclusively subject to a finance lease and represent a surface area of at least 2,500 square meters. These assets generate cash flows that are largely independent of the cash flows generated by the Group's other retail assets.

The assets classified as investment property have useful lives of 40 years and are recognized at cost.

Rental revenue generated by investment property is reported in the income statement under "Other revenue" on a straight-line basis over the lease term. The rewards granted by the Group under its leases are an integral part of the net rental revenue and are recognized over the lease term (Note 15).

The fair value of investment property is measured twice a year:

- by applying a multiple that is a function of (i) each shopping mall's profitability and (ii) a Brazil specific capitalization rate, to the gross annualized rental revenue generated by each property, or
- by obtaining independent valuations prepared using two methods: the discounted cash flows method and the yield method. Values generally also compare the results of applying these methods to market values per square meter and to recent transaction values.

In view of the limited external data available, particularly concerning capitalization rates, the complexity of the property valuation process and the fact that valuations are based on passing rents for the Group's own properties, the fair value of investment property, as disclosed below, is determined on the basis of level 3 inputs.

Note 13.1. Investment properties

<i>(In millions of Reais)</i>	Consolidated	
	December 31, 2021	December 31, 2020
Investment property at cost	706	531
Depreciation	(146)	(134)
Total investment properties, net	560	397

Changes in investment properties

As of January 1, 2020	408
Addition	-
Depreciation	(11)
As of December 31, 2020	397
Addition (a)	170
Transference from property and equipment (a)	5
Depreciation	(12)
As of December 31, 2021	560

(a) The balance refers to the properties involved in the exchange of the assets of the Pinheiros Project (Note 3).



Notes to the financial statements

Rental revenue generated by investment properties, reported in the income statement under "Other revenue" (note 22.2), amounted to R\$ 27 million for year ended December 31, 2021 (R\$ 15 million as of December 31, 2020). Operating costs directly attributable to the properties amounted to R\$ 22 million for year ended December 31, 2021 (R\$ 21 million as of December 31, 2020).

The valuation of the fair value of investment properties is carried out on a semi-annual basis, the last one being held on December 31, 2021, resulting in a fair value of investment properties of R\$ 808 million.

NOTE 13.2. Property and equipment

Accounting policies

Property and equipment mainly comprise buildings, store fixtures, fittings, and land.

Initial recognition

In accordance with IAS 16 (CPC 27) – Property, Plant and Equipment, land, buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost includes expenditures that are directly attributable to the acquisition of an asset and any other costs required to prepare that asset at the location and in the condition required to operate in the manner intended by Management, as well as the costs to dismantle the site where these assets are located.

Software acquired forming an integral part of the function of equipment is capitalized as part of that equipment.

Initial payments for rights of use assets, such as amounts paid as goodwill, for example, are considered as part of the asset.

Assets under construction are recognized at cost less any identified impairment losses.

Subsequent costs

The cost of replacing a property and equipment item is recognized in the carrying amount of that item in the event that it is probable that the economic benefits incorporated in the component shall flow to the Group and its cost can be reliably measured. The carrying amount of the component that has been replaced with another is written-off.

Maintenance costs from property and equipment ("P&E") items are recognized in the statement of income as incurred.

Gain and losses from the disposal of a P&E item are calculated through comparison between the proceeds received from that disposal with the P&E book value and are recognized net under Other (expense) income in the income statement.

Reclassification to Investment properties

When the use of the property changes from owner-occupied to an Investment property, the Group maintains this asset at historical cost and reclassifies it as Investment property.

Useful lives

Depreciation of property and equipment begins when the asset is available for use and ends when the asset is sold, scrapped or reclassified as held for sale in accordance with IFRS 5 (CPC 31) – Non-current Assets Held for Sale and Discontinued Operations.

Land is not depreciated. Other property and equipment, or each significant part of an item of property or equipment, are depreciated by the straight-line method over the following estimated useful lives:

Buildings	
▪ Building	40 years
▪ Leasehold improvements	5 to 30 years
▪ Equipment, fixtures and fittings	4 to 15 years
▪ Other	5 to 10 years

In light of the nature of its business, the Group considers that its properties and equipment have no residual value.

The depreciation of leasehold improvements is calculated and recorded over the total term of the contract.

Depreciation periods are reviewed at each period-end and, where appropriate, adjusted prospectively in accordance with IAS 8 (CPC 23) – Accounting Policies, Changes in Accounting Estimates and Errors.

Impairment tests (See note 14.3)



Notes to the financial statements

Breakdown

(In millions of Reais)

	Parent Company					
	December 31, 2021			December 31, 2020		
	Cost	Accumulated depreciation	Net Book value	Cost	Accumulated depreciation	Net Book value
Buildings and improvements	8,108	(1,091)	7,017	6,486	(894)	5,592
Equipment, fixtures, fittings and others	3,414	(1,634)	1,780	2,720	(1,344)	1,376
Construction in progress	448	-	448	596	-	596
Land	2,962	-	2,962	2,691	-	2,691
Rights of use of leasing	1,352	(145)	1,207	1,206	(90)	1,116
Total	16,284	(2,870)	13,414	13,699	(2,328)	11,371

	Consolidated							
	December 31, 2021				December 31, 2020			
	Cost	Accumulated depreciation	Impairment	Book value	Cost	Accumulated depreciation	Impairment	Book value
Buildings and improvements	10,972	(2,698)	(18)	8,256	9,277	(2,405)	(15)	6,857
Equipment, fixtures, fittings and others	7,304	(4,441)	(20)	2,843	6,549	(3,988)	(19)	2,542
Construction in progress	549	-	-	549	615	-	-	615
Land	3,677	-	(2)	3,675	3,460	-	(2)	3,458
Rights of use of leasing	2,659	(565)	-	2,094	2,363	(370)	-	1,993
Total	25,161	(7,704)	(40)	17,417	22,264	(6,763)	(36)	15,465



Notes to the financial statements

Changes in net book value

(In millions of Reais)

	Parent Company					
	January 1 st , 2021	Additions	Depreciation	Write-offs	Transfers (a)	December 31, 2021
Buildings and improvements	5,592	994	(197)	(1)	629	7,017
Equipment, fixtures and fittings	1,376	702	(322)	(10)	34	1,780
Construction in progress	596	748	-	-	(896)	448
Land	2,691	44	-	(7)	234	2,962
Right of use of leasing	1,116	181	(56)	(30)	(4)	1,207
Total	11,371	2,669	(575)	(48)	(3)	13,414

(In millions of Reais)

	Parent Company					
	January 1 st , 2020	Additions (c)	Depreciation	Write-offs	Transfers	December 31, 2020
Buildings and improvements	5,007	719	(159)	(18)	43	5,592
Equipment, fixtures and fittings	1,258	392	(267)	(7)	-	1,376
Construction in progress	37	711	-	-	(152)	596
Land	1,588	1,003	-	(9)	109	2,691
Right of use of leasing	590	587	(40)	(21)	-	1,116
Total	8,480	3,412	(466)	(55)	-	11,371

	Consolidated						
	January 1 st , 2021	Additions	Depreciation	Write-offs	Transfers (b)	Impairment	December 31, 2021
Buildings and improvements	6,857	1,063	(280)	(17)	637	(4)	8,256
Equipment, fixtures and fittings	2,542	912	(609)	(29)	32	(5)	2,843
Construction in progress	615	774	-	-	(840)	-	549
Land	3,458	44	-	96	77	-	3,675
Right of use of leasing	1,993	360	(189)	(54)	(16)	-	2,094
Total	15,465	3,153	(1,078)	(4)	(110)	(9)	17,417

(In millions of Reais)

	Consolidated					
	January 1 st , 2020	Additions (c)	Depreciation	Write-offs	Transfers	December 31, 2020
Buildings and improvements	6,322	759	(241)	(37)	54	6,857
Equipment, fixtures and fittings	2,546	556	(540)	(34)	14	2,542
Construction in progress	72	723	-	-	(180)	615
Land	2,365	1,004	-	(18)	107	3,458
Right of use of leasing	1,610	651	(173)	(95)	-	1,993
Total	12,915	3,693	(954)	(184)	(5)	15,465

- (a) Includes amounts regarding to the conversion of the Makro's stores that were allocated in the construction in progress.
- (b) Includes amounts regarding to the assets involved in the exchange of assets of the Pinheiros Projects as well as the balances mentioned above (Note 3).
- (c) Includes amounts regarding to the acquisition of assets of Makro Atacadista S.A.



Notes to the financial statements

NOTE 14: INTANGIBLE ASSETS

Accounting policies

Goodwill

Goodwill is initially recognized on business combinations as explained in Note 4. The goodwill recorded in the Group's financial statements was generated prior to the adoption of IFRS 3 (CPC 15) – Business Combination by the Group, and are based on the difference between the amount paid and the book value of the net assets on the acquisition date.

At the IFRS transition date, the Group elected to maintain the accounting treatment for business combinations applied under previous accounting standards, in line with the option available to first-time adopters under IFRS 1 – First-time Adoption of International Financial Reporting Standards (CPC 37).

In accordance with IAS 36 (CPC 1) – Impairment of Assets, goodwill recognized on business combinations is not amortized but is tested for impairment every year or more frequently if there is an indication that its carrying amount may not be recovered, by the method described in Note 14.3.

Other intangible assets

Intangible assets consist mainly of software, key money payment and other intangible assets.

Separately acquired intangible assets and goodwill are initially recognized at cost and intangible assets and goodwill acquired in business combinations are recognized at fair value (see Note 4).

Software and other intangible assets are amortized by the straight-line method over the following periods:

Class of assets	Useful life
Software and other intangible assets	5 years
Key money payment	10 to 25 years

The amortization methods, useful lives and net book values are reviewed at each reporting date and adjusted if appropriately.

The amortization of key money payment is performed in accordance with the contractual lease period.

Subsequent expenditure is only capitalized when it increases the future economic benefits embedded in the specific asset to which it is related. All other expenses, including spending on internally generated goodwill and trademarks are recognized in profit and loss as incurred.

Breakdown

(In millions of Reais)	Parent Company					
	December 31, 2021			December 31, 2020		
	Cost	Accumulated amortization	Net Book value	Cost	Accumulated amortization	Net Book value
Goodwill	1,702	(312)	1,390	1,702	(312)	1,390
Software	89	(55)	34	70	(46)	24
Total	1,791	(367)	1,424	1,772	(358)	1,414

(In millions of Reais)	Consolidated						
	December 31, 2021				December 31, 2020		
	Cost	Accumulated amortization	Impairment	Net Book value	Cost	Accumulated amortization	Net Book value
Goodwill	3,289	(1,461)	-	1,828	3,289	(1,461)	1,828
Software	1,620	(1,216)	-	404	1,529	(1,094)	435
Key money payment and other intangible assets	95	(62)	(9)	24	95	(58)	37
Intangible assets in progress	86	-	-	86	23	-	23
Total	5,090	(2,739)	(9)	2,342	4,936	(2,613)	2,323

Note 14.1. Goodwill

The recoverable amount of goodwill is monitored at the level of the group of cash-generating units (CGUs) which correspond to reporting segments.

(In millions of Reais)	Parent Company	
	December 31, 2021	December 31, 2020
	Net amount	Net amount
Atacadão (a)	1,390	1,390
Total	1,390	1,390



Notes to the financial statements

(In millions of Reais)	Consolidated	
	December 31, 2021	December 31, 2020
	Net amount	Net amount
Retail	437	437
Atacadão (a)	1,391	1,391
Total	1,828	1,828

- (a) On April 30, 2007, the final Parent Company Carrefour Group acquired the totality of the shares of the Company through its subsidiary, Korcula Participações Ltda. ("Korcula"). The goodwill was calculated as per the difference between the net equity of the Company at the date of the acquisition of R\$ 453 million and the purchase price of R\$ 2,233 million, subsequently adjusted to R\$ 2,163 million. At January 31, 2008, it was approved the merger through the incorporation of the parent company Korcula, based on the accounts as of December 31, 2007. For purposes of the merger, the value of the investment held by Korcula in the Company was eliminated from net assets, resulting in the recognition of goodwill of R\$ 1,702 million in the Company. In accordance with the accounting standard applicable in that period, this goodwill was amortized until to December 31, 2009, resulting in a net value of R\$ 1,390 million.

Note 14.2. Other intangible assets and goodwill - Change in intangible assets and goodwill

(In millions of Reais)	Parent company			
	January 1 st , 2021	Additions	Amortization	December 31, 2021
Goodwill	1,390	-	-	1,390
Software	24	19	(9)	34
Total	1,414	19	(9)	1,424

(In millions of Reais)	Parent company			
	January 1 st , 2020	Additions	Amortization	December 31, 2020
Goodwill	1,390	-	-	1,390
Software	21	10	(7)	24
Total	1,411	10	(7)	1,414

(In millions of Reais)	Consolidated					
	January 1 st , 2021	Additions	Amortization	Write-offs	Transfers	December 31, 2021
Goodwill	1,828	-	-	-	-	1,828
Software	435	64	(129)	(2)	36	404
Key money payment and other intangible assets	37	-	(4)	-	-	24
Intangible assets in progress	23	97	-	-	(34)	86
Total	2,323	161	(133)	(2)	2	2,342

(In millions of Reais)	Consolidated					
	January 1 st , 2020	Additions	Amortization	Write-offs	Transfers	December 31, 2020
Goodwill	1,827	1	-	-	-	1,828
Software	443	139	(124)	(53)	30	435
Key money payment and other intangible assets	40	-	(3)	-	-	37
Intangible assets in progress	18	30	-	-	(25)	23
Total	2,328	170	(127)	(53)	5	2,323

Note 14.3. Impairment of goodwill and sensitivity analysis

Accounting policies

In accordance with IAS 36 (CPC 1) – Impairment of Assets, intangible assets, goodwill, property, and equipment are tested for impairment whenever events or changes in the market environment indicate that the recoverable amount of an individual asset and/or a cash-generating unit (CGU) may be less than its carrying amount. For assets with an indefinite useful life – mainly goodwill – the test is performed at least once a year.

Individual assets or groups of assets are tested for impairment by comparing their carrying amount to their recoverable amount, defined as the higher of their fair value less costs of disposal and their value in use. Value in use is the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount is less than the carrying amount, an impairment loss is recognized for the difference. Impairment losses on property and equipment and key money and intangible assets (other than goodwill) may be reversed in future periods provided that the asset's increased carrying amount attributable to the reversal does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

Impairment of assets other than goodwill

Impairment tests on property and equipment are performed at the level of the individual stores (CGUs), for all formats. In accordance with IAS 36 (CPC 1), intangible assets and goodwill and property and equipment are tested for impairment whenever there is an indication that their recoverable amount may be less than their carrying amount. All stores that report a recurring operating loss before depreciation and amortization in two



consecutive years (after the start-up period) are tested.

Recoverable amount is defined as the higher of value in use and fair value less costs of disposal.

Value in use is considered equal to the store's discounted future cash flows over a period of up to five years plus a terminal value. Fair value is estimated based on the prices of recent transactions, industry practice, independent valuations or the estimated price at which the store could be sold to a competitor.

The discount rate applied is the same as for impairment tests on goodwill.

Goodwill impairment

IAS 36 (CPC 1) requires impairment tests to be performed annually at the level of each CGU or group of CGUs to which the goodwill is allocated.

According to the standard, goodwill is allocated to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. Each CGU or group of CGUs to which the goodwill is allocated should represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and should not be larger than an operating segment as defined in IFRS 8 (CPC 22) – Operating Segments before aggregation.

For the purpose of analyzing the recoverable amount of goodwill, each individual operating segment is considered to represent a separate group of CGU.

Value in use corresponds to the sum of discounted future cash flows for a period generally not exceeding five years, plus a terminal value calculated by projecting data for the final year to perpetuity at a perpetual growth rate. Future cash flows are estimated based on financial projections drawn up by operating segment level and approved by Executive Management.

The discount rate for each operating segment corresponds to the weighted average cost of equity and debt, determined using the median gearing rate for the sector. The cost of debt is determined by applying the same logic. The discount rate is calculated before taxes.

Additional tests are performed at the year-end when there is an indication of impairment. The main impairment indicators used by the Company are as follows:

- (i) internal impairment indicator: a material deterioration in the ratio of EBITDA/"LADIJA" (Earnings before Income tax, financial result, depreciation and amortization) excluding other income and expenses to net operating revenues, the budget and the most recent forecast;
- (ii) external impairment indicator: a material increase in the discount rate and/or a severe downgrade in the IMF's GDP growth forecast.

Impairment losses recognized on goodwill are irreversible, including those recorded at a year-end.

Determination of recoverable value

To determine the recoverable amount of the Group's segments (Atacadão and Varejo) that have goodwill allocated to the balance sheet, cash flow projections were used, after income tax and social contribution, based on financial budgets approved by Management considering the following premises:

- (i) Revenues: projected from 2022 to 2026 considering historical growth in volume sales and inflation projections based on banks' macroeconomic projections, without considering store expansion;
- (ii) Gross profit: projecting in the same year considering the historical level of gross profit expressed as a percentage of sales;
- (iii) Expenses: projected in the same year as revenues, according to store dynamics and seeking gains in productivity and efficiency detailed by each cost line;
- (iv) Working capital: projecting the same level of working capital expressed in days of cost of goods sold;
- (v) Acquisition of tangible and intangible assets (capex): the historical average investment in maintenance of existing assets was considered in determining the cash flow;
- (vi) Terminal value: a terminal value was calculated using the last year of the projections and applying the growth rate in perpetuity;
- (vii) Discount rate: prepared as described in the accounting policy. The discount rate used was 9.3% p.a. on December 31, 2021 (10.6% p.a. on December 31, 2020); and
- (viii) Growth rate in perpetuity: the growth rate considered was 3.1% p.a. on December 31, 2021 (3.5% p.a. on December 31, 2020).

Sensitivity analysis

The impairment tests on goodwill and other intangibles assets were performed at December 31, 2021 in accordance with IAS 16/CPC 01. The analysis of sensitivity to a simultaneous change in the key inputs based on reasonably possible assumptions did not reveal any probable scenario according to which the recoverable amount of any of the groups of CGU's would be less than its carrying amount. The results of the tests did not lead to the recognition of impairment losses on these assets.



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The perpetual growth rates and discount rates (corresponding to the weighted average cost of capital – WACC) applied for impairment testing purposes in December 31, 2021 are presented below:

Parent Company & Consolidated		
December 31, 2021		
	Pre-tax discount rate	Perpetual growth rate
Retail	9.3%	3.1%
Cash & Carry	9.3%	3.1%



NOTE 15: LEASES

Accounting policies

The Group recognizes the right of use and the lease debt at the lease initial date.

The right of use initially recognition is measured at cost value, including initial contract costs, such as acquisition of key money, and subsequently at adjusted cost value disregarding the effects of accumulated depreciation, impairment and adjustments of the lease debt.

The lease debt is initially measured at the present value of unpaid installments at initial recognition, generally using the Group's incremental loan interest rate, unless the discount rate implicit in the contract can be reliably determined.

The lease debt is subsequently increased by the cost of interest incurred and reduced by installments payments. The lease debt is remeasured when there are changes in contract like inflation indexes, changes in contractual rates, changes in purchase options or in the management's expectation of exercising options for withdrawing or renewing the contract.

The Group applies the judgment to determine whether or not the option of renewal or early withdrawal of certain contracts. This judgment is made taking into account the period of time for which the Group has reasonable certainty about these exercises, the existence of economic incentives to remain in the contract and other elements, which may significantly impact the value of the lease assets and liabilities.

The Group does not recognize the right of use and the lease debt of low value contracts or short-term contracts (duration of less than twelve months). The lease expense is recognized linearly over the contract period.

The amounts of tax credits on lease payments, PIS and COFINS, are considered as part of the lease assets and liabilities, in accordance with CVM's instructions (CVM / SEP / SNC / SEP 02/2019).

Group as a lessee

The main leased assets of the Group refer to properties where our stores, distribution centers and administrative buildings are located. The reconciliation of the right of use balance variation is shown in note 13.2 and lease debt in note 28.4. The estimated payment flows are shown in note 28.3.

These real estate lease agreements have a duration of 5 to 30 years and may have a renewal option. In addition, these contracts are generally indexed to inflation rates, which vary according to the lessor.



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(In millions of Reais)	December 31, 2021								December 31, 2020			
	Atacadão		Retail		Financial solution	Weighted average of the estimated lease term (in years)	Right of use Net	Potential PIS and COFINS credits	Right of use Total	Lease debt	Right of use Total	Lease debt
	Quantity	% of number of stores	Quantity	% of number of stores	Quantity							
Leased properties												
Cash & Carry	53	21%	-	N,A	-	13	933	69	1,002	(811)	881	(656)
Wholesale	10	30%	-	N,A	-	18	110	10	120	(131)	136	(147)
Hypermarket	-	N,A	31	31%	-	4	313	28	341	(383)	336	(363)
Supermarket	-	N,A	46	84%	-	15	229	18	247	(277)	248	(264)
Convenience stores	-	N,A	122	85%	-	21	91	6	97	(105)	85	(91)
Distribution centres	-	N,A	8	N,A	-	28	165	17	182	(209)	192	(213)
Administrative buildings	1	N,A	-	N,A	1	6	98	7	105	(122)	115	(126)
Total	64		207		1		1,939	155	2,094	(2,038)	1,993	(1,860)
Parent Company									1,207	(1,043)	1,116	(909)
Lease debt – current										(33)		(34)
Lease debt – non-current										(1,010)		(875)
Consolidated									2,094	(2,038)	1,993	(1,860)
Lease debt – current										(161)		(139)
Lease debt – non-current										(1,877)		(1,721)

The interest rates used to calculate the value of the lease asset and liability are shown below, the Group revaluates the interest rate when the lease term is reassessed.

Maturity	From	To
1 to 5 years	3.7%	12.2%
6 to 10 years	8.5%	13.5%
11 to 15 years	10.9%	14.1%
Over 15 years	11.9%	14.1%



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Other considerations

In compliance with the CVM / SNC / SEP 02/2019 letter, the comparative balances of the lease liability, the right of use, the financial expense and the depreciation expense for the year ended December 31, 2021 are presented, considering the flows estimated payment futures adjusted for inflation.

<i>(In millions of Reais)</i>	2021	2022	2023	2024	From 2025	Lease debt
Projected inflation	10.0%	5.03%	3.41%	3.00%	3.00%	
Parent company	143	139	122	108	1,211	1,723
Consolidated	362	346	276	196	2,276	3,455

<i>(In millions of Reais)</i>	Lease interest expense	Lease interest considering flows adjusted for inflation	Right of use depreciation expense	Depreciation expense considering flows adjusted for inflation
Parent company	107	131	56	69
Consolidated	211	223	189	230

Group as a lessor

The subsidiary Carrefour leases its properties of investments and commercial galleries existing in its stores.

As of December 31, 2021 and 2020, the subsidiary Carrefour had the following schedule of minimum non-cancellable operating lease receivables:

<i>(In millions of Reais)</i>	Consolidated	
	December 31, 2021	December 31, 2020
Within 1 year	200	174
1 to 5 years	289	161
Beyond 5 years	5	-
Group as a lessor	494	335



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NOTE 16: SUPPLIERS

Accounting policies

Suppliers correspond primarily to trade payables. They also include payables that suppliers have transferred to financial institutions as part of factoring programs with no recourse. There is no difference in the nature or terms of the liabilities before and after factoring.

They are classified in the category of "Financial liabilities measured at amortized cost", as defined in IFRS 9 (CPC 38) - Financial Instruments: Recognition and Measurement (Note 28). Suppliers are initially recognized at their nominal amount, which represents a reasonable estimate of fair value in light of their short maturities.

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Third parties:				
Trade accounts payable - goods	10,473	9,307	14,002	13,358
Trade accounts payable - sundry	90	84	663	574
Trade accounts payable - property and equipment	585	317	697	421
Related parties:				
Carrefour Import S.A.	-	-	86	64
Carrefour Argentina	-	-	-	5
Maison Johannes Boubee	-	-	1	1
Total Suppliers	11,148	9,708	15,449	14,423

The Group acts as intermediary between the supplier and financial institutions in providing its suppliers with a service of anticipation of their receivables from Group originating from the sale of goods and services. The supplier debt remains qualified in the same line in the balance sheet, as there is no difference in the nature and terms of payment of the liabilities before and after the anticipation for the Company and its subsidiaries, being the supplier's right and discretion to prepay its receivables against the Company and its subsidiaries.

The balance of securities sold by suppliers on December 31, 2021 was R\$ 2.289 million in the parent company and R\$ 3,614 million in the consolidated (R\$ 1,649 million in the parent company and R\$ 3,176 million on December 31, 2020 in the consolidated).

NOTE 17: INCOME TAX AND SOCIAL CONTRIBUTION

Accounting policies

Income tax expense comprises current and deferred income tax and social contribution. Current and deferred taxes are recognized in profit or loss, unless they are related to either a business combination or items recognized directly in equity, or in other comprehensive income.

Retail and Cash & Carry segments

Current and deferred income tax and social contribution for the year are calculated at statutory rates of 15%, plus a surtax of 10% on taxable income exceeding R\$240 thousand for income tax and 9% on taxable income for social contribution, and take into account the offset of income tax and social contribution losses, limited to 30% of taxable income.

Our subsidiary Imopar, E-mídia and CMBCI opted to calculate taxable profits as a percentage of gross sales ("lucro presumido"/"assumed profit"). Accordingly, Imopar calculates income and social contribution taxes at the rate of 32% on gross revenue (general activities) and 100% on financial income, on which the statutory rates of income tax and social contribution apply (25% and 9% respectively).

Financial Solutions segment

Current and deferred income taxes and social contribution at financial institution Banco CSF S.A. are calculated at statutory rates of 15%, plus a surtax of 10% on taxable income exceeding R\$240 thousand for income tax and 20% on taxable income for social contribution tax over Net Income, and take into account the offset of income and social contribution tax losses, limited to 30%. In addition, tax credits were recognized at the rates of 25% for income tax and at 20% for social contribution tax, on temporary differences. In accordance with Law No. 14,183/21, the Social Contribution rate, the social contribution rate on the net income of financial institutions increased from 20% to 25% in the period from July to December 2021, returning to 20% from January 2022.

Due to these changes, deferred tax assets and liabilities, which realization is expected to occur during this period, were recognized considering the new rate.

Current income tax and social contribution expense

The current income tax and social contribution expense is the tax payable or receivable estimated on taxable



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income or loss for the year and any adjustment to tax payable in respect to prior years. The amount of current tax payable or receivable is recognized in the statement of financial position as a tax asset or a tax liability at the best estimate of the projected value of the taxes to be paid or received and reflects the uncertainties relating to its calculation, if any. It is measured based on the tax rate enacted, or substantively enacted, at the statement of financial position date.

Deferred income tax and social contribution expense

Deferred income tax and social contribution are calculated on all temporary differences between the carrying amount of assets and liabilities in the consolidated statement of financial position and their tax basis (except in the specific cases referred to in IAS 12 (CPC 32), and carried-forward tax losses. They are measured at the tax rates that are expected to apply to the period when the asset will be realized or the liability will be settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted and are classified in the statement of financial position under "Non-current assets" and "Non-current liabilities".

The deferred tax assets are recognized related to the temporary differences and to the unused tax losses, to the extent that is probable that future taxable income will be available and against which they should be used. The deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that the realization is no longer probable.

The recoverable of the deferred income tax and social contribution is evaluated separately for each legal entity based on the estimates of future taxable income contained in the business plan and the amount of the deferred tax liabilities at the end of the period. A provision for impairment is registered for the write-off of deferred tax assets which recovery is not considered probable.

Deferred income tax and social contribution assets and liabilities are offset when there are legal grounds to offset current tax assets or liabilities and when these relate to an income tax imposed by the same tax authority as the entity that is subject to that taxation.

Note 17.1. Income tax and social contribution expense for the year

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Current income tax and social contribution expense	(793)	(744)	(1,279)	(1,021)
Deferred income tax and social contribution expense	160	(62)	314	(60)
Total income tax and social contribution expense	(633)	(806)	(965)	(1,081)

Reconciliation of effective tax rate

The Group's effective consolidated tax rate for the fiscal year ended December 31, 2021 was 22% (28% in the fiscal year ended December 31, 2020) and reflects, among other effects, to the recognition of the fair value of the Pinheiros project and the payment of the interest on equity.

The reconciliation between the effective tax rate and the nominal rate of the Parent Company and Consolidated is shown below:

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Income before income tax and social contribution	3,777	3,477	4,331	3,925
Combined tax rate at the parent company	-34%	-34%	-34%	-34%
Income tax and social contribution expense at combined tax rate	(1,284)	(1,182)	(1,473)	(1,335)
Permanent differences				
Interest on equity	243	168	303	168
Net income from equity accounted company	323	180	-	-
Non-deductible fines	14	19	35	19
Change in the portion of unrecognized deferred taxes	-	-	55	63
Tax rate difference in the subsidiary CSF bank (nominal rate of 50% - (45% as of December 31, 2020)	-	-	(146)	(65)
Fair value of the Pinheiros project (subsidiary Imporar - presumed profit)	-	-	134	-
IFRIC 23 adjustment (a)	73	-	107	-
Other permanent differences	(2)	9	20	69
Total income tax and social contribution expense	(633)	(806)	(965)	(1,081)
Effective Rate	-17%	-23%	-22%	-28%

- (a) On September 27, 2021, the STF recognized, in general repercussion (RE 1,063,187) Topic 962, the unconstitutionality of the offer to taxation of the Corporate Income Tax (IRPJ) and the Social Contribution on the Net Income (CSLL) on the SELIC rate received by the taxpayer in the repetition of undue tax. In view of this decision, on November 30, 2021, income tax credits were recorded in the amount of R\$ 73 million in the parent company and R\$ 107 million in the consolidated, under the heading of Recoverable Taxes.



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Note 17.2. Deferred tax assets and liabilities

Parent Company has a net deferred liability of R\$ 435 million as of December 31, 2021 (R\$ 599 million as of December 31, 2020).

The Consolidated position presented a net deferred tax liability of R\$ 194 million as December 31, 2021. A positive variation of R\$ 314 million in comparison to December 31, 2020.

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred tax assets	-	-	633	482
Deferred tax liabilities	(435)	(599)	(439)	(602)
Net balance of deferred tax (liabilities) / assets	(435)	(599)	194	(120)

The following table shows the composition of deferred taxes:

(In millions of Reais)	Parent Company						
	January 1 st , 2020	Recognized in		December 31, 2020	Recognized in		December 31, 2021
		Statement of income	OCI		Statement of income	OCI	
Depreciation of property and equipment	(158)	(31)	-	(189)	(37)	-	(226)
Unrealized tax gains	(188)	(11)	-	(199)	199	-	-
Unrealized exchange gains	-	-	-	-	(92)	-	(92)
Derivative financial instruments	-	(93)	(6)	(99)	20	4	(75)
Goodwill amortization allowed for tax purpose	(472)	-	-	(472)	(1)	-	(473)
Fair value adjustment	-	-	-	-	(4)	-	(4)
Total deferred tax liabilities	(818)	(135)	(6)	(959)	85	4	(870)
Unrealized exchange loss	-	71	-	71	68	-	139
Derivative financial instruments	-	-	-	-	29	-	29
Provisions	211	(32)	-	179	(25)	-	154
Other administrative provisions	8	5	-	13	4	-	17
Provision for profit sharing	32	15	-	47	(17)	-	30
Provision for sales discounts in inventory	24	1	-	25	3	-	28
Stock-option plan	2	1	-	3	5	-	8
Other provisions	10	12	-	22	8	-	30
Total deferred tax assets	287	73	-	360	75	-	435
Total net balance of deferred taxes	(531)	(62)	(6)	(599)	160	4	(435)

(In millions of Reais)	Consolidated						
	January 1 st , 2020	Recognized in		December 31, 2020	Recognized in		December 31, 2021
		Statement of income	OCI		Statement of income	OCI	
Depreciation of property and equipment	(214)	(32)	-	(246)	(39)	-	(285)
Goodwill amortization allowed for tax purpose	(618)	-	-	(618)	(1)	-	(619)
Unrealized tax gains	(188)	(30)	-	(218)	197	-	(21)
Derivative financial instruments	1	(93)	(2)	(94)	(44)	-	(138)
Total deferred tax liabilities	(1,019)	(155)	(2)	(1,176)	113	-	(1,063)
Unrealized exchange loss	-	71	-	71	68	-	139
(-) Impairment of fixed assets	15	(2)	-	13	4	-	17
Provisions	1,114	1	-	1,115	(47)	-	1,068
Tax losses carry-forward	884	(7)	-	877	(14)	-	863
Provision for profit sharing	79	42	-	121	(43)	-	78
Provision for sales discounts in inventory	165	(23)	-	142	7	-	149
Allowance for bad debts	179	(114)	-	65	-	-	65
Stock-option plan	2	1	-	3	5	-	8
Leases	255	61	-	316	14	-	330
Other provisions	135	2	-	137	152	-	289
Total deferred tax assets	2,828	32	-	2,860	146	-	3,006
Total deferred taxes, net	1,809	(123)	(2)	1,684	259	-	1,943
Unrecognized deferred taxes assets	(1,867)	63	-	(1,804)	55	-	(1,749)
Total net balance of deferred taxes	(58)	(60)	(2)	(120)	314	-	194

Note 17.3. Deferred income and social contribution taxes not recognized

Deferred income tax and social contribution assets totaled R\$ 1,749 million as of December 31, 2021 (R\$ 1,804 million as of December 31, 2020), including R\$ 580 million referring to tax losses (R\$ 735



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million in 31 December 2020) and R\$ 1,169 million in temporary differences (R\$ 1,069 million on December 31, 2020).

We estimate the following schedule for the recovery of the Group's deferred tax assets based on: i) reversals of future taxable differences and ii) expectation of future taxable profit generation, and for companies in the Retail segment, the technical feasibility study was approved by the Administration:

(In millions of Reais)	Recognized deferred taxes assets		Unrecognized deferred taxes assets	
	Parent Company	Consolidated	Parent Company	Consolidated
2022	333	848	-	-
2023	51	192	-	-
2024	51	217	-	-
2025	-	-	-	97
2026	-	-	-	98
2027-2029	-	-	-	279
2030-2032	-	-	-	139
2033-2035	-	-	-	139
2036-2038	-	-	-	139
2039-2041	-	-	-	139
From 2042	-	-	-	719
	435	1,257	-	1,749

NOTE 18: INCOME TAX PAYABLE, PROVISIONS AND CONTINGENT LIABILITIES

Accounting policies

In accordance with IAS 37 (CPC 25) – *Provisions, Contingent Liabilities and Contingent Assets*, a provision is recorded when, at the year-end, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount of the provision is estimated based on the nature of the obligation and the most probable assumptions, on a case by case analysis, except for a portion of labor claims which are estimated based on historical losses.

Contingent liabilities, which are not recognized in the statement of financial position, are defined as:

- possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- present obligations that arise from past events but are not recognized because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. The Group discloses a contingent asset where an inflow of economic benefits is probable. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

In January 1st, 2019 the technical interpretation IFRIC 23 / ICPC 22, about uncertain tax position came in effect. The subsidiary Carrefour Soluções Financeiras S.A. claims the constitutionality of the additional social contribution on profits financial entities are subjected to.

According with the new interpretation, the provision over this matter is now accounted in Income tax and social contribution payable in non-current liabilities.

Note 18.1. Changes in provisions

(In millions of Reais)	Parent Company			
	December 31, 2020	Interests	Increases / (Reversals)	Utilizations
Tax	392	8	(85)	(61)
Labor	50	-	5	(14)
Civil	31	11	11	(4)
Post-employment benefits	15	1	-	-
Total provisions	488	20	(69)	(79)
				360



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<i>(In millions of Reais)</i>	December 31, 2020	Interests	Increases /(Reversals)	Utilizations	December 31, 2021
Tax	2,734	80	(237)	(133)	2,444
Labor	280	49	86	(169)	246
Civil	268	51	4	(32)	291
Loan commitment (a)	317	-	(26)	-	291
Post-employment benefits	19	1	(2)	-	18
Total	3,618	181	(175)	(334)	3,290

<i>(In millions of Reais)</i>	December 31, 2020	Interests	Consolidated Increases /(Reversals)	Utilizations	December 31, 2021
Income tax and social contribution payable (note 18.2.1)	510	18	54	-	582

(a) The provision on contingent commitments refers to credit lines granted to customers of the Carrefour and Atacadão cards to our financial segments company, presented in note 33.

Group companies are involved in a certain number of administrative and judicial proceedings and claims in the normal course of business. They are also subject to tax audits that may result in assessments. The main claims and judicial proceedings are described below. In each case, the risk is assessed by Group Management and their advisors.

Disputes and legal proceedings

The Group is involved in tax, labor, social security's and civil disputes.

Note 18.2. Tax litigation – Accrued

The Group has received assessments and legal proceedings related to tax matters in the municipal, state and federal spheres. For those with a probable likelihood of loss, provisions were set up in an amount deemed sufficient to cover court decisions expected to be unfavorable.

As of December 31, 2021, the main tax contingencies subject to provisions were:

Note 18.2.1. Social contribution (CSLL)

Banco CSF filed a lawsuit to argue the constitutionality of the additional social contribution on profits financial entities are subjected to. The leading case that discussed this topic in the Supreme Court (STF) was judged as unfounded, in a definitive manner, against the contributors on June 30, 2020. Therefore, the Bank CSF expects a similar outcome in its lawsuit.

As of December 31, 2021, the total amount of provisions recorded, restated by monetary correction, was R\$ 582 million (R\$ 510 million as of December 31, 2020).

The values related to these provisions were paid by judicial deposits, presented in Note 11.

Note 18.2.2. PIS and COFINS

The non-cumulative system for calculating and paying PIS and COFINS has been in effect since 2002. Under this regime, the taxpayer has the right to deduct the amount of PIS and COFINS paid in previous stages of the production chain from those to be paid at the current stage. In 2004, Carrefour opted to judicially discuss the full use of PIS and COFINS credits for certain costs and expenses necessary for its activities. Carrefour recognizes PIS and COFINS credits on items in dispute and as the outcome of the aforementioned lawsuit is still uncertain, Carrefour recognized a provision for certain credits and also made a judicial deposit of the amount involved, on a monthly basis.

In September 2018, Carrefour stopped recognizing credits of PIS and COFINS over items, which are under discussion, ending the needs of new provision and judicial deposits.

The value of the judicial deposits related to this cause are presented in note 11.

Note 18.2.3. ICMS Basic Products

On October 16, 2014, the Federal Supreme Court ("Supremo Tribunal Federal" or "STF") ruled that part of the tax credits originating from the purchase of products in the basic basket should be reversed. This decision was published by the STF on February 13, 2015, with general repercussion effect, impacting all taxpayers. The taxpayers presented embargoes of declaration aiming, at the



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same time, to modify the effects of the decision, so that it takes effect from the final conclusion of the appeal.

On May 9 2019, the STF Plenary rejected the appeal filed by the taxpayer in the leading case (RE 635.688). As a result, there was no modulation of the effects regarding the reversal of part of the tax credits calculated on basic products for the transactions before this appeal. Therefore, a substantial part of the additions on provisions in the year ended December 31, 2019 refers to a provision registered as the result of the change on the probability of loss from possible to probable regarding the matter (Note 18.2.5 and Note 25).

On June 6, 2019, Taxpayers involved in the case filed new motion for clarification, which were again rejected.

As mentioned in Note 25, the Parent Company and its subsidiaries adhered to tax amnesty programs granted by certain states during the years ended December 31, 2021 and 2020, which included debts related to this topic.

Note 18.2.4. Others tax litigations

The Company and its subsidiaries received other tax assessments that, after analysis, have been classified as "probable losses". The main topics involved are (i) ICMS matters, such as undue credits, tax war, electricity, lack of payment and accessory obligations, (ii) Application of the Accident Prevention Factor – "FAP", (iii) Incorrect Statement of offsetting – "PERD/COMP", (iv) COFINS – Calculation base and rate; and (v) other less relevant issues.

Note 18.2.5. Accrued tax risks synthesis

The accrued tax risks of the Group, classified by the nature of the tax is presented below.

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Tax income	-	-	(582)	(510)
PIS and COFINS	(21)	(21)	(1,461)	(1,325)
ICMS	(210)	(351)	(837)	(1,220)
Other taxes	(23)	(20)	(146)	(189)
Total tax provisions	(254)	(392)	(3,026)	(3,244)
Judicial deposits offered as guarantee (notes 18.2.1 and 18.2.2)	-	-	2,090	2,015
Total tax provisions net of judicial deposits given as guarantee	(254)	(392)	(936)	(1,229)

The Group adhered to fiscal amnesty programs launched in 2020 in some States. Mainly in Mato Grosso do Sul and Rio de Janeiro. The total amount involved in these programs is R\$ 91 million in the parent company and R\$ 550 million in the consolidated, whose payments made during the year 2020 totaled R\$ 32 million in the parent company and R\$ 41 million in the consolidated. The payments made during the year 2021 totaled R\$ 57 million in the parent company and R\$ 120 million in the consolidated. The corresponding reversal of the provision for loss, resulting from the amnesty benefits, in the amount of R\$ 58 million in the parent company R\$ 357 million in the consolidated for the year ended December 31, 2020. With the disbursement made in 2021 there was still a reversal of another R\$ 105 million in the consolidated.

During the first quarter of 2021 the Group adhered to amnesty programs launched by some States, mainly Amazonas and Goiás. The total amount of the payments made in these programs was R\$ 42 million in the parent company and R\$ 76 million in the consolidated. The gross reversal of the provisions, given the benefits of the amnesty, totaled R\$ 31 million in the parent company and R\$ 53 million in the consolidated.

During the second quarter of 2021 the Group adhered to amnesty programs launched by some States, mainly Pernambuco. The total amount of the payments made in these programs was R\$ 7 million in the consolidated. The reversal of the provisions, given the benefits of the amnesty, totaled R\$ 7 million in the consolidated. There was no impact in the parent company.

During the third quarter of 2021 the Group adhered to amnesty programs launched by some States, mainly Minas Gerais. The total amount of the payments made in these programs was R\$ 15 million in the parent company and R\$ 37 million in the consolidated. The reversal of the provisions, given the benefits of the amnesty, totaled R\$ 1 million in the parent company and R\$ 45 million in the consolidated.



During the fourth quarter of 2021 the Group adhered to amnesty programs launched by some States, mainly Ceará, Paraíba and Tocantins. The total amount of the payments made in these programs was R\$ 1 million in the parent company and R\$ 1 million in the consolidated. The reversal of the provisions, given the benefits of the amnesty, totaled R\$ 4 million in the consolidated without any effects in the parent company.

The effects of the mentioned reversions are presented in Note 25.

Note 18.3. Accrued Employee-related disputes (Labor)

The Group is a party to several labor lawsuits and administrative proceedings, initiated by former employees, third parties, professional associations and the Public Prosecutor's Office, involving, basically, matters regarding work period, among other obligations provided by labor law. Such judicial and administrative proceedings involve requests for payment of overtime, acknowledgement of employment bond to outsourced workers and effects thereof, besides requests, from professional associations and the Public Prosecutor's Office, for proof of compliance with labor law and conduct adjustment.

Lawsuits filed by former employees or subcontractors' employees

Due to the significant number of labor claims, the provision is calculated, considering a history of losses to assess the amount involved for cases in the initial phase and less than R\$ 1 million. Based on a database of the Group companies referring to the processes concluded in the last two years and segregating employees by the main categories, an average of the payments made on the amounts claimed is calculated and applied to new claims. In addition, for cases where labor claims are greater than R\$ 1 million, the expectation of loss, including the amount to be recorded, is individually analyzed by the Group's internal and external legal advisors.

The Group regards none of the lawsuits filed by former employees or subcontractors' employees as individually material.

Collective lawsuits filed by associations or Public Prosecutor's Office

The judicial or administrative actions brought by professional associations and the Public Prosecutor's Office, are evaluated on a case by case and provisions are booked in sufficient amounts when needed.

The Group regards none of the lawsuits filed by associations or Public Prosecutor's Office as individually material.

As of December 31, 2021, the total provision for labor claims amounted to R\$ 246 million (R\$ 280 million as of December 31, 2020).

Note 18.4. Judicial and administrative claims (Civil)

In the administrative sphere, the Group is subject to inspections and assessments by the most diverse agencies and from the most diverse spheres (Municipal, State and Federal), in view of the broad regulation applied to the retail business. At the judicial level, the lawsuits focus on issues arising from consumer relations, commercial relations with suppliers and demands filed in the face of regulatory agencies.

As of December 31, 2021, provisions for civil disputes amounted to R\$ 291 million (R\$ 268 million as of December 31, 2020).

Note 18.5. Not accrued contingent liabilities

As of December 31, 2021, the Group is involved in other tax, civil and social security contingencies, the losses of which were considered possible by Management with the support of external legal advisors, and therefore not provisioned, in the amount of R\$ 3,852 million in the parent company (R\$ 3,710 million on December 31, 2020) and R\$ 9,070 million in the consolidated (R\$ 8,451 million on December 31, 2020). Considering the deferred income tax and social contribution liabilities recorded during the tax amortization period, the net risk of contingent liabilities for the Group is R\$ 3,379 million in the parent company (R\$ 3,237 million on December 31, 2020) and R\$ 8,481 million in the consolidated (R\$ 7,859 million on December 31, 2020).

On January 2022, the subsidiary received a PIS and COFINS tax assessment related to credits on certain expenses, as well as on commercial discounts from its suppliers in the total amount of R\$ 483 million.



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Note 18.5.1 Tax

The contingent tax liabilities are:

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Tax income	3,044	2,974	3,255	3,183
PIS and COFINS	135	88	2,158	1,595
ICMS	562	486	2,842	2,901
Other taxes	111	162	815	772
Total tax provisions	3,852	3,710	9,070	8,451

The main topics that make up these contingent tax liabilities refer to: (i) Goodwill amortization deductibility, (ii) Changes in the exchange rate taxation for purposes of calculating income tax and social contribution, (iii) Taxation of ICMS on cancelled coupons and ICMS credits in dispute in state of São Paulo, (iv) Recognition of PIS/COFINS credits on certain expenses, as well as taxation of PIS/COFINS on bonuses received from suppliers, and (v) Tax on transfer of real state – ITBI.

The main cases are presented below:

Goodwill amortization deductibility at Atacadão S.A. (Income tax and social contribution)

The Company has been challenged since June 2013 regarding the amortization of goodwill for tax purposes related to the acquisition of Atacadão occurred in 2007.

The main question raised by the Brazilian tax authorities refers to the deductibility of the goodwill amortization resulting from the acquisition of Atacadão in 2007. This acquisition was made through a Brazilian holding company, which was later merged into Atacadão. In addition, the tax assessment notices also claim amounts related to income tax and social contribution related to: (a) the financial expenses related to the debt that was initially registered by the Brazilian holding company and, later, transferred to Atacadão; and (b) the amount of Interest on Equity ("IOE" or "JCP") paid by Atacadão to its shareholders, disproportionately to the participation held by the shareholders. This tax assessment notice was challenged by the Company.

For the first case, during the first semester of 2016, a partially favorable decision was handed down, at the administrative level, reducing the total risk of the tax assessment notice, regarding the deductibility of financial expenses and a qualified fine. With the exclusion of the canceled amounts (through the favorable part of the judgment), as a result of the decisions, the collection remains at R\$ 2,040 million in December 31, 2021 (R\$ 1,998 million on December 31, 2020).

In July 2017, the Company received an unfavorable decision in a final administrative instance regarding the other points (deductibility of goodwill amortization, isolated fine and interest on own capital) and proceeded with the defense in the judicial sphere. In October 2017, the Company filed a judicial measure to continue the legal discussion, as well as guaranteeing the amount involved through the provision of surety bonds.

In July 2018, an unfavorable first instance court decision was issued regarding interest on equity - "IOE" or "JCP". In view of this decision, the Company filed an appeal, and there is no change in the risk assessment.

In addition to same operation, the Company also received a complementary tax assessment in 2016 for the periods from 2012 to 2013. There are no subsequent periods subject to questioning by the relevant tax authorities to this matter.

Regarding the second tax assessment notice mentioned above, in February 2018, the Company obtained a partially favorable administrative decision in CARF regarding (i) deduction of interest expenses; and (ii) reduction of the qualified fine from 150% to 75%. Regarding the topics of amortization of goodwill and the distribution of interest on equity ("IOE" or "JCP"), CARF maintained its unfavorable position. Currently, there are appeals from the Company and tax authorities pending judgment. In December 2019, the Company, as a Special Appeal at CARF, definitively won the reduction of the qualified fine from 150% to 75%, maintaining the discussion on the other issues. This decision resulted in a reduction of R\$ 120 million. In June 2020, the Company filed a judicial measure to continue the legal discussion, as well as guaranteeing the amount involved through the provision of surety bonds. As of December 31, 2021, the amount referring to this auto was R\$ 725 million (R\$ 705 million on December 31, 2020).

As of December 31, 2021, the total amount under dispute was R\$ 2,765 million (R\$ 2,705 million as of December 31, 2020), considering the deferred income tax and social contribution recorded during



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the fiscal amortization period, the net risk for the Company is R\$ 2,292 million (R\$ 2,232 million as of December 31, 2020).

Exchange variation taxation change

The Company received tax assessment notices for the period 2015 and 2016 related to income tax and social contribution. Federal tax authorities questioned the change in the regime for recognizing exchange rate variations and their effects.

As of December 31, 2021, the total amount of these tax assessments was R\$ 278 million (R\$ 269 million as of December 31, 2020).

Tax calculation on cancelled coupons at Carrefour (ICMS)

Carrefour received tax assessments in the State of São Paulo for 2006 to 2010 calendar years, due to supposed lack of payment of the Tax on Distribution of Goods and Services - ICMS, related to tax coupon items declared as cancelled.

Such cancellations result from situations in which Carrefour customers eventually withdraw from the purchase of products at the checkout or due to the program called "Compromisso Público Carrefour", whereby Carrefour adopts a proven lower price and presented by the customer, in a product identical to that one to be purchased at a Carrefour store.

Carrefour's defense has been consisting in demonstrating, on a sample basis, that every cancellation registered was justified. At the date of issuance of these financial statements, eleven cases had been judged at the judicial sphere, nine with a final favorable decision to Carrefour, one with a partially favorable decision (approximately 90% of winning chance) and one with an unfavorable decision with Carrefour's appeal under judgment. Tax authorities appealed the other. The other cases are waiting for judgment, whether in administrative or judicial sphere.

Carrefour has constituted a provision based on the updated value of the debts, considering the cases that already received unfavorable decisions, although not definitive. The amount is reviewed periodically.

As of December 31, 2021, the total amount of this contingent liability was R\$ 1,519 million (R\$ 1,576 million as of December 31, 2020).

Disputed tax credits at Carrefour (ICMS)

The warehouses in São Paulo received assessments regarding alleged undue ICMS credits related to the year of 2008. The Authorities alleged that such credits had been recognized in 2008 through the ICMS Information and Calculation Guide - "GIA's", and also recorded in the tax books without proper documentation (invoices). As of December 31, 2021, the total amount of assessments received was R\$ 488 million (R\$ 480 million in December 2020).

Tax credits arising from certain expenses (PIS and COFINS)

The subsidiary Carrefour received tax assessments mainly related to the recognition of tax credits on certain expenses. The total amount of tax assessments was R\$ 1,198 million as of December 31, 2021 (R\$ 1,020 million as of December 31, 2020).

Goodwill amortization deductibility at Carrefour (Income tax)

In the course of its economic activities, Carrefour acquired nine supermarket chains in the years 1998 to 2001, which were subsequently transferred to Carrefour through a merger operation. These transactions generated a goodwill, which was amortized for tax purposes.

Regarding the matter and for the years 2007 to 2013, the tax authority questions the deductibility of goodwill amortization, recognized by Carrefour, considering the legal grounds established by Law no. 9,249/1995, Decree no. 1,598/1977 and accounting standards. The main point of the discussion is the proof of payment made by Carrefour for the acquisitions made and the allocation of goodwill expenses. Additionally, the tax assessment notices also deal with the expenses of non-deductible provisions and the reduction of taxable income.

In January 2017, the Administrative Court (CARF) unanimously decided in favor of Carrefour: (i) on the deductibility of goodwill (2009 to 2012) related to two of the nine acquisitions; and (ii) related to the reduction of taxable income. The Group is awaiting the publication of the decision. The remaining acquisitions are still pending judgment.



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In September 2017, the Superior Administrative Court (CARF), for the 2007 period, the decision remained partially favorable as to the deductibility of goodwill (2007) related to the two acquisitions and related to taxable profit, however, the Chamber considered the deductibility of the goodwill for the other acquisitions unfounded.

In October 2017, the ruling was published and Carrefour filed an appeal for clarification, which was judged and the Superior Chamber of CARF maintained the partially favorable decision.

In March 2018, the process was closed at the administrative level and the Brazilian Federal Tax Authorities ("Receita Federal") constituted the collection of the remaining debt based on the effects of the partially favorable decision. The Company is proceeding with the discussion in the judicial sphere and has presented guarantee.

In December 2018, the subsidiary Carrefour received an assessment notice on the same topic, but related to the calendar year of 2013. In this case, considering that Carrefour had a tax loss, the tax authority identified the amount that should not have been amortized. in the period of 2013 (R\$ 69 million) and determined that Carrefour should make adjustments to the calculation basis for income tax and social contribution. The administrative defense was filed in January 2019.

In April 2019, the subsidiary Carrefour had a favorable decision concerning the tax assessment in which the federal authorities challenged the deductibility of the goodwill amortization in the "Eldorado" acquisition. In this case, the Superior Chamber of CARF accepted our appeal in a final decision and this tax assessment of R\$ 62 million was fully cancelled (goodwill 2008 to 2012).

As of December 31, 2021 the total amount under dispute was R\$ 212 million (R\$ 209 million as of December 31, 2020), considering the deferred income tax and social contribution recorded during the fiscal amortization period, the net risk for the Company was R\$ 96 million (R\$ 94 million as of December 31, 2020).

Rebates received by the subsidiary Carrefour

As a common practice in retail, Carrefour receives commercial discounts from its suppliers and considers these values as a reduction in costs and expenses. Carrefour received tax assessment notices, relative to the years of 2007 and 2008, in which the tax authority considered that part of these credits should be treated as revenue and consequently subject to PIS and COFINS.

In the first semester of 2020, Carrefour obtained two partially favorable decisions due to inconsistencies in the tax assessment notices, resulting in a reduction of R\$ 81 million in the total amount of the assessments, but these decisions are still pending appeal at the administrative level.

As of December 31, 2021, the total amount of tax assessments received by the subsidiary Carrefour was R\$ 825 million (R\$ 487 million as of December 31, 2020).

Tax on Transfer of Real Estate (ITBI) – The subsidiary Carrefour

The municipality of São Paulo charges Carrefour for the ITBI allegedly levied on the transfer of properties carried out through the capital increase (payment of capital).

The main point of discussion is the tax immunity related to ITBI provided for in the Federal Constitution (article 156) to real estate transfer operations, through the capital increase of companies. In its defense, Carrefour demonstrated that all properties were transferred as a capital increase and that such transfers are not subject to ITBI tax and the prescription of charges.

In this first quarter of 2020 the subsidiary Carrefour obtained two partial favorable decisions regarding this theme, which reduced the total amount related into R\$ 12 million in the amount discussed. In the third quarter the subsidiary Carrefour also obtained one favorable decision, which reduced the total into R\$ 34 million on the ITBI case discussed against the city of São Paulo.

During the second quarter of 2021 CCI the subsidiary Carrefour obtained one total favorable decision regarding this theme which reduced the total amount related into R\$ 17 million in the amount discussed.

As of December 31, 2021 the total amount of tax assessments received by the subsidiary Carrefour was R\$ 240 million (R\$ 236 million as of December 31, 2020).



Other non-provisioned tax contingencies

The Company and its subsidiaries still have other administrative and legal claims, which, after analysis, were classified as "possible losses". Among the topics involved are: ICMS - undue credits, demands between states regarding the granting of tax benefits (tax war), credits on electricity, non-payment and ancillary obligations.

Nota 18.5.2. Civil

Administrative procedure

As per the Material Fact published on August 22, 2019, the Company became aware of the existence of two investigation proceedings (PICs) initiated by a São Paulo State prosecutor (GEDEC) against public employees of the Municipality of São Paulo and employees of Atacadão S.A., referring to the conditions for renewing the operating licenses of its headquarters and two stores. These investigatory proceedings and the criminal proceedings related to one of them do not involve the Company.

On June 27, 2020 and May 25, 2021, the Municipality of São Paulo notified Atacadão S.A. of the opening of administrative liability proceedings that has been initiated based on the proceedings described above. These proceedings are still in the initial phase.

Based on the circumstances known to the Company thus far, we concluded that there are no adjustments to be made to these financial statements regarding these matters.

NOTE 19: DEFERRED REVENUE

Parent company

In June 2016, the Company concluded, with its indirect subsidiary, Banco CSF S.A., an operational agreement, with a sixteen-year maturity, to create a new credit card, "Cartão Atacadão", and authorizing the offer, distribution and commercialization of "Banco Carrefour" financial products and solution to the Company customers.

This partnership provided an R\$ 825 million income in cash for the Company in September 2016. The value was paid in Exchange of the exclusivity right and the use of the Company customers database for the duration of the operational agreement, and for the visibility of these services related operations and offers in the Atacadão stores. The income resulting from the proceeds received will be appropriated in the result alongside the duration of the agreement, with the booking of a prepaid income of R\$ 825 million in December 31, 2016.

As the transaction was concluded with an indirect subsidiary, the prepaid income value booked in Atacadão financial statements up did not include the one related to the participation of the minority interest BSF Holding S.A, direct controlling shareholders.

The following table shows the value booked of the Parent Company of this transaction:

(In millions of Reais)	Parent Company	
	December 31, 2021	December 31, 2020
"Cartão Atacadão" transaction	274	300
Other deferred revenue	3	4
Total Deferred revenue	277	304
Current	28	28
Non-current	249	276

Consolidated

On November 03, 2020, Carrefour launched the "My Rewards" ("Minhas Recompensas") program, connected to all formats of Carrefour stores (hypermarkets, supermarkets, convenience stores, gas stations and drugstores), e-commerce (food and non-food) and bank. In it the customers can accumulate virtual coins and exchange them, during a three-month period, for several benefits, either in discounts vouchers on purchases or for use in our partners, in order to generate savings in the whole basket. The coins received by a customer are recognized as a reduction on sales revenue.

Deferred revenue is estimated based on the fair value of the virtual coins issued, which takes into account the value of the prizes and the expectation of redemption of those virtual coins. It is recognized in the result when the virtual coins are redeemed, moment in which the costs incurred due to the delivery of the rewards are also recognized in the result or when the virtual coins expire.



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As of December 31, 2021, the amount registered in the consolidated for this transaction is R\$ 21 million in current liability.

NOTE 20: EQUITY

Note 20.1. Capital management

Capital management objectives (equity and debt capital) are to:

- Ensure that the Group can continue operating as a going concern, in particular by maintaining high levels of liquid resources;
- Optimize shareholder returns;
- Keep gearing at an appropriate level, in order to minimize the cost of capital and maintain the Group solvency at a level that allows it to access a wide range of financing sources and instruments.

In order to maintain or adjust its gearing, the Group may take on new borrowings or retire existing borrowings, adjust the dividend paid to shareholders, return capital to shareholders, issue new shares, buy back shares or sell assets in order to use the proceeds to pay down debt.

Banco CSF must have sufficient equity capital to comply with capital adequacy ratios and the minimum capital rules set by the Central Bank of Brazil ("BACEN").

Note 20.2: Share capital and treasury stock

Note 20.2.1. Share capital

Issuance of common shares

In the year ended December 31, 2021, the Company issued 140,500 new common book-entry shares, nominatives, and without nominal value, with an issue price of R\$ 11.70 per share, following the exercises of stock options in the scope of the Company's Stock Option Plan, "Pre-IPO" plan, described in note 31.

The Company's share capital, duly approved by the Board of Directors within the authorized capital, was R\$ 7,651 million as of December 31, 2021 (R\$ 7,649 million as of December 31, 2020), represented by 1,985,339,550 common book-entry shares (1,985,199,050 as of December 31, 2020), nominatives, and without nominal value.

The composition of the share capital by number of shares on December 31, 2021 and 2020 was as follows:

<i>Number of shares</i>	December 31, 2021		December 31, 2020	
Shareholders				
Carrefour Nederland B.V.	770,832,970	39%	770,832,970	39%
Carrefour S.A.	651,400,000	33%	651,400,000	33%
Península II Fundo de Investimento em Participações	152,070,854	8%	152,070,854	8%
Free Float	411,035,726	20%	410,895,226	20%
Total	1,985,339,550	100%	1,985,199,050	100%

Note 20.2.2. Capital reserve

Capital reserve comprises amounts received by the Group and not recorded in the statement of income as revenue, since the purpose of such amounts is to strengthen the capital, without any efforts by the Group in terms of delivery of goods or provision of services. These are capital transactions with shareholders. Capital reserve is used exclusively for the following purposes: (i) absorb losses, when they exceed income reserves; (ii) redeem, reimburse or purchase shares; (iii) redeem from beneficiaries; (iv) incorporate into capital and (v) pay cumulative dividends.

As of December 31, 2021 the capital reserve totaled R\$ 2,213 million (R\$ 2,193 million as of December 31, 2020).

Effect of the stock options plan

The value registered in the equity for R\$ 63 million as of December 31, 2021 (R\$ 43 million as of December 31, 2020) corresponds to the effect of the stock options plan and the benefit plan settled with shares of the Parent's Company (Carrefour S.A.), detailed in the note 31.



Note 20.2.3 Net effect of acquisition of minority interest

The balance of this account arose from the merger of Brepa Comércio e Participações Ltda. by The Company in 2014 and related to the acquisition of Carrefour Comércio e Indústria Ltda. minority interests by Brepa.

Note 20.2.4. Income reserve

Legal reserve

It is set up at 5% of the net income for the year, under the terms of Law No. 6404/76, article 193, as amended ("Brazilian Corporation Law") up to the limit of 20% of the capital. The net value registered in December 31, 2021 were of R\$ 540 million (R\$ 383 million as of December 31, 2020).

Profit retention reserve

The profit retention reserve was set up under the terms of article 196 of Law No. 6404/76, for the constitution of a reserve of investments and working capital need, to fund the growth and expansion, and finance the working capital need of the Company.

Note 20.2.5. Equity evaluation adjustment

Equity evaluation adjustment includes:

- (i) The effective portion of the accumulated net variation of fair value of hedging instruments used in cash flow hedge up to the recognition of hedged cash flows (see note 28.8);
- (ii) Accumulated net variation of fair value of debt instruments and equity instruments measured at fair value through other comprehensive income; and
- (iii) Accumulated net variation of provision for post-employment benefits paid to the Group employees.

The amounts recorded under equity valuation adjustments are reclassified to the statement of income for the year, either wholly or partially, upon disposal of the assets/liabilities to which they refer.

Note 20.3. Treasury stock

Accounting policies

Treasury stock is recorded as a deduction from shareholders' equity, at cost. Gains and losses from sales of treasury stock (and the related tax effect) are recorded directly in shareholders' equity without affecting net income for the year.

There is no treasury stock as of December 31, 2021 and 2020.

Note 20.4. Dividends

Accounting policies

The Company's Bylaws provide that at least 0.1% of adjusted annual net income be distributed as dividends. Therefore, at the end of each year, the Company records a provision for the minimum mandatory dividend that has not yet been distributed, if this limit has not been reached by the interim remuneration. Dividends above this limit are recorded in a specific account in shareholders' equity called "Proposed Additional Dividend". When deliberated by Management, interest on shareholders' equity is included in dividends for the year.

The tax benefit of interest on shareholders' equity ("IOE") is recognized in the income statement (Note 17.1).

Parent company

On February 12, 2021, the Board of Directors approved the proposal for the distribution of profits for the year ended December 31, 2020 in the amount of R\$ 1,241 million, equivalent to R\$ 0.63 per share. Discounting the prepayments made during 2020, the amount of R\$ 759 million remains paid. The distribution proposal was approved at the Annual Shareholders' Meeting on April 13, 2021 and the payment of shares have occurred on June 24, 2021 to shareholders who are part of the shareholding structure on April 16, 2021.

On June 11, 2021, the Board has approved the payment of interest on equity to the Company's shareholders in the gross amount of R\$ 175 million, equivalent to R\$ 0.088148225 per outstanding share. Shareholders with equity position in the Company on June 18, 2021 was entitled to such



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payment, and, as from June 21, 2021 (including), shares will be traded on the stock exchange “ex-rights” to the interest on equity. The payment was made in one single installment, on June 30, 2021, at the percentage of each shareholder’s interest, with withholding income tax, except for shareholders provenly immune or exempt.

On November 09, 2021, the Board has approved the payment of dividends in the gross amount of R\$ 324 million, equivalent to R\$ 0.163145896 per outstanding share and interest on equity in the gross amount of R\$ 542 million, equivalent to R\$ 0.273001160 per outstanding share. Shareholders with equity position in the Company on November 12, 2021 was entitled to such payment, and, as from November 16, 2021 (including), shares will be traded on the stock exchange “ex-rights” to the interest on equity. The payment was made in 2 (two) installments, on November 25, 2021 and December 15, 2021, at the percentage of each shareholder’s interest, with withholding income tax, except for shareholders provenly immune or exempt.

<i>(In million of Reais)</i>	December 31, 2021	December 31, 2020
Net income for the year	3,144	2,671
Legal Reserve	(157)	(134)
Adjusted net income, in accordance with the Brazilian Corporation Law (Lei das SA's)	2,987	2,537
Dividend	1,041 35%	1,241 49%

Subsidiary BSF holding

The amount of the minimum mandatory dividends of the subsidiary BSF holding, for the year 2020, is R\$ 100 million, of which the amount of R\$ 51 million to the direct subsidiary Carrefour Comércio e Indústria Ltda. and the amount of R\$ 49 million to the non-controlling shareholder Itaú Unibanco S.A. On April 29, 2021, was approved in addition to the distribution of minimum mandatory dividends, proposed additional dividends arising from the profit generated in the year ended December 31, 2020 in the amount of R\$ 189 million, of which the amount of R\$ 97 million to the direct subsidiary Carrefour Comercio e Indústria Ltda. and the amount of R\$ 92 million to the non-controlling shareholder Itaú Unibanco S.A. The amount of R\$ 289 million (R\$ 148 million directly controlled by Carrefour Comercio e Indústria Ltda. and R\$ 141 million to the non-controlling shareholder Itaú Unibanco S.A.) was settled on June 21, 2021.

At the Extraordinary General Meeting held on December 9, 2021, the distribution of extraordinary dividends and interest on equity arising from profits generated in years prior to 2020 was approved. On December 10, 2021, the Bank settled dividends and interest on equity in the amount of R\$ 170 million, of which the amount of R\$ 86 million was paid to the direct subsidiary Carrefour Comercio e Indústria Ltda. and the amount of R\$84 million was paid to the non-controlling shareholder Itaú Unibanco S.A.

The amount of the minimum mandatory dividends of the subsidiary BSF holding, for the year 2021, is R\$ 132 million, of which the amount of R\$ 67 million was paid to the direct subsidiary Carrefour Comércio e Indústria Ltda. and the amount of R\$ 65 million to be paid to the non-controlling shareholder Itaú Unibanco S.A.

Note 20.5. Non-controlling interests

As of December 31, 2021 and 2020, non-controlling shareholders detain a participation of 49% in the capital stock of Cotabest Informação e Tecnologia S.A. and 49% of the capital stock of the controlled entity BSF Holding S.A. is held by Banco Itaú Unibanco S.A. BSF Holding S.A. holds 100% in the capital stock of banco CSF S.A., whose purpose is the supply, distribution and trade of financial products and services to customers.

NOTE 21: BASIC AND DILUTED (LOSSES) / EARNINGS PER SHARE (GROUP SHARE)

Accounting policies

In accordance with IAS 33 (CPC 41) – Earnings Per Share, basic earnings per share is calculated by dividing net income, Group share (numerator) by the weighted average number of shares outstanding (excluding those held in treasury) (the denominator) during the period.

Treasury stock are described in Note 20.3, are not considered to be outstanding and are therefore deducted from the number of shares used for earnings per share calculations. Contingently issuable shares are treated as



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outstanding and included in the calculation only from the date when all necessary conditions are satisfied. Diluted earnings per share is calculated by adjusting net income, Group share and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares.

The weighted average number of shares included the effect of the emissions of common shares following the exercises of stock options in the scope of the Stock Option Plan, "Pre-IPO" plan, described in note 31.

The following table shows the calculation of income or loss per common share:

	December 31, 2021	December 31, 2020
Net income for year attributable to controlling shareholders (In millions of Reais)	3,144	2,671
Weighted average number of shares outstanding (in millions)	1,985	1,985
Basic EPS denominator (in million)	1,985	1,985
Stock options (in million)	3	2
Diluted EPS denominator (in million)	1,988	1,987
Basic earnings per share (in R\$)	1.58	1.35
Diluted earnings per share (in R\$)	1.58	1.35

NOTE 22: NET OPERATING REVENUE

Accounting policies

Revenue ("Net Operating Revenue") comprises net sales and other revenue.

Net sales correspond exclusively to sales via the Group's stores (Cash & Carry and Retail), e-commerce platform, gas stations and drugstore sales.

Other revenue comprises revenue from our Financial Solutions segment (including services and commissions: on extended warranty insurance, financial protection insurance, personal accident insurance, as a technical assistance sales agent and cell phone operator, bank card fees and traditional credit line organization fees and renewable), real estate development revenues, travel agency fees, shopping center rentals and franchise fees.

Net Operating Revenue is measured at the fair value of the consideration received or receivable in exchange for goods or services, excluding sales taxes and net of any benefits granted to customers (returns and trade discounts).

Net Operating Revenue is recognized if:

- On sales of goods, when (i) the risks and rewards of ownership of the goods are transferred to the customer, (ii) it is probable that the economic benefits will flow to the Group, (iii) the associated costs and possible return of goods can be estimated reliably, (iv) there is no continuous involvement in the goods sold, and (v) the amount of revenue can be reliably measured. The constitution and recomposition of the adjustment to present value is recorded in the accounts receivable account and the counterpart is the item of net operating revenue. Revenue is measured net of returns and commercial discounts
- On sales of services, (i) in the period in which the service is rendered (services and commissions: in extended warranty insurance policies, financial protection insurance, personal accident insurance, as a sales broker of technical assistance and cell phone operator payments are presented on a net basis and recognized in the statement of income when it is probable that the economic benefits shall flow to the Group, and when amounts can be reliably measured, (ii) financial solutions revenues from Banco CSF S.A. (bank card fees and interest consumer credit activities, among others, that are authorized and regulated by the Central Bank of Brazil-BACEN) are recognized over the life of the contract, and (iii) rental revenue is recognized on a straight-line basis over the effective term of the lease agreement.

Loyalty program

The coins received by a customer are recognized as a reduction on sales revenue. The value is estimated based on the fair value of the virtual coins issued, which takes into account the value of the prizes and the expectation of redemption of those virtual coins. It is recognized in the result when the virtual coins are redeemed, moment in which the costs incurred due to the delivery of the rewards are also recognized in the result or when the virtual coins expire.

	Parent Company		Consolidated	
(In millions of Reais)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Gross operating revenue	59,225	52,014	85,584	78,812
Taxes on sales	(5,425)	(4,782)	(7,833)	(7,621)
Net operating revenue	53,800	47,232	77,751	71,191



Notes to the financial statements

Note 22.1. Net Sales

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Gross sales	58,997	51,821	81,185	74,751
Taxes on sales	(5,399)	(4,759)	(7,481)	(7,085)
Total net sales before loyalty program	53,598	47,062	73,704	67,666
Loyalty program	-	-	(152)	(26)
Total net sales	53,598	47,062	73,552	67,640

Note 22.2. Other Revenues

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Gross other revenue	-	-	3,703	3,326
Taxes and deductions	-	-	(228)	(415)
Revenue from financial transactions	-	-	3,475	2,911
Gross services and commissions	201	172	645	587
Gross rental income	27	21	203	170
Taxes on other revenue	(26)	(23)	(124)	(117)
Total Other revenue	202	170	4,199	3,551

NOTE 23: COST OF GOODS SOLD, SERVICES AND FINANCIAL OPERATIONS

Accounting policies

Cost of goods sold, services and financial operations corresponds to the cost of purchases net of rebates and commercial income, changes in inventory (including impairments), logistics costs and other costs (primarily the cost of products sold by the financial solutions companies). Suppliers' rebates are measured based on the agreements negotiated with them.

Rebates and commercial income are measured based on the contractual terms negotiated with suppliers. The Company recognizes rebates only when there is evidence of arrangements with the suppliers, the amount can be measured reliably and receipt is probable. Based on historical data of rebates over purchases, the Company estimates the amount accounted for as a reduction of cost of inventories.

The cost of goods sold, services and financial operations includes the cost of logistics operations administered or outsourced by the Group, including the costs of storage, handling and freight charges incurred up to the moment the goods are provided for sale. Shipping costs are included in the cost of acquisition.

The cost of services rendered comprises the personnel expenses and the depreciation of assets related to services.

The cost of financial transactions comprises losses on the provisions for expected losses on financial assets and operational losses.

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cost of goods sold	(45,627)	(40,156)	(61,298)	(56,028)
Depreciation	(13)	(13)	(50)	(52)
Other costs	-	-	(1,527)	(1,193)
Total costs of goods sold, services and financial operations	(45,640)	(40,169)	(62,875)	(57,273)

Other costs mostly comprise provision for losses due to reduction to the recoverable amount of credit granted to the consumer by the financial solutions company determined according to the criteria described in note 28.7. The amount of this provisions, net of reversals, in the year ended December 31, 2021, is R\$ 1,305 million (R\$ 1,160 million in the year ended December 31, 2020).

NOTE 24: SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A), AND DEPRECIATION AND AMORTIZATION

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Sales, general and administrative expenses	(4,401)	(3,592)	(9,211)	(8,360)
Depreciation and amortization	(571)	(460)	(1,173)	(1,040)
Total SG&A and depreciation and amortization	(4,972)	(4,052)	(10,384)	(9,400)



Notes to the financial statements

Selling, general and administrative expenses

Selling, general and administrative expenses break down as follows:

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Salaries, wages and benefits	(2,509)	(2,158)	(4,778)	(4,498)
Equity-settled share-based payments expense (a)	(23)	(18)	(38)	(28)
Property rentals	(50)	(45)	(90)	(54)
Thirty part services	(288)	(245)	(1,440)	(1,404)
Maintenance and repair costs	(368)	(295)	(724)	(659)
Energy and utilities	(497)	(387)	(779)	(653)
Credit card commissions	(97)	(86)	(273)	(218)
Other SG&A expenses	(569)	(358)	(1,089)	(846)
Total SG&A expenses	(4,401)	(3,592)	(9,211)	(8,360)

(a) The expenses recognized as share-based payment corresponds to (i) the fair value of the equity instruments on the grant date (R\$ 12 million in the parent company, R\$ 22 million in the consolidated) and (ii) the amount of withholding tax to be paid by the Group on behalf of the employees and of social charges.

Depreciation and amortization

Including supply chain depreciation recognized in cost of sales, total depreciation and amortization expense recognized in the individual and consolidated income statement amounted respectively to R\$ 425 million and R\$ 910 million in December 31, 2021 (R\$ 473 million and R\$ 1,092 million in December 31, 2020), as follows:

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Property and equipment	(562)	(453)	(1,028)	(902)
Intangible assets	(9)	(7)	(133)	(127)
Investment property	-	-	(12)	(11)
Depreciation and amortization of tangible and intangible assets and investment property	(571)	(460)	(1,173)	(1,040)
Depreciation of logistic activity	(13)	(13)	(50)	(52)
Total depreciation and amortization	(584)	(473)	(1,223)	(1,092)

NOTE 25: OTHER INCOME (EXPENSES)

Accounting policies

Other income and expenses are reported on a separate line of the income statement. Other income and expenses are items that could not be classified in other income statement line items and may include items that are limited in number, clearly identifiable, unusual and that have a material impact on individual and consolidated results.

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net gains (losses) on sales of assets (i)	39	10	(47)	(105)
Restructuring costs (ii)	(22)	(3)	(50)	(26)
Income related to legal proceedings (iii)	134	149	481	574
Expenses related to legal proceedings (iii)	(11)	-	(156)	(366)
Assets and companies acquisition costs (iv)	(86)	(33)	(86)	(33)
Result of the Pinheiros project (v)	-	-	495	-
Other expenses (vi)	-	-	(3)	(50)
Total Other income (expenses), net	54	123	634	(6)
Other income	173	149	976	574
Other expenses	(119)	(26)	(342)	(580)



Notes to the financial statements

- (i) Net Gains (losses) on disposal and disposal of assets may contain (i) the result of impairment losses arising from impairment tests (ii) expenses or revenues relating to the net value of the assets disposed of (iii) expenses related to write-off of assets for which we no longer expect future economic benefits from their use or disposal, identified during inventories, or in the case of claims, remodeling of our stores, etc. As of 2020 mostly refers to the write-off due to the exchange of the e-commerce platform system.
- (ii) Restructuring costs are related to projects to improve operational efficiency, the costs of which refer to consulting fees and shutdown costs.
- (iii) Amount refers mainly to: (a) Reversal of payments of provisions after payment under the amnesty described in note 18.2.5 and other tax reversals due to the decay of basic products (Note 18.2.3); and (b) Favorable decision of tax assessment notices referring to the tax on cancelled coupons (Note 18.5.1). and (c) Conduct Adjustment Term ("TAC") and Agreement signed with Verpar S.A. as mentioned in note 3. As of 2020 the amount also refers to (a) Favorable decision in civil cases; (b) STF decision regarding the payment of IPI by retailers retroactive to 5 years; and (c) Provision based on unfavorable decisions regarding the payment of COFINS.
- (iv) As of 2021 the amount refers mostly to the acquisition of Group BIG S.A. (Note 3) and as of 2020 the amount refers mainly to the acquisition costs of the assets of Makro Atacadista S.A.
- (v) Refers mainly to the fair value adjustment of the assets received in the exchange operation (Note 3).
- (vi) As of 2020 the amount refers mainly to expenses results from the incident at the Porto Alegre store in November.

NOTE 26: FINANCIAL RESULT

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial income				
Revenues from short-term investments	42	37	67	47
Inflation adjustments to judicial deposits	5	3	57	66
Gain on derivative instruments	1,000	823	1,000	823
Other financial income	74	27	23	12
Total financial income	1,121	890	1,147	948
Financial expenses				
Interest on loan	(180)	(128)	(189)	(138)
Interest on lease debt	(107)	(74)	(211)	(183)
Charges on financial transactions	(7)	-	(66)	(89)
Commissions related to letters of guarantee	(1)	(1)	(18)	(28)
Interests on provision for contingencies	(12)	(10)	(166)	(136)
Exchange variation on financing and account payables	(81)	(574)	(79)	(607)
Interest on derivative instruments	(237)	(61)	(237)	(61)
Loss on derivative instruments	(922)	(248)	(922)	(248)
Tax on financial transactions	(7)	(5)	(11)	(7)
Other financial expenses	-	(1)	(34)	(30)
Total financial expense	(1,554)	(1,102)	(1,933)	(1,527)
Financial result	(433)	(212)	(786)	(579)

The Parent Company raised capital through loans in foreign currency from its affiliate, Carrefour Finance, in Belgium and financial companies abroad. The Parent Company uses derivative financial instruments (Non-deliverable forwards NDFs or Swaps in Euros and Dollars) designated as hedges to protect against foreign exchange losses as described in note 28.8.

Exchange gains and losses that are compensated by gains and losses on derivative financial instruments, because of our hedge structure, described in note 28.8 are presented below:

(In millions of Reais)	Parent company e Consolidated
Loss on exchange variation (a)	(79)
Gain on derivative financial instruments	78
Exchange variation and derivatives, net impact	(1)

- (a) Do not include gain and losses on other financial assets and liabilities.



Notes to the financial statements

NOTE 27: CHANGES IN CASH FLOWS

The changes in working capital reported in the statements of cash flows are shown below:

(In millions of Reais)	Parent Company				Consolidated			
	December 31, 2021		2020		December 31, 2021		2020	
	Closing	Opening	Net Variation	Net Variation	Closing	Opening	Net Variation	Net Variation
(-) Trade accounts receivables	(1,031)	(907)	(124)	(46)	(1,307)	(1,334)	27	(123)
(-) Inventories	(6,343)	(5,238)	(1,105)	(1,589)	(8,788)	(7,709)	(1,079)	(1,760)
+ Suppliers	10,563	9,392	1,171	2,014	14,752	14,002	750	2,155
(-) Recoverable taxes	(2,456)	(2,805)	349	(457)	(4,106)	(4,822)	716	(619)
(-) Judicial deposits	(131)	(106)	(25)	2	(2,570)	(2,401)	(169)	(19)
+ Payroll, vacation and others	380	378	2	70	825	891	(66)	201
+ Taxes payables	139	159	(20)	41	372	531	(159)	249
(-) Other operating assets	(85)	(144)	59	(64)	(1,090)	(826)	(264)	(165)
+ Other operating liabilities	910	975	(65)	(174)	4,494	4,635	(141)	(133)
+ / (-) Derivatives financial instruments	-	-	-	-	(2)	(13)	11	(18)
+ Other adjustments:								
Variation of assets and liabilities recognized in other comprehensive income, before taxes				-			(15)	20
Gain and losses on lawsuits			123	149			325	208
Change in operating assets and liabilities	1,946	1,704	365	(54)	2,580	2,954	(64)	(4)
(-) Consumer credit granted by our financial solutions company (*)	-	-	-	-	(11,523)	(9,874)	(1,649)	(1,008)
+ Consumer credit financing	-	-	-	-	9,515	7,757	1,758	830
Net Consumer credit granted by our financial solutions company	-	-	-	-	(2,008)	(2,117)	109	(178)

(*) Amount includes provision of losses, net of reversals, R\$ 1,305 million in the year ended December 31, 2021 (R\$ 1,160 million in December 31, 2020).

NOTE 28: FINANCIAL ASSETS AND LIABILITIES

Accounting policies

Financial Assets

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- debt investment at FVOCI (Fair Value through Other Comprehensive Income);
- equity investment at FVOCI;
- or FVTPL (Fair Value through profit or loss).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash and flows; and
- its contractual terms give rise on specified dates to cash flows that solely payments of principal and interest on principal amount outstanding

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is no fair value, the Group may irrevocably elect to present



subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 28.8). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are amortized cost or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

However, in the event of a prolonged or significant fall in value of an equity instrument or a decline in estimated cash flows from a debt instrument, an impairment loss is recognized in the income statement. If, in a subsequent period, the impairment decreases, the previously recognized impairment loss is released as follows:

- for equity instruments (shares and other): through "Other comprehensive income";
- for debt instruments (bonds, notes and other): where an increase is observed in estimated future cash flows, through profit or loss for an amount not exceeding the previously recognized impairment loss.

The fair value of the marketable securities was determined based on information provided by ANBIMA (Associação Brasileira das Entidades dos Mercados Financeiros e de Capitais).

Expected credit loss

On each presentation date, the company evaluates if the financial assets registered as amortized cost and as fair value in OCI have evidences of impairment. A financial asset has "evidences of impairment loss" when one or more events occur with a detrimental impact on the estimated future cash flows of the financial asset.

The Company considers a financial asset in default when:

- It is unlikely that the debtor will fully pay its credit obligations without resorting to actions such as the realization of the guarantee (if any); or
- A renegotiated financial asset is more than 30 days overdue.

The maximum period in the credit loss estimate is the period during which the Company is exposed to credit risk and there is an expectation of significant recovery of the amounts receivable.

Significant increase in credit risk

The Company evaluates several factors to determine a significant increase in credit risk, such as the type and the type and characteristics of the product, considering the following objective criteria as minimum factors:

- Stage 1 to stage 2: delay of more than 30 days, or increase in the probability of default more than four times since the granting of credit;
- Stage 2 to stage 3: delay of more than 90 days, except for the renegotiation portfolio, which uses a 30-day delay as a parameter for stage migration.

Each financial instrument has its characteristics of significant increase in risk evaluate individually by the Company for the purposes of classification in stages. The provisioning parameters assigned to financial instruments, at different stages, are given by collective modeling, by groupings based on homogeneous credit risk characteristics.

Macroeconomic scenarios

This information involves inherent risks, market uncertainties and other factors that may generate results other than expected, including changes in market conditions and economic policy, recessions or fluctuations in indicators other than expected.

Non-derivative financial assets held by the Group

The main non-derivative financial assets held by the Group are as follows:



- trade receivables (Note 7);
- consumer credit granted by our financial solutions companies (Note 8);
- other accounts receivable.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as amortized cost, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Interests paid on loans and assignments of receivables are classified as financing activities on the statements of cash flow.

Non-derivative financial liabilities held by the Group

The main non-derivative financial liabilities held by the Group are as follows:

- borrowings: "Non-current borrowings" include bonds and notes issued by the Group, finance lease liabilities, other bank loans and overdrafts, and financial liabilities related to securitized receivables for which the credit risk is retained by the Group (Note 28.3);
- suppliers (Note 16);
- consumer credit financing (Note 8.2); and
- other payables: other payables classified in current liabilities correspond to all other operating payables (mainly accrued employee benefits expense and amounts due to suppliers of non-current assets) and miscellaneous liabilities.

Derivative financial instruments and hedge accounting

At the beginning of the designated hedge operation, the Group documents the objective of the risk management and the hedge instrument acquisition strategy. The Group also documents the economic relation between the hedging instrument and the hedged item, including whether there is an expectation that changes in the cash flows of the hedged item and the hedge instrument will offset each other.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognized in a costs of hedging reserve within equity.

Loans related to Law 4131/1962 have hedge operations, in the form of swaps (derivative financial instruments) aimed at both the exchange of pre-fixed rates for post-fixed rates in CDI, as well as the exchange of currency, euros and dollars for therefore the designation for fair value hedge. These swaps were contracted with the financial institution in conjunction with the loan (foreign currency debt + swap for reais in% of CDI). The terms and conditions of the loan and the derivative are configured as a combined operation, with the economic result of a debt in% of the CDI in reais on the Company's balance sheet.

When a derivative is designated as a fair value hedge instrument, the effective portion of the hedge instrument's gain or loss is recognized in the income or balance sheet, adjusting the item under which the hedge object is or will be recognized. The hedge object, when designated in this relationship, is also measured at fair value in the result. The change in the fair value of the future element of forward exchange contracts ('forward points') is accounted for separately as a hedge cost is recognized in a reserve for hedge costs in equity (OCI).

There is an economic relationship between the hedged item and the hedge instrument, since the terms of the interest rate swap correspond to the terms of the fixed rate loan (that is, notional amount, term, payment). The Group established a 1:1 hedge ratio for hedging relationships, since the underlying risk of the interest rate swap is identical to the hedged risk component. To test the effectiveness of the hedge, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedge instrument with the changes in the fair value of the hedged item attributable to the hedged risk.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in



Notes to the financial statements

equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Fair value calculation method

For measurement of fair value of derivative financial instruments (NDFs), the discounted cash flow method was applied based on information obtained from *Bloomberg*. The Group assessed the possibility of using *BM&FBovespa* rates; however, considering the maturities of outstanding transactions at the reporting date and the current economic scenario, *BM&FBovespa*'s information presented a volatility that did not reflect the facts, and the Group decided to use information from *Bloomberg*.

Note 28.1. Financial instruments by category

The following tables show in detail the hierarchy of the fair values of financial assets and liabilities, as provided for in IFRS 13 (CPC 46) and the respective measurement:

Parent Company						
At December 31, 2021						
Breakdown by categories						
(In millions of Reais)	Level	Carrying amount	FVTPL	Amortized cost	FVHI	Fair value
Cash and cash equivalents		3,267	-	3,267	-	3,267
Account receivables		1,031	-	1,031	-	1,031
Derivative financial instruments	2	200	-	-	200	200
Borrowings to subsidiaries	2	1,079	-	1,079	-	1,135
Other account receivables		37	-	37	-	37
Assets		5,614	-	5,414	200	5,670
Suppliers		11,148	-	11,148	-	11,148
Borrowings	2	6,810	3,703	3,107	-	5,521
Other accounts payable		272	-	272	-	272
Derivative financial instruments	2	85	-	-	85	85
Liabilities		18,315	3,703	14,527	85	17,026

Parent Company						
At December 31, 2020						
Breakdown by categories						
(In millions of Reais)	Level	Carrying amount	FVTPL	Amortized cost	FVHI	Fair value
Cash and cash equivalents		2,131	-	2,131	-	2,131
Account receivables		907	-	907	-	907
Derivative financial instruments	2	301	-	-	301	301
Borrowings to subsidiaries	2	1,019	-	1,019	-	1,011
Other account receivables		83	-	83	-	83
Assets		4,441	-	4,140	301	4,433
Suppliers		9,708	-	9,708	-	9,708
Borrowings	2	3,658	1,673	1,985	-	4,122
Other accounts payable		184	-	184	-	184
Liabilities		13,550	1,673	11,877	-	14,014

		Consolidated					
		At December 31, 2021					
		Breakdown by categories					
(In millions of Reais)	Level	Carrying amount	FVTPL	Amortized cost	FVHI	FVOCI	Fair value
Cash and cash equivalents		6,945	-	6,945	-	-	6,945
Marketable Securities	2	497	-	-	-	497	497
Trade receivable	2	1,307	169	1,138	-	-	1,307
Consumer credit granted by our financial solutions	3	11,523	-	11,523	-	-	10,889
Derivative financial instruments	2	202	-	-	202	-	202
Other accounts receivables		381	-	381	-	-	381
Assets		20,855	169	19,987	202	497	20,221
Suppliers		15,449	-	15,449	-	-	15,449
Borrowings	2	6,992	3,703	3,289	-	-	5,675
Consumer credit financing	2	9,515	-	9,515	-	-	9,332
Other accounts payable		558	-	558	-	-	558
Derivative financial instruments	2	85	-	-	85	-	85
Liabilities		32,599	3,703	28,811	85	-	31,099



Notes to the financial statements

Consolidated							
At December 31, 2020							
Breakdown by categories							
(In millions of Reais)	Level	Carrying amount	FVTPL	Amortized cost	FVHI	FVOCI	Fair value
Cash and cash equivalents		5,672	-	5,672	-	-	5,672
Marketable Securities	2	358	-	-	-	358	358
Trade receivable	2	1,334	334	1,000	-	-	1,334
Consumer credit granted by our financial solutions	3	9,874	-	9,874	-	-	9,878
Derivative financial instruments	2	301	-	-	301	-	301
Other accounts receivables		275	-	275	-	-	275
Assets		17,814	334	16,821	301	358	17,818
Suppliers		14,423	-	14,423	-	-	14,423
Borrowings	2	3,918	1,673	2,245	-	-	4,382
Consumer credit financing	2	7,757	-	7,757	-	-	7,742
Other accounts payable		433	-	433	-	-	433
Derivative financial instruments	2	13	-	-	13	-	13
Liabilities		26,546	1,673	24,860	13	-	26,995

The methods and assumptions used in measuring fair value classified in Level 3 of the fair value hierarchy are presented below:

Consumer credit granted by our financial solutions:

Interest-free portfolio: taken to future value at rates equivalent to its maturity vertices of the Pre Swap DI curve. Brought to present value by the DI over rate. Both with reference date of this financial statement.

Up-to-date portfolio with interest: taken to future value by the average CSF rate informed to BACEN at its maturity points. Brought to present value at the average market rate informed by BACEN on the reference date of this financial statement.

Past-due portfolio: taken to future value at rates equivalent to vertice 1 of the Pre Swap DI curve. Brought to present value by the DI over rate. Both with reference date of this financial statement.

Banco CSF determines the allowance for loan losses under the guidelines of the IFRS9. In the IFRS9 concept, the calculation methodology already includes the application of fair value in its calculation. Thus, the IFRS9 provision, relating to the local portfolio, is deducted from the portfolio at fair value.

No asset or liability measured at fair value was reclassified among the different levels between December 31, 2021 and 2020.

Note 28.2. Description of the main financial risks we are exposed to

Our main risks associated with the financial instruments that we use are liquidity, interest rate, currency and credit risks. Due to the specificity and to their existence of a specific set of regulations provided by the Central Bank of Brazil (BACEN), financial risks arising from our banking activities (Banco CSF) are managed separately from those related to our Retail and Cash & Carry businesses.

Our Corporate Treasury and Financing Department oversees the treasury and financing needs of our three businesses segments and liaise with their specific Treasury and Financing Department of each of our business segments.

Our Corporate Treasury and Financing Department is in charge of implementing the strategy defined by our Management, establishing and analyzing the reporting of our financial positions, monitoring the financial risks arising among our various businesses segments, defining and overseeing the proper implementation of the rules governing our financial exposure.

Note 28.3. Liquidity risk

Liquidity risk is the risk that we will be unable to settle our financial liabilities when they fall due. We manage our liquidity risk by ensuring, to the extent possible, that we have sufficient liquid assets at any time to settle our liabilities when they fall due, whatever the market conditions are. Cash flow projections are monitored and updated on a continuous basis, in order to better adjust available resources, as well as anticipate any events that could affect our liquidity. We diversified our sources of funding, through the conclusion of loans and the sale of receivables with financial institutions.

As of December 31, 2021, our cash and cash equivalents and current marketable securities amounted to R\$7,442 million (R\$ 6,030 million as of December 31, 2020) and to face unexpected short-term liquidity needs, we hold two undrawn committed bank lines for a total € 450 million and €



Notes to the financial statements

657 million (Atacadão) with the affiliate company Carrefour Finance. Borrowings are detailed in the chart below:

(In millions of Reais)

	Parent Company		Consolidated			
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	Interest rates	Final Maturity
Current						
<i>In foreign currency:</i>						
Carrefour Finance	1,588	480	1,588	480	VC + 0.6% p.y.	12/2021 and 01/2022
Resolution n.º 4131	858	6	858	6	1% to 2.4% p.y.	04/2022 to 04/2023
Resolution n.º 4131	6	-	6	-	0.9% to 1.9% p.y.	09/2023 to 09/2024
<i>In local currency:</i>						
Debentures	8	2	8	2	106% CDI	04/2023
Debentures	461	3	461	3	CDI + 0.45 to 0.65 p.y.	06/2022 to 06/2026
Resolution n.º 4131	18	-	18	-	BRL (Pre 10.484%)	09/2024
Financial letters	-	-	80	83	106% CDI	12/2023
	2,939	491	3,019	574		
Non-current						
<i>In foreign currency:</i>						
Resolution n.º 4131	830	1,667	830	1,667	1% to 2.4% p.y.	04/2022 to 04/2023
Resolution n.º 4131	1,371	-	1,371	-	0.9% to 1.9% p.y.	09/2022 to 09/2024
<i>In local currency:</i>						
Debentures	500	500	500	500	106% CDI	04/2023
Debentures	550	1,000	550	1,000	CDI + 0.45 to 0.65 p.y.	06/2022 to 06/2026
Resolution n.º 4131	620	-	620	-	BRL (Pre 10.484%)	09/2024
Financial letters	-	-	102	177	106% CDI	12/2023
	3,871	3,167	3,973	3,344		
Total	6,810	3,658	6,992	3,918		

As of December 31, 2021 and 2020, there was no financial covenant embedded in these agreements and all contractual obligations were fulfilled by the Company.

The following tables show in detail the book value of financial liabilities, the remaining contractual maturity of the Group's financial liabilities and the contractual amortization periods, as well as future cash flows including interest on financial liabilities.

December 31, 2021

(In millions of Reais)

	Parent Company					
	Carrying amount	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Suppliers	11,148	11,148	-	-	-	11,148
Borrowing	6,810	3,133	2,386	2,763	-	8,282
Lease debt	1,043	153	166	476	2,865	3,660
Other accounts payable	272	268	-	-	4	272
Derivative financial instruments	85	85	-	-	-	85
Total liabilities	19,358	14,787	2,552	3,239	2,869	23,447

December 31, 2021

(In millions of Reais)

	Parent Company					
	Carrying amount	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Suppliers	9,708	9,708	-	-	-	9,708
Borrowings	3,658	494	1,431	2,023	287	4,235
Lease debt	909	137	142	393	2,385	3,057
Other accounts payable	184	175	-	-	9	184
Total liabilities	14,458	10,513	1,573	2,416	2,681	17,182

December 31, 2021

(In millions of Reais)

	Consolidated					
	Carrying amount	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Suppliers	15,449	15,449	-	-	-	15,449
Borrowings	6,992	3,213	2,466	2,785	-	8,464
Lease debt	2,038	385	410	927	4,046	5,768
Consumer credit financing	9,515	8,249	1,266	-	-	9,515
Other accounts payable	558	551	3	-	4	558
Derivative financial instruments	85	85	-	-	-	85
Total liabilities	34,637	27,932	4,145	3,712	4,050	39,839



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December 31, 2020

(In millions of Reais)

		Consolidated				
	Carrying amount	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Suppliers	14,423	14,423	-	-	-	14,423
Borrowings	3,918	577	1,514	2,117	287	4,495
Lease debt	1,860	348	357	894	3,545	5,144
Consumer credit financing	7,757	7,534	223	-	-	7,757
Other accounts payable	433	410	14	-	9	433
Derivative financial instruments	13	13	-	-	-	13
Total liabilities	28,405	23,305	2,109	3,011	3,841	32,265

Cash and carry business segment

Debentures issuance

On April 25, 2018, the first issuance of simple, non-convertible, unsecured debentures in two series ("First Series" and "Second Series", respectively) of the Company ("Issue" and "Debentures"), totaling the amount of R\$ 1,500,000,000.00 (one billion, five hundred million Reais) on the issue date. On November 21, 2019, the second issuance of debentures occurred, totaling the amount of R\$ 1,000,000,000.00 (one billion Reais) on the issue date.

The issue will be subject to public distribution with restricted distribution efforts, in accordance with the Instruction of CVM 476. The Issue is exclusively destined to professional investors, under the terms of current legislation.

Characteristics of Debentures:

Type of issue	Amount of issue (In millions of Reais)	In circulation (quantity)	Date of issue	Maturity	Annual charges	Unit price (in R\$)	Book value (In millions of Reais)
1 st Issue - 1 st series	1,000	1,000,000	04/25/2018	04/25/2021	104.40% CDI	1,000	-
1 st Issue - 2 nd series	500	500,000	04/25/2018	04/25/2023	105.75% CDI	1,000	508
2 nd Issue - 1 st series	450	450,000	11/21/2019	06/23/2022	CDI + 0.45 p.y.	1,000	455
2 nd Issue - 2 nd series	350	350,000	11/21/2019	06/20/2024	CDI + 0.55 p.y.	1,000	354
2 nd Issue - 3 ^d series	200	200,000	11/21/2019	06/18/2026	CDI + 0.65 p.y.	1,000	202

The unit face value of the Debentures will be fully settled on the respective maturity date of the Debentures. The remuneration of the 1st and 2nd series will be paid semiannually, without grace, as of the date of issue, on the 25th of April and October of each year, with the first payment occurring on October 25, 2018 and the last maturity of the respective series.

Use of resources:

The purpose of this issue is to extend the Company's debt profile at a competitive cost. The proceeds have been fully utilized for the prepayment of existing debts at no additional cost. This issue does not imply any increase in the Company's current indebtedness level.

Payment schedule:

On December 28, 2020, the Company made an early redemption of all the Debentures of the First Series Debenture Holders of first issue.

Borrowing

In January, March and June 2021, the Company obtained € 725 million in loans from its affiliate Carrefour Finance, in Belgium, equivalent to R\$ 4.6 billion. The loan is remunerated at the rate of 0.60% p.y., maturing in up to one year. These loans were hired using the available limits of the credit lines of December 2019 and February 2020 with Carrefour Finance (Revolving Credit Facilities). In 2021, according to maturity, the amount of € 550 million was paid, being € 75 million raised in 2020.

In September 20, 2021, the Company hired loans from foreign financial institutions in the amount equivalent to R\$ 2 billion. The contracts will expire in 24 and 36 months.



Notes to the financial statements

The Parent Company contracted derivative financial instruments for hedging the exposure to exchange rate risk, these derivative instruments were designated for hedge accounting as described in Note 28.8.

Financial Solutions segment

Banco CSF's liquidity risk is monitored within the liquidity strategy approved by our Management.

Banco CSF's refinancing situation is assessed based on internal standards, early warning indicators and regulatory ratios.

Liquidity risk management objectives are to:

- ensure that refinancing needs are met, based on monthly assessments of projected cash surpluses or shortfalls over a three-year period performed by comparing static forecasts of committed financing facilities with dynamic lending forecasts;
- achieve compliance with the BACEN rules, enhancing liquidity coverage ratios, through a process that is designed to deliver a sustainable improvement in asset quality by investing in a dedicated fund eligible for inclusion in the ratio calculation and extending the maturity of liabilities in order to improve the net stable funding ratio; and
- diversify refinancing sources to include bank lines of credit, money market issues and issues of interbank Notes ("*letra financeira*").

Part of Banco CSF's liquidity strategy consists in investing in public bonds, highly liquid, offering a satisfactory return and available for sale if needed. As of December 31, 2021, Banco CSF was holding R\$ 497 million of public bonds (R\$ 358 million as of December 31, 2020). The Banco CSF considered its liquidity position as solid.

In order to support the cash necessity, diversify the financing sources and extend the average term of the debt, Banco CSF issued Financial Bills, classified as operating debt under the credit card operations item, and described below:

- On May 2021, Banco CSF concluded some issues of Bilateral Financial Bills (Private), in the total amount of R\$ 300 million, at rates ranging from DI+1.10% p.a. to DI+1.20% p.a. and with maturity in 2023. The interest payments are semiannual and the principal payment is on maturity.
- On June 2021, Banco CSF concluded an issue of Bilateral Financial Bills (Private), in the total amount of R\$ 100 million, at rate of DI+1.30% p.a. and with maturity in 2024. The interest payments are semiannual and the principal payment is on maturity.
- On July 2021, Banco CSF concluded an issue of Bilateral Financial Bills (Private), in the total amount of R\$ 50 million, at rate of DI+1.30% p.a. and with maturity in 2024. The interest payments are semiannual and the principal payment is on maturity.
- On September 2021, Banco CSF concluded some issues of Bilateral Financial Bills (Private), in the total amount of R\$ 150 million, at rate of DI+1.30% p.a. and with maturity in 2024. The interest payments are semiannual and the principal payment is on maturity.
- On November 2021, Banco CSF concluded some issues of Bilateral Financial Bills (Private), in the total amount of R\$ 184 million, at rates ranging from DI+1.00% p.a. to DI+1.10% p.a. or 109% of DI and with maturities in 2023 and 2024. The interest payments are semiannual and the principal payment is on maturity.
- On December 2021, Banco CSF concluded some issues of Bilateral Financial Bills (Private), in the total amount of R\$ 316 million, at rates ranging from DI+1.00% p.a. to DI+1.10% p.a. and with maturities in 2023 and 2024. The interest payments are semiannual and the principal payment is on maturity.
- On December 2021, Banco CSF concluded an issue of Granted Financial Bills, in the total amount of R\$ 114 million, at rate of SELIC+0.75% p.a. and with maturity in 2022. The interest payment and the principal payment are on maturity.

The balance of R\$ 182 million (R\$ 80 million in current liabilities and R\$ 102 million in non-current liabilities) of financial bills, considers the financial debt for the operation to purchase the exclusive right of the Atacadão card, as described in note 19.



Notes to the financial statements

Note 28.4. Reconciliation of liabilities resulting from financing activities

<i>(In millions of Reais)</i>	Parent Company	Consolidated
	Borrowings	Borrowings
Balance in January 1, 2020	2,519	2,856
Proceeds from borrowings	2,662	3,177
Amortization of borrowings	(2,049)	(2,641)
Interest paid on borrowings and on assignments of receivables	(176)	(275)
Changes in cash flow from financing activities	437	261
Interest on borrowings and on assignments of receivables, and exchange variation	702	801
Total non-cash variation	702	801
Balance in December 31, 2020	3,658	3,918

<i>(In millions of Reais)</i>	Parent Company	Consolidated
	Borrowings	Borrowings
Balance in January 1, 2021	3,658	3,918
Proceeds from borrowings	6,620	6,620
Amortization of borrowings	(3,593)	(3,671)
Interest paid on borrowings and on assignments of receivables	(125)	(193)
Changes in cash flow from financing activities	2,902	2,756
Interest on borrowings and on assignments of receivables, and exchange variation	266	334
Derivatives financial instruments	(16)	(16)
Total non-cash variation	250	318
Balance in December 31, 2021	6,810	6,992

<i>(In millions of Reais)</i>	Parent Company	Consolidated
	Lease debt	Lease debt
Balance in January 1, 2020	565	1,628
Interest on leasing	74	183
Financing increase	357	344
Others non cash variation	-	(5)
Total non-cash variation	431	522
Amortization of principal – lease agreements	(13)	(109)
Amortization of interest – lease agreements	(74)	(181)
Changes in cash flow from financing activities	(87)	(290)
Balance in December 31, 2020	909	1,860

<i>(In millions of Reais)</i>	Parent Company	Consolidated
	Lease debt	Lease debt
Balance in January 1, 2021	909	1,860
Interest on leasing	107	211
Financing increase	151	306
Total non-cash variation	258	517
Amortization of principal – lease agreements	(17)	(131)
Amortization of interest – lease agreements	(107)	(208)
Changes in cash flow from financing activities	(124)	(339)
Balance in December 31, 2021	1,043	2,038

Note 28.5. Interest rate risk

The Group has financial assets and liabilities exposed to the risk of variation of interest rates. A sensitivity analysis has been conducted considering as premise the CDI base rate of 9.15% as of the date of this financial statements. The impacts of this analysis for assets and liabilities subject to interest rate risk are reported in the table below:

Exclusively for sensitivity analysis purposes, our Management evaluates internally possible scenarios of deterioration/improvement of CDI by 10%, 25% and 50%, respectively, in risk variables until the maturity date of financial instruments.

December 31, 2021

<i>(In millions of Reais)</i>		Parent Company					
	Exposure	Decrease in CDI by			Increase in CDI by		
		10%	25%	50%	10%	25%	50%
Cash equivalents	2,712	(21)	(52)	(104)	21	52	104
Borrowings	(1,519)	14	36	72	(14)	(36)	(72)
Net exposure	1,193	(7)	(16)	(32)	7	16	32



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Consolidated							
(In millions of Reais)	Exposure	Decrease in CDI by			Increase in CDI by		
		10%	25%	50%	10%	25%	50%
Cash equivalents	6,244	(49)	(123)	(246)	49	123	246
Marketable securities	497	(5)	(11)	(23)	5	11	23
Borrowings	(1,701)	26	66	131	(26)	(66)	(131)
Net exposure	5,040	(28)	(68)	(138)	28	68	138

December 31, 2020

Parent Company							
(In millions of Reais)	Exposure	Decrease in CDI by			Increase in CDI by		
		10%	25%	50%	10%	25%	50%
Cash equivalents	1,686	(3)	(7)	(14)	3	7	14
Borrowings	(1,505)	3	7	15	(3)	(7)	(15)
Net exposure	181	-	-	1	-	-	(1)

Consolidated							
(In millions of Reais)	Exposure	Decrease in CDI by			Increase in CDI by		
		10%	25%	50%	10%	25%	50%
Cash equivalents	5,059	(8)	(21)	(42)	8	21	42
Marketable securities	358	(1)	(2)	(3)	1	2	3
Borrowings	(1,765)	3	9	17	(3)	(9)	(17)
Net exposure	3,652	(6)	(14)	(28)	6	14	28

Note 28.6. Foreign exchange risk

In 2021, the Group raised capital through loans in foreign currency (Euros) from its affiliate, Carrefour Finance, in Belgium and financial companies abroad (Euros and Dollars). The Group uses derivative financial instruments to hedge its exposure to exchange rate risk, these instruments are designed for hedge accounting as described in note 28.8.

Besides that, the subsidiary CCI imports merchandise in Euros and Dollars using NDFs (See note 28.8). The value of payable to suppliers in foreign exchange as of December 31, 2021 is R\$ 124 million (R\$ 111 million in December 31, 2020).

Note 28.7 Credit risk

The credit risk arises from the possibility of not receiving the amounts recorded in our current investments, in trade accounts receivable, marketable securities, derivative financial instruments and other accounts receivable. In order to minimize possible losses with default of its counterparts, we adopt strict management policies, including analysis of the counterpart and diversification rules. These transactions are carried out in financial institutions with a long-term rating on a national scale classified as having low credit risk and with recognized strength in the market.

The Parent Company and its subsidiaries have established as a credit risk management policy to work with financial institutions that have, at least, an A- (national scale) and B- (on a Standard & Poor's global scale) or equivalent rating, evaluated by the following agencies rating: Fitch Ratings, Standard & Poor's or Moody's. In a complementary and non-exclusive way to the rating analysis, the allocation of investments respects maximum limits by rating, by the institution's equity and by concentration of counterparties, this limited to 30% of the total available investments.

The credit quality of financial assets is described in the table below, considering Standard & Poor's most conservative rating or equivalent on a national scale:

(Em milhões de Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
AAA	3,094	1,811	6,082	4,865
AA+	151	113	761	113
AA	-	207	-	689
No Rating	22	-	102	5
Cash and cash equivalents	3,267	2,131	6,945	5,672

Retail and Cash & Carry business segment

Trade receivables

Trade receivables correspond mainly to amounts receivable from our customers (for delivered goods and credit cards), suppliers (mainly rebates) and tenants of shopping mall units (rent).



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Impairment losses are recognized where necessary, based on an estimate of the debtor's ability to pay the amount due and the age of the receivable. Due to an unforeseen situation (since the beginning of 2020, shopping malls and galleries have remained closed for several periods, with gradual reopening, according to the decreed measures in the state where they are leased), the Group has booked an additional provision of the rents regarding the pandemic period.

Analysis of due and past due trade receivables

(In millions of Reais)	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Overdue				
Until 30 days	16	10	39	31
30-90 days	2	1	15	77
91-180 days	2	-	26	35
Above 180 days	11	13	104	162
Total Overdue	31	24	184	305
Not due	841	773	966	926
Total Trade Receivables excluding receivables from suppliers	872	797	1,150	1,231
Receivables from suppliers	175	125	290	220
Expected credit loss allowance	(16)	(15)	(133)	(117)
Total Trade Receivables	1,031	907	1,307	1,334

Investments (cash equivalents and other current financial assets)

As regards the credit risk relating to marketable securities, our Management believes that it is limited, since the financial institutions involved received high ratings from credit rating agencies.

Financial Solution segment

Consumer credit granted by our financial solutions company (Credit risk management).

To protect against default from customers, the Banco CSF has set up systems and processes to check their quality and repayment capacity. These include but are not limited to:

- decision-making tools such as credit scoring applications, income/debt simulation tools and credit history checking procedures;
- interrogation of positive and negative credit history databases, where they exist;
- active existing customers' management (e.g. line increases/decreases, authorizations);
- active management of collection processes;
- credit risk monitoring and control systems; and
- a Credit Risk Department is responsible for all of these processes, and the Board of Directors receives copies of all Credit Risk Management Committee reports.

Classification and impairment of the consumers' credit portfolio

Under IFRS 9/CPC 48, the financial instruments portfolio subject to impairment is divided by three stages, based on changes in credit quality since initial recognition of each instrument:

Stage 1: financial instrument considered healthy, in default or with a default of less than or equal to 30 days, or that has not had a significant increase in credit risk since initial recognition. The provision for this asset represents the expected loss resulting from possible default events within 12 months after the closing date;

Stage 2: if a significant increase in the credit risk is identified since the initial recognition, without objective evidence of impairment (default event), or if default is observed for more than 30 days, the financial instrument will be framed within this stage. In this case, the value related to the provision for expected credit losses reflects the estimate loss of the financial instrument residual life. Indicators monitored in the regular credit risk management are used for the evaluation of the significant increase of credit risk, such a past-due criterion (30 days) or forbore credit criterion; and



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Stage 3: Expected credit loss for assets with recovery problems: considers assets in default (overdue for more than 90 days, or 30 days for debt restructuring instruments).

The breakdown of the portfolio, as well the expected credit loss allowance, by stage as of December 31, 2021 and 2020 is presented below:

(In millions of Reais)	Consolidated					
	December 31, 2021			December 31, 2020		
	Outstanding loans portfolio	Expected credit loss allowance	Allowance %	Outstanding loans portfolio	Expected credit loss allowance	Allowance %
Stage 1	9,873	(416)	10.1%	7,852	(367)	9.2%
Stage 2	1,681	(474)	11.5%	1,912	(269)	6.8%
Stage 3	3,798	(2,939)	71.3%	3,771	(3,025)	76.0%
Total outstanding loans portfolio	15,352	(3,829)	24.9%	13,535	(3,661)	27.0%
Expected credit loss allowance	(3,829)			(3,661)		
Total consumers credit portfolio, net	11,523			9,874		
Provision for contingent commitment	(291)			(317)		
Total credit loss allowance and provision for contingent commitment	(4,120)			(3,978)		

The provision for contingent commitment (credit line granted to customers but not used) is presented in the note 18.1.

Provision models are developed in accordance with IFRS 9/CPC 48 – Financial Instruments: and observes the Brazilian banking regulation. It is based on the following steps:

- classification of outstanding loans in 3 stages according to the risk increase observed since the origin of the credit;
- modeling of the loss given default and recovery rates;
- reevaluation of the credit classification and allowance for credit loss calculation according to expected portfolio losses for all the portfolio stages on the reporting date of the financial state.

Changes in the provision for expected credit losses in financial assets

As of January 1, 2020	(2,703)
Addition	(1,073)
Reversal	219
Change in risk models / parameters	(104)
As of December 31, 2020	(3,661)
Addition	(1,477)
Reversal	146
Sale of portfólio / other	1,163
As of December 31, 2021	(3,829)

Note 28.8. Hedge accounting and derivative financial instruments

As described in note 28.3, the Group hired loans in foreign exchange and uses derivative financial instruments designated as hedge accounting, being consistent with hedge policy described. The hedge policy is described below:

At the beginning of the designated hedge operation, the Group documents the objective of the risk management and the hedge instrument acquisition strategy. The Group also documents the economic relation between the hedging instrument and the hedged item, including whether there is an expectation that changes in the cash flows of the hedged item and the hedge instrument will offset each other.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.



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The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognized in a costs of hedging reserve within equity.

Loans related to Law 4.131/1.962 have hedge operations, in the form of swaps (derivative financial instruments) aimed at both the exchange of pre-fixed rates for post-fixed rates in CDI, as well as the exchange of currency, euros and dollars for therefore the designation for fair value hedge. These swaps were contracted with the financial institution in conjunction with the loan (foreign currency debt + swap for reais in% of CDI). The terms and conditions of the loan and the derivative are configured as a combined operation, with the economic result of a debt in% of the CDI in reais on the Company's balance sheet.

When a derivative is designated as a fair value hedge instrument, the effective portion of the hedge instrument's gain or loss is recognized in the income or balance sheet, adjusting the item under which the hedge object is or will be recognized. The hedge object, when designated in this relationship, is also measured at fair value in the result. The change in the fair value of the future element of forward exchange contracts ('forward points') is accounted separately as a hedge cost and is recognized in a reserve for hedge costs in equity (OCI).

There is an economic relationship between the hedged item and the hedge instrument, since the terms of the interest rate swap correspond to the terms of the fixed rate loan (that is, notional amount, term, payment). The Group established a 1:1 hedge ratio for hedging relationships, since the underlying risk of the interest rate swap is identical to the hedged risk component. To test the effectiveness of the hedge, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedge instrument with the changes in the fair value of the hedged item attributable to the hedged risk.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.



Notes to the financial statements

(a) Cash flow Hedge

The financial derivative instruments have the same maturity and values than loans contracts, the hedge relationship is presented below:

Parent company – December 31, 2021																
Hedge object (loans)						Hedge instrument										
Beginning	Maturity	Currency	Notional (in millions of Euros)	Foreign Exchange rate	Losses in exchange rate in profit and losses	Counter part	Type of contract	Beginning	Maturity	Notional (in millions of Euros)	Foreign Exchange rate	Forward rate	Changes in fair value recognized in OCI	Changes in fair value recognized in profit and losses	Cost recognized in profit and losses	Fair value
C 01/16/2020	01/21/2021	Euro	75	4.6491	-	Deutsche Bank	NDF	01/16/2020	01/21/2021	75	4.6491	4.8457	-	-	-	-
H 01/11/2021	01/11/2022	Euro	50	6.5514	12	Citi Bank	NDF	01/11/2021	01/11/2022	50	6.5514	6.7474	1	(12)	(10)	(21)
I 01/13/2021	01/12/2022	Euro	100	6.4528	14	BNP Paribas	NDF	01/13/2021	01/12/2022	100	6.4528	6.6558	1	(14)	(19)	(32)
L 03/26/2021	12/23/2021	Euro	50	6.5466	4	CACIB	NDF	03/26/2021	12/23/2021	50	6.5466	6.7550	-	(4)	(10)	-
M 06/21/2021	12/21/2021	Euro	100	5.9993	(42)	Bradesco Bank	NDF	06/21/2021	12/21/2021	100	5.9993	6.1676	-	42	(17)	-
			375		(12)					375			2	12	(56)	(53)

In January 2021, the Company renewed the operation C with the operation K in the amount of € 75 million, equivalent to R\$ 478 million. The original maturity was January 21, 2021 and became December 2021.

						Parent company – December 31, 2021													
Hedge object (loans)						Hedge instrument													
Beginning	Maturity	Currency	Notional (in millions of Euros)	Foreign Exchange rate	Change in fair value recognized in profit and losses	Counter part	Type of contract	Beginning	Maturity	Receives	Pays	Changes in fair value recognized in OCI	Change in fair value recognized in profit and losses	Cost recognized in profit and losses	Fair value				
E	01/06/2021	12/06/2021	Euro	100	6.3366	(3)	Itau Bank	SWAP	01/06/2021	12/06/2021	0.60% p.y.	CDI + 0.71%	-	3	(24)	-			
F	01/06/2021	12/06/2021	Euro	75	6.5404	12	Bradesco Bank	SWAP	01/06/2021	12/06/2021	0.60% p.y.	CDI + 0.78%	-	(12)	(19)	-			
G	01/08/2021	12/08/2021	Euro	75	6.5323	9	CACIB	SWAP	01/08/2021	12/08/2021	0.60% p.y.	CDI + 0.69%	-	(9)	(19)	-			
J	01/19/2021	01/19/2022	Euro	100	6.3752	6	Santander Bank	SWAP	01/19/2021	01/19/2022	0.60% p.y.	CDI + 0.51%	(1)	(6)	(25)	(32)			
K	01/20/2021	12/20/2021	Euro	75	6.3747	(5)	Deutsche Bank	SWAP	01/20/2021	12/20/2021	0.60% p.y.	CDI + 0.57%	-	5	(19)	-			
			425		19											(1)	(19)	(106)	(32)



Notes to the financial statements

Parent company – December 31, 2020

Hedge object (loans)					Parent company – December 31, 2020										
					Hedge instrument										
Beginning	Maturity	Notional (in millions of Euros)	Foreign Exchange rate	Losses in exchange rate in profit and losses	Counter part	Type of contract	Beginning	Maturity	Notional (in millions of Euros)	Foreign Exchange rate	Forward rate	Changes in fair value recognized in OCI	Changes in fair value recognized in profit and losses	Cost recognized in profit and losses	Fair value
A 01/09/2020	01/11/2021	75	4.5513	(131)	ING Bank	NDF	01/09/2020	01/11/2021	75	4.5513	4.7563	-	131	(15)	-
B 01/14/2020	01/15/2021	50	4.6101	(78)	Credit Agricole	NDF	01/14/2020	01/15/2021	50	4.6101	4.8075	-	78	(10)	-
C 01/16/2020	01/21/2021	75	4.6491	(131)	Deutsche Bank	NDF	01/16/2020	01/21/2021	75	4.6491	4.8457	(1)	131	(14)	116
D 02/26/2020	02/26/2021	50	4.8257	(69)	Credit Agricole	NDF	02/26/2020	02/26/2021	50	4.8257	5.0194	-	69	(9)	-
		250		(409)											

Besides of the borrowings in foreign currency, the subsidiary Carrefour Comércio e Indústria Ltda., imports goods in Euros and Dollars and uses derivative financial instruments as cash flow hedge. The fair value of these derivatives is presented below:

Consolidated – December 31, 2021

Currency	Nature	Trade date	Maturity	Notional in million	Contract closing rate	Forward rate	MTM – R\$ million
Euro	NDF	From 01/20/2021 to 12/23/2021	From 01/05/2022 to 01/05/2023	12	Average 6.5446	Average 6.5531	(1)
US Dollar	NDF	From 01/20/2021 to 12/23/2021	From 01/05/2022 to 02/16/2023	59	Average 5.7170	Average 5.7233	3
				71			2

Consolidated – December 31, 2020

Currency	Nature	Trade date	Maturity	Notional in million	Contract closing rate	Forward rate	MTM – R\$ million
Euro	NDF	From 06/19/2020 to 12/29/2020	From 01/06/2021 to 12/15/2021	10	Average 6.4078	Average 6.4771	-
US Dollar	NDF	From 01/31/2020 to 12/29/2020	From 01/05/2021 to 12/16/2021	51	Average 5.4109	Average 5.4265	(13)
				61			(13)



Notes to the financial statements

(b) Fair value Hedge

For 4131 loans taken out in April 2020 and September 2021, the Company contracted derivative instruments as a fair value hedge instrument for the variation in exchange and interest rates. The financial derivative instruments have the same maturity and values than loans contracts, the hedge relationship is presented below:

Hedge object (loans)						Parent company – December 31, 2021									
Beginning	Maturity	Currency	Notional (in millions of Euros)	Foreign Exchange rate	Change in fair value recognized in profit and losses	Counter part	Type of contract SWAP	Beginning	Maturity	Receives	Pays	Changes in fair value recognized in OCI	Change in fair value recognized in profit and losses	Cost recognized in profit and losses	Fair value
04/16/2020	04/14/2022	Euro	68	5.5500	4	Société Générale	Currency	04/16/2020	04/14/2022	1.5059% p.y.	CDI + 0.68%	(1)	(4)	(15)	48
04/16/2020	04/14/2022	Euro	67	5.5900	3	Credit Agricole	Currency	04/16/2020	04/14/2022	1.1741% p.y.	CDI + 0.65%	(6)	(6)	(10)	45
04/16/2020	04/14/2023	Euro	67	5.5900	3	Credit Agricole	Currency	04/16/2020	04/14/2023	1.3294% p.y.	CDI + 0.85%	(3)	(6)	(14)	48
04/16/2020	04/14/2023	US Dollar	73	5.1250	(28)	BNP Paribas	Currency	04/16/2020	04/14/2023	2.4000% p.y.	CDI +1%	(1)	31	(10)	31
09/20/2021	09/20/2024	Reais	620	N/A	-	BNP Paribas	Interest	09/20/2021	09/20/2024	BRL (Pre 10,484%)	CDI + 0.88%	-	-	-	-
09/20/2021	09/20/2023	Euro	43	6.1950	(6)	Itau Bank	Currency	09/20/2021	09/20/2023	0.9059% p.y.	CDI + 1.21%	-	6	(6)	-
09/20/2021	09/20/2024	US Dollar	150	5.2700	(47)	Rabobank	Currency	09/20/2021	09/20/2024	1.8235% p.y.	CDI + 1.05%	-	34	(14)	20
09/20/2021	09/20/2023	US Dollar	50	5.2800	(15)	JP Morgan	Currency	09/20/2021	09/20/2023	1.8706% p.y.	CDI + 1.31%	-	14	(6)	8
			1,138		(86)										
												(11)	101	(75)	200

Hedge object (loans)						Parent company – December 31, 2020									
Beginning	Maturity	Currency	Notional (in millions of Euros)	Foreign Exchange rate	Change in fair value recognized in profit and losses	Counter part	Type of contract SWAP	Beginning	Maturity	Receives	Pays	Changes in fair value recognized in OCI	Change in fair value recognized in profit and losses	Cost recognized in profit and losses	Fair value
04/16/2020	04/14/2022	Euro	68	5.5500	(56)	Société Générale	Currency	04/16/2020	04/14/2022	1.5059% p.y.	CDI + 0.68%	5	56	(3)	60
04/16/2020	04/14/2022	Euro	67	5.5900	(52)	Credit Agricole	Currency	04/16/2020	04/14/2022	1.1741% p.y.	CDI + 0.65%	4	52	(4)	55
04/16/2020	04/14/2023	Euro	67	5.5900	(53)	Credit Agricole	Currency	04/16/2020	04/14/2023	1.3294% p.y.	CDI + 0.85%	7	53	(4)	59
04/16/2020	04/14/2023	US Dollar	73	5.1250	(5)	BNP Paribas	Currency	04/16/2020	04/14/2023	2.4000% p.y.	CDI +1%	6	5	(2)	11
			275		(166)										
												22	166	(13)	185



NOTE 29: RELATED PARTIES

The Company's direct controlling shareholder is Carrefour Nederland BV, registered in The Nederland, and its ultimate controlling shareholder is Carrefour S.A., registered in France.

Transactions between related parties mainly comprise commercial operations for the purchase and sale of goods, personnel expenses, loans and financing arrangements, cost sharing agreement & IT services. The balances of accounts receivable and accounts payable referring to related-party transactions are as under:

- Trade receivables - commercial fund receivables - These amounts mainly relate to commercial benefits remitted by Carrefour World Trade ("CWT") to the Company and CCI, based on the achievement of conditions and commitments established in International agreements negotiated by CWT with suppliers with the objective to generate synergies for the Carrefour Group companies by adopting a harmonized strategy on suppliers' selection;
- Borrowings to subsidiaries - these amounts refer to loan agreements granted for Carrefour Comércio e Indústria Ltda.;
- Suppliers and other payables - these amounts refer to the purchase of goods and products and/or provision of services directly related to operational activities;
- Borrowings - these amounts refer to loan agreements granted by Carrefour Finance (Note 28.3);
- Management compensation - correspond to the amounts and disclosures relating to the key management compensation presented in Note 32.3;
- Cost sharing agreement - correspond to administrative and management support services rendered by Carrefour S.A., to the Group;
- IT Services - Carrefour Systèmes d'Information provides the Company and CCI with services of maintenance, operation and team support in relation to information technology applications;
- Correspondent banking services - The Company and CCI act as banking correspondents of Banco CSF, proposing financial solutions to the customers in the stores, and are remunerated as such by Banco CSF;
- Pursuant to a trademark license agreement, Carrefour S.A. grants to CCI the right to use the trademarks and logos with the name Carrefour for a fee depending on a percentage of turnover but also on certain thresholds to be met and after deducting publicity expenses. No amount was invoiced.



Notes to the financial statements

Transactions in statements of financial position

The transactions with related parties recorded in the balance sheet for the year ended December 31, 2021 and 2020 are as follows:

Parent Company	December 31, 2021									
	Assets					Liabilities				
	Current assets				Total	Current liabilities			Non-current liabilities	Total
	Accounts receivables	Other accounts receivables	Deferred expenses	Borrowing to subsidiaries		Borrowings	Deferred Revenue	Other accounts payables	Deferred Revenue	
(In millions of Reais)										
Parent Company										
Carrefour S.A.	-	-	-	-	-	-	-	64	-	64
Controlled										
Banco CSF S.A.	69	9	-	-	78	-	27	45	247	319
Carrefour Comércio e Indústria Ltda (a)	-	1	-	1,079	1,080	-	-	20	-	20
Cotabest Informação e Tecnologia S.A.	-	12	-	-	12	-	-	-	-	-
Affiliates										
Carrefour World Trade	82	-	-	-	82	-	-	-	-	-
Carrefour Finance	-	-	3	-	3	1,588	-	7	-	1,595
Carrefour Systèmes d'Information	-	-	-	-	-	-	-	22	-	22
Other related parties										
Cooperativa Atacadão	-	-	-	-	-	-	-	7	-	7
Total	151	22	3	1,079	1,255	1,588	27	165	247	2,027

- (a) In May 2020, a loan agreement was formalized between the Company and its subsidiary Carrefour Comércio e Indústria Ltda. ("CCI") with a limit of R\$ 1 billion, which can be used in fractional mode upon CCI's demand. The interest rate of the credit line was set at CDI + 1.62%, maturing in June 2022 and the payment of the interest at the end of the loan term (or any early repayment).

During the months of June and July 2020, CCI contracted the total available (R\$ 1 billion) and the accrued interest between the parties was R\$ 79 million at the year ended December 31, 2021. No provision for expected credit loss on financial assets was booked in respect of this transaction in 2021.



Notes to the financial statements

December 31, 2020

Parent Company

(In millions of Reais)

	Assets					Liabilities				
	Current assets		Non-current assets		Total	Current liabilities			Non-current liabilities	Total
	Accounts receivables	Other accounts receivables	Deferred expenses	Borrowing to subsidiaries		Borrowings	Deferred Revenue	Other accounts payables	Deferred Revenue	
Parent Company										
Carrefour S.A.	-	-	-	-	-	-	-	39	-	39
Controlled										
Banco CSF S.A.	68	8	-	-	76	-	27	44	273	344
Carrefour Comércio e Indústria Ltda (a)	-	-	-	1,019	1,019	-	-	14	-	14
Cotabest Informação e Tecnologia S.A.	-	3	-	-	3	-	-	-	-	-
Affiliates										
Carrefour World Trade	44	-	-	-	44	-	-	-	-	-
Carrefour Finance	-	-	3	-	3	480	-	2	-	482
Carrefour Systèmes d'Information	-	-	-	-	-	-	-	22	-	22
Other related parties										
Cooperativa Atacadão	-	-	-	-	-	-	-	6	-	6
Total	112	11	3	1,019	1,145	480	27	127	273	907



Notes to the financial statements

December 31, 2021								
Consolidated	Assets				Liabilities			
	Currents Assets				Current Liabilities			
	Accounts receivables	Prepaid expenses	Other accounts receivables	Total	Borrowings	Suppliers	Other accounts payables	Total
(In millions of Reais)								
Parent Company								
Carrefour S.A.	-	-	1	1	-	-	116	116
Affiliates								
Carrefour Management	-	-	2	2	-	-	2	2
Carrefour Systèmes d'Information	-	-	6	6	-	-	59	59
Carrefour Marchandises Internationales	-	-	-	-	-	-	7	7
Carrefour Import S.A.	2	-	-	2	-	86	-	86
Carrefour World Trade	119	-	-	119	-	-	-	-
Carrefour Finance	-	3	-	3	1,588	-	7	1,595
Maison Johannes Boubée	-	-	-	-	-	1	-	1
Sociedad de Compras Modernas	1	-	-	1	-	-	-	-
Other related parties								
Cooperativa Atacadão	-	-	-	-	-	-	7	7
Total	122	3	9	134	1,588	87	198	1,873

December 31, 2020								
Consolidated	Assets				Liabilities			
	Currents Assets				Current Liabilities			
	Accounts receivables	Prepaid expenses	Other accounts receivables	Total	Borrowings	Suppliers	Other accounts payables	Total
(In millions of Reais)								
Parent Company								
Carrefour S.A.	-	-	7	7	-	-	78	78
Affiliates								
Carrefour Management	-	-	2	2	-	-	2	2
Carrefour Systèmes d'Information	-	-	-	-	-	-	79	79
Carrefour Marchandises Internationales	-	-	-	-	-	-	9	9
Carrefour Import S.A.	4	-	-	4	-	64	-	64
Carrefour Argentina	-	-	-	-	-	5	-	5
Carrefour World Trade	78	-	-	78	-	-	-	-
Carrefour Finance	-	3	-	3	480	-	2	482
Maison Johannes Boubée	-	-	-	-	-	1	-	1
Other related parties								
Cooperativa Atacadão	-	-	-	-	-	-	6	6
Total	82	3	9	94	480	70	176	726



Notes to the financial statements

Transactions in the statement of income

Related party transactions recorded in the statement of income for the year ended December 31, 2021 and 2020:

Parent Company

December 31, 2021

<i>(In millions of Reais)</i>	Net income	Other income	Rebates	Rent expenses	Labor costs	Use fees	Cost sharing	Financial expenses	Other income and expenses	TOTAL
Company										
Carrefour S.A.	-	-	-	-	-	-	(68)	-	-	(68)
Controlled										
Carrefour Comércio e Indústria Ltda.	4	-	-	(31)	(68)	-	25	61	-	(9)
Banco CSF S.A.	-	27	-	-	-	(26)	83	-	26	110
Cotabest Informação e Tecnologia S.A	-	-	-	-	-	-	-	1	-	1
Affiliates										
Carrefour Finance	-	-	-	-	-	-	-	(55)	-	(55)
Carrefour Systèmes d'Information	-	-	-	-	-	-	(29)	-	-	(29)
Carrefour World Trade	-	-	177	-	-	-	-	-	-	177
Total	4	27	177	(31)	(68)	(26)	11	7	26	127

Parent Company

December 31, 2020

<i>(In millions of Reais)</i>	Sales	Purchase	Other income	Rebates	Rent expenses	Labor costs	Use fees	Cost sharing	Interests	Other income and expenses	TOTAL
Company											
Carrefour S.A.	-	-	-	-	-	-	-	(36)	-	-	(36)
Controlled											
Carrefour Comércio e Indústria Ltda,	4	(7)	-	-	(31)	(54)	-	23	19	-	(46)
Banco CSF S.A.	-	-	24	-	-	-	(22)	69	-	54	125
Affiliates											
Carrefour Finance	-	-	-	-	-	-	-	-	(28)	-	(28)
Carrefour Systèmes d'Information	-	-	-	-	-	-	-	(21)	-	-	(21)
Carrefour World Trade	-	-	-	149	-	-	-	-	-	-	149
Total	4	(7)	24	149	(31)	(54)	(22)	35	(9)	54	143



Notes to the financial statements

Consolidated

December 31, 2021

(In millions of Reais)

	Rebates	Cost sharing	Purchase	Interests	Total
Company					
Carrefour S.A.	-	(128)	-	-	(128)
Affiliates					
Carrefour Import S.A.	-	-	(252)	-	(252)
Carrefour World Trade	249	-	-	-	249
Carrefour Hypermarket Hong Kong	-	1	-	-	1
Compagnie d'ativite et de Commerce	-	-	(1)	-	(1)
Carrefour Marchandises Internationales	-	(7)	-	-	(7)
Carrefour Finance	-	-	-	(55)	(55)
Carrefour Systèmes d'Information	-	(61)	-	-	(61)
Maison Joaneess Boubée	-	-	(1)	-	(1)
Sociedad Compras Modernas	-	(1)	-	-	(1)
Total	249	(196)	(254)	(55)	(256)

Consolidated

December 31, 2020

(In millions of Reais)

	Rebates	Cost sharing	Purchase	Interests	Total
Company					
Carrefour S.A.	-	(72)	-	-	(72)
Affiliates					
Carrefour Manegement	-	(1)	-	-	(1)
Carrefour Import S.A.	-	-	(250)	-	(250)
Carrefour World Trade	206	-	-	-	206
Carrefour Argentina	-	-	(9)	-	(9)
Carrefour Hypermarket Hong Kong	-	1	-	-	1
Compagnie d'ativite et de Commerce	-	-	(1)	-	(1)
Carrefour Marchandises Internationales	-	(9)	-	-	(9)
Carrefour Finance	-	-	-	(28)	(28)
Carrefour Systèmes d'Information	-	(69)	-	-	(69)
Maison Joaneess Boubée	-	-	(1)	-	(1)
Sociedad Compras Modernas	-	-	(6)	-	(6)
Total	206	(150)	(267)	(28)	(239)



NOTE 30: SEGMENT INFORMATION

Accounting policies

IFRS 8 (CPC 22) – Operating Segments requires the disclosure of information about an entity's operating segments derived from the internal reporting system and used by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance. The Group's operating segments consist of the Retail, Cash & Carry, and Financial Solutions segments, the results of which are reviewed periodically by the Group's Board of Directors, which is the chief operating decision-maker within the meaning of IFRS 8 (CPC 22).

The Financial solutions segment offers its customers "Carrefour" and "Atacadão" credit cards that can be used in the Group's stores and elsewhere, and consumer loans. The segment reports its financial income from lending and credit operations as "Other revenue," as these constitute the primary activity of the segment. The cost of capital funding of the Financial solutions segment is presented as "Cost of financial operations." The Financial solutions segment also provides consumer credit to our customers for purchases made in installments at our stores in the Retail and Cash & Carry segments.

Segment capital expenditure corresponds to the acquisitions of property and equipment and Intangible.

Other segments assets correspond to (i) Trade working capital, which includes trade receivables, inventories and trade accounts payable, (ii) working capital from the Financial solutions segment, (iii) other working capital including other receivables and payables, prepaid expenses and revenues, tax receivables and payables.

Substantially all of the Group's revenues derive from operations in Brazil. The Group has no material non-current assets located outside of Brazil.

The operations of each of the segments of the Group are as follows:

- (i) Retail segment, which comprises the operations of our Carrefour-branded hypermarket, supermarket and convenience store formats, as well as our drugstores, gas stations and e-commerce platform;
- (ii) Cash & Carry segment, which comprises the operations of wholesale and cash and carry stores that operate under the Atacadão brand and e-commerce platform; and
- (iii) Financial Solutions segment, which provides credit cards and consumer financing to our customers.

The Group does not own other segments than the one reported above.

In addition to the segments mentioned above, as "Global Functions", the Group incurs in central costs in relation to our central functions and headquarters. These comprise the activities of (i) The cost of our holding divisions, (ii) certain expenses incurred in relation to certain support functions of our parent company that are allocated to the various segments proportionately to their sales, and (iii) cost allocations from our parent company, which are not specific to any segment.

Note 30.1. Segment results

	December 31, 2021					
(In millions of Reais)	Total	Cash & Carry	Retail	Financial Solutions	Global Functions	Eliminations
Net sales	73,552	53,595	19,957	-	-	-
Other revenue	4,199	178	546	3,497	-	(22)
Net operating revenue	77,751	53,773	20,503	3,497	-	(22)
Cost of goods sold, services rendered and financial operations	(62,875)	(45,636)	(15,758)	(1,481)	-	-
Gross profit	14,876	8,137	4,745	2,016	-	(22)
Sales, general and administrative	(9,211)	(4,225)	(3,668)	(1,086)	(232)	-
Depreciation and amortization	(1,173)	(572)	(557)	(44)	-	-
Net income from equity accounted company	(9)	-	(9)	-	-	-
Other income (expense)	634	26	623	(15)	-	-
Income before (expenses) net financial income and taxes	5,117	3,366	1,134	871	(232)	(22)
Financial result	(786)	-	-	-	-	-
Income before income and social contribution taxes	4,331	-	-	-	-	-
Net income for the year	3,366	-	-	-	-	-
Acquisition of fixed and intangible assets (capex)	2,954	2,507	342	105	-	-
Acquisition of right of use of leasing	360	181	176	3	-	-



Notes to the financial statements

	December 31, 2020					
(In millions of Reais)	Total	Cash & Carry	Retail	Financial Solutions	Global Functions	Eliminations
Net sales	67,640	47,058	20,582	-	-	-
Other revenue	3,551	147	494	2,933	-	(23)
Net operating revenue	71,191	47,205	21,076	2,933	-	(23)
Cost of goods sold, services rendered and financial operations	(57,273)	(40,165)	(15,915)	(1,193)	-	-
Gross profit	13,918	7,040	5,161	1,740	-	(23)
Sales, general and administrative	(8,360)	(3,448)	(3,698)	(1,042)	(172)	-
Depreciation and amortization	(1,040)	(460)	(544)	(36)	-	-
Net income from equity accounted company	(8)	-	(8)	-	-	-
Other income (expense)	(6)	97	(97)	(6)	-	-
Income before (expenses) net financial income and taxes	4,504	3,229	814	656	(172)	(23)
Financial result	(579)					
Income before income and social contribution taxes	3,925					
Net income for the year	2,844					
Acquisition of fixed and intangible assets (capex)	3,211	2,835	316	60		
Acquisition of right of use of leasing	651	587	64			

Note 30.2. Segment assets and liabilities

	December 31, 2021				
(In millions of Reais)	Total	Cash & Carry	Retail	Financial Solutions	Global Functions
ASSETS					
Goodwill	1,828	1,391	437	-	-
Other intangible assets	514	35	284	195	-
Property and equipment	17,417	13,407	3,923	87	-
Investment property	560	-	560	-	-
Other segment assets	27,217	11,263	3,921	12,033	-
Total segment assets	47,536	26,096	9,125	12,315	-
Unallocated assets	11,388				-
Total Assets	58,924				-
LIABILITIES (excluding equity)					
Segment liabilities	28,501	12,667	5,825	9,839	170
Unallocated liabilities	12,027				
Total Liabilities	40,528				

	December 31, 2020				
(In millions of Reais)	Total	Cash & Carry	Retail	Financial Solutions	Global Functions
ASSETS					
Goodwill	1,828	1,391	437	-	-
Other intangible assets	495	25	313	157	-
Property and equipment	15,465	11,363	4,040	62	-
Investment property	397	-	397	-	-
Other segment assets	24,208	9,443	4,725	10,040	-
Total segment assets	42,393	22,222	9,912	10,259	-
Unallocated assets	9,431				
Total Assets	51,824				
LIABILITIES (excluding equity)					
Segment liabilities	25,486	11,082	6,286	8,034	84
Unallocated liabilities	9,293				
Total Liabilities	34,779				



NOTE 31: SHARE-BASED PAYMENTS

Accounting policies

The Group offers seven share-based plans to its directors in order to retain the top executives. Besides that, these employees also receive shares from four other plans of the Group Parent Company (Carrefour S.A). The cost recorded in employee benefits expense comprises (i) the fair value of the equity instruments on the grant date (i.e., the date on which grantees are informed of the plan's characteristics and (ii) the withholding income tax paid by the Group on behalf of the employees and social charges.

The benefit represented by the fair value of the instruments on the grant date is recorded in employee benefits expense with a corresponding increase in shareholders' equity (equity-settled) in accordance with IFRS 2 – Share-based Payment, during the period in which employees unconditionally acquire the right to the options.

The corresponding withholding income tax and social charges are recorded in employee benefits expenses with a corresponding increase in liabilities (portion of the plan treated as cash-settled). Fair value is determined using two types of models: (i) the Binomial option-pricing model for stock options on the grant date and (ii) Black-Scholes model.

Performance conditions that are not based on market conditions are not taken into account to estimate the fair value of stock options. However, they are taken into account in estimates of the number of shares that are expected to vest, as updated at each period-end based on the expected achievement rate for the non-market performance conditions.

The cost calculated as described above is recognized on a straight-line basis over the vesting period.

Details of the stock option purchase plan set up for executive management and selected employees are presented below.

Note 31.1. Stock option purchase plans

a) Description of stock option plan/Long term incentives based on shares

(i) First stock option approved plan ("Pre-IPO")

The pre-IPO stock options plan was approved in the Shareholders General Meeting on March 21, 2017. The Group main objective of this plan, implemented according the Law 6.404, from 15/12/1976, was to retain a group of key executives for the planning and execution of the initial public offering (IPO), creating an alignment of its interests with the Shareholders' interest. The Board of Directors, who is employed by the parent company and its subsidiaries, nominates the eligible executives. The Board of Directors, according the formally approved plan rules, manages the plan. The Board of Directors has the ability to, anytime: (i) change or terminate the plan; and/or (ii) establish the rules applicable to matters that are not provided for under these plans, provided that it does not amend or adversely affect, without the beneficiary's consent, any rights or obligations under each of these plans.

The terms and conditions of this plan are regulated in an individual contract with the eligible employees. This contract – according to the rules approved at the Shareholders General Meeting – defines: (i) the eligible executives and their individual amount of grants, (ii) the strike price of the options granted, (iii) the vesting schedule and (iv) individual conditions to access the grants at the vesting date or other events would impact the vesting date. These conditions do not include performance conditions that were not based on market conditions.

Details of stock option purchase plan are presented below:



Notes to the financial statements

Number of options granted ⁽¹⁾	9,283,783
Life of the options	6 years
Number of grantees	46
Exercise period ⁽²⁾	From IPO date up to March 21, 2023
Exercise price in R\$	11.70

(1) refers to number of authorized option approved in general meeting of June 27, 2017

(2) the options vested only if the occurrence of an IPO and the grantee is still employed by the Group at the start of the exercise period, in the following tranches:

- 1/3 (one third) in the occurrence of the IPO;
- 1/3 (one third) after 12 months from the occurrence of the IPO; and
- 1/3 (one-third) after 24 months from the occurrence of the IPO.

For employees hired after the approbation date of the pre-IPO plan (March 21, 2017) the stock options granted under this pre-IPO stock option plan shall vest as follows:

- 1/3 (one third) of the granted options will vest 12 months after the date of this offering;
- 1/3 (one third) of the granted options will vest 24 months after the date of the offering; and
- 1/3 (one third) of the granted options will vest 36 months after the date of the offering.

The vesting of the first one third of the options granted of the Pre-IPO plan occurred on July 21, 2017, with the realization of the Primary Stock Offering, 12 months later, the second third of the options had completed their vesting period, and 24 months later, the third. Movements of stock options exercised during the period for this plan are detailed in the note 31.1 (c).

(ii) Long-term incentives based on shares plan (former "Second stock options approved plan") - ("Regular Plan")

The second stock option plan was approved in a general extraordinary shareholders meeting held on June 26, 2017 and changed in a general ordinary and extraordinary shareholders meeting held on April 14, 2020, through which became known as the Long-Term Incentive Plan based on Shares, including the possibility of granting restricted shares, in addition to the already foreseen stock options. The grants are annual and its main guidelines include:

- **Eligible persons:** our Management and employees, as well as the Management and employees of the entities controlled by us;
- **Beneficiaries:** executive officers to be selected by our Board of Directors;
- **Vesting Period for these stock options or restricted shares:** 36 months after each grant;
- **Maximum term for exercise of the stock options:** up until the end of the 6th year counted as of the plan;
- **Maximum equity dilution:** 2.5% of the total amount of common shares of the capital stock, considering, in this total, the dilutive effect resulting from the exercise of all granted but not exercised options or restricted shares under this plan, as well as the approved stock option plan; and
- **Exercise price of the options:** to be determined by our Board of Directors at the time the stock options are granted, which will consider, at most, the 30 trading days preceding the date of the stock option grant.
- **Performance target:** the total of the options and/or restricted shares may be linked to performance targets, to be defined by the Board of Directors at the time of granting.

On September 26, 2019, the Company's Board of Directors approved the first grant of options as described below:

Number of options granted ⁽¹⁾	3,978,055
Life of the options	6 years
Number of grantees	92
Exercise period ⁽²⁾	Between September 26, 2022 and September 26, 2025
Exercise price in R\$	21.98

(1) number of authorized option approved on Board of Directors meeting in September 26, 2019;

(2) Options will be released within this term and based on a basket of certain performance indicators approved by the Board of Directors on the grant date.



Notes to the financial statements

b) Fair value measurement

The following tables list the inputs to the model used:

	Pre-IPO	Regular
Fair value option at grant date (R\$ per option)	3.73	5.20
Estimated fair value of the share (R\$ per share)	11.70	21.98
Dividend yield (%)	1.35	1.09
Expected volatility (%)	29.02	27.20
Risk-free interest rate (%)	10.25	5.57
Expected life of share option (Years)	2.72	3
Model	Black-Scholes	Black-Scholes

Volatility and dividend yield:

- i. Pre-IPO plan: as the Company was not listed at the date of the approbation of this plan, the basic parameters we defined as a proxy to five retail listed companies peer group. Considering the difference in market cap, we adopted the average values for volatility and dividend yield, as the most appropriate proxy for the valuation exercise.

The risk free interest rate was based on long-term central bank bonus rates for similar length, establishing the annual risk free rate at 10.25%.

- ii. Regular plan: the Company used as a volatility parameter the rate disclosed on the São Paulo Stock Exchange (B3) website for the 12-month period and the dividend yield based on profits distributed by the Company in 2018;

The risk-free rate of return was based on the long-term bond rate released by the Central Bank for a similar period. We set the annual risk-free rate of return at 5.57%.

c) Movements in stock options

Movements in stock options plan in the period were as follows:

	Pre-IPO	Regular
Options outstanding as of January 1, 2021	1,822,472	3,163,616
(+) Options granted in the period	-	-
(-) Options exercised in the period	(140,500)	-
(-) Options cancelled or that expired in the period	-	(199,055)
(+) Recalculation of pending shares	944,999	194,694
Options outstanding as of December 31, 2021	2,626,971	3,159,255

Note 31.2. Share compensation plan

(i) Group's plan

On February 27, 2019, based on the recommendation of the compensation committee, the Board of Directors of the Carrefour Group in France decided to use the authorization granted in the 14th resolution of the Annual General Meeting held on May 17, 2016 (Carrefour Group France) to grant shares (new or existing) to certain employees of the Carrefour Brazil Group.

On February 26, 2020, based on the recommendation of the compensation committee, the Board of Directors of the Carrefour Group in France decided to use the authorization granted in the 25th resolution of the Annual General Meeting held on June 14, 2019 (Carrefour Group France) to grant shares (new or existing) to certain employees of the Carrefour Brazil Group.

On February 17, 2021, based on the recommendation of the compensation committee, the Board of Directors of Carrefour Group in France decided to use the authorization granted in the 25th resolution of the Annual General Meeting held on June 14, 2019 (Carrefour Group France) to grant shares (new or existing) to certain employees of the Carrefour Brasil Group.

The vesting period is three years, from the date of the Board meeting that granted the stock rights. The employees will only have access to those shares if they remain with the company until the end of the vesting period and achieve some goals. The number of shares that will be delivered depends on the achievement of four performance conditions with a weight of 25% each:

- Conditions related to financial performance (recurring operating income, adjusted free cash flow for authorization granted in 2019 and 2020, and net free cash flow for authorization granted in 2021);
- Total return to Shareholder; and



Notes to the financial statements

- Item related to corporate social responsibility.

The details of the stock plan as of December 31, 2021 are shown below:

Grant date ⁽¹⁾	February 27, 2019	February 26, 2020	February 17, 2021
Vesting date ⁽²⁾	February 26, 2022	February 27, 2023	February 17, 2024
Number of share allotted at the grant date	256,700	196,478	249,100
Number of shares granted	256,700	196,478	249,100
Fair value of each share (in €) ⁽³⁾	14.32	13.05	11.85

(1) Notification date (Date on which the participants are notified about the characteristics of the plan).

(2) Shares will be awarded only if the participant remains in the Group at the end of the vesting period and if performance conditions are met.

(3) Share price of Carrefour S.A. (France) at the grant date (reference price) adjusted by the estimated dividends not received during the vesting period.

(ii) Regular Plan

On November 10, 2020, based in the recommendation of the Human Resources Committee, the Board of Directors of the Carrefour Group in Brazil decided to grant shares (new or existing) to certain employees of the Carrefour Brazil Group, under the regular plan.

On August 25, 2021, based on the recommendation of the Human Resources committee, the Board of Directors of the Carrefour Brasil Group decided to grant shares (new or existing) to certain employees of the Carrefour Brasil Group, within the scope of the Regular Plan.

The vesting period is three years, from the date of the Board meeting that granted the stock rights. The employees will only have full access to those shares if they remain with the company until the end of the vesting period and achieve some goals. In case of unfair dismissal, the employee will have access to the pro-rata shares at the end of the vesting period. The number of shares that will be delivered depends on the achievement of five performance conditions with a weight of 20% each:

- Two conditions related to financial performance (recurring operating income and adjusted free cash flow);
- Total return to Shareholder;
- Item related to the digital transformation of the company; and
- Item related to corporate social responsibility.

	2020 Regular Plan	2021 Regular Plan
Number of shares approved ⁽¹⁾	1,291,074	1,832,230
Number of shares granted	1,028,221	1,556,541
Number of grantees	80	124
Granting date ⁽³⁾	November 10, 2020	August 25, 2021
Vesting date ⁽²⁾	November 10, 2023	August 25, 2024
Fair Value of each share (in R\$)	17.35	14.56

(1) number of authorized option approved on Board of Directors meeting on November 10, 2020 (2021 grantees) and August 25, 2021 (2021 grantees);

(2) Options will be released within this term and based on a basket of certain performance indicators approved by the Board of Directors on April 14, 2020;

(3) Date when participants are notified of the plan's characteristics

c) Movements in stock options

	2019 Global Plan	2020 Global Plan	2020 Regular Plan	2021 Global Plan	2021 Regular Plan
Granted shares on January 1, 2021	212,600	198,340	999,403	-	-
(+) Granted shares in the period	6,000	2,719	29,965	249,100	1,556,541
(-) Late granting	18,800	54,502	-	56,200	-
(-) Cancelled shares in the period	(10,700)	(15,804)	(52,228)	(16,800)	(33,306)
Shares on December 31, 2021	226,700	239,757	977,140	288,500	1,523,235
Exercisable shares	-	-	-	-	-

Note 31.3 – Expenses

The details about expenses of employee's benefits (share-based payments) see note 24.



NOTE 32: EMPLOYEE COMPENSATION AND BENEFITS

Accounting policies

Group employees receive short-term benefits (such as paid vacation, paid sick leave and statutory profit-sharing bonuses), long-term benefits (such as long-service awards and seniority bonuses) and post-employment benefits (such as length-of-service awards and supplementary pension benefits). Post-employment benefits may be paid under defined contribution or defined benefit plans.

All of these benefits are accounted for in accordance with IAS 19 (CPC 33) – *Employee Benefits*. Short-term benefits (i.e., benefits expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services) are classified as current liabilities (under "Other accounts payable") and recorded as an expense for the year in which the employees render the related services (Note 24). Post-employment benefits and other long-term benefits are measured and recognized as described in Note 18.1

Note 32.1. Description of defined contribution plans

Accounting policies

Post-employment benefits are employee benefits that are payable after the completion of employment. The Group's post-employment benefit plans include both defined contribution plans and defined benefit plans.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity that is responsible for the plan's administrative and financial management as well as for the payment of benefits, such that the Group has no obligation to pay further contributions if the plan assets are insufficient.

A liability for contributions to private pension plans for defined contribution is recognized as expenses with benefits to employees in the statement of income for the periods during which services are provided to employees.

Contributions paid in advance are recognized as an asset if cash is to be reimbursed or if future payments may be reduced.

Health care programs

The existing defined benefit plan refers to the post-employment health care, as defined by the obligation provided in Law No. 9656/98.

The calculation of the defined benefit plan obligation is realized annually by a qualified actuary using the projected unit credit method.

Our subsidiary CCI and its subsidiaries maintain a defined contribution pension plan for their employees, managed by Carrefourprev Sociedade de Previdência Complementar. Sponsor expenses for December 31, 2021 totaled R\$ 10 million (R\$ 9 million as of December 31, 2020).

Note 32.2. Payroll, vacation and related charges

The balance of the main benefits for employees is presented as follows:

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<i>(In millions of Reais)</i>				
Vacation provision and related charges	146	123	298	273
Salaries and related charges	141	116	296	264
13 ^o salary provision and related charges	-	-	-	2
Bonus provision	72	126	203	337
Other	21	13	28	15
Total Payroll, vacation and related charges	380	378	825	891

Note 32.3. Management compensation (related parties)

The Board of Directors (12 members) did not receive compensation, excluding the two independent members. The following table shows the compensation paid by the Group to serving members of the Executive Directors for December 31, 2021 and 2020:



Notes to the financial statements

	Parent Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<i>(In millions of Reais)</i>				
Compensation for the year	12	9	21	19
Stock option expense for the year	8	4	11	6
Bonus	11	12	18	20
Benefits in kind (accommodation and company car)	2	2	3	2
Total compensation paid during the year	33	27	53	47
Employer payroll taxes	9	6	13	10
Termination benefits	7	-	8	1
Number of executives	7	4	12	10

NOTE 33: OFF-BALANCE SHEET COMMITMENTS

Accounting policies

Commitments given and received by the Group that are not recognized in the statement of financial position correspond to contractual obligations whose performance depends on the occurrence of conditions or transactions after the year-end. There are two types of off-balance sheet commitments, related to (i) cash management transactions and (ii) retail operations. The real estate leases commitments rises from the receiptment of rent on retail units in shopping malls owned by the Group and leased to other parties (commitments received).

Commitments given

(In millions of Reais)	December 31, 2021	Consolidated Maturity			December 31, 2020
		Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	
Related to cash management transactions – Financial solutions company	24,118	24,118	-	-	26,636
Related to operations	819	611	208	-	1,576
TOTAL	24,937	24,729	208	-	28,212

Related to cash management transactions include:

- credit commitments and “pre-approved credit limits offered to customers by CSF, the financial solutions company in the course of its operating activities. They are divided into two types: (i) approved and not used credit card limits in the amount of R\$ 12 billion (R\$ 14 billion on December 31, 2020) and (ii) personal loans “pre-approved” limits in the amount of R\$ 12 billion (R\$ 13 billion as of December 31, 2020). CSF has the possibility to review the credit lines offered to its clients at any time, hence they are classified as short term;

Related to operations include:

- commitments to purchase energy up to 5 years;
- commitments to purchase fuel in connection with the gas stations activity;
- miscellaneous commitments arising from commercial contracts (i.e. media services); and
- other commitments given.

Commitments received

		Consolidated			
	December 31, 2021	Maturity			December 31, 2020
(In millions of Reais)		Due within 1 year	Due in 1 to 5 years	Due beyond 5 year	
Related to cash management transactions	5,416	5,416	-	-	3,348
Atacadão	5,416	5,416	-	-	3,348
Others	-	-	-	-	9
Related to real estate leases	494	200	289	5	335
TOTAL	5,910	5,616	289	5	3,692

Related to cash management transactions include:

- Committed lines of credit available but not drawn down by the Group at the period.

Related to operations include:

- mortgages and other guarantees received, mainly in connection with the Group's real estate activities; and
- Other commitments received.



Notes to the financial statements

Related to rental properties:

The Group has also several malls and galleries built mainly in the same locations of the hypermarkets, supermarket and leased to third parties. The minimum future rents receivable from these retail units – determined based on the maximum leaseholder's commitment in terms of duration and value for each of the leases in effect at the end of the period – totaled R\$ 494 million as of December 31, 2021 (R\$ 335 million as of December 31, 2020).

Fixed assets given as guarantee:

- As of December 31, 2021 and 2020 the total amount of the fixed assets given as guarantee in judicial disputes was R\$ 30 million.

NOTE 34: INSURANCE COVERAGE

As of December 31, 2021, the insurance coverage of Group Carrefour Brazil comprised:

Covered risks (In millions of Reais)

	Parent Company	Consolidated
Operational risks	15,177	25,514
Loss of profit	5,381	8,541
Civil liability – maximum indemnification limit	643	643

NOTE 35: SUBSEQUENTE EVENTS

Borrowings

In January 2022, the Company contracted a loan in the amount of R\$2.2 billion with its affiliate Carrefour Finance, in France. The loan interest rate is 12% p.a. due in March 2023.

In January 2022, the company also contracted loans with financial institutions abroad totaling R\$ 2.9 billion (US\$ 520 million). The contracts mature in 16 and 17 months, with interest rates ranging from 1.08% to 1.71% p.a.

The Company uses derivative financial instruments to hedge its exposure to exchange rate risk, these instruments are designated for hedge accounting.

Opinion of CADE's Superintendence General on the Grupo BIG Acquisition

In January 25th 2022, CADE's Superintendence General ("SG") has issued the Decision No. 85/2022, with the recommendation of approval of the acquisition of Grupo BIG Brasil S.A. ("Grupo BIG") by the Company ("Transaction"), upon the execution of a Merger Control Agreement ("ACC").

The ACC proposal negotiated by the SG with the Company and Grupo BIG sets forth the divestment of certain stores, but in an amount lower than the one disclosed in the declaration of complexity issued by the SG on November 12, 2021 (i.e. less than 10% of Grupo BIG's stores), as informed by the Company on that same date through a Notice to the Market.

The Transaction will now be analyzed by CADE's Tribunal, which has up to June 2022 (in case it decides to use the maximum legal term, including extensions) to definitely decide on SG's recommendations, including the terms of the negotiated ACC. After closing the transaction, the Company will start work on converting the 388 stores (out of which 63 Maxxi, 43 Sam's Club, 86 BIG, 45 Super Bompreço, 54 Nacional and 97 TodoDia).

Grupo Carrefour Brasil will maintain its shareholders and the market in general informed about any relevant developments.



Statement from the Board of Directors

ATACADÃO S.A.

Corporate Taxpayers' Registry (CNPJ/MF) No. 75.315.333/0001-09
Company Registry (NIRE) No. 35.300.043.154

Statement from the Board of Directors on the Financial Statements and Report of Independent Auditors

In conformity with article 25 of CVM Instruction N°480/09, of December 7, 2009, the undersigned, Directors of ATACADÃO S.A. ("The Company"),

State that they:

(i) reviewed, discussed and agreed the Company's individual and consolidated Financial Statements for the year 2021;

(ii) reviewed, discussed and agreed the content and opinion expressed in the report of the Independent Auditors on the Company's Financial Statements for the year 2021, issued on this date.

São Paulo, February 15, 2022,

Stéphane Maquaire

Chief Executive Officer – Group Carrefour Brasil

Marco Aparecido de Oliveira

Chief Executive Officer – Atacadão

David Murciano

Chief Financial and Investor Relations Officer – Grupo Carrefour Brasil

Guillaume de Braquilanges

Chief Financial - Atacadão



Annual Summary Report of the Statutory Audit Committee

ATACADÃO S.A.

Corporate Taxpayers' Registry (CNPJ/MF) No. 75.315.333/0001-09

Company Registry (NIRE) No. 35.300.043.154

Annual Summary Report of the Statutory Audit Committee

Introduction

As provided for in the Company's Bylaws, on the Internal Regulation of the Statutory Audit Committee and also in CVM 308/99, the Statutory Audit Committee of ATACADÃO S.A. ("Company"), shall, among other responsibilities, review and provide advice and opinions to the Board of Directors on: (i) the retention or replacement of the independent auditors of the Company; (ii) the quarterly financial information, and the annual and interim financial statements of the Company; (iii) the monitoring of the internal control procedures of the Company and its subsidiaries; (iv) the choice of accounting policies and principles of the Company and its subsidiaries; (v) the monitoring of internal risk assessment and management procedures of the Company and its subsidiaries; and (vi) the monitoring and assessing, in cooperation with Management (*administração*) and the Internal Audit Department, the adequacy of transactions with related parties carried out by the Company. The Statutory Audit Committee is currently composed of five members, who are also members of the Board of Directors.

Activities

During the course of 2021, the Statutory Audit Committee held six (6) ordinary meetings (i) to review, besides other subjects, the financial statements of the Company, the quarterly financial information, (ii) to review and issue recommendation on the works of the Internal Audit Department, its work plan, and also to assess the adequacy of its structure and budget.

Amongst the main activities carried out in 2021, the Statutory Audit Committee closely monitored the measures adopted by the Company's Risk Management Department, along with specialized external advisors, aiming at improving internal controls and compliance standards.

The Statutory Audit Committee also heard the reports of Deloitte, external auditors to the Company ("Deloitte"), in particular prior to the release of the quarterly financial statements, and in order to understand and assess the methodology of the audit process, the focus areas with respect to any key risks identified, as well as the timetable of the audit process and the materiality thresholds set.

Finally, as part of its responsibilities, the Statutory Audit Committee closely followed the work plan of the Internal Audit Department and its relevant activities, including budget, scope of work, IT issues, crisis management, and recommended adjustments where necessary, as well as provided guidelines and assessed the structure of the Internal Audit Department's team in order to confirm whether it was adequate to perform its activities, as required pursuant to Novo Mercado Regulation.

At each meeting of the Board of Directors, a summary of the Statutory Audit Committee's activities was presented by the Coordinator of the Statutory Audit Committee and discussed with the Directors.



Annual Summary Report of the Statutory Audit Committee

Statutory Audit Committee Report related to the Financial Statements

The members of the Statutory Audit Committee of the Company examined and analyzed the financial statements of the Company for the fiscal year ended December 31, 2021 and, considering the information provided by the Company's Board of Executive Officers and the related report prepared by Deloitte, recommended the approval by the Board of Directors of the such financial statements, to be finally submitted to the Shareholders General Meeting.

São Paulo, February 11, 2022.

Matthieu Malige

Coordinator of the Statutory Audit Committee

Claire Du Payrat

Member of the Statutory Audit Committee

Luiz Fernando Vendramini Fleury

Independent Member of the Statutory Audit Committee

Eduardo Pongrácz Rossi

Member of the Statutory Audit Committee

Edouard Balthazard Bertrand de Chavagnac

Member of the Statutory Audit Committee



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

ANNEX V

PRO FORMA FINANCIAL STATEMENTS OF THE COMPANY AND THE BIG GROUP

Unaudited *pro forma* consolidated
financial information
Atacadão S.A.

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REASONABLE ASSURANCE REPORT ON THE COMPILATION OF “PRO FORMA” CONSOLIDATED FINANCIAL INFORMATION

To the Managers and Shareholders
of Atacadão S.A.
São Paulo - SP

Introduction

We completed our assurance work for issue of the report on the compilation of “*pro forma*” consolidated financial information of Atacadão S.A. (“Atacadão” or “Company”), prepared under responsibility of its Management, for compliance with Instruction No. 565 issued by the Brazilian Securities Exchange Commission - CVM. The “*pro forma*” consolidated financial information include the “*pro forma*” consolidated balance sheet as of December 31, 2021 and “*pro forma*” consolidated income statement for the fiscal year ended on December 31, 2021, including the respective explanatory notes. The applicable criteria, based on which the Company’s Management has gathered the “*pro forma*” consolidated financial information, are specified in Communication CTG 06 - “Presentation of “*Pro Forma*” Financial Information” of the Federal Accounting Council - CFC, which is supported by Technical Guidance OCPC 06 - “Presentation of “*Pro Forma*” Financial Information”, issued by the Accounting Pronouncements Committee - CPC, and are summarized in note No. 1.b to the “*pro forma*” consolidated financial information.

The “*pro forma*” consolidated financial information have been gathered by the Company’s Management to illustrate the impact of a potential acquisition of Grupo Big Brasil S.A (“BIG”) (“Combination” or “Transaction”), presented in note No. 1.b, on the Company’s consolidated balance sheet as of December 31, 2021 and on its consolidated income statement for the year ended on December 31, 2021, as if the Combination had occurred on December 31, 2021 (for the “*pro forma*” consolidated balance sheet) and January 1, 2021 (for the “*pro forma*” consolidated income statement), respectively. As part of this process, the information regarding the equity and financial position of the Company’s operating performance has been extracted by the Company’s Management from its consolidated financial statements for the year ended on December 31, 2021, on which we issued an audit report, without modifications, dated February 15, 2022. Additionally, the information regarding the equity and financial position of BIG’s operating performance has been extracted by the Company’s (i) from BIG’s consolidated financial statements for the year ended on December 31, 2021, on which we issued an audit report, without modifications, dated February 26, 2022, and (ii) from the financial statements of Barbarossa Empreendimentos e Participações S.A., Bulge Empreendimentos e Participações S.A., Gibraltar Empreendimentos e Participações S.A., Kharkov Empreendimentos e Participações S.A., Kursk Empreendimentos e Participações S.A., Midway Empreendimentos e Participações S.A., Overlord Empreendimentos e Participações S.A., Pacífico Empreendimentos e Participações S.A., Torch Empreendimentos e Participações S.A., Stalingrado Empreendimentos e Participações S.A. and Valquíria Empreendimentos e Participações S.A., jointly the “SPVs”, for the year ended on December 31, 2021, on which we issued audit reports, without modifications, dated March 18, 2022.

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Responsibility of the Company's Management for the *pro forma* consolidated financial information

The Company's Management is responsible for the compilation of the "*pro forma*" consolidated financial information based on the criteria established in Communication CTG 06, which is based on Technical Guidance OCPC 06 and summarized in note No. 1.b to the "*pro forma*" consolidated financial information.

Our independence and quality control

We attend the independence and other ethical requirements of the Brazilian standards NBCs PG 100 and 200 and NBC PA 291, which are based on the integrity, objectiveness and professional competence principles and that also consider secrecy and behavior of the professionals.

We apply the international standards of quality control established in the Brazilian standard NBC PA 01 and, therefore, keep an appropriate quality control system that includes policies and procedures related to compliance with ethical requirements, professional standards, legal and regulatory requirements.

Responsibility of the independent auditor

Our responsibility is to express an opinion, as required by the Brazilian Securities Exchange Commission - CVM, on whether the "*pro forma*" consolidated financial information has been gathered by the Company's Management, in all material respects, based on the criteria established in Communication CTG 06, which is based on Technical Guidance OCPC 06.

We performed our work according to the standards CTO 02 - Issuance of Reasonable Assurance Report on "*Pro Forma*" Financial Information for Compliance with CVM Instruction No. 656 and NBC TO 3420 - "Assurance Work on the Compilation of "*Pro Forma*" Financial Information Included in Prospect", issued by the Federal Accounting Council, this latter equivalent to the International Standard issued by the International Accountants Federation ISAE 3420 - "Assurance Reports on the Process Used to Compile *Pro forma* Financial Information". These standards require the auditors to plan and execute the audit procedures with the purpose of obtaining a reasonable assurance that the Company's Management has compiled, in all material respects, the "*pro forma*" consolidated financial information based on the criteria established in Communication CTG 06, which is based on Technical Guidance OCPC 06, and summarized in note No. 1.b to the "*pro forma*" consolidated financial information.

For the purposes of this work, we are not responsible for the update or re-issue of any reports or opinions on any historical financial information used in the compilation of "*pro forma*" consolidated financial information, nor have we executed, in the course of this work, an audit or review of the financial statements of all historical financial information used in the compilation of the "*pro forma*" consolidated financial information;

The sole purpose of the "*pro forma*" consolidated financial information is to illustrate the impact of the relevant Combination on the Company's consolidated historical financial information, as if the Combination had occurred on the date previously mentioned, selected for illustrative purposes. So, we do not offer any assurance that the actual result of the relevant Combination on December 31, 2021 would have been as presented.

A work of reasonable assurance on whether the “*pro forma*” consolidated financial information has been compiled, in all material respects, based on the applicable criteria, involves execution of procedures to assess if the applicable criteria adopted by the Company’s Management in compiling the “*pro forma*” consolidated financial information offer a reasonable basis for presentation of the relevant effects directly attributable to the event or transaction and to obtain sufficient and appropriate evidence on whether:

- The corresponding “*pro forma*” adjustments provide the appropriate effect to these criteria.
- The “*pro forma*” consolidated financial information reflect the proper application of these adjustments to the historical financial information.

The selected procedures depend on the independent auditor’s judgment, taking into account their understanding about the Company, the nature of the event or transaction with respect to which the “*pro forma*” consolidated financial information has been compiled, as well as other relevant circumstances of the work. The work also involves the assessment of the general presentation of the “*pro forma*” consolidated financial information.

We believe that the evidence obtained is sufficient and appropriate to justify our opinion on the compilation of the “*pro forma*” consolidated financial information.

Opinion

In our opinion, the “*pro forma*” consolidated financial information has been compiled, in all material respects, according to the criteria defined in Communication CTG 06 - “Presentation of *Pro Forma* Financial Information” of the Federal Accounting Council, which is supported by Technical Guidance OCPC 06 - “Presentation of *Pro Forma* Financial Information”, issued by the Accounting Pronouncements Committee (CPC), and are summarized in note No. 1.b to the “*pro forma*” consolidated financial information.


Emphasis


We draw your attention to note No. 1.b to the “*pro forma*” consolidated financial information, which describes that this “*pro forma*” consolidated financial information should be read in conjunction with the Company’s, BIG’s and SPVs’ consolidated financial statements for the year ended on December 31, 2021, which were the basis for preparation of the “*pro forma*” consolidated financial information. Our opinion is not changed about this subject matter.

Other matters

According to the terms of our work, this reasonable assurance report on “*pro forma*” consolidated financial information has been prepared in compliance with the requirements of the Brazilian Securities Exchange Commission - CVM, to illustrate the impact of the probable acquisition of BIG by the Company and for no other purpose.

São Paulo, April 5, 2022


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.
CRC No. 2 SP 011609/O-8


Fernando Stolf
Accountant
CRC No. 1 SP 228416/O-5

**Unaudited *pro forma* consolidated balance sheet as of
December 31, 2021**
(In million BRL)

	ATACADÃO S.A. ¹	BIG BRASIL S.A. GROUP ²	SPVs ³	Pro Forma Adjustment Note	Pro Forma Adjustment	Pro Forma
Current assets						
Cash and cash equivalents	6,945	251	19		-	7,215
Bonds and securities	47	-	-		-	47
Accounts receivable	1,298	607	-		-	1,905
Credit granted to the consumer by the financial solutions company	11,038	-	-		-	11,038
Inventories	8,788	2,803	-		-	11,591
Taxes to recover	1,294	619	-		-	1,913
Income tax and social contribution to recover	30	-	-		-	30
Derivative financial instruments	95	-	-		-	95
Loans to subsidiaries	-	-	-		-	-
Advance for Acquisition Grupo BIG	900	-	-	2.a.i	(900)	-
Other accounts receivable	403	133	3		-	539
Related parties	-	-	56	2.b.i	(56)	-
Total Current Assets	30,838	4,413	78		(956)	34,373
Non-Current						
Accounts receivable	9	22	-		-	31
Credit granted to the consumer by the financial solutions company	485	-	-		-	485
Derivative financial instruments	107	-	-		-	107
Bonds and securities	450	-	-		-	450
Taxes to recover	2,812	2,960	-		-	5,772
Income tax and social contribution to recover	107	-	-		-	107
Deferred income tax and social contribution	633	2,345	-	2.b.ii	389	3,367
Anticipated Expenses	48	-	-		-	48
Deposits in court and judicial asset freezing	2,570	582	-		-	3,152
Other accounts receivable	142	-	-		-	142
Other assets	-	32	-		-	32
Related parties	-	-	103	2.b.i	(103)	-
Total Non-current Receivables	7,363	5,941	103		286	13,693

	ATACADÃO S.A. ¹	BIG BRASIL S.A. GROUP ²	SPVs ³	Pro Forma Adjustment Note	Pro Forma Adjustment	Pro Forma
Inventories	300	-	-		-	300
Properties for investment	560	-	813	2.b.i	(813)	560
Investments	104	-	-		-	104
Fixed Assets	17,417	4,197	-	2.b.i / 2.b.ii	3,993	25,607
Intangible Assets	2,342	514	-	2.b.i / 2.b.ii	(223)	2,633
Right-of-use assets	-	2,822	-	2.b.i	(2,822)	-
Total Non-Current Assets	28,086	13,474	916		421	42,897
Total Assets	58,924	17,887	994		(535)	77,270

1 - This information is derived from the Company's audited consolidated financial statements for the fiscal year ended on December 31, 2021. 2 - This information is derived from the Grupo BIG Brasil S.A.'s audited consolidated financial statements for the fiscal year ended on December 31, 2021. 3 - This information is derived from the audited historical financial statements of Barbarossa Empreendimentos e Participações S.A., Bulge Empreendimentos e Participações S.A., Gibraltar Empreendimentos e Participações S.A., Kharkov Empreendimentos e Participações S.A., Kursk Empreendimentos e Participações S.A., Midway Empreendimentos e Participações S.A., Overlord Empreendimentos e Participações S.A., Pacífico Empreendimentos e Participações S.A., Torch Empreendimentos e Participações S.A., Stalingrado Empreendimentos e Participações S.A. e Valquíria Empreendimentos e Participações S.A.

**Unaudited consolidated *pro forma* balance sheet as of
December 31, 2021**
(In BRL million)

	ATACADÃO S.A. ¹	GRUPO BIG BRASIL S.A. ²	SPEs. ³	Pro Forma Adjust Note	Pro Forma Adjust	Pro Forma
Current Liabilities						
Suppliers	15,449	2,684	-		-	18,133
Loans	3,019	-	-		-	3,019
Derivative financial instruments	85	3	-		-	88
Lease liabilities	161	202	-	2.b.i	(2)	361
Credit card transactions	8,249	-	-		-	8,249
Taxes payable	372	102	-		-	474
Income tax and social contribution payable	267	-	2		-	269
Labor obligations	825	259	-		-	1,084
Dividends payable	65	-	10		-	75
Deferred revenue	33	100	-		-	133
Other payables	551	191	-	2.b.i	(14)	728
Related parties	-	329	1		-	330
Credit rights investment fund	-	330	-		-	330
Social charges payable	-	-	-		-	-
Commitments payable				2.b.iii	69	69
Total Current Liabilities	29,076	4,200	13		53	33,342
Non-current Liabilities						
Loans	3,973	-	-	2.a.i	4,363	8,336
Lease liabilities	1,877	3,190	-	2.b.i	(700)	4,367
Credit card transactions	1,266	-	-		-	1,266
Deferred income tax and social contribution	439	-	26		-	465
Provisions	3,290	2,401	-	2.b.ii	1,964	7,655
Income tax and social contribution payable	582	-	-		-	582
Deferred revenue	18	67	-		-	85
Other payables	7	-	-		-	7
Related parties	-	-	-		-	-
Total Non-Current Liabilities	11,452	5,658	26		5,627	22,763
Owners' Equity	18,396	8,029	955	2.a.ii/2.c.i	(6,216)	21,164
Total liabilities and owners' equity	58,924	17,887	994		(535)	77,270

1 - This information is derived from the Company's audited consolidated financial statements for the year ended December 31, 2021.

2 - This information is derived from the audited consolidated financial statements of Grupo BIG Brasil S.A. for the year ended December 31, 2021.

3 - This information is derived from the historical audited financial statements of Barbarossa Empreendimentos e Participações S.A., Bulge Empreendimentos e Participações S.A., Gibraltar Empreendimentos e Participações S.A., Kharkov Empreendimentos e Participações S.A., Kursk Empreendimentos e Participações S.A., Midway Empreendimentos e Participações S.A., Overlord Empreendimentos e Participações S.A., Pacífico Empreendimentos e Participações S.A., Torch Empreendimentos e Participações S.A., Stalingrado Empreendimentos e Participações S.A. and Valquíria Empreendimentos e Participações S.A.

Unaudited consolidated *pro forma* income statement for the year ended December 31, 2021

(In BRL million)

	ATACADÃO S.A. ¹	GRUPO BIG BRASIL S.A. ²	SPEs ³	Pro Forma Adjust Note	Pro Forma Adjust	Pro Forma
Net sales	73,552	19,652	51	2.d.i	(51)	93,204
Other revenues	4,199	472	-		-	4,671
Net operating revenue	77,751	20,124	51		(51)	97,875
Cost of goods sold, services provided, and financial transactions	(62,875)	(15,133)	(7)	2.d.ii	7	(78,008)
Gross profit	14,876	4,991	44		(44)	19,867
Revenues (expenses)						
Selling, general and administrative	(9,211)	(4,370)	(3)	2d.ii-2.d.iii	(16)	(13,599)
Depreciation and amortization	(1,173)	(659)	-	2.d.ii	(7)	(1,839)
Income using the equity method	(9)	-	-		-	(9)
Other income (expenses)	634	589	(1)		-	1,222
Earnings before net financial expenses and taxes	5,117	551	40		(67)	5,641
Financial revenue	1,147	388	10	2.d.i	(10)	1,535
Financial expenses	(1,933)	(602)	-	2.a.i	(549)	(3,084)
Financial income	(786)	(214)	10		(559)	(1,549)
Earnings before income tax and social contribution	4,331	337	49		(625)	4,092
Income tax and social contribution						
Current	(1,279)	71	(2)	2.d.iii	2	(1,208)
Deferred	314	(168)	(6)	2.d.iii/2.d.iv	218	359
Net profit for the year	3,366	240	42		(405)	3,243
Allocated to:						
Controlling shareholders	3,144	240	42		(405)	3,021
Non-controlling shareholders	222	-			-	222

1 - This information is derived from the Company's audited consolidated financial statements for the year ended December 31, 2021.

2 - This information is derived from the audited consolidated financial statements of Grupo BIG Brasil S.A. for the year ended December 31, 2021.

3 - This information is derived from the historical audited financial statements of Barbarossa Empreendimentos e Participações S.A., Bulge Empreendimentos e Participações S.A., Gibraltar Empreendimentos e Participações S.A., Kharkov Empreendimentos e Participações S.A., Kursk Empreendimentos e Participações S.A., Midway Empreendimentos e Participações S.A., Overlord Empreendimentos e Participações S.A., Pacífico Empreendimentos e Participações S.A., Torch Empreendimentos e Participações S.A., Stalingrado Empreendimentos e Participações S.A. and Valquíria Empreendimentos e Participações S.A.

Management's notes to the unaudited consolidated *pro forma* financial information

(In BRL million, unless otherwise stated)

1. Description of the transaction and basis for preparing the consolidated *pro forma* financial information

(a) Transaction Description

On March 24, 2021, Atacadão S.A. ("Atacadão" or "Company") entered into with Momentum – Fundo de Investimento em Participações Multiestratégia, controlled by entities under the management of an entity affiliated with Advent International Corporation, and Brazil Holdings S.C.S, a company controlled by Walmart Inc. ("Sellers"), a Share Purchase and Merger Agreement ("Agreement" or "Transaction") for the acquisition of all shares issued by Grupo BIG Brasil S.A., considering the merger of Barbarossa Empreendimentos e Participações S.A., Bulge Empreendimentos e Participações S.A., Gibraltar Empreendimentos e Participações S.A., Kharkov Empreendimentos e Participações S.A., Kursk Empreendimentos e Participações S.A., Midway Empreendimentos e Participações S.A., Overlord Empreendimentos e Participações S.A., Pacífico Empreendimentos e Participações S.A., Torch Empreendimentos e Participações S.A., Stalin Empreendimentos e Participações S.A. and Valquíria Empreendimentos e Participações S.A., jointly the "SPEs" with Grupo Big Brasil S.A. referred to as "Grupo BIG".

The Transaction will be effective through the acquisition in:

- (i) Consideration of the portion in cash of five billion, two hundred and fifty million reais (BRL 5,250,000,000.00) referring to the acquisition of shares representing 70% of the share capital, free and clear of any encumbrances that will be adjusted, between the Transaction date to the Closing date by CDI. The cash to be used will come from a loan.
- (ii) The advance of nine hundred million reais (BRL 900,000,000.00) to the Sellers, in cash after execution of the Agreement, this installment will be deducted from the final total amount of the cash portion of the Transaction when it is concluded, or refunded by the Sellers if the Transaction does not be concluded.
- (iii) Concurrently, the merger of the remaining shares, representing 30% of the share capital, will be merged into the Company, becoming the owner and lawful owner of all the BIG Group's shares. On the closing date of the Transaction, the Company will issue, and the sellers will receive, one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty (116,822,430) common shares ("Portion in Shares"), which will be issued by the value corresponding to the shares closing price in the trading session immediately preceding the closing date of the Transaction (BRL 19.26), which cannot be transferred by the sellers for a period of up to 6 months from the conclusion ("Determination Date") of the Transaction;
- (iv) Additional payment in cash for the determination of payment of dividends or interest on owner's equity distributed by the Company in the period, considering the determination of historical results between the date of Transaction and Closing.
- (v) Additionally, the Company may incur an additional amount to be paid in cash after the Determination Date, based on the possible appreciation of the shares, calculated as follows: appreciation of the Company's shares in BRL, between the date of execution and 6 months after the closing of the transaction, multiplied by a factor of 20 million, under the Agreement.

The Company's management intends to submit the Merger of Shares for resolution by an ordinary general meeting, through a management proposal, together with other relevant documents, including this pro forma financial information, under CVM Instruction No. 565/15.

The Transaction will be subject to certain usual conditions for transactions of this nature, such as (i) obtaining approval of the Company's shareholders at an Extraordinary General Meeting, for the Purchase and Merger of Shares; and (ii) approval of the Transaction by the Administrative Council for Economic Defense – CADE. The transaction conclusion is expected in 2022.

On January 25, 2022, SG Order No. 85/2022 was issued by the CADE's General Superintendence ("SG"), with the recommendation to approve the acquisition of Grupo BIG Brasil S.A. ("BIG Group") by the Company, by entering into an Agreement on Control of Concentration ("ACC"). ACC proposal negotiated by SG with the Company and BIG Group provides for the divestiture of some stores, but at a lower level than that disclosed in the complexity statement issued by SG on November 12, 2021 (i.e., less than 10% of the establishments in Grupo BIG), as per the Notice to the Market published by the Company on the same date. The Superintendence mentions up to 11 of the 388 stores of Grupo BIG, representing up to 2.8% of the total store portfolio as of December 31, 2021.

The Transaction will be reviewed by the CADE Court, which has until June 2022 (if it decides to use the maximum regulatory term, including extensions) to definitively decide on the SG's recommendations, including the terms of the negotiated ACC. After closing the Transaction, the Company will start work on converting 388 stores (63 Maxxi, 43 Sam's Club, 86 BIG, 45 Super Bompreço, 54 Nacional, and 97 TodoDia) on December 31, 2021.

(b) Basis for preparing the unaudited consolidated *pro forma* financial information

The unaudited consolidated *pro forma* financial information was compiled under Technical Notice CTG 06 – Submission of Pro Forma Financial Information, equivalent to Technical Guidance OCPC 06 – Submission of Pro Forma Financial Information.

This unaudited consolidated pro forma financial information was prepared using the acquisition method under CPC15(R1)/IFRS 3 - Business Combinations, where the Company is considered the acquiror. CPC15 (R1)/IFRS 3 requires, among other things, that assets acquired and liabilities assumed are recognized at their market value on the acquisition date.

The unaudited consolidated pro forma financial information submitted herein is based on:

- (i) the historical individual and consolidated financial statements of Atacadão S.A. for the fiscal year ended December 31, 2021, prepared under accounting practices adopted in Brazil and international financial reporting standards (IFRS), issued by the International Accounting Standards Board (IASB), audited by Deloitte Touche Tohmatsu Auditores Independentes Ltda. ("Deloitte"), which issued an unqualified report on February 15, 2022;
- (ii) the historical individual and consolidated financial statements of Grupo BIG Brasil S.A., for the fiscal year ended December 31, 2021, prepared under accounting practices adopted in Brazil and international financial reporting standards (IFRS), issued by the International Accounting Standards Board (IASB), audited by Deloitte Touche Tohmatsu Auditores Independentes Ltda. ("Deloitte"), which issued an unqualified report on February 26, 2022;
- (iii) historical audited financial statements of Barbarossa Empreendimentos e Participações S.A., Bulge Empreendimentos e Participações S.A., Gibraltar Empreendimentos e Participações S.A., Kharkov Empreendimentos e Participações S.A., Kursk Empreendimentos e Participações S.A., Midway Empreendimentos e Participações S.A., Overlord Empreendimentos e Participações S.A., Pacífico Empreendimentos e Participações S.A., Torch Empreendimentos e Participações S.A., Stalingrado Empreendimentos e Participações S.A. and Valquíria Empreendimentos e Participações S.A., together the "SPEs", referring to the fiscal year ended December 31, 2021, prepared under accounting practices adopted in Brazil and international financial reporting standards (IFRS), issued by the International Accounting Standards Board (IASB), audited by Deloitte Touche Tohmatsu Auditores Independentes Ltda. ("Deloitte") which issued the unqualified respective reports on March 18, 2022.

The consolidated pro forma financial information was compiled by the Company's Management to illustrate the impact of the probable acquisition of Grupo BIG ("Combination" or "Transaction"), on the Company's consolidated balance sheet as of December 31, 2021, and on its consolidated financial income for the year ended December 31, 2021, as if the Combination had taken place on December 31, 2021 (for the pro forma consolidated balance sheet) and January 1, 2021 (for the pro forma consolidated income statements).

The unaudited consolidated pro forma financial information for the fiscal year ended December 31, 2021, is based on assumptions considered reasonable by Management and should be read together with the Company's historical consolidated financial statements and Grupo BIG's historical consolidated financial statements.

The pro forma unaudited consolidated financial information has been presented for illustrative purposes only and does not purport to represent what the actual consolidated results of transactions or the consolidated financial position of the Company would have been had the proposed Transaction occurred on the dates assumed, and is not necessarily indicative of the results of transactions in future periods or the consolidated financial position. In addition, such unaudited pro forma consolidated financial information does not reflect, for example: (i) any synergies, operating efficiencies and cost savings that may arise from the corporate reorganization; (ii) any potential benefits generated from the combined growth of the Company and the BIG Group; or (iii) any restrictions imposed by competition authorities.

As described above, the Transaction is still subject to suspensive conditions, requiring the prior approval of CADE and the shareholders at a General Meeting, and the potential Transaction is classified as probable in light of OCPC06. Thus, the Company has made a preliminary assessment of the allocation of the fair value of assets acquired and liabilities assumed from the Grupo BIG for purposes of preparing the unaudited pro forma consolidated financial statements. This preliminary assessment is subject to significant change upon completion of the final purchase price allocation for the Transaction.

The final purchase price allocation will be determined when the Company completes the required detailed valuations and calculations. The final allocation may differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include (1) changes in the amount of consideration paid, (2) changes in the fair values of fixed assets, (3) changes in the fair values of contingencies, (4) changes in the allocations of intangible assets and consequently changes in the amount of premium or bargain purchase gain and (5) other changes in assets and liabilities, including any changes with respect to the recovery of tax credits.

The interim evaluation identified the need for price adjustments to the total consideration, where the Company has preliminarily estimated that there are no allocations to other intangibles and/or other assets and liabilities as if the Combination had occurred on December 31, 2021 (for the pro forma consolidated balance sheet) and January 1, 2021 (for the pro forma consolidated income statements), as presented in explanatory note 2.b.ii.

This pro forma consolidated financial information was approved by the Board of Directors on April 5, 2022.

2. Pro forma adjustments

The unaudited pro forma consolidated financial information has been prepared and presented from the historical consolidated financial statements of the Company and BIG Group. The pro forma adjustments are based on currently available information and certain estimates and assumptions and, therefore, the actual effects of these transactions will differ from the pro forma adjustments set forth herein.

The historical consolidated financial statements have been adjusted to give effect to *pro forma* events that are (i) directly attributable to the acquisition, (ii) factually supportable, and (iii) and are expected to have a recurring impact on the Company's consolidated results of transactions. Reclassification adjustments necessary to conform to the historical financial statement presentation of the Company's acquired businesses are also incorporated.

The following notes provide further details of these adjustments.

Explanatory Notes to the unaudited *pro forma* consolidated financial information

Note A – *Pro forma* transaction adjustments

(2.a.i) A pro forma adjustment was made to the loans and financing facility, referring to: 1. part of the consideration paid in cash for 70% of the interest in BIG Group in the amount of BRL 4,363, with this total corresponding to the amount of BRL 5,250, net of the advance of BRL 900, made soon after the execution of the Transaction and the price adjustments highlighted in note 2.b.ii. 2. The cash portion to be paid on the closing date of the transaction will be increased by BRL 273 referring to the CDI since March 24, 2021 that will be adjusted in the price, of which the Company estimates to have an average impact of 13.99% p.a. on the pro forma result, considering the maximum impact of the interest rates available to the Company on the principal amount without the impact of amortizations, so that considering different scenarios with different amortization plans, the impact on the pro forma result would be lower. The estimated effect of the financial expense of the average funding cost on the pro forma result will be approximately BRL 549.

(2.a.ii) A pro forma adjustment of BRL 2,250 was made, referring to the payment with the issue of one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty (116,822,430) Company shares considering the share price on the Transaction date (BRL 19.26 per share) to the sellers for the 30% interest in the BIG Group. The value of said consideration was estimated considering the number of shares multiplied by the market price of the Company's shares, equivalent to BRL 22.71 per share on March 25, 2022, the date adopted for the preliminary allocation of the purchase price, generating an additional estimated effect of BRL 403. A share price variation of 10% would affect the estimated consideration by BRL 265. A share price variation of 25% would affect the estimated consideration by BRL 663.

(2.a.iii) According to note 1.(v) the value of said consideration was estimated at BRL 69, considering the factor of 20,000,000 multiplied by the price variation equivalent to BRL 22.71 per share on March 25, 2022, and that of the Transaction date BRL 19.26. A share price variation of 10% would affect the estimated consideration by BRL 7. A share price variation of 25% would affect the estimated consideration by BRL 17.

(2.b.i) Consolidation accounting adjustments were made in the BIG Group and impacts of the merger occurred in February 2022 due to the Transaction:

1. Write-off of the pre-existing premium of Sonae Distribuição S.A., acquired by the BIG Group in 2005 in Intangible assets in the amount of BRL 223;

2. Derecognition of the lease agreements between BIG Group (lessee) and the SPEs (lessor) generating a gain of BRL 107, with the impacts below. These adjustments reflect the condition precedent of the acquisition of the BIG Group by the merger of the SPEs, which occurred in the first quarter of 2022.

	Equity	Initial	Adjustments	Final
SPE	Related parties - CP	BRL 56	(BRL 56)	-
BIG	Right-of-use assets	BRL 2,822	(BRL 450)	BRL 2,372
SPE	Related parties - LP	BRL 104	(BRL 104)	-
BIG	Lease liabilities - CP	(BRL 202)	BRL 2	(BRL 200)
BIG	Other accounts payable - CP	(BRL 191)	BRL 14	(BRL 177)
BIG	Lease liabilities - LP	(BRL 3,190)	BRL 700	(BRL 2,490)
	Total effect/reversal on Net Equity (SPEs and BIG)	BRL 601	(BRL 107)	BRL 494

The investment properties in the amount of BRL 813 net between cost and accumulated depreciation, which were subject to the derecognized lease in Grupo BIG Brasil S.A. and the "SPEs" by the merger transaction were reclassified to Fixed Assets. The remaining balance of BRL 2,372 related to the right-of-use assets of leases held by Grupo BIG Brasil S.A. with third parties was reclassified to Fixed Assets, in accordance with the Company's accounting practices.

(2.b.ii) Adjustments were made regarding the identification of assets and liabilities in the PPA of the BIG Group, and recognition of their respective deferred taxes.

Until the date of this pro forma information, management had not concluded the preparation of the Report to support the purchase price allocation of the acquisition, and pursuant to its interpretation, the acquisition did not generate material identified intangible assets that would impact the allocation of the amount paid. The reflection of the allocation of the price paid is seen in the table below:

Purchase Price Allocation	Values in BRL millions
Cash advance (1.a.ii)	BRL 900
Cash (1.a.i)	BRL 4,350
Installment in shares (1.a.iii)	BRL 2,250
Total base consideration	BRL 7,500
Installment to be paid in cash at the closing of the transaction	BRL 4,350
Payment adjustment of the cash installment by CDI (2.a.i)	BRL 273
Adjustment by the payment of dividends and interest on owners' equity distributed in the period by the Company (1.a.iv)	BRL 100
Estimated "True-Up" ¹ adjustment	(BRL 360)
Consideration to be paid in cash at the closing of the transaction (2.a.i)	BRL 4,363
Cash advance (1.a.ii)	BRL 900
Portion in shares (1.a.iii)	BRL 2,250
Adjustment of the installment to be paid in shares (2.a.ii)	BRL 403
Conditional additional installment (2.a.iii)	BRL 69
Total Consideration with Price Adjustment²	BRL 7,985

Purchase Price Allocation	Values in BRL millions
Book value of BIG Group's shareholders' equity	BRL 8,984
Accounting Adjustments ³	(BRL 116)
Adjustment to fair value - Fixed Assets	BRL 820
Adjustment to fair value - Contingencies	(BRL 1,964)
Deferred Assets of Tax Income/Social Contribution	BRL 389
Fair value of assets acquired and liabilities assumed	BRL 8,113
= Gain by advantageous purchase	(BRL 127)

1 – The "True-Up" adjustment consists of an analysis of the cash position, indebtedness, change in net working capital and capex adjustments at the closing date of the Transaction; 2 – It consists of the value of the base consideration adjusted by the elements disclosed in note 1.a.

3 – Write-off of BRL 223 million the pre-existing premium of Sonae Distribuição S.A. acquired by BIG Group in 2005; Acknowledgment of BRL 107 million referring to the positive result from the reversal of lease transactions between Grupo BIG Brasil S.A. and the SPEs (notes 2.b.i and 2.d.ii);

Fixed assets The fair value adjustment of BRL 820 in Fixed Assets refers to the difference between the fair value and the net book value of the Investment Properties that were reclassified to Fixed Assets, specifically in the reclassification of the SPEs. Likewise, an increase of BRL 12 was made in accumulated amortization.

Contingencies: The fair value of contingent liabilities acquired in the Transaction was determined based on estimates made by outside legal counsel, based on the prognosis of the probability of loss of risks assessed and not recognized in the balance sheet of the BIG Group. Contingent liabilities acquired in a business combination are initially measured at fair value on the acquisition date. The adjustment necessary to reflect the fair value of contingent liabilities determined for the period ended December 31, 2021 is BRL 1,964.

The fair value recognized at the acquisition date considered the best information available until the issue of this report and the Company will continue to apply the recognition requirements established in paragraph 23 of CPC 15/IFRS 3, in which a contingent liability is recognized at the acquisition date of the transaction provided that: (i) it represents a present obligation arising from past events and (ii) its fair value can be reliably measured when the Transaction is consummated.

It should also be noted that the CPC 15 / IFRS 3 allows the reporting of provisional values for items whose accounting is incomplete. During the measurement period, the Company will retrospectively adjust the provisional values recognized at the acquisition date to reflect any new information obtained regarding existing facts and circumstances, which, if known at that date, would have affected the measurement of the recognized values. Therefore, any adjustments when new information is obtained regarding facts and circumstances that existed as of the acquisition date may be made within the measurement period comprising up to one year from the Closing date.

Deferred tax assets: Represents the total net adjustment related to the establishment of deferred tax assets on the adjustments of the capital gains on Fixed Assets and on Contingencies, considering the rate of 25% for Income Tax and Social Contribution and 9% for Social Contribution.

(2.c.i) Represents the elimination of Shareholders' Equity after the acquisition of Grupo BIG Brasil S.A. and SPEs, and impacts of accounting adjustments highlighted in 2.b.i for consolidation purposes. The adjustment in the amount of BRL 6,216 considers the effects below:

Shareholders' Equity Pro Forma Adjustment	(BRL 6,216)
<i>Consolidation eliminations</i>	
Share capital of BIG S.A.	BRL 252
Share Capital of SPE	BRL 851
Capital reserve of BIG S.A.	BRL 4,558
Profits reserve of BIG S.A.	BRL 3,219
Reservation of profits of SPE	BRL 104
<i>Transaction Effects</i>	
Issuance of shares	(BRL 2,653)
Result in advantageous purchase	(BRL 127)
Surplus value amortization	BRL 12

(2.d.i) The pro forma adjustment represents the elimination of the result from rental income earned by the SPEs (lessor), since it results from lease transactions carried out with Grupo BIG Brasil S.A (lessee), as detailed in note 2.d.ii.

(2.d.ii) Represents the adjustments below and the reclassification of BRL 7 of the depreciation of the investment properties from cost (where they were recognized in the SPEs) to expenses in the year ended December 31, 2021; Recognition of BRL 12 in amortization expense referring to the effect for 12 months on the adjustment of appreciation in Fixed Assets; Effects in the result arising from the derecognition of leases between Grupo BIG Brasil S.A. and SPEs:

	Result	Initial	Adjustment	Final
BIG	Interest on lease	BRL 293	(BRL 62)	BRL 231
BIG	Depreciation of right-of-use assets	BRL 256	(BRL 12)	BRL 244
BIG	Gain with impairment reversal	BRL 258	(BRL 18)	BRL 240
SPEs	Rentals revenues	BRL 51	(BRL 51)	-
SPEs	Financial revenue (AVP) rentals	BRL 10	(BRL 10)	-

(2.d.iii) Represents the reversal adjustment of expenses with professional services and income tax and social contribution recognized by the SPEs in the year ended December 31, 2021.

(2.d.iv) Represents the adjustment related to the effect of the deferred tax, with the derecognition of the expense of BRL 6 referring to the result of the SPEs and the recognition of the revenue of BRL 218 considering the 25% rate for Income Tax and Social Contribution and 9% for Social Contribution on Profits Before Taxes applied on the pro forma adjustments in the result of December 31, 2021.

(2.e.i) Basic and diluted earnings per share have been adjusted considering the issuance of 116,822,430 Company shares, as shown below:

In millions of shares**Year ended December 31, 2021**

	<u>Basic</u>	<u>Diluted</u>
Weighted average number of shares	1,985	1,988
Shares issued by the Company	<u>117</u>	<u>117</u>
<i>Pro forma</i> weighted average number of shares	<u>2,073</u>	<u>2,076</u>
<i>Pro forma</i> attributable net profit		
Company's Controlling Shareholders	3,021	3,021
	<u>1.46</u>	<u>1.46</u>
<i>Pro forma</i> profit per share		

* * *



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

ANNEX VI

INFORMATION RELATING TO THE APPRAISER

(according to Annex 21 of CVM Instruction 481)

1. List the evaluators recommended by management

Alvarez & Marsal Assessoria em Transações Ltda., headquartered in the City of São Paulo, State of São Paulo, at Rua Surubim, No. 577, cj. 202, Cidade Monções, ZIP Code 04571-050, registered with the CNPJ/ME under No. 28.287.683/0001-29 ("Appraiser"), was recommended by the Company's Management ad referendum of the Company's General Meeting.

2. Describe the capacitation of recommended appraisers

The Appraiser stands out independently in the global value consulting scenario, delivering expertise in evaluations, considered one of the leading accounting firms specializing in auditing and consulting in Brazil.

3. Provide a copy of the work proposals and remuneration of the recommended evaluators

The total remuneration of the Appraiser was BRL 96,000.00 (ninety-six thousand reais) for the preparation of the Appraisal Report, pursuant to articles 252 and 256 of the Brazilian Corporation's Law. A copy of the Appraiser's work proposal for the preparation of the Appraisal Report is included in Annex VIII to the Management Proposal.

4. Describe any relevant relationship existing in the last 3 (three) years between the recommended appraisers and parties related to the Company, as defined by the accounting rules that deal with this matter

There was no material relationship between the Appraiser and the Company in the last 3 (three) years.

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Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

ANNEX VII APPRAISAL REPORT

Atacadão S.A.

April 2022

ALVAREZ & MARSAL

Economic-financial valuation report of Grupo Big Brasil S.A.

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Atacadão S.A.

Rua George Eastman, 213
Morumbi, São Paulo - SP
CEP 05690-000

Alvarez & Marsal Assessoria em Transações Ltda.
Rua Surubim, 577 – 20º andar – cj 202 – Brooklin Novo
04571-050 – São Paulo – SP, Brazil
Tel: +55 11 5506-4059
Fax: +55 11 3478-0540

São Paulo, April 5, 2022

Dear Sirs,

As requested, Alvarez & Marsal Assessoria em Transações Ltda. (“A&M”) performed the economic-financial valuation of Grupo Big Brasil S.A.’s shares (“Big Group” or “Company”), on the base date December 31, 2021 (“base date”).

The procedures adopted, our discussions and estimates (“Services”) are described in this report (“Report”). Our valuation estimates and the Report are intended for the below described purposes only.

The economic-financial valuation of the Big Group’s shares is intended to provide the management (“Management”) and shareholders of Atacadão S.A. (“Atacadão” or “Carrefour Group” or “Client”) with an estimate of the economic-financial value of the shares of Big Group, in order to support the respective resolution on the merger of shares of Big Group at the General Shareholders’ Meeting of Atacadão, in line with the requirements of article 8 and 252 of the Brazilian Corporation Law.

Additionally, we demonstrated, through the valuation of BIG Group, the relevance of the acquisition for Atacadão (art. 256 of the Brazilian Corporation Law).

It is allowed to make this Report available as a result of a legal or regulatory requirement or determination (including under CVM Instruction 481/09), related to this transaction, and provided that the Report is disclosed in full.

The conclusions and estimates expressed herein are subject to the limitations contained in the Schedule.

In case of any doubt regarding the Report or our valuation estimates, please contact Paulo Mota or Marina Ragucci. Yours Sincerely,

DocuSigned by:


Paulo Mota
Managing Director

Alvarez & Marsal, Transaction Advisory Group

DocuSigned by:


Marina Ragucci
Director

Alvarez & Marsal, Transaction Advisory Group

ALVAREZ & MARSAL

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Abbreviations

A&M	Alvarez & Marsal Assessoria em Transações Ltda.
Management	Management of Atacadão
Bacen	Central Bank of Brazil
CADE	Brazilian Antitrust Authority
Capex	<i>Capital Expenditures</i> – Investments in fixed assets
Client or Atacadão or Carrefour Group	Atacadão S.A.
Base date	December 31, 2021
Net Debt	Balance of net cash loans and financial investments
DRE	Income Statement for the Year
EBITDA	<i>Earning Before Interest, Income Tax, Depreciation and Amortization</i>
EBIT	<i>Earning Before Interest, Income Tax</i> EBT <i>Earning Before Tax</i>
Company or Big Group - Grupo Big Brasil S.A.	
EV	<i>Enterprise Value</i> – Company's Operating Value
FCD	Discounted Cash Flow
IPCA	Broad Consumer Price Index
NOL	<i>Net operating losses</i> – Tax losses and negative basis of social contribution
Nopat	<i>Net operating profit after income taxes</i> ROB Gross operating revenue
ROL	Net Operating Revenue
Operating value	Enterprise Value disregarding the net debt position and non-operating assets and liabilities in the balance sheet
Value to shareholders	Enterprise Value considering the net debt position and non-operating assets and liabilities in the balance sheet

ALVAREZ & MARSAL



01 Executive Summary



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Executive

Understanding

Carrefour Group is a multiformat retail food products chain composed by the companies Carrefour Varejo, Atacadão, Carrefour Property and Banco Carrefour.

As part of the execution of its growth and expansion goals, Atacadão seeks to acquire Big Group, one of the leading companies in food retail in Brazil, with a strong presence in the Northeast and South regions.

With over 80 years of history, Big Group has a strong presence in 18 States and in the Federal District, with a national chain composed of 388 stores distributed in 181 cities. The Company operates in two business segments, retail and wholesale.

According to the Management, the Big Group stores chain presents, therefore, a robust geographic complementarity with Carrefour Group, and its acquisition will expand its presence in regions where its penetration is still limited, such as the Northeast and South regions, which offer a great growth potential.

The transaction involves the acquisition of all shares issued by BIG Group for the amount of BRL 7.5 billion, being 70.0% of the shares through a cash payment, and the remainder through merger or shares, that is, each common share issued by Big Group will be replaced by common shares issued by Atacadão, making a total of one hundred sixteen million, eight hundred twenty-two thousand, four hundred and thirty) common shares.

Purposes and uses

Our analysis and this Report will be used by the Management, for purposes of presentation to the General Shareholders' Meeting (EGM), in order to comply with the requirements of articles 8 and 252 of Brazilian Corporation Law and verify whether the acquisition of BIG Group represents a relevant investment for Atacadão, pursuant to art. 256 of the Brazilian Corporation Law. This report shall not be used for any other purpose or any other base date.

Scope of work

In order to comply with art. 252 of the Brazilian Corporation Law, our work included:

- Analysis of historical financial information of Big Group and the Deal Model prepared by the Management, considering potential synergies between the businesses of Atacadão and Big Group;
- Any adjustments of projection assumptions to be considered, preparation of result and operating cash flows projections;
- Calculation of a discount rate based on the WACC methodology; and
- Preparation of the Report containing our analysis, conclusion of values, methodologies and assumptions used.

In order to perform the valuation of BIG Group, we received from the Management a summary of the study of synergies expected for the transaction, prepared by an outsourced consulting company. We used this information in the projection of results, however, verifying the feasibility of performing such synergies was not a part of the scope of our work.

Specifically with respect to the projected revenue increase, our projection is supported by the summary study contracted by the Management and no additional analysis has been made.

As a verification of the projections presented, we compared the margins achieved on the long run with the margins practiced by Brazilian publicly-held companies of the same sector and have not found significant differences.

Moreover, we verified whether the acquisition of BIG Group represents a relevant investment for Atacadão, as described in art. 256 of Law 6,404.

Executive

Scope of Work (cont.)

It was not part of the scope to determine:

- i. Assessment of contingent liabilities;
- ii. Audit or due diligence;
- iii. Accounting consultancy;
- iv. Preparation of fairness opinion;
- v. Compliance with art. 256, item II, of law 6,404;
- vi. valuation of tangible, intangible or complex assets (derivative calculations);
- vii. Legal consultancy or tax planning and/or interpretation of the current tax laws;
- viii. Market studies;
- ix. Provision of models and/or work sheets;
- x. Update of studies for another base date; and
- xi. Services other than those mentioned herein.

Executive summary

Conclusions

Summary of Value

Based on the information received and work performed, the calculation through the discounted cash flow methodology indicates a value estimate of BRL 13.2 billion of 100% of the Company's shares.

The values regarding non-operating assets and liabilities and net debt, on the base date for analysis, were considered as contained in the Company's pro forma balance sheet that considers adjustments according to the expectations of the Management, as presented on page 14 and schedules.

The main assumptions used were:

- Base Date: December 31, 2021
- Methodology: Discounted Cash Flow ("FCD") by using the cash flow for the firm adjusted by net debt and non-operating assets and liabilities
- Standard value: fair value
- Projection period: January 2022 to December 2026
- Currency: Reais (BRL) par, that is, considering the effects of inflation
- Taxation: taxable income
- Discount rate: 10.7% in nominal terms, based on WACC methodology.

Value Composition

In BRL million		Notes
Projected cash flow present value	3,285	[1]
Present value of tax benefit	809	[2]
Present value of perpetuity	10,176	[3]
Operating cash flow present value	14,270	[4]=[1]+[2]+[3]
Non-operating assets and liabilities	(1,571)	[5]
Net cash	519	[5]
Economic value for 100% of the Company	13,220	[6]=[4]+[5]

Notes:

[1] Cash flow projected from January 2022 to December 2026.

[2] Calculated considering the remaining balance of tax losses after the explicit period, to its present value.

[3] Calculated considering a 3.18% growth in perpetuity, equivalent to the expected long-term inflation disclosed by Bacen

[5] Balances as per the non-audited financial statements. See the details in Schedule "Non-operating and net cash".

[6] Rounded value

Relevant investment

Based on the Shareholders' Equity value ("PL") of Atacadão on the valuation base date of BRL 18.4 billion, and on the acquisition value of BIG Group of BRL 7.5 billion, it is verified that this investment represents more than 10% of Atacadão's Shareholders' Equity and, therefore, should be considered a Relevant Investment, in compliance with art. 256 of the Brazilian Corporation Law.

* As per financial statements regarding the fiscal year ended on 12/31/2021 of Atacadão

02

Appraiser's Information and Credentials

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Appraiser's Information and Credentials

Information on the appraiser

A&M is a leading global company of professional services with over 35 of activity, that provides services for business development improvement, turnaround management and advisory for organizations that seek to transform operations, leverage growth and speed up results through a decisive action. It is present in more than 25 countries, forming a network over 65 offices, with more than 5,200 professionals, more than 600 of which in Latin America.

In Brazil since 2004, A&M opened its first office in São Paulo, and currently counts on offices in Rio de Janeiro and Belo Horizonte.

In 2016, following the global expansion of A&M, the Transaction Advisory Group ("TAG") department was created in Brazil and provides services and financial solutions related to mergers and acquisitions, project finance, accounting advisory, transaction support (Due Diligence services), modeling and economic-financial valuation services ("Valuation").

The Valuation area of the TAG department of A&M was responsible for the economic-financial valuation of Big Group.

Internal process for approval of the valuation report

- The economic-financial valuation of Big Group was prepared by a team of consultants and coordinated and reviewed by the project partners. The team also included a reviewer.

Identification and skills of the professionals involved

- Marina Ragucci (Director) coordinated the execution of the works of economic-financial appraisal of BIG Group.
- Paulo Mota (Managing Director) reviewed the works.

The curriculum of the professionals is described in the following pages.

Credentials

- Below, we present some recent experiences in economic-financial valuation of companies:

Company	Sector	Service Provided
Afya	Health / Education	PPA
Alpargatas	Retail	Economic-financial valuation
Bardahl	Automotive	Economic-financial valuation
BB DTVM	Others	Fair value of investee companies
Boa Vista	Services/ Technology	Economic-financial valuation and PPA
Espaço Laser	Hair removal	Impairment test and PPA
Gafisa	Real Estate	Impairment test and PPA
Kora Saúde	Health	Impairment test, PPA and Stock Options Valuation
Loft	Technology / Real Estate	Impairment test and Stock Options Valuation
Ri Happy	Retail	Impairment test and recoverability of deferred items
Sika	Construction	Impairment test
Suzano	Pulp and Paper	Assessment of biological assets
Time for fun	Entertainment	PPA
VCA / PetCare	Animal	Economic-financial valuation and PPA
Wiz	Insurance company	PPA

Appraiser's Information and Credentials

Coordinator		
Name	• Marina Ragucci	
Title	• Director – Transaction Advisory Group – A&M Brasil	
Qualification	<ul style="list-style-type: none"> • Post-graduate in Administration by PUC-RJ • Graduated in Economic Sciences by UFRJ • ASA I and II, issued by the International Institute of Business Valuers (IIBV) 	
Experience	<ul style="list-style-type: none"> • More than 15 years of experience in Corporate Finance. Since 2021 at A&M, she has also worked as Senior Manager at EY (Valuation and Business Modeling area) and Senior Executive Manager at Apsis, where she acted for 5 years as responsible for the Business Valuation area. • Specialist in valuation of business and intangible assets, studies of economic-financial feasibility, preparation of business plans and advisory in transactions 	
Sectors of Experience	<ul style="list-style-type: none"> • Automotive • Pharmaceutical • Energy • Real Estate • Services • Startups • Technology 	

Reviewer		
Name	• Paulo Mota	
Title	• Managing Director – Transaction Advisory Group – A&M Brasil	
Qualification	<ul style="list-style-type: none"> • Graduated in Administration by Universidade de Salvador. • Post graduate in Investment Funds & Structure Financing by IE – Instituto de Empresas in Madrid 	
Experience	<ul style="list-style-type: none"> • More than 20 years of experience in businesses and transactions. Since 2018 at A&M acting as one of the leaders of the Transaction Advisory practice in Brazil, he has also worked as partner in the Investment banking area - M&A for KPMG Corporate Finance (KPMG) for 7 years. 	
Sectors of Experience	<ul style="list-style-type: none"> • Education • Energy • Entertainment • Industry • Technology • Health 	

Appraiser's Information and Credentials

Team	
Name	<ul style="list-style-type: none"> Daniel Souza Dias
Title	<ul style="list-style-type: none"> Senior Manager – Transaction Advisory Group – A&M Brasil
Qualification	<ul style="list-style-type: none"> Post-graduate in Financial Economics by FGV-SP Graduated in Economic Sciences by FAAP ASA I and II, issued by the International Institute of Business Valuers (IIBV)
Experience	<ul style="list-style-type: none"> 10 years of experience in Corporate Finance in the corporate transactions area, specifically in valuation of companies and intangible assets, studies of economic-financial feasibility/ business plans and finance modeling. Since 2017 at A&M, he also worked as Manager for EY (Valuation & Business Modeling area), for more than six years.
Sectors of Experience	<ul style="list-style-type: none"> Agribusiness Consumer Products Pharmaceutical Real Estate Services Technology Retail



03

Company Overview



Company Overview

Brief description of the company

- With more than 80 years of history, Grupo Big has a strong presence in Brazilian food retail, present in 18 states and the Federal District, with a national network comprising 388 stores.
- The Company operates in two business segments: (i) Retail, with hypermarket (Big and Big Bompreço), supermarket (Super Bompreço and Nacional), soft discount (TodoDia), and gas station network; and (ii) Wholesale, in the shopping club (Sam's Club) and wholesale (Maxxi Atacado) formats.
- During the pandemic, the Company launched the delivery service, through partnerships with delivery apps, and collection in stores (click and collect). In 2021, it launched the digital platform to strengthen online sales, offering an integrated purchase and delivery solution for its customers.

Recent economic and financial performance

- The Company is audited by Deloitte (DTT).
- Management has provided us with financial data covering the fiscal year ended December 31, 2021, and 2020. The following table summarizes the historical information of the analyzed period.
- In 2021, the Company generated net operating revenue of BRL 20.1 billion, which represented a decrease of 7.4% compared to the previous year. In terms of EBITDA, the Company ended 2021 with BRL 804 million and an EBITDA margin of 4.0%.
- EBITDA does not include the value of rents, in line with IFRS16.

DRE (BRL million)	2020	2021
Gross Operating Revenue	24,930	23,166
Returns and cancellations	(318)	(481)
Sales taxes	(2,869)	(2,561)
Net Operating Revenue	21,743	20,124
Operating Costs	(16,418)	(15,133)
Gross Profit	5,325	4,991
Operating Expenses	(4,397)	(4,187)
EBITDA	928	804
Depreciation / Amortization	(663)	(659)
EBIT	265	145
Financial Income	2	(214)
Non-Recurring Result	455	406
EBT	722	337
IR & CS	2,304	(97)
Net Profit	3,026	240
Financial indexes	2020	2021
% NOR growth	n.a.	-7.4%
Gross Margin	24.5%	24.8%
EBITDA Margin	4.3%	4.0%
Net Margin	13.9%	1.2%

Source: Management

Company Overview

Recent economic and financial performance (cont.)

Balance Sheet (BRL million)	2020	2021
Cash and Cash Equivalents	485	270
Accounts Receivable	1,487	607
Inventories	2,826	2,803
Recoverable Taxes	500	619
Other Assets	120	136
Current Asset	5,418	4,435
LP Accounts Receivable	51	22
LP Recoverable taxes	2,469	2,960
Deferred taxes	2,512	2,345
Other LP Assets	50	32
Deposits In Court	663	582
Right of Use	2,547	2,372
Fixed Assets	4,393	6,121
Non-Current Asset	12,685	14,434
Total Asset	18,103	18,869

The 2021 Balance Sheet is *proforma* and considers the increases made by Management. Such increases are indicated in the appendices.

Source: Management.

Balance Sheet (BRL million)	2020	2021
Suppliers	3,382	2,684
Tax Obligations	121	104
Labor Obligations	434	259
Loans and Financing	275	333
Accounts Payable	185	187
Deferred Revenue	105	167
Lease	173	200
Related Parties (CP Liabilities)	59	330
Current Liabilities	4,734	4,264
Related Parties (LP Liabilities)	221	-
Contingencies	2,302	4,365
Deferred Tax (LP Liabilities)	-	26
Deferred revenue (LP)	91	-
Lease (LP)	2,966	2,490
Non-Current Liabilities	5,580	6,881
Owner's Equity	7,789	7,724
Liability and Owner's Equity	18,103	18,869

04

Company Assessment

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Company Assessment

Description of the main assumptions

Gross operating income

The Company's gross revenue is comprised by the sale of products in the retail, wholesale (cash & carry), and club (Sam's) channels.

The revenue growth assumptions were defined by Management and consider the following:

- Closing of stores in 2022, reflecting the possible actions to be taken to carry out the transaction. It is an estimate based on CADE's pronouncements.
- Strategic planning associated with the conversion of 114 stores between 2022 and 2023, including the conversion of stores between channels.

Deductions from gross revenue

Deductions from gross revenue are comprised of PIS, Cofins, and ICMS taxes.

- Taxes were projected applying Management's expectations, ranging from 11.0% of gross operating revenue ("GOR") in 2022 to 10.6% of GOR in 2026, depending on the growth of each sales channel.

As a result of the assumptions described above, net operating revenue is expected to decline by 0.5% to BRL 20.0 billion in 2022, with an estimate to reach BRL 32.1 billion in 2026, with a CAGR of 9,8% in the projected period.

In 2022, the retail share is 41.5% over NOR and, the sector that loses share over the projected period, falling to 30.5% in 2023 and 29.8% in 2026. On the other hand, the wholesale and club segments increased their share in the projected period from 58.5% in 2022 to 70.2% in 2026.

Thus, with the change in the store mix, an increase in sales density is expected, which is reflected in the growth for 2023 and 2024, reaching, according to Management's assumption, 28.1%, and 15.5%, respectively. For the following periods, growth is in line with inflation.

Operating Costs and Expenses

Operating costs comprise the cost of goods sold and transportation. Operating expenses include general and management expenses, personnel expenses, marketing, and sales expenses, corporate expenses, and financial services. In addition to these expenses, property rental expenses were included for purposes of cash flow projection, given that with the adoption of IFRS 16 – Leasing, fixed rental expenses are no longer recorded in income.

Operational synergies are expected upon completion of the transaction. As disclosed by Management in the 2021 Financial Statement, synergies in the minimum amount of BRL 2.0 billion are expected in the joint operation of Atacadão and BIG in 2025. For the analysis, only the synergies in the Big Group's perimeter were considered, without considering the synergies expected for Atacadão.

These synergies include negotiation with suppliers, renegotiation of contracts with service providers (security, cleaning, etc.), and reduction of corporate expenses, among others.

As a result, there is an increase in the EBITDA margin in the projected period, from 2.8% in 2022 to 6.2% in 2026, due to the dilution of fixed costs and expenses and gains in the operation scale.

To analyze the feasibility of projected EBITDA in the long term regarding that practiced by comparable companies, we analyzed the EBITDA realized by publicly-held companies in the same sector. As shown in the appendices "Market Information", Atacadão achieved an EBITDA of 6.9% of NOR in 2021, while the average of Brazilian companies observed is 6.7%.

Company Assessment

Description of the main assumptions

Depreciation, amortization, and Capex

Depreciation of existing fixed asset was projected in a linear manner, according to the type of asset and at historical average rates. Depreciation of new investments was projected in accordance with Management's expectations, which considers an average useful life of 23 years.

The CAPEX projection was based on the Management's business plan, which considers for the first two years of projection (2022 and 2023) a relevant investment of approximately BRL 1 billion each year, referring to the conversion of stores, investment in technology, and store maintenance. For the following years, the investment refers to the store's maintenance.

Direct taxes

Direct taxes projected to the Company were divided into: (i) Income Tax; and (ii) Social Contribution on Net Income (CS), under the Brazilian law in force for the taxable income regime:

- (i) Income Tax: for the calculation of Income Tax, the tax rate in force in Brazilian law was adopted (Law No. 9,430 of December 27, 1996), namely, levy of 15.0% on Earnings Before Income Taxes and 10.0% on the portion of profit exceeding BRL 240 thousand per year; and
- (ii) Social Contribution: for the calculation of Social Contribution, the tax rate in force in Brazilian law (Law No. 10,637 of December 30, 2002) was considered, that is, 9.0% of Earnings Before Taxes.
- (iii) On the base date of the assessment, the Company has a balance of tax losses of approximately BRL 7.7 billion.

Working Capital

The working capital projection was prepared from the Company's historical balance sheet. Therefore, it is important to note that:

- (i) We classified the Company's historical balance sheet accounts between Operating and Non-Operating Assets and Liabilities, Debit and Cash;
- (ii) We estimated the assumptions for the projection of working capital accounts for each item of Operating Assets and Liabilities based on the 2021 driver for all operating accounts, except for the Suppliers account, for which the payment term currently made by Atacadão, as informed by the Management – See the details in the Appendix;
- (iii) Investments and non-operating assets and liabilities were not considered in cash flow projections. When observed, such increases were treated separately and added/subtracted from the present value of cash flows, impacting Big Group value;

On the base date, working capital corresponds to 2.5% of NOR. According to Management's expectation of aligning payment terms with the Atacadão operation, an improvement in working capital is expected, with an average of -2.1% of NOR during the projected period.

The projected optimization for working capital is due to the Suppliers account, which in 2021 represented 65 days of cost and was projected at 87 days, due to the expected synergies, and Atacadão has already practiced, in 2021, 90 days of cost for the same account.

We also analyzed the feasibility of working capital projection considered in the projection through the working capital percentage over revenue practiced by publicly-held Brazilian companies in the same industry as BIG. We verified that the projection made for BIG in the long term of -2% of NOR is achieved by other companies, with the percentage carried out by Atacadão of -2.6% of NOR in 2021. See the Appendix for details.

Appendix

A. Methodologies and limitations of use



Usually, the following three approaches can be used to determine the company's value: (i) Income Approach; (ii) Market Approach; and (iii) Cost Approach.

Income Approach

The methods used are: (I) discounted cash flow (DCF) and (ii) capitalization of future economic benefits. In each of these methods, the economic benefit is divided or multiplied by a specific rate to determine its present value.

The expected value of the economic benefit may be represented by dividends value, cash flow, or other cash generation metrics, and must be estimated by taking into account its type, capital structure, historical performance, and expectations of the company and industry.

To convert the expected benefits into present value, it is necessary to take into account the growth expectation, the frequency of events, the risk profile, and the time value of money.

In summary, the DCF valuation is determined through the sum of the present value of the company's cash flow projection and the perpetuity value.

Perpetuity is the company's activity value at the end of the projection horizon. Usually, it is identified after establishing a flow from which the company's stability is assumed. Usually, the perpetuity value is estimated, based on the free cash flow of the last projection period measured by the growth expectation for the coming years.

Discount Rate

The adoption of DCF enforces the use of a discount rate compatible with the equity remuneration and third-party capital dedicated to the business, weighted by the respective costs and interests. To bring the projected annual cash flows to present value, the Weighted Average Cost of Capital (WACC) methodology is commonly used. This rate takes into account an after-tax cost of debt and an expected cost of equity, which was estimated based on the Capital Asset Pricing Model - CAPM.

Given that the value standard adopted is the market value, the assumptions adopted in the calculation of the discount rate must reflect the view of market participants and not the Company's specific assumptions.

Costs on Equity Capital

To determine the Cost on Equity Capital in nominal terms, we use:

$$Re = (1 + Rf + Be * (Rm - Rf) + CRP + SP) * (1 + IRP) - 1$$

Where:

- Rf = rate of return on a risk-free asset;
- Be = systemic risk compared to comparable companies;
- $(Rm - Rf)$ = expected return on the market portfolio compared to the rate of return on a risk-free asset;
- CRP = country risk;
- IRP = inflation differential;
- SP = risk by company size.

The risk-free rate of return (Rf) should be the rate of return obtained on an application that the typical market investor considers risk-free. In practice, the instruments most widely used to calculate the risk-free rate are sovereign debt securities. For this study, the American bond, the T-Bond, was considered as the risk-free rate of return, as it is internationally regarded as an indicator that presents one of the lowest degrees of risk and is backed by the largest economy in the world.

The market risk premium reflects the return required by investors to offset the risk when investing in stock. The risk premium is usually expressed as the additional return expected by investors above the risk-free rate and is traditionally estimated at the historical average returns of the stock market over the risk-free rate.

Country risk represents an additional premium required by investors to invest in emerging markets. The risk considered was the EMBI+ Brazil, adjusted to reflect the market premium.

The specific premium represents the additional return (premium) required by institutional investors according to the company characteristics.

Inflation differential is calculated from the comparison between the estimate of US and Brazilian inflation in the long term.

Beta is a systemic risk indicator of a given company. It measures the correlation between the returns of a specific stock and the market returns, being calculated through linear regression between the asset returns under analysis and the market index returns in question during a given time. For this assessment, the leveraged beta was used according to the company's target capital structure.

Beta calculation

For the beta estimate, we considered some companies with similar activities.

Once the average unleveraged Beta was calculated, it was then re-leveraged using the applicable Income Tax rate and the average market capital structure, according to the leverage of comparable companies.

Beta re-leverage formula:

$$\beta = \beta_{\text{desalav}} \times (1 + (1 - T) \times DE)$$

Cost of Third-Party Capital

To determine the cost of third-party capital, we used the estimate of the gross cost of debt based on a synthetic credit risk analysis, according to the company's interest coverage ratio.

The cost of third-party capital took into account the tax benefit of the debt, the possibility of deducting the amounts of interest paid from income tax, and social contribution.

Market Approach

The Market approach is made up of the comparable companies method and the comparable transactions method. The comparable companies method focuses on comparing the target company with other reasonably similar publicly traded companies. In this method, the valuation multiples are: (i) derived from the operating data of the selected comparable companies; (ii) assessed and adjusted based on the strengths and weaknesses of the target company relative to the selected comparable companies; and (iii) applied to the target company's operating data to arrive at an indicative value. When applying this method, the valuation multiples are derived based on the Income Statement for the Year, Balance Sheet and financial statements of the comparable companies.

To eliminate the impacts of different capital structures between the selected companies, the valuation multiples can be derived in unleveraged form. In other words, the multiples are selected and used in accordance with the total capital invested. Value indications derived from comparisons between similar companies are generally used in the market for minority shares.

In the comparable transactions method, the focus is on the value paid in transactions that take place in the target company's industry or in related industry sectors. This method uses multiples based on actual transactions to arrive at an indicative value. Such indicative value is usually focused on the value of majority control.

In Brazil, due to the maturity of the capital market and the restriction of publicly available information regarding comparable transactions, the application of the market approach is usually not used as the primary valuation approach.

The main disadvantages of using this approach in Brazil are:

- Difficulty in finding truly comparable companies and transactions;
- Does not reflect different growth strategies and profitability of companies;
- Value can be impacted by specific market events - bullish or bearish.

Cost Approach

The adjusted net capital method represents one of the methodologies comprised in the Cost Approach. In this method, value analysis is performed on the fixed assets, financial assets and other recognizable assets of the target company. The aggregate value derived from these assets is then offset against the estimated value of all existing and possible liabilities, resulting in an indication of the fair market value of the capital. Value indications derived from the adjusted net capital method are generally aimed at companies in liquidation. A company in operation generally has a higher than estimated value for its assets due to several factors: (i) the separately valued assets may not reflect the economic value relative to the projected cash flow they may generate; (ii) this approach may not fully reflect the synergy of the assets only their independent values; and (iii) intangible assets inherent in the company's business such as reputation, management, proprietary systems and procedures or superior growth opportunities are difficult to measure regardless of the cash flow generated by them.

Use limitations

- This study is for the use of Atacadão and distribution to third parties is forbidden, as provided in our agreement dated March 11, 2022;
- This document may be disclosed and included in the management's proposal to comply with the corporate obligations provided in articles 8, 252 and 256 - sub-item I of Law 6,404/76. For the other cases, this document cannot be copied or distributed, completely or in parts, without the prior approval of A&M;
- A&M should be notified about any distribution of this study, which, in turn, should be previously approved by A&M;
- This study shall not be distributed in parts;
- This study has been prepared for the purpose described in the body of this report and shall not be used for any other purpose. A&M will not assume any liability to any third party, nor in the event that the study is used outside the stated purpose;
- No control premium or discount for non-controlling interest in the Company has been considered, i.e., our estimate of value considers 100% of the Company's shares/quotas;
- None of the partners or professionals from the A&M team that participated in the preparation of this work have any financial interest in the Company or in the other companies involved in the transaction, thus characterizing their independence. The estimated fees for the execution of this work were not based on and have no relation with the results reported herein;
- The economic, financial and operational information used in the preparation of this study was obtained from the Management;
- A&M does not assume any responsibility for the accuracy of the historical information used in this study, since it is not part of the scope of this project any kind of auditing or data verification procedure;
- It is hereby agreed that, upon approval of this report by the Customer, consent is given to the accuracy, reasonableness, and feasibility of the information that was used in this study, whether or not adjusted in discussions with the Customer and/or Company;
- Our study was conducted based on elements that are reasonably expected, and therefore does not take into consideration possible extraordinary and unforeseeable events (e.g. new regulations for the sector, changes in tax law, natural catastrophes, political and social events, nationalizations, among others);
- The report and value conclusion were not prepared with the intention of and should not be used by the Management or any other party, as an investment suggestion, should not be used as info memo or support for negotiation, as well as should not be used for shares public offering (SPO), in accordance with the CVM instruction 361 and/or fairness opinion;
- Our conclusions were based on facts provided by the Company and/or Management for the purposes described herein.



Appendix

B. Projections and cash flow

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DRE and discounted cash flow

Big Group	H 2020	H 2021	P 2022	P 2023	P 2024	P 2025	P 2026	PPT
Net Operating Revenue	21,743	20,124	20,020	25,647	29,616	30,755	32,113	33,134
Total Costs and Expenses	(20,815)	(19,320)	(19,015)	(24,095)	(27,610)	(28,455)	(29,589)	(30,530)
EBITDA (before rental expense)	928	804	1,005	1,551	2,006	2,300	2,524	2,604
Rental Expense*	(326)	(387)	(451)	(470)	(489)	(508)	(529)	(546)
EBITDA (after rental expense)	602	417	555	1,082	1,517	1,791	1,995	2,058
Depreciation/Amortization			(872)	(734)	(371)	(237)	(240)	(247)
EBIT			(318)	348	1,146	1,554	1,755	1,811
Financial Outcome			-	-	-	-	-	-
Non Recurrent Outcome			75	(287)	(61)	(12)	(10)	-
EBT			(243)	61	1,084	1,542	1,745	1,811
<i>Financial metrics</i>								
% ROL growth	n.a.	-7.4%	-0.5%	28.1%	15.5%	3.8%	4.4%	3.2%
Gross Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA Margin (before rental expense)	4.3%	4.0%	5.0%	6.0%	6.8%	7.5%	7.9%	7.9%
EBITDA Margin (after rental expense)	2.8%	2.1%	2.8%	4.2%	5.1%	5.8%	6.2%	6.2%
Effective Income Tax rate %	319.1%	-28.8%	0.0%	-23.8%	-23.8%	-23.8%	-23.8%	-34.0%
Net Working Capital, % ROL	2.7%	3.1%	-1.6%	-1.5%	-1.4%	-1.4%	-1.4%	-1.4%
EBT			(243)	61	1,084	1,542	1,745	1,811
IR & CS			-	(14)	(258)	(367)	(415)	(616)
NOPAT			(243)	46	826	1,175	1,330	1,195
Depreciation			872	734	371	237	240	247
Capex			(955)	(985)	(75)	(60)	(61)	(247)
Working capital variation			949	55	43	6	17	14
Free cash flow			623	(149)	1,165	1,359	1,525	1,209
Discount rate	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
Months (end of period)	-	-	12	12	12	12	12	-
Months (mid-term)	-	-	6	6	6	6	6	-
Discount Factor EOP	1.0000	1.0000	0.9033	0.8160	0.7372	0.6659	0.6015	0.6015
Discount Factor MOP	1.0000	1.0000	0.9504	0.8586	0.7756	0.7006	0.6329	0.6329
Discounted cash flow	-	-	592	(128)	904	952	965	-
Value Composition								
Σ discounted cash flow of the explicit period	3,285							
Tax Benefit (Tax losses)	809							
Present value of perpetuity	10,176							
Operational Value	14,270							
Non-Operational Total	(1,571)							
Total Net Debt	519							
Shareholder value	13,220							

Notes:

*For projection purposes, the rental expense was considered based on rents in effect in December 2021, to represent the cash effect of this expense. Thus, the effects on depreciation (Right of Use) and financial expenses (Lease) were not considered.

The projections shown alongside include only the synergies in the BIG Group perimeter and do not consider the synergies in the Atacadão perimeter and financial services synergies.

Source: A&M's management and analysis.

Working capital

Sources		2020	2021	Selected
Accounts Receivable	d ROL	25	11	11
Inventories	d CMV	63	68	68
Taxes Recoverable	d ROL	8	8	8

Resources		2020	2021	Selected
Suppliers	d CMV	75	65	87
Tax Liabilities	d Taxes	78	14	14
Labor Obligations	d Expenses	37	23	23
Accounts Payable	d CMV	4	4	4
Deferred Revenue	d ROL	2	2	2

Abbreviation	
d ROL	days of Net Operating Revenue
d CMV	days of Operating costs
d Taxes	days of Tax Expenses
d Expenses	days of Sales, general and administrative expenses

Source: A&M's management and analysis.

Balance Sheet – Pro Forma

<i>In millions of reais</i>	GRUPO BIG BRASIL S.A.	SPEs EMPR. E PART. S.A.	Pro Forma Adjustments Note	Pro Forma Adjustment	Pro Forma
Current Assets					
Cash and cash equivalents	251	19			270
Accounts receivable	607	-			607
Inventories	2,803	-			2,803
Taxes recoverable	619	-			619
Other accounts receivable	133	3			136
Related parties	-	56	2.a.i	(56)	-
Total current assets	4,413	78		(56)	4,435
Non-current					
Accounts receivable	22	-			22
Taxes recoverable	2,960	-			2,960
Deferred income tax and social contribution	2,345	-			2,345
Court deposits and blockages	582	-			582
Other assets	32	-			32
Related Parties	-	103	2.a.i	(103)	-
Total Long Term Assets	5,941	103		(103)	5,941
Investment Property	-	813	2.a.i	(813)	-
Fixed Assets	4,197	-	2.a.i	1,633	5,830
Intangible Assets	514	-	2.b.i	(223)	291
Right-of-use assets	2,822	-	2.a.i	(450)	2,372
Total Non-Current Assets	13,474	916		44	14,434
Total Assets	17,887	994		(12)	18,869
Current Liabilities					
Suppliers	2,684	-			2,684
Derivative financial instruments	3	-			3
Lease liabilities	202	-	2.a.i	(2)	200
Taxes to be collected	102	-			102
Payable income tax and social contribution	-	2			2
Labor obligations	259	-			259
Dividends payable	-	10			10
Deferred revenue	100	-			100
Other accounts payable	191	-	2.a.i	(14)	177
Related parties	329	1			330
Credit rights Investment Fund	330	-			330
Total Current Liabilities	4,200	13		(16)	4,197
Non-Current Liabilities					
Lease liabilities	3,190	-	2.a.i	(700)	2,490
Deferred income tax and	-	26			26

Management Notes:

(2.a.i) Accounting adjustments were made in the Big Group, considering Atacadão's accounting practices and the restructuring that occurred in February 2022 as a result of the Transaction, namely:

1. 2.a.i - Derecognition of the lease agreements between BIG Group (lessee) and the SPEs (lessor) generating a gain of BRL 107, with the impacts below. These adjustments reflect the condition precedent of the acquisition of the BIG Group by the merger of the SPEs, which occurred in the first quarter of 2022

	Equity	Initial	Adjustments	Final
SPE	Related parties - CP	BRL 56	-BRL 56	.
BIG	Right-of-use assets	BRL 2,822	-BRL 450	BRL 2,372
SPE	Related parties - LP	BRL 104	-BRL 104	.
BIG	Lease liabilities - CP	-BRL 202	BRL 2	-BRL 200
BIG	Other accounts payable - CP	-BRL 191	BRL 14	-BRL 177
BIG	Lease liabilities - LP	-BRL 3,190	BRL 700	-BRL 2,490
	Total effect/reversal on Shareholders' Equity (SPEs and BIG)	BRL 601	-BRL 107	BRL 494

The investment properties in the amount of BRL 813 net between cost and accumulated depreciation, which were subject to the derecognized lease in Grupo BIG Brasil S.A. and the "SPEs" by the merger transaction were reclassified to fixed assets.

The fair value adjustment of BRL 820 in Fixed Assets refers to the difference between the fair value and the net book value of the Investment Properties that were reclassified to Fixed Assets, specifically in the reclassification of the SPEs. Likewise, an increase of BRL 12 was made in accumulated amortization.

(2.b.i) Write-off of the pre-existing premium of Sonae Distribuição S.A., acquired by the Big Group in 2005 in Intangible assets in the amount of BRL 223.

(2.c.i) The fair value of contingent liabilities acquired in the Transaction was determined based on estimates made by outside legal counsel, based on the prognosis of the probability of loss of risks assessed and not recognized in the balance sheet of the Big Group. Contingent liabilities acquired in a business combination are initially measured at fair value on the acquisition date. The adjustment necessary to reflect the fair value of contingent liabilities determined for the period ended December 31, 2021 is BRL 1,964.

social contribution				
Provisions	2,401	-	2.c.l	1,964
Deferred revenue	67	-		4,365
Total Non-Current Liabilities	5,658	26		67
Shareholders' Equity				
Share Capital	252	851		1,103
Capital Reserve	4,558	-		4,558
Reservations of profits	3,219	104		3,323
Adjustment to be reflected in Atacadão	-	-	(1,260)	-
Shareholders' Equity attributable to controlling shareholders	8,029	955	(1,260)	7,724
Total liabilities and shareholders' equity	17,887	994	(12)	18,869

Source: Management



Non-operating and net cash

Non-Operating Assets and Liabilities (BRL millions)	2020	2021
Other Assets	120	136
Accounts Receivable LP	51	22
Taxes recoverable LP	2,469	2,960
Other Assets LP	50	32
Related parties (CP Liabilities)	(59)	(330)
Related parties (LP Liabilities)	(221)	-
Contingencies	(2,302)	(4,365)
Deferred Tax (LP Liabilities)	-	(26)
Deferred revenue (LP)	(91)	-
Non-Operational Total	17	(1,571)
Cash and Equivalents	485	270
Court Deposits	663	582
Loans and Financing	(275)	(333)
Total Net Cash	873	519

Source: Management

Appendix

C. Discount rate

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Discount rate

As the adopted value standard will be Fair value, the assumptions used in the discount rate calculation should reflect the view of market participants, and not the Company's specific assumptions. Thus, the capital structure used was the average of the market participants.

Comparable Companies	Ticker	Beta leveraged [a]	D/ Market Equity [a]	Tax Rate of tax [b]	Beta unleveraged
Atacadão S.A.	BOVESPA:CRFB3	0.40	21.5%	24.9%	0.34
Companhia Brasileira de Distribuição	BOVESPA:PCAR3	0.52	127.4%	34.8%	0.28
Walmart Inc.	NYSE:WMT	0.56	15.5%	28.9%	0.51
Costco Wholesale Corporation	NasdaqGS: COST	0.69	5.1%	24.2%	0.67
The Kroger Co.	NYSE:KR	0.34	73.9%	23.4%	0.22
PriceSmart, Inc.	NasdaqGS: PSMT	0.81	11.6%	32.9%	0.75
BJ's Wholesale Club Holdings, Inc.	NYSE:BJ	0.63	48.0%	23.8%	0.46
Average		0.56	43.3%	27.6%	0.46
Medium		0.56	21.5%	24.9%	0.46

Calculation of the cost of owners' equity		
Unleveraged Beta	[a]	0.46
D/E	[a]	43.3%
Income Tax and Social Contribution Fee	[b]	34.0%
Re-leveraged Beta (β)		0.59
Market risk premium (R_m)	[c]	6.5%
Risk-free rate (RF EUA)	[a]	1.9%
Inflation Differential	[d]	1.2%
Country Risk Premium (CRP)	[e]	3.3%
Premium per size	[f]	1.2%
Cost of owners' equity (K_e)		11.6%

Calculation of the cost of third-party capital		
Cost of third-party capital	[g]	6.9%
Spread	[h]	6.4%
Income Tax and Social Contribution Fee	[b]	34.0%
Cost of third-party capital after taxes (K_d)		8.7%
Weighted average cost of capital (WACC)		
Debt, % Total		30.2%
Owners' Equity, % Total		69.8%
WACC (rounded)		10.7%

Notes:

[a] Source: Capital IQ – 2-year average with weekly data

[b] Based on the tax law in force in Brazil (real profit)

[c] The estimated Market Risk Premium (R_m) of 6.5%, equivalent to $R_m - R_f$, incorporates the future (implicit) expectation and historical R_m studies prepared by Aswath Damodaran; Elroy Dimson, Paul Marsh & Mike Staunton; and the Valuation Handbook.

[d] Central Bank of Brazil and Capital IQ

[e] Source: Ipeadata

[f] Source: 2021 Valuation Handbook - Duff & Phelps

[g] Based on average market cost, equivalent to the Selic long-term rate

[h] Estimated spread based on the Company's interest coverage ratio

Spread

Interest Coverage Ratio	Rating	Spread	Adjusted by Inflation Dif
> 12,5	AAA	0.63%	1.8%
9,5 to 12,5	AA	0.78%	1.9%
7,5 to 9,5	A+	0.98%	2.1%
6 to 7,5	A	1.08%	2.2%
4,5 to 6	A-	1.22%	2.4%
4 to 4,5	BBB	1.56%	2.7%
3,5 to 4	BB+	2.00%	3.2%
3 to 3,5	BB	2.40%	3.6%
2,5 to 3	B+	3.51%	4.7%
2 to 2,5	B	4.21%	5.4%
1,5 to 2	B-	5.15%	6.4%
1,25 to 1,5	CCC	8.20%	9.5%
0,8 to 1,25	CC	8.64%	9.9%
0,5 to 0,8	C	11.34%	12.6%
< 0,5	D	15.12%	16.5%
Source: Damodaran			
ICR Empresa			1.9
Selected spread			6.4%

Appendix

D. Market Information



Market Information

Comparable Companies

Comparable Companies		Gross Margin (2021)	EBITDA Margin (2021)	Net Margin (2021)	% Capex/ROL (2021)	% Working capital/ROL (2021)	EV/EBITDA (2021)	EV/ROL (2021)
Atacadão S.A.	BOVESPA:CRFB3	18.2%	6.9%	4.0%	3.6%	-2.6%	7.9	0.5
Companhia Brasileira de Distribuição	BOVESPA:PCAR3	25.2%	5.9%	1.6%	2.0%	-8.6%	5.4	0.4
Grupo Mateus S.A.	BOVESPA:GMAT3	25.3%	6.9%	4.8%	9.0%	25.1%	11.9	0.9
Sendas Distribuidora S.A.	BOVESPA:ASAI3	17.1%	7.2%	3.8%	6.3%	-3.7%	7.2	0.6
Walmart Inc.	NYSE: WMT	25.0%	7.0%	1.4%	2.2%	-2.9%	10.3	0.8
Costco Wholesale Corporation	Nasdaq GS:COST	12.8%	4.6%	2.5%	1.8%	-6.0%	25.2	1.2
The Kroger Co.	NYSE: KR	22.8%	4.1%	0.7%	2.1%	-3.0%	8.1	0.4
PriceSmart, Inc.	Nasdaq GS:PSMT	17.7%	6.1%	2.7%	3.3%	0.0%	9.3	0.6
BJ's Wholesale Club Holdings, Inc.	NYSE: BJ	18.6%	4.8%	2.6%	1.8%	-2.7%	10.8	0.7
Average		20.1%	6.0%	2.7%	3.6%	-0.5%	10.7	0.7
Medium		18.6%	6.1%	2.6%	2.2%	-2.9%	9.3	0.6

Source: Capital Iq

Atacadão S.A. | April 2022

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ALVAREZ & MARSAL

Atacadão S.A. | April 2022

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Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

ANNEX VIII APPRAISER'S WORK PROPOSAL

Carrefour

Valuation Services | Technical and business proposal

February 7, 2022

ALVAREZ & MARSAL

Economic-financial valuation of BIG Group in compliance with art. 252 of the Brazilian Corporation Law



Introduction letter

Carrefour Comércio Ltda.

Rua George Eastman, 213
Morumbi, São Paulo - SP
ZIP Code 05690-000

Dear All,

We are pleased to introduce our proposal for professional services to Carrefour Comércio Ltda. ("Carrefour" or "Customer") with respect to the merger of shares of Grupo Big Brasil S.A. ("Big Group" or "Target").

The purpose of the work will be to provide Carrefour's management ("Management") with an estimate of the economic-financial value of the shares of the Big Group, to support the value of the company at the General Shareholders' Meeting based on article 252 of the Brazilian corporation law. Additionally, this valuation may be used to comply with sub-item I of article 256 of the Brazilian corporation law.

Our proposal includes our understanding of the project, our approach, our scope of work, expected deadlines, fees, and our work team. Once we have agreed on the terms of the project, we will issue a contract letter to formalize our discussions. We emphasize that the actual contracting of this scope still depends on internal approvals.

We thank you for the opportunity to work with you and if you have any questions about this proposal, please contact Paulo Mota pmota@alvarezandmarsal.com or Marina Ragucci mragucci@alvarezandmarsal.com directly

Yours faithfully

Paulo Mota
Managing Director
Transaction Advisory Group

Marina Ragucci
Director
Transaction Advisory Group

Scope | Economic-Financial Valuation

Understanding

It is our understanding that Carrefour has acquired 100% of the equity interest in the Big Group.

As part of the acquisition process, Carrefour (or one of the companies of the economic group to which it belongs) will merge the shares of the Big Group, for which it has requested an appraisal report from Alvarez & Marsal, in compliance with art. 252 of the Brazilian corporation law.

According to art. 252 of the Brazilian corporation law, once the appraisal report is approved by the general meeting of the surviving company, the merger will become effective and the holders of the merged shares will receive directly from the surviving company the shares to which they are entitled.

For this purpose, the economic-financial valuation of the Big Group, with base date of December 2021, will be performed using the income approach, through its discounted cash flow (DCF).

The valuation may also be used to comply with sub-item I of art. 256 of the Brazilian corporation law, in order to demonstrate whether the acquisition of the Big Group is considered relevant to Carrefour. This proposal does not include the analyses described in sub-item II of art. 256 of the same law. Accordingly, it is not part of this proposal to submit the Shareholders' Equity of the Big Group at market values, or the analysis of the net income per share of the company.

Scope

Based on the above, our valuation process will include the following procedures:

- Analyze the business plan developed by Customer for Target or approved by Target's management ("Deal Model");
- Understand Target's financial position, including historical and most recent financial statements and any potential synergies created by the Transaction;
- Perform benchmarking, if and when available, analysis of the industry in which Target operates to support the assumptions used in the analysis;
- Prepare valuation models based on the company's cash flow, discounting non-operating assets and liabilities and net indebtedness;
- Weighted average cost of capital (WACC) Analysis;
- Company value analysis.

Methodology

Valuation Methodology

Our valuation will be based on the discounted cash flow method, in which the assumptions of projections of the businesses should be provided by the Management, containing sufficient details to perform our analyses. The projections will be analyzed by A&M and adjusted when necessary.

The standard of value will be fair value, defined as: *“the price that would be received to sell an asset or that would be paid for the transfer of a liability in an arm’s length transaction between market participants at the measurement date”*.

The value assumption is Target’s going concern assumption, i.e. that the company will continue to operate indefinitely.

Our value study considers only relevant factors that support a conclusion and does not take into account sale liquidity, market attractiveness to buyers and we will not expose these shares to the market to test the results obtained in our analysis.

Our valuation will be for 100% of the capital of the Big Group.

Limitations

Scope limitations

It will not be part of the scope of this work:

- Determination of the acquisition value practiced in the acquisition
- Asset inventory and/or marking of fixed assets or creation of an accounting basis for Target's assets
- Target's real estate valuation
- Valuation of Target's fixed assets
- Determination of the fair value of eventual derivative instruments or derivatives arising from agreements in which Target is involved as a party
- The determination of the value of assets belonging to any retirement plans or pension funds
- The determination of contingencies not accounted for in Target's financial statements.
- The delivery of projection models or spreadsheets that supported our analyses
- The conversion of Target's financial statements from BR GAAP to US GAAP or IFRS (or vice-versa)
- The performance of audit, due-diligence or tax planning procedures;
- Calculation of minority interests, if any
- The preparation of Target's or the groups' business plan.
- Any other analysis that is not contained in the scope of this proposal.
- Performance of valuations in compliance with sub-item II, art. 256 of the Brazilian corporation law, such as the valuation of shareholders' equity at market values and the value of earnings per share.

Use limitations

- Our work shall not be used as:
 - investment or divestment opinion ("fairness opinion") or Target's solvency opinion ("solvency opinion").
- Our work cannot:
 - be made public, except for the purpose of complying with art. 252 or art. 256 sub-item I of the Brazilian Corporation Law.
 - be used to support a shares public offering (SPO) or capital opening; a legal dispute; or expertise
 - Be used in corporate, arbitration or court litigation or disputes.
- Our report cannot be used for any purpose other than the scope requested.
 - The report cannot be shared in parts.
 - The report cannot be shared with third parties, with the exception of the economic group entities and their auditors, without prior approval from A&M.
 - The report shall not be used for any purpose other than that described in this proposal.

Final product and commercial conditions

Final Product

The final product of this work will be the issuance of one (1) report in Portuguese containing the assumptions applied, methodologies used, and the results obtained, in addition to the information that was necessary to obtain the results.

Period

We estimate a period of **four to five (4-5) weeks** from receipt of all the necessary information to issue a preliminary result.

Fees

Based on the proposed scope, we estimate our fees **at ninety-six thousand reais (BRL 96,000.00)**.

Our fees already include the respective indirect taxes (5.00% ISS and 3.65% PIS/COFINS).

Our fees take into consideration the understanding of the transaction described in this proposal, as well as the information provided to us. Should there be any change in these items, our fees will be reviewed.

Fees will be invoiced in two installments, the first upon acceptance of this proposal, and the second upon delivery of the preliminary results, both due within 30 days. Under any changes to the terms herein, we reserve the right to review the fees if necessary.

Travel, driving, lodging, and meal expenses are not included in our fees and will be reimbursed upon presentation of the amounts and their respective details. We undertake to keep our fees to the minimum possible for the execution of our work.

Disclosures

We will rely on financial information provided by the Customer.

We recommend that A&M discuss the procedures contained herein with the Customer's external auditors prior to commencing the work.

We understand that our economic-financial valuation of the Big Group will be used by the Customer's Management only for the purposes provided herein, in accordance with art. 252 and 256, sub-item I of art. 256 of the Brazilian corporation law.



Accreditations

Customer / Project	Brief Description
Espaço Laser	› Valuation of intangible assets, option plans, and impairment testing
BB DTVM	› Economic-financial valuation of the companies in Fundo Brasil de Internacionalização de Empresas - FIP II for CVM regulatory purposes.
Mubadala	› Review of the economic-financial valuation model of the assets of the company Investimentos e Participações em Infraestrutura S.A.
L. Catterton	› Price Paid Allocation (PPA), containing the valuation of the tangible and intangible assets acquired from Espaço Laser.
VCA	› Review of the business plan and construction of the financial model for decision making, considering growth through acquisitions and new business.
Suzano Papel e Celulose	› Valuation at fair value of biological assets of Suzano
Gafisa	› Economic-financial valuation of the investment in a real estate company, Price Allocation Paid (PPA), containing the valuation of the tangible and intangible assets acquired from the SPE-G.
Siguler Guff	› Economic-financial valuation of the investment in Le Biscuit, for CVM regulatory purposes.
Schulz	› Economic-financial valuation of Schulz S.A. for the purpose of supporting the company's management.
Vinci Partners	› Price Paid Allocation (PPA), containing the valuation of the tangible and intangible assets acquired from Vero.




ABOUT A&M

Important aspects:

Founded in **1983** in the **USA** 

+ than 4,500 professionals

 **+ than 400** partners

 Present in **+ than 25** countries

Our difference

- *Full-service provider*
- Experienced team in the execution of the projects
- *Hands on* approach
- Operational heritage
- No conflicts of independence with the Audit team
- Flexibility of scope and fees

A&M's Diamond Model



ABOUT A&M: OUR DIFFERENCE

Our operational heritage and extensive use of senior resources on cases allows us to perform quick diagnostics and implement practical solutions in complex situations.



LEADERSHIP

- Employment of senior resources in all stages of the process
- Building consensus around reliable and implementable solutions
- Engagement with association to the company and its resources



COMPLEXITY MANAGEMENT

- Proven history in managing complex, high visibility situations
- Guaranteed delivery of results through leadership and execution
- Development of strategic and tactical solutions in partnership with managers to support business plans
- Proven, fact-based financial approach



OPERATIONAL HERITAGE

- More than 30 years of operational experience
- Ability to make interim executives available for quick implementation



SENIOR RESOURCE DEVOTION

- Global scope
- Executives from industry, consulting firms and financial institutions
- Most of the Directors have extensive experience serving on Boards of Directors



PRO-ACTIVITY AND QUICK EXECUTION

- Focus on fast delivery of results
- Coordination of short and medium-term objectives and reliable plans with achievable targets

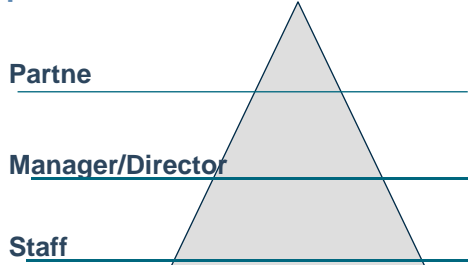


PRACTICAL RESULTS ORIENTATION

- Deep experience of what can be implemented in a restructuring environment and a business recovery
- Comprehensive focus on improving financial outcomes

ABOUT A&M: A&M's DIAMOND MODEL

Our team is composed of experienced professionals who rely on modern data processing tools, resulting in assertive analyses, focused on practical results in terms of risks and opportunities



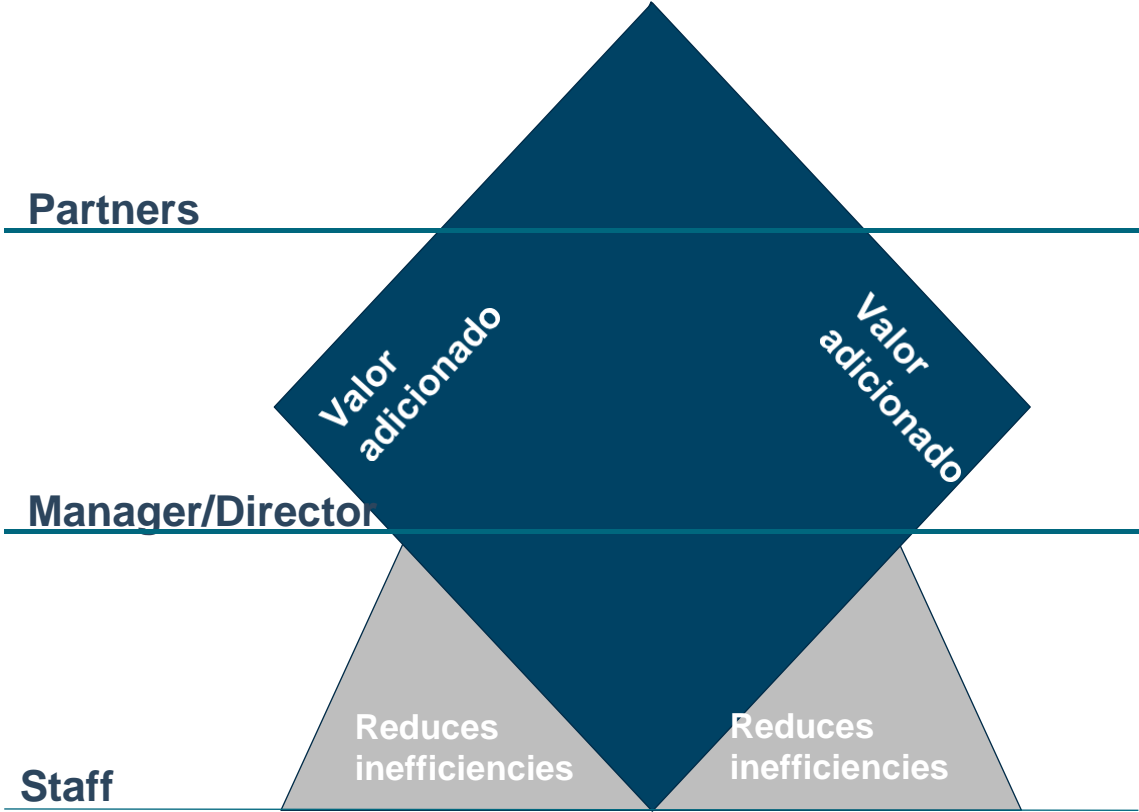
Pyramid model

Most professional services firms have a large team of junior staff in order to promote utilization and training.



A&M's diamond model

A&M has a more senior, high-performance team, resulting in better results and more efficiency.



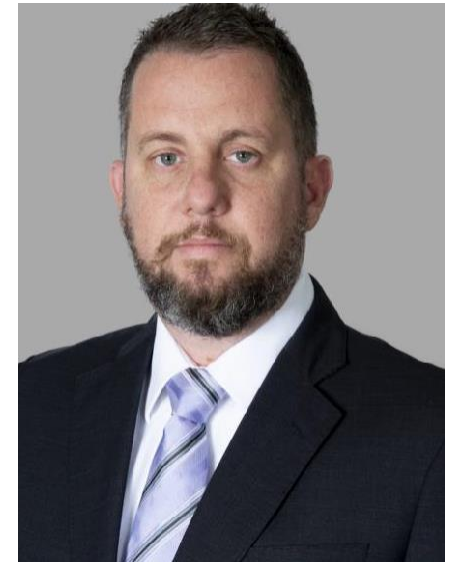
Valor adicionado	Added value
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Paulo Mota

Managing Director | Transaction Advisory Group

- Paulo Mota has more than 20 years of professional experience, having occupied leadership positions and developed financial advisory work in sectors such as Healthcare (Hospitals, Clinics, and Medical Equipment), Technology, Investment Funds, Education, Auto Parts, Specialized Services, and Industries in general.
- Prior to Alvarez & Marsal Brasil, he held the position of Investment Banking – M&A Partner at KPMG Corporate Finance for 7 years, where he was responsible for financial advisory projects for national and foreign clients in the acquisition of companies, advisory services for companies focused on divestment, capital search for early stage companies, transaction structuring and economic-financial valuations of companies and projects.
- Paulo Mota has a degree in Business Administration from Salvador University and a graduation degree in Investment Funds & Structured Finance from IE - *Instituto de Empresas* (Business Institute) in Madrid. He also has a degree from *Fundação Dom Cabral* (Dom Cabral Foundation) where he attended the Executive Development Program.
- Mr. Mota has fluence in Portuguese, English and Spanish.



Paulo Mota

Contact

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Marina Ragucci

Director | Transaction Advisory Group

- Marina Ragucci is Director of Transaction Advisory and Valuation and Business Modeling for Alvarez & Marsal. With over 15 years of experience in Corporate Finance, she is a specialist in valuation and business modeling. Marina has worked with customers in the pharmaceutical, automotive, agribusiness, real estate, services, startups, energy, and other industries.
- Before joining A&M, Marina was Senior valuation manager at EY and Senior Executive Manager at Apsis, where she worked for 5 years in charge of Business Valuation São Paulo.
- Marina is an Economist from the Federal University of Rio de Janeiro – UFRJ. She has a graduation degree in Administration from Pontificia Universidade Católica (*Pontifical Catholic University*) of Rio de Janeiro PUC-Rio.
- She is fluent in Portuguese, Spanish and English.



Marina Ragucci

Contact

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e-mail: mrugucci@alarezandmarsal.com

Our team



CAROLINA AOKI

Senior Manager

caoki@alvarezandmarsal.com

Before joining A&M, Carolina spent two years at Cielo holding the position of Financial Specialist.

Carolina began her professional career in the Valuation & Business Modelling area at EY in 2012, where she spent just over three years.

She has a Bachelor's degree in Economics from Insper. She is fluent in English and Portuguese.



DANIEL DIAS

Senior Manager

ddias@alvarezandmarsal.com

Before joining A&M, Daniel was a Manager at Ernst & Young (EY), in the Valuation & Business Modelling area, where he worked for over six years.

He has a graduation degree in Financial Economics from FGV (Fundação Getúlio Vargas - *Getúlio Vargas Foundation*) and a bachelor's degree in Economics from FAAP (Fundação Armando Álvares Penteado - *Armando Alvares Penteado Foundation*). He is fluent in English and Portuguese.

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ANNEX IX

Right of Withdrawal

(according to Annex 20 of CVM Instruction 481)

1. Describe the event that gave or will give rise to the withdrawal and its legal basis

Event: Acquisition, by the Company, of all shares issued by Grupo Big Brasil SA ("BIG Group"), through (i) the purchase and sale of common, nominative shares with no par value issued by Big Group, representing 70% (seventy percent) of the total capital stock of the BIG Group, pursuant to article 256 of the Brazilian Corporation's Law ("Purchase and Sale") and, subsequent act, (ii) merger of common, nominative shares without par value issued by the BIG Group remaining after the Purchase and Sale ("Merger of Shares") and, together with the Purchase and Sale, the "Transaction").

Legal basis: Article 252, §1 combined with article 137, IV, and article 256 combined with article 137, II, all of the Brazilian Corporation's Law.

2. Inform the shares and classes to which the withdraw applies

The right of withdraw will be applied to all the common shares issued by the Company.

3. Inform the date of the first publication of the notice calling the meeting, as well as the date of communication of the material fact regarding the resolution that gave or will give rise to the withdraw

Material Fact: March 24, 2021.

Notice of convening the meeting for approval of the Transaction: published on April 28, 2022, in the newspaper "O Estado de São Paulo".

4. Inform the period for exercising the right to withdraw and the date that will be considered for the purpose of determining the holders of the shares that may exercise the right to withdraw

Once the Transaction is approved, observing the conditions precedent of item 4 of the Management Proposal, the Company's shareholders who do not vote in favor of the Transaction, who abstain from voting or who do not attend the Extraordinary General Meeting of the Company to be held on May 19, 2022 ("EGM"), and who expressly manifest their intention to exercise the right of withdrawal within 30 (thirty) days from the date of publication of the EGM minutes to approve the Transaction will have the right of withdrawal. The right of withdrawal, with the consequent payment of the reimbursement, will only be guaranteed in relation to the totality (the exercise of partial withdrawal is prohibited) of the shares issued by the Company that the shareholder was, demonstrably, the holder since the closing of the trading session on the 24th March 2021, date of publication of the 1st Material Fact related to the Transaction, and maintained by the shareholder, without interruption, until the date of the effective exercise of the right to withdraw.



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5. Inform the amount of the reimbursement per share or, if it is not possible to determine it in advance, the management's estimate of this amount

The amount of reimbursement per share to be paid as a result of the exercise of the right to withdraw was calculated based on the Company's equity, included in the financial statements for the fiscal year ended December 31, 2021, corresponding to BRL 8.60316668 per share. Consequently, the reimbursement amount to be paid to the dissenting shareholders of the EGM's resolutions related to the approval of the Transaction, corresponding to the book value per share on the adjusted base date of December 31, 2021 is R\$8.60316668 per share .

6. Inform the method of calculating the refund amount

Refer to item 5 above.

7. Inform whether shareholders will have the right to request the drawing up of a special balance sheet

Dissenting shareholders will have the right to request the preparation of a special balance sheet, pursuant to article 45, paragraph 2, of the Brazilian Corporation's Law, since more than 60 (sixty) days from the date of approval of the last approved financial statements, referring to the fiscal year ended on December 31, 2020. However, considering that the value of the Company's equity determined in the financial statements for the year ended on December 31, 2021, subject to approval by the Company's ordinary and extraordinary general meeting scheduled to take place on April 26, 2022, on first call, would be higher than the value of the net equity determined in the financial statements for the fiscal year ended on December 31, 2020, the Company's management opted for use the value of net equity for the year ended December 31, 2021, for calculation of the reimbursement amount, as informed in items 5 and 6 above, for the benefit of the Company's shareholders.

8. If the reimbursement amount is determined by appraisal, list the experts or specialist companies recommended by management

Not applicable.

9. In the event of merger (incorporação), merger of shares or merger (fusão) involving parent and subsidiary companies or under common control

Not applicable.

10. Inform the book value of each share calculated according to the last approved balance sheet

Refer to item 5 above.



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11. Inform the quotation of each class or type of shares to which the withdraw applies in the markets in which they are traded, identifying:

- i. Minimum, average and maximum quotation for each year, in the last 3 (three) years

Year	Minimum Quotation	Average Quotation	Maximum Quotation
2021	14.78	18.77	22.91
2020	16.15	19.35	23.15
2019	16.99	19.48	22.01

- ii. Minimum, average and maximum quotation for each quarter, in the last 2 (two) years

Quarter	Minimum Quotation	Average Quotation	Maximum Quotation
4Q21	14.78	16.25	18.26
3Q21	16.98	18.61	20.79
2Q21	19.71	21.32	22.91
1Q21	17.95	18.89	22.18
4Q20	17.62	18.90	20.04
3Q20	18.29	19.49	21.36
2Q20	16.15	18.19	20.24
1Q20	16.59	20.80	23.15

- iii. Minimum, average and maximum quotation of each month, in the last 6 (six) months

Month	Minimum Quotation	Average Quotation	Maximum Quotation
Mar/22	18.93	20.63	22.71
Feb/22	15.80	16.92	19.05
Jan /22	13.96	14.84	16.67
Dec/21	14.78	15.25	15.98
Nov/21	15.33	16.29	17.09
Oct/21	16.22	17.26	18.26

- iv. Average quotation in the last 90 (ninety) days

BRL 19.64.



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Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

ANNEX X COMPARATIVE TABLE OF BYLAWS

Current Wording of the Company's Bylaws	Proposed Amendments to the Company's Bylaws	Justifications
Article 5. The fully subscribed and paid-in capital stock is BRL 7,660,725,261.16 (seven billion, six hundred and sixty million, seven hundred and twenty-five thousand, two hundred and sixty-one reais and sixteen cents), divided into 1,986,224,550 (one billion, nine hundred and eighty-six million, two hundred and twenty-four thousand, five hundred and fifty) common, registered, book-entry shares with no par value.	Article 5. The fully subscribed and paid-in capital stock is BRL 7,660,725,261.16 (seven billion, six hundred and sixty million, seven hundred and twenty-five thousand, two hundred and sixty-one reais and sixteen cents), divided into 1,986,224,550 (one billion, nine hundred and eighty-six million, two hundred and twenty-four thousand, five hundred and fifty) BRL 9,910,725,262.96 (nine billion, nine hundred and ten million, seven hundred and twenty-five thousand, two hundred and sixty-two reais and ninety-six cents), divided into 2,103,046,980 (two billion, one hundred and three million, forty-six thousand, nine hundred and eighty) common, nominative, book-entry shares with no par value.	Update of the amount of the Company's fully subscribed and paid-in capital stock, as well as the total number of shares issued, in the Bylaws, as a result of the approval of the Merger of Shares (as defined in the Proposal).



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ANNEX XI RESTATED BYLAWS

ATACADÃO S.A.

Brazilian Taxpayer's Registry of Legal Entities (CNPJ/ME) No. 75.315.333/0001-09

NIRE 35.300.043.154

BYLAWS

(marked version)

CHAPTER I - NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 1. Atacadão S.A. ("Company") is a corporation governed by these Bylaws and applicable laws and regulations.

§1. The Company conducts its holding activities under the trade name "Grupo Carrefour Brasil".

§2. With the Company's entry into the special listing segment called Novo Mercado da B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the Company, its Shareholders, including Controlling Shareholders, managers and members of the fiscal council, when installed, are subject to the provisions of the Novo Mercado Regulation ("Novo Mercado Regulation").

§3. The Company, its managers and Shareholders must comply with the provisions of the issuer listing and admission to trading of B3 securities, including, without limitation, the rules regarding the withdrawal and exclusion from trading of securities admitted to trading on organized markets managed by B3.

Article 2. The Company has its registered office and jurisdiction in the City of São Paulo, State of São Paulo, at Avenida Morvan Dias de Figueiredo, 6169, Vila Maria, ZIP Code 02170-901.

Sole paragraph. The Company may open, close or change the address of branches in Brazil or abroad by resolution of the Board of Executive Officers.

Article 3. The Company's corporate purpose is:

- I. distribution, wholesale and retail trade, industrialization, import and export of articles, materials, products and/or merchandise in general, primary and industrialized;
- II. operation of supermarkets and department stores, restaurants and snack bars;
- III. provision of phytosanitary, trade and transport auxiliary services;
- IV. exploration of banking correspondent activity, including, but not limited to: (i) receipts, payments and other activities arising from service contracts maintained by the Company with financial institutions; (ii) receipt and forwarding of credit card supply proposals; and (iii) supplementary services for collecting registration data and documentation, as well as data control and processing; and
- V. provision of telemarketing services (call center).

Sole paragraph. The Company may explore other fields of activity similar or complementary to the purpose expressed in article 3, as well as holding equity interests and other securities in other companies, in the country or abroad.

Article 4. The duration of the Company is indefinite.

CHAPTER II - CAPITAL STOCK, SHARES AND SHAREHOLDERS

Article 5. The fully subscribed and paid-in capital stock is BRL 9,910,725,262.96 (nine billion, nine hundred and ten million, seven hundred and twenty-five thousand, two hundred and sixty-two reais and ninety-six cents), divided into 2,103,046,980 (two billion, one hundred and three million,



Management Manual and Proposal of the Extraordinary General Meeting of May 19, 2022

forty-six thousand, nine hundred and eighty) common, registered, book-entry shares with no par value.

§ 1. The capital stock will be represented exclusively by common shares. Each common share will give the right to 1 (one) vote in the resolutions of the General Meeting.

§ 2. All of the Company's shares are book-entry, kept in a deposit account at a financial institution authorized by the Brazilian Securities and Exchange Commission ("CVM") designated by the Company on behalf of their holders.

§ 3. The cost of transferring ownership of the shares may be charged directly to the selling Shareholder by the aforementioned financial institution, as may be defined in the share bookkeeping agreement, subject to the maximum limits set by the CVM.

§ 4. In the event of default by the Shareholder in the payment of the issuance price of the shares subscribed by him, he must pay the Company the subscription price, plus interest of 1% per month, based on the General Price Index - Market - (IGP- M), published by Fundação Getúlio Vargas, at the lowest legally applicable frequency, and a fine of 10% on the amount not paid, without prejudice to other applicable legal sanctions.

Article 6. The Company is authorized to increase its capital stock, upon resolution of the Board of Directors and regardless of amendment to these Bylaws, up to the limit of 2,475,100,000 (two billion, four hundred and seventy-five million, one hundred thousand) common shares, upon issuance of new common shares, nominative, with no par value.

§ 1. Within the authorized limit mentioned in the caput of this Article, the Board of Directors will set the number, price, payment terms and other conditions for the issuance of shares.

§ 2. Provided that it is carried out within the authorized capital limit, the Board of Directors may also: (i) resolve on the issuance of subscription warrants and convertible debentures; (ii) in accordance with the plan approved by the General Meeting, to resolve on the granting of stock options to managers and employees of the Company or its subsidiaries, excluding the preemptive right of Shareholders in the granting or exercise of stock options; and (iii) approving the capital stock increase through the capitalization of profits or reserves, with or without stock bonus.

Article 7. The issuance of new shares, debentures convertible into shares or subscription warrants whose placement is made through sale on the stock exchange, public subscription or exchange for shares in a public offer for the acquisition of control pursuant to articles 257 to 263 of Law No. 6,404, of December 15, 1976, as amended ("Brazilian Corporation's Law"), or, further, under the terms of a special law on tax incentives, may take place without the Shareholders being granted preemptive rights in the subscription or with a reduction in the minimum term provided for by law for its exercise.

Article 8. In the cases provided for by law, the reimbursement value of the shares, to be paid by the Company to the Shareholders dissenting from the resolution of the General Meeting who have exercised the right of withdrawal, must correspond to the economic value of such shares, to be determined in an appraisal pursuant to the paragraphs 3 and 4 of article 45 of the Brazilian Corporation's Law, whenever such amount is lower than the book value included in the last balance sheet approved by the General Meeting.

Article 9. Any individual, legal entity or any other entity, acting alone or bound by a voting agreement, which becomes the holder of a number of shares representing equity interest or voting rights greater than or equal to 1% of the capital stock or voting rights of the Company, or any whole multiple of this percentage, shall notify the Company, and such notice shall: (i) include the information required under article 12 of CVM Instruction No. 358/2000, the total number of shares and voting rights held, as well as securities convertible or exchangeable into shares and voting rights potentially related thereto, and (ii) be sent immediately after this percentage has been reached or exceeded. The obligation to inform the Company also applies to the Shareholder whose equity interest or voting rights held falls below the percentages mentioned above.

§ 1. If the aforementioned increase in the Company's equity interest or voting rights seeks to cause or causes a change in Control or a change in the Company's administrative structure, or otherwise generates an obligation to carry out a public tender offer, the Shareholder or group of Acquiring



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shareholders shall disclose and make it public such information to the market through advertisements published in the same disclosure channels customarily used by the Company for its own publications.

§ 2. Failure to comply with the provisions of this Article will give rise to the application of the penalty of suspension of rights, established in Article 12, Item XII of these Bylaws.

§ 3. The Investor Relations Officer shall send copies of such notices to the CVM and the stock exchanges where the Company's securities are admitted to trading as soon as they are received by the Company.

CHAPTER III - GENERAL MEETING

Section I - Organization

Article 10. The General Meeting, convened and installed as provided for in the Brazilian Corporation's Law and in these Bylaws, will meet, ordinarily, once a year, in the first 4 (four) months following the end of the fiscal year and, extraordinarily, whenever the interests of the Company so require.

§ 1. The General Meeting will be called by the Chairman of the Board of Directors or, in the cases provided for by law, by Shareholders or by the Fiscal Council, if and when installed, by means of a published announcement, and the first call must be made, with at least 15 (fifteen) days in advance, and the second at least 8 (eight) days in advance, also observing the provisions of the CVM regulation that provides for information, proxy requests, participation and remote voting in general meetings.

§ 2. The resolutions of the General Meeting will be taken by majority of the votes of the Shareholders present at the meeting, not counting blank votes and abstentions, except for the exceptions provided for by law.

§ 3. The General Meeting may only resolve on matters on the agenda, contained in the respective call notice, with the exception of the exceptions provided for in the Brazilian Corporation's Law

§ 4. The Company shall initiate the registration of Shareholders to take part in the General Meeting, at least 48 (forty-eight) hours in advance, and the Shareholder is responsible for submitting: (i) proof issued by the depositary institution of the book-entry shares held by the Company, in the form of article 126 of the Brazilian Corporation's Law, dated up to 5 days from the date of the General Meeting, and the Company may, at its discretion, waive the presentation of this proof; and (ii) power of attorney and/or other suitable documents that prove the powers of the Shareholder's legal representative. Any Shareholder or its legal representative must attend the General Meeting with documents proving their identity.

§ 5. The minutes of the Meetings must be drawn up in the Book of Minutes of the General Meetings, and may, if so approved at the General Meeting in question, be drawn up in the form of a summary of the facts that occurred and published with omission of signatures.

Article 11. The General Meeting will be installed and chaired by the Chairman of the Board of Directors or, in his absence or impediment, installed and chaired by another Director, Officer or Shareholder appointed in writing by the Chairman of the Board of Directors. The Chairman of the General Meeting will appoint up to 2 (two) Secretaries.

Section II - Competence

Article 12. It is incumbent upon the Shareholders' Meeting, in addition to the attributions conferred by law and regulations applicable by these Bylaws:

- I. to take the managers' accounts, as well as examine, discuss and approve the financial statements;
- II. to resolve, in accordance with the proposal presented by the management, on the allocation of income for the year and the distribution of dividends;
- III. to elect and dismiss the members of the Board of Directors and the Fiscal Council, when installed;



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- IV. to establish the annual global compensation of the managers, as well as that of the members of the Fiscal Council, if installed;
- V. to approve plans for the granting of shares or the granting of stock options to the managers and employees of the Company or its subsidiaries;
- VI. to amend the Bylaws;
- VII. to resolve on the dissolution, liquidation, merger, spin-off, incorporation of the Company or any company in the Company;
- VIII. to previously approve the trading, by the Company, of shares of its own issuance in the cases whose approval at the General Meeting is prescribed by the regulations in force;
- IX. to resolve on the delisting from the Novo Mercado;
- X. to resolve on the cancellation of registration as a publicly-held company with the CVM;
- XI. to suspend the exercise of Shareholder rights, including voting rights, of any Shareholder or Shareholders who fail to comply with legal, regulatory or statutory obligations, pursuant to the provisions of article 120 of the Brazilian Corporation's Law and in compliance with the sole Paragraph of this Article 12;
- XII. to elect and dismiss the liquidator, as well as the Audit Committee that shall function during the liquidation period; and
- XIII. to resolve on any matter submitted to it by the Board of Directors.

Sole paragraph: For the purposes of item XI above:

- (a) Shareholders representing at least 5% of the capital stock may call a general meeting to resolve on the suspension of the defaulting Shareholder's rights, when the Board of Directors does not respond, within 8 days, to the request of notice that they present, indicating the breached obligation and the identification of the defaulting Shareholder or Shareholders;
- (b) The general meeting that approves the suspension of the rights of the Shareholder or Shareholders will also be responsible for establishing, among other things, the scope and term of the suspension, with the suspension of the rights of inspection and request for information guaranteed by law being prohibited; and
- (c) The suspension of rights will cease as soon as the Shareholder cures the default, fulfilling the obligations that led to the application of the suspension.

Section III - Election of the members of the Board of Directors

Article 13. In the election of the members of the Board of Directors, Shareholders representing the percentage of the capital stock established by law and applicable regulations may request the adoption of the multiple vote process, provided that they do so at least 48 hours before of the General Meeting.

§ 1. The Company, immediately after receiving the request, must notify, by means of a notice inserted on its website and forwarded, by electronic means, to the CVM and to B3, the information that the election will take place through the voting process. multiple.

§ 2. Once the Meeting is installed, the chairman of the board will inform, in view of the signatures contained in the Attendance Book and the number of shares held by the Shareholders present, the number of votes that will be held by each Shareholder and the number of votes necessary to elect a Director.

§3. Each Shareholder will have the right to accumulate the votes attributed to him/her in a single candidate or distribute them among several of them, with those who receive the greatest number of votes being declared elected.

§4. The positions that, due to a tie, are not filled, will be subject to a new vote, using the same process, adjusting the number of votes that will be held by each Shareholder according to the number of positions to be filled.



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§5. Whenever the election has been carried out using this process, the dismissal of any member of the Board of Directors, who does not have an elected alternate, by the General Meeting will imply the dismissal of the other members, proceeding to a new election; in other cases in which there is a vacancy in the Board of Directors, the first General Meeting will proceed with the election of the entire Board of Directors.

§6. While the Company remains under the control of a Shareholder or controlling group, as defined in article 116 of the Brazilian Corporation's Law, Shareholders representing 10% of the capital stock may request, as provided for in paragraphs 4 and 5 of article 141 of the Brazilian Corporation's Law, that the election of one of the members of the Board of Directors is carried out separately.

CHAPTER IV - MANAGEMENT

Section I - Provisions common to management bodies

Article 14. The Company will be managed by the Board of Directors and the Board of Executive Officers. The positions of Chairman of the Board of Directors and Chief Executive Officer – Grupo Carrefour Brasil (the Company's main executive) cannot be held by the same person.

§ 1. The Board of Directors and the Board of Executive Officers, for better performance of their functions, may create Committees or working groups with defined objectives, which shall act as auxiliary bodies without deliberative powers, always with the aim of advising them. The members of the Committees or working groups will be appointed by the Board of Directors or by the Board of Executive Officers, as the case may be.

§ 2. The investiture of the members of the Board of Directors and of the Board of Executive Officers, effective and alternates, is conditioned to the signature of a term of investiture, which must include their subjection to the arbitration clause referred to in article 56 of these Bylaws.

§ 3. The Company's managers will remain in their positions until their substitutes take office (their respective term of office being extended until this date), unless otherwise resolved by the General Meeting or the Board of Directors, as the case may be.

Article 15. The General Meeting shall establish the global amount of the managers' remuneration. It will be incumbent upon the Board of Directors, at a meeting, to establish the global portion of the remuneration attributed to each body (as a whole).

Article 16. With the exception of the provisions of these Bylaws, any of the management bodies validly meets with the presence of the majority of their respective members and resolves by the vote of the majority of those present.

Sole paragraph. The prior call of the Board of Directors and Board of Executive Officers meeting is waived as a condition of its validity if all its members are present. If they are not physically present, the members of the Board of Directors and the Board of Executive Officers may express their vote through: (a) delegation of powers made in favor of another member of the respective body, (b) written vote sent in advance and (c) written vote transmitted by fax, electronic mail or any other means of communication, as well as by audio or videoconference system or other similar means, provided that they allow identification and effective participation in the meeting, so that the participants can simultaneously hear each other.

Article 17. Pursuant to Article 156 of the Brazilian Corporation's Law, the Company's managers who are in a situation of conflicting personal interest must inform the other members of the Board of Directors or the Board of Executive Officers of their impediment and have them recorded in the minutes of the Board meeting of Directors or the Board of Executive Officers, the nature and extent of their impediment.

Article 18. Within the limits established in this Article, the Company will indemnify and keep harmless its members of the Board of Directors, members of the Board of Executive Officers, members of advisory committees and other employees who exercise a management position or function in the Company (jointly or individually "Beneficiaries"), in the event of any damage or loss actually suffered by the Beneficiaries as a result of the regular exercise of their duties at the Company.



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§ 1. The Company will not indemnify the Beneficiary for (i) acts performed outside the exercise of attributions or powers; (ii) acts with bad faith, willful misconduct, gross negligence or fraud; (iii) acts performed in their own interest or in the interests of third parties, to the detriment of the company's corporate interest; (iv) indemnities arising from a social action provided for in article 159 of the Brazilian Corporation's Law or compensation for losses referred to in article 11, § 5, II of Law No. 6,385, of December 7, 1976; and (v) other indemnity exclusions provided for in the indemnity agreement signed with the Beneficiary.

§ 2. If convicted, by a court, arbitration or administrative decision that has become final or for which there is no longer any appeal, due to acts performed (i) outside the exercise of its attributions; (ii) with bad faith, intent, gross negligence or fraud; or (iii) in its own interest or that of third parties, to the detriment of the Company's corporate interest, the Beneficiary shall reimburse the Company for all costs and expenses incurred with legal assistance, pursuant to the legislation in force.

§ 3. The conditions and limitations of the indemnity object of this Article will be determined in an indemnity contract, whose standard model must be approved by the Board of Directors, without prejudice to the contracting of specific insurance to cover management risks.

Section II - Board of Directors

Subsection I - Composition

Article 19. The Board of Directors shall be composed of at least 8 (eight) and at most 10 (ten) members, elected by the General Meeting, with a unified term of office of 1 (one) year, considering each year as the period between 2 (two) Ordinary General Meetings, with dismissal and reelection being permitted.

§ 1. At the General Meeting whose purpose is to resolve on the election of the members of the Board of Directors, the Shareholders must first establish the effective number of members of the Board of Directors to be elected.

§ 2. Among the members of the Board of Directors, at least 2 (two) or 20% (twenty percent), whichever is greater, must be independent directors, in accordance with the definition of the Novo Mercado Regulation, with the characterization of those appointed to the Board of Directors Management as independent directors be resolved at the general meeting that elects them.

§ 3. When, as a result of the calculation of the percentage referred to in the above paragraph, the result generates a fractional number, the Company must round up to the nearest whole number.

§ 4. The General Meeting may elect one or more alternates for the members of the Board of Directors, however, no more than 1 (one) alternate may be elected for each effective member of the Board of Directors.

§ 5. The Board of Directors will have 1 (one) Chairman, and 1 (one) Vice-Chairman, who will be elected by the majority of votes of those present, at the first meeting of the Board of Directors that takes place immediately after the inauguration of such members, or whenever resignation or vacancy occurs in those positions.

§ 6. In the event of a vacancy in the position of a member of the Board of Directors, the substitute will be appointed by the remaining directors and will serve until the next General Meeting.

Subsection II - Meetings

Article 20. The Board of Directors will meet ordinarily at least 6 (six) times a year, according to the annual calendar to be approved by the Board of Directors at the first meeting to be held after the annual election, and extraordinarily, whenever necessary, by call made pursuant to Paragraph 1 of this Article. The Board of Directors may unanimously resolve on any matter that has not been included in the agenda.

§ 1. The notices for meetings of the Board of Directors must be delivered electronically or by letter, by the Chairman of the Board of Directors or by the Vice-Chairman, if the former is absent, to each member of the Board of Directors, with at least 8 (eight) days in advance of the meeting, and indicating the date, time, place, detailed agenda and documents to be discussed at that meeting.



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Any Director may, by means of a written request to the Chairman, request that a meeting be called or that items be included on the agenda.

§ 2. The Chairman of the Board of Directors will preside over the meetings of the Board of Directors, except in cases of absence or temporary impediment, provided for in Paragraph 5 below.

§ 3. Each director will be entitled to 1 (one) vote in the resolutions of the Board of Directors, and the resolutions of the Board of Directors will be taken by majority of its members present at the meeting.

§ 4. The chairman of any meeting of the Board of Directors shall not take into account and shall not compute the vote cast in breach of the terms of any Shareholders' agreement that may be duly filed at the Company's headquarters, as provided for in article 118 of the Brazilian Corporation's Law

§ 5. In the event of the President's absence or temporary impediment, if a Vice-Chairman has been appointed by the Board of Directors, the Vice-Chairman will perform the duties of the Chairman. If the Board of Directors has not appointed a Vice-Chairman, in the event of the Chairman's absence or temporary impediment, the Chairman's duties will be performed by another member of the Board of Directors appointed by the Chairman.

§ 6. In the event of permanent vacancy of the Chairman, the Vice-Chairman will automatically assume the position and must call a meeting of the Board of Directors within 60 (sixty) days from the vacancy date, for the appointment of the new Chairman of the Board of Directors of permanently, until the end of the original term of office, or call a General Meeting with the objective of appointing the new Chairman of the Board of Directors to replace him, until the end of the original term of office.

§ 7. In the event of absence or temporary impediment of a member of the Board of Directors, such absent or temporarily impeded member may be represented at the meetings of the Board of Directors by another member appointed in writing, who, in addition to his/her own vote, shall express the vote of the member absent or temporarily disabled.

§ 8. If the member of the Board of Directors to be represented is an Independent Director, then the member representing him/her must also be an Independent Director.

§ 9. All resolutions of the Board of Directors will be recorded in the minutes recorded in the Book of Minutes of Meetings of the Board of Directors.

Subsection III - Competence

Article 21. The powers of the Board of Directors shall be established in the Internal Regulations of the Board of Directors, and, in addition to the attributions entrusted to it by applicable laws and regulations, by the Bylaws and by the Internal Regulations of the Board of Directors, it is also incumbent upon the Board of Directors:

I. to submit to the Annual General Meeting a proposal for the allocation of net income for the year, as well as resolve on the opportunity to draw up semi-annual balance sheets, or in shorter periods, and the payment of dividends or interest on equity arising from these balances, as well as resolve on the payment of interim or intermediate dividends to the account of retained earnings or profit reserves, existing in the last annual or half-yearly balance sheet;

II. to authorize the issuance of the Company's shares, within the limits authorized in Article 6 of these Bylaws, setting the number, price, payment term and conditions for issuing shares, and may also exclude the preemptive right or reduce the term minimum for its exercise in the issuance of shares, subscription warrants and convertible debentures, the placement of which is carried out through sale on the stock exchange or by public subscription or through exchange for shares in a public offering for acquisition of control, under the terms established by law;

III. within the authorized capital limit, as provided for in Paragraph 2 of Article 6 of these Bylaws, (i) to resolve on the issuance of subscription warrants and convertible debentures; (ii) in accordance with the plan approved by the General Meeting, to resolve on the granting of stock options to the managers and employees of the Company or its subsidiaries, excluding the preemptive right of Shareholders in the granting and exercise of stock options; and (iii) to approve a capital increase through the capitalization of profits or reserves, with or without stock bonus;



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- IV. to resolve on the negotiation of shares issued by the Company for the purpose of cancellation or holding in treasury and respective disposal, in compliance with the relevant legal provisions;
- V. to resolve on the issuance of simple debentures and, whenever the limits of authorized capital are respected, debentures convertible into shares, and debentures of any class may be of any type or guarantee;
- VI. to resolve, by delegation of the General Meeting, upon the issuance by the Company of debentures convertible into shares that exceed the authorized capital limit, on (i) the time and conditions of maturity, amortization or redemption, (ii) the time and conditions for the payment of interest, profit sharing and reimbursement premium, if any, and (iii) the subscription or placement method, as well as the type of debentures;
- VII. to establish the value of the Board of Executive Officers for the issuance of any credit instruments for raising funds, whether commercial promissory notes, bonds, notes, commercial papers, or others of common use in the market, as well as to establish their issuance conditions and redemption, which may, in the cases defined, require the prior authorization of the Board of Directors as a condition of validity of the act;
- VIII. to decide on the payment or credit of interest on equity to Shareholders, pursuant to applicable legislation;
- IX. to manifest itself in favor or against any public offer for the acquisition of shares that has as its object shares or securities convertible or exchangeable for shares issued by the Company, by means of a prior reasoned opinion, published within 15 (fifteen) days of the publication of the notice of the public offer for the acquisition of shares, which must contain the Management's opinion on possible acceptance of the offer and on the economic value of the Company and manifestation on other points that the Board of Directors deems relevant, as well as the information required and by the Novo Mercado Regulation and the applicable rules established by the CVM;
- X. to elect and dismiss the Officers and establish their compensation, within the limit of the annual global compensation approved by the General Meeting, and establish their functions and limits of power, which must be detailed in its internal regulations;
- XI. to elect and dismiss the members of the Committees;
- XII. to approve its own internal regulations and the internal regulations of the Board of Executive Officers and of all Committees;
- XIII. to approve the Company's code of conduct and corporate policies related to (i) disclosure of information and trading in securities; (ii) risk management; (iii) related party transactions and conflict of interest management; (iv) management compensation; and (v) appointment of managers; and
- XIV. to resolve on any matter submitted to it by the Board of Executive Officers and the Committees, as well as call the members of the Board of Executive Officers to joint meetings, whenever deemed necessary.

Section III - Board of Executive Officers

Subsection I - Composition

Article 22. The Board of Executive Officers, whose members will be elected and removed at any time by the Board of Directors, will be composed of at least 2 (two) and at most 7 (seven) members, allocated in two distinct divisions, called "Holding Division" and "Atacadão Division".

§1. The Officers will have different designations and attributions based on the division to which they belong, as provided below:

I. The Holding Division will be composed of up to 4 (four) Officers: a Chief Executive Officer – Grupo Carrefour Brasil, a Vice Chairman Finance Officer – Grupo Carrefour Brasil, an Investor Relations Officer and an Executive Officer – Grupo Carrefour Brasil.

II. The Atacadão Division will be composed of up to 3 (three) Officers, being a Chief Executive Officer – Atacadão, a Vice Chairman of Finance – Atacadão and a Vice Chairman of Transactions – Atacadão.



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III. The Officers may accumulate positions.

§ 2. The Company's Officers may only exercise their functions until the Annual General Meeting that resolves on the financial statements for the year in which they reach 70 (seventy) years of age is held, unless otherwise authorized by the Board of Directors, as possible exception to this retirement age rule.

Subsection II - Election and Removal

Article 23. The Officers shall be elected by the Board of Directors, for a unified term of office of 3 (three) years, considering each year the period between 2 (two) Annual General Meetings, reelection and dismissal being permitted.

§ 1. The Chief Executive Officer – Grupo Carrefour Brasil will be replaced: (i) in the event of removal or impediment for a period of up to 30 days, by another Officer appointed by him/her; (ii) in the event of leave for a period of more than 30 days and less than 120 days, by an Officer appointed by the Board of Directors, at a meeting specially called for this purpose; and (iii) in case of removal for a period equal to or greater than 120 days or vacancy, the Board of Directors shall be convened to promote the election of a new Chief Executive Officer – Grupo Carrefour Brasil, in accordance with the procedures established in these Bylaws.

§ 2. The other Officers (except for the Chief Executive Officer - Carrefour Brasil Group) will be replaced: (i) in cases of absence or impediment, as well as absence for a period of less than 120 days, by another Officer appointed by the Chief Executive Officer - Carrefour Brasil Group; and (ii) in case of absence for a period equal to or greater than 120 days or vacancy, the Board of Directors shall be called to promote the election of a new Officer.

Article 24. The Board of Executive Officers has all the powers to perform the acts necessary for the regular operation of the Company's business in its normal course.

Subsection III - Competence

Article 25. As provided below, the Board of Directors will have an internal charter that will specify the duties of each Division and its Officers. The Board of Directors will ensure that the Officers comply with such separation, whose failure will be liable to liability and punishable by the Company. The Officers will only perform the functions related to the business of their respective Division, and, subject to the provisions of the applicable laws and regulations, they will not be responsible for the acts performed by the Officers of the other division. The Officers of the Atacadão Division shall report to the Holding Division in the exercise of their duties.

Article 26. The following acts are the exclusive and solely competence of the Officers of the Holding Division:

- I. to suggest to the Board of Directors, and after approval by the Board of Directors, to implement the macro business policy of the Company and its subsidiaries;
- II. to propose to the Board of Directors the annual budget, business plan, long-term strategic planning, expansion and investment plan of the Company and its subsidiaries;
- III. to annually prepare, review and approve, for evaluation by the Board of Directors, the financial statements and the report and accounts of the Board of Executive Officers;
- IV. to implement any decision taken by the Board of Directors in relation to the Company's subsidiaries;
- V. to represent the Company as a Shareholder, partner or quotaholder in corporate resolutions of its subsidiaries;
- VI. to suggest to the Board of Directors and implement general policies to be observed by the Company and all its subsidiaries;
- VII. to supervise and manage the areas or functions of internal controls, risk management, legal, tax, consolidation and financial reporting of the Company and all its subsidiaries;
- VIII. to supervise and manage the public relations of the Company and its subsidiaries, in particular, vis-à-vis the authorities, the press, investors, Shareholders and rating agencies; and



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IX. to manage and supervise the cash and indebtedness levels of the Company and its subsidiaries, including the decision to enter into financial agreements.

Article 27. The following acts are the responsibility of the Directors of the Atacadão Division, under the supervision of the Officers of the Holding Division:

I. to operate and manage all businesses and operations carried out under the Atacadão brand; and

II. to coordinate, manage, direct and supervise all activities ancillary to the operations carried out under the Atacadão brand, including the supervision of the departments related to commercial, logistics, planning and human resources operations and the employees of the Atacadão Division.

Article 28. The competence of the Officers will be restricted to certain divisions, which will be identified in the act of their appointment. Without prejudice to the other powers attributed to the Officers by law, regulation, by these Bylaws and by the Board of Directors, it is incumbent upon:

I. the Chief Executive Officer – Carrefour Brasil Group (within both divisions):

(i) to implement the resolutions of the General Meetings and the Board of Directors;

(ii) to establish goals and objectives for the Company and its subsidiaries;

(iii) to coordinate, manage, direct and supervise the commercial, logistics, planning and human resources areas, as well as all the Company's businesses and operations;

(iv) to direct and guide the performance of market analysis, quality policy and guidelines as well as the implementation of standards, methods and operational routines;

(v) to coordinate the activities of the other Officers and employees of their respective divisions;

(vi) to direct, at the highest level, the Company's public relations and guide institutional publicity;

(vii) to convene and preside over Board meetings;

(viii) to approve the Company's organizational structure;

(ix) to direct the activities related to the general and legal planning areas or functions of the Company and its subsidiaries;

(x) to suggest to the Board of Directors, and after approval by the Board of Directors, implement the macro business policy of the Company and its subsidiaries;

(xi) to propose to the Board of Directors the annual budget, business plan, long-term strategic planning, expansion and investment plan of the Company and its subsidiaries and implement them, as applicable, after approval by the Board of Directors;

(xii) to annually prepare, for review and approval by the Board of Directors, the Company's financial statements and management report;

(xiii) to implement any decision taken by the Board of Directors in relation to the Company's subsidiaries;

(xiv) to represent the Company as a Shareholder, partner or quotaholder in corporate resolutions of its subsidiaries;

(xv) to suggest to the Board of Directors and implement general policies to be observed by the Company and all its subsidiaries;

(xvi) to supervise and manage the public relations of the Company and its subsidiaries; and

(xvii) other duties assigned to it, from time to time, as determined by the Board of Directors.

II. to the Chief Executive Officer – Atacadão (within the Atacadão Division):

(i) to implement the annual budget, business plan, long-term strategic planning and expansion and investment plan, as the case may be, within the Atacadão Division, subject to discussion with the other Officers, after approval by the Board of Management;



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(ii) to coordinate, manage, direct and supervise the commercial, logistics, planning, human resources areas, employees of the Atacadão Division, as well as all the businesses and operations of the Atacadão Division; and

(iii) to direct and guide the performance of market analysis, quality policy and guidelines, as well as the implementation of norms, methods and operational routines of the Atacadão Division.

The Chief Executive Officer-Atacadão shall report to the Chief Executive Officer – Grupo Carrefour Brasil in the exercise of his duties.

III. to the Vice Chairman of Finance – Carrefour Brasil Group (within both divisions):

(i) to coordinate, manage and supervise the Company's financial, accounting and management control areas, being responsible for directing and guiding the preparation of the annual budget of both divisions;

(ii) to monitor the Company's treasury activities, including fundraising and management;

(iii) to supervise and manage the areas or functions of internal controls, risk management, tax, consolidation and financial reporting of the Company and its subsidiaries;

(iv) to supervise and manage the relationship with risk rating agencies;

(v) to supervise and manage the cash and indebtedness levels of the Company and its subsidiaries, including the decision to enter into financial agreements;

(vi) all other administrative matters that are not expressly attributed to the other Officers; and

(vii) other attributions that may be determined from time to time by the Chief Executive Officer – Grupo Carrefour Brasil.

IV. to the Vice Chairman of Finance – Atacadão (within the Atacadão Division):

(i) to coordinate, manage and supervise the financial, accounting and management control areas of the Atacadão Division, being responsible for directing and guiding the preparation of the annual budget of the Atacadão Division;

(ii) to supervise and manage the areas or functions of internal controls, risk management, consolidation and financial reporting of the Atacadão Division;

(iii) all other administrative matters related to the Atacadão Division that are not expressly attributed to the other Officers; and

(iv) other attributions that may be determined from time to time by the Chief Executive Officer – Atacadão Division.

The Vice Chairman of Finance - Atacadão shall report to the Vice Chairman of Finance - Grupo Carrefour Brasil in the exercise of his duties.

VII. To the Investor Relations Officer:

(i) to provide information to investors, the CVM, the stock exchanges or over-the-counter markets where the Company's securities are traded;

(ii) to keep the Company's registration updated in accordance with the applicable CVM regulation and meet the other requirements of this regulation; and

(iii) other attributions that may be determined from time to time by the Chief Executive Officer – Grupo Carrefour Brasil.

VIII. To the Executive Director – Grupo Carrefour Brasil, all other attributions that may be, from time to time, determined by the Chief Executive Officer – Grupo Carrefour Brasil.

IX. To the Vice Chairman of Transactions – Atacadão (within the Atacadão Division), all the attributions that may be, from time to time, determined by the Chief Executive Officer – Atacadão.

Subsection IV - Meetings



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Article 29. The Board of Executive Officers validly meets with the presence of half plus one of the elected Officers and decides by the vote of the majority of those present.

§ 1. It is incumbent upon the Board, as a collegiate body:

I. to approve and submit, annually, the management report to the Board of Directors and the Company's financial statements accompanied by the report of the independent auditors (in draft form), as well as the proposal for the allocation of profits calculated in the previous year, for consideration the Board of Directors and the General Meeting, which will be prepared by the Officers of the Holding Division;

II. to propose to the Board of Directors the annual budget, business plan, long-term strategic planning and expansion and investment plans of the Holding Division and Atacadão Division, as applicable, to be prepared by the Officers of the respective divisions;

III. to resolve on the opening and closing of branches, warehouses, distribution centers, offices, agencies, representations for its own account or for third parties, anywhere in the country or abroad, observing the specific competences of each Division; and

IV. decide on any matter that is not the exclusive competence of the General Meeting or the Board of Directors.

§ 2. Calls for meetings will be made by means of a written notice delivered at least 2 (two) business days in advance, which must include the agenda, date, time and place of the meeting.

§ 3. Minutes of Board meetings will be recorded in the Board Meeting Minute Book.

Subsection V - Company Representation

Article 30. Subject to the separation of powers provided for in these Bylaws, the Company will be legally represented by, and will be obliged:

(i) by the isolated signature of the Chief Executive Officer – Carrefour Brasil Group (within both divisions) or of the Chief Executive Officer – Atacadão (within the Atacadão Division);

(ii) by the joint signature of two Officers of the Holding Division (within both divisions) or of two Officers of the Atacadão Division (within the Atacadão Division);

(iii) by the signature of an Officers of the Holding Division together with an attorney-in-fact (within both divisions) or of an Officer of the Atacadão Division, together with an attorney-in-fact (within the Atacadão Division); or

(iv) by two attorneys-in-fact signing together, in compliance with the provisions of Paragraph 1 of this Article.

§ 1. Subject to the restrictions contained in these Bylaws, an Officer acting alone or an attorney-in-fact with sufficient powers may bind the Company in the issuance and endorsement of trade bills, checks, bills of exchange and promissory notes as well as in the collection, guarantee or discount with deposit of funds in the accounts Company's bank accounts, or even for the issuance of receipts configuring payments made to the Company through nominative checks, signatures of credit opening agreements. The representation of the Company before any agencies, departments and public, federal, state and municipal agencies, autarchies and carrying out financial investments on behalf of the Company, with a term not exceeding one year and with financial institutions, will also be incumbent upon a single Officer acting alone or to an attorney invested with sufficient powers.

§ 2. The Board of Directors may authorize the practice of specific acts that bind the Company through the signature of only one Officer or a duly constituted attorney-in-fact, or even establish competence and authority for the performance of acts by a single representative.

Article 31. The power of attorney granted by the Company will be signed:

(i) individually by the Chief Executive Officer – Carrefour Brasil Group (within both divisions) or by the Chief Executive Officer – Atacadão (within the Atacadão Division); or

(ii) by any two other Officers of the Holding Division (within both divisions) or Officers of the Atacadão Division (within the Atacadão Division), acting jointly, and, in all cases, will contain specific



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powers that will observe the restrictions contained in these Bylaws and will have limited validity period.

§ 1. Powers relating to the respective division may only be delegated by the Officers. The Officers of the Holding Division may grant powers within both divisions and the Officers of the Atacadão Division may grant powers within the Atacadão Division. The Board of Directors will have the right to authorize the granting of powers of attorney by any director individually, establishing the duration period and the powers to be granted, with due observance of the matters subject to the General Meeting, under the terms of the applicable law.

§ 2. The powers of attorney containing ad judicia powers granted to lawyers to defend the Company's rights and interests in administrative or judicial proceedings may be for an indefinite period.

Section IV - Committees of the Board of Directors

Article 32. In addition to other advisory committees, the Company will have the following permanent and mandatory Committees to advise the Board of Directors: (i) Statutory Audit Committee; (ii) Strategy Committee; and (iii) Human Resources Committee.

§ 1. The Committees shall exercise their functions in relation to the companies in which the Company participates.

§ 2. The Board of Directors may establish internal regulations for the functioning of the Committees.

Subsection I - Statutory Audit Committee

Article 33. The Statutory Audit Committee, established as a permanent advisory committee to the Board of Directors, will be composed of at least 3 (three) members, appointed by the Board of Directors, at least 1 (one) of whom must be an Independent Director, as defined in the Novo Mercado Regulation, and at least 1 (one) must have recognized experience in corporate accounting matters.

§ 1. The same member of the Statutory Audit Committee can accumulate both characteristics referred to in the caput of this Article.

§ 2. The Board of Directors will approve the internal regulations of the Statutory Audit Committee, which will stipulate rules for convening, installing, voting, the activities of the coordinator and the frequency of committee meetings, term of office and qualification requirements of its members, among other subjects.

Article 34. It is incumbent upon the Statutory Audit Committee to:

I. opine to the Board of Directors on the hiring or dismissal of the Company's independent audit services, and advise the Board of Directors on hiring the independent audit firm to perform non-audit services;

II. monitor the activities of the Company's internal audit and internal controls area, monitoring the effectiveness and adequacy of its structure, and the quality and integrity of the internal and independent audit processes, proposing recommendations for improvements to the Board of Directors, if necessary;

III. oversee the Company's internal controls and financial reporting and consolidation departments and any other departments responsible for preparing the Company's financial statements;

IV. evaluate the Company's quarterly financial information, interim statements and annual financial statements;

V. monitor the quality and integrity of (i) internal control mechanisms; and (ii) information and measurements disclosed based on accounting and non-accounting data that add elements not provided for in the structure of the usual reports of financial statements, proposing recommendations, if necessary;



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VI. assess and monitor the risk exposures incurred by the Company, with powers to request detailed information on policies and procedures related to: (i) management compensation; (ii) the use of the Company's assets; and (iii) expenses incurred on behalf of the Company;

VII. evaluate and monitor and recommend to management the correction and improvement of the Company's internal policies, including the Related Party Transactions Policy.

VIII. have means for receiving and processing information about non-compliance with legal and regulatory provisions applicable to the Company, in addition to internal regulations and codes, including the provision of specific procedures for the protection of providers and confidentiality of information.

Sole paragraph. The Statutory Audit Committee shall prepare a summary annual report, to be presented together with the financial statements, containing a description of the activities carried out during the period, indicating the meetings held, the main subjects discussed, the results and conclusions reached, and highlighting the recommendations made to the Board of Directors and any situations in which there is significant divergence between the Company's Board of Executive Officers, the independent auditors and the Statutory Audit Committee in relation to the Company's financial statements.

Subsection II - Strategy Committee

Article 35. The Strategy Committee, established as a permanent advisory committee to the Board of Directors, will be composed of 5 (five) members, appointed by the Board of Directors.

Sole paragraph. The Board of Directors must approve the Strategy Committee's internal regulations, which will establish its powers and its own operational guidelines, including the rules applicable to the meetings of the Strategy Committee and its members.

Subsection III - Human Resources Committee

Article 36. The Human Resources Committee, established as a permanent advisory committee to the Board of Directors, will be composed of 5 (five) members, appointed by the Board of Directors.

§ 1. The Board of Directors must approve the internal regulations of the Human Resources Committee, which will establish its powers and its own operational guidelines, including the rules applicable to the meetings of the Human Resources Committee and its members.

§ 2. The Chief Executive Officer – Grupo Carrefour Brasil will be invited to participate in the meetings of the Human Resources Committee, when necessary.

CHAPTER V - FISCAL COUNCIL

Article 37. The Fiscal Council shall function on a non-permanent basis, with the powers and attributions conferred on it by the Brazilian Corporation's Law. The Fiscal Council shall only be installed by resolution of the General Meeting, at the request of Shareholders representing the percentage required by law or by the regulations of CVM.

Article 38. When installed, the Fiscal Council will be composed of at least 3 (three) and at most 5 (five) members and an equal number of alternates (Shareholders or not), all of them qualified in accordance with the legal provisions.

§ 1. The members of the Fiscal Council must be elected by the General Meeting that approves its installation. Their term of office shall expire upon the holding of the first Annual General Meeting held after their election, and they may be removed and re-elected.

§ 2. The members of the Fiscal Council, at their first meeting, will elect their Chairman.

§ 3. The investiture of the members of the Fiscal Council, effective and alternates, is conditioned to the signature of the instrument of investiture, which must include their subjection to the arbitration clause referred to in article 56 of these Bylaws.

§ 4. The members of the Fiscal Council will be replaced, in their absences and impediments, by the respective alternate.



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§ 5. In the event of a vacancy in the position of member of the Fiscal Council, the respective alternate will take his place; if there is no alternate, the General Meeting will be convened to proceed with the election of a member for the vacant position.

Article 39. When installed, the Fiscal Council will meet whenever necessary, being responsible for all the attributions entrusted to it by law.

§ 1. The meetings will be called by the Chairman of the Fiscal Council on his own initiative or at the written request of any of its members. Regardless of any formalities, the meeting attended by all the members of the Fiscal Council will be considered regularly convened.

§ 2. The resolutions of the Fiscal Council must be approved by an absolute majority of votes. For a meeting to be installed, the majority of its members must be present.

§ 3. All resolutions of the Fiscal Council will be recorded in the respective book of Minutes and Opinions of the Fiscal Council and signed by the directors present.

Article 40. The remuneration of the members of the Fiscal Council will be fixed by the General Meeting that elects them, in compliance with paragraph 3 of article 162 of the Brazilian Corporation's Law

CHAPTER VI - FISCAL YEAR AND DISTRIBUTION OF PROFITS

Article 41. The fiscal year coincides with the calendar year. At the end of each fiscal year, the financial statements provided for by law will be prepared.

§ 1. In addition to the financial statements at the end of each fiscal year, the Company will prepare the quarterly financial statements, in compliance with the relevant legal precepts.

§ 2. Together with the financial statements for the year, the Company's management bodies will submit to the Annual Shareholders' Meeting a proposal on the destination to be given to the net income, in compliance with the provisions of these Bylaws and the Brazilian Corporation's Law

§ 3. Any accumulated losses and the provision for income tax and social contribution will be deducted from the income for the year, before any participation.

Article 42. After making the deductions contemplated in the above Article, the net income must be allocated as follows:

I. 5% (five percent) will be applied, before any other allocation, for the constitution of the legal reserve, which will not exceed 20% (twenty percent) of the Company's capital stock;

II. a portion of the net income, as proposed by the management bodies, may be allocated to the formation of a reserve for contingencies, pursuant to article 195 of the Brazilian Corporation's Law;

III. the portion of net income resulting from government subsidies for investments may be allocated to the tax incentive reserve, which may be excluded from the calculation basis of the mandatory dividend;

IV. in the year in which the amount of the mandatory dividend, calculated under the terms of item VI below, exceeds the realized portion of the profit for the year, the General Meeting may, at the proposal of the management bodies, allocate the excess to the constitution of an unrealized profit reserve, subject to the provisions of article 197 of the Brazilian Corporation's Law;

V. a portion not exceeding the difference between (i) 99.9% (ninety-nine and nine-tenths percent) of the adjusted annual net income as provided for in article 202 of the Brazilian Corporation's Law (including, therefore, any allocation of portion of net income to constitute a reserve for contingencies) and (ii) the reserve indicated in Item III above, may be allocated to the formation of a reserve for investments and working capital, which will have the purpose of funding investments for growth and expansion and financing the working capital of the company, with the exception that the accumulated balance of this reserve cannot exceed 100% (one hundred percent) of the Company's capital stock; and

VI. the remaining balance will be distributed to Shareholders as dividends, ensuring the distribution of the minimum mandatory dividend, in each year, not less than 0.1% (one tenth



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percent) of the adjusted annual net income, as provided for by article 202 of the Brazilian Corporation's Law SA

§ 1. The mandatory dividend provided for in Item VI in the caput of this Article will not be paid in the years in which the Board of Directors informs the Annual Shareholders' Meeting that it is incompatible with the Company's financial situation. The Supervisory Board, if in operation, must issue an opinion on this information within 5 days of the General Meeting, and the Directors must file a reasoned report with the CVM, justifying the information transmitted to the General Meeting.

§ 2. Retained earnings pursuant to Paragraph 1 of this Article shall be recorded as a special reserve and, if not absorbed by losses in subsequent years, shall be paid as a dividend as soon as the Company's financial situation permits.

Article 43. The Company, by resolution of the Board of Directors, may:

- I. distribute dividends based on profits determined in the semi-annual balance sheets;
- II. draw up balance sheets for periods of less than one semester and distribute dividends based on the profits recorded therein, provided that the total dividends paid in each semester of the fiscal year does not exceed the amount of capital reserves referred to in article 182, paragraph 1 of the Brazilian Corporation's Law;
- III. distribute interim dividends, the retained earnings account or profit reserves existing in the last annual or semi-annual balance sheet; and
- IV. credit or pay to Shareholders, at the frequency they decide, interest on own capital, which will be attributed to the amount of dividends to be distributed by the Company, starting to integrate them for all legal purposes.

Article 44. The General Meeting may resolve on the capitalization of profit or capital reserves, including those established in interim balance sheets, in compliance with the applicable legislation, without prejudice to the provisions of Article 6, Paragraph 2 of these Bylaws.

Article 45. Dividends not received or claimed will expire within 3 (three) years, counting from the date on which they were made available to the Shareholder, and will revert to the Company.

CHAPTER VII - DISPOSAL OF SHAREHOLDING CONTROL

Article 46. The direct or indirect sale of the Company's control, either through a single operation or through successive operations, must be contracted under the condition that the acquirer of control undertakes to carry out a public offer for the acquisition of shares having as its object the shares issued by the Company held by the other Shareholders, observing the conditions and deadlines provided for in the legislation and regulations in force and in the Novo Mercado Regulation, in order to ensure them equal treatment with that given to the seller.

CHAPTER VIII - ARBITRAL JUDGMENT

Article 47. The Company, its Shareholders, managers, members of the fiscal council, effective and alternates, if any, undertake to resolve, through arbitration, before the Market Arbitration Chamber, in the form of its regulation, any dispute that may arise among them, related to or arising from its status as issuer, Shareholders, managers, and members of the fiscal council, in particular, arising from the provisions contained in Law No. 6,385/76, in the Brazilian Corporation's Law, in the Company's bylaws, in the rules issued by the National Monetary Council, the Central Bank of Brazil and the Securities and Exchange Commission, as well as in the other rules applicable to the operation of the capital market in general, in addition to those contained in the Novo Mercado Regulation, the other regulations of B3 and the Novo Mercado Participation Agreement.

§ 1. Without prejudice to the validity of this arbitration clause, if the Arbitral Tribunal has not yet been constituted, the parties may directly request from the Judiciary the necessary conservatory measures to prevent irreparable or difficult to repair damage, and such proceeding will not be considered a waiver of arbitration, pursuant to item 5.1.3 of the Arbitration Rules of the Market Arbitration Chamber.

§ 2. Brazilian law will be the only one applicable to the merits of any and all disputes, as well as to the execution, interpretation and validity of this arbitration clause. The Arbitral Tribunal will be



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formed by three arbitrators chosen in the manner established in the Arbitration Rules of the Market Arbitration Chamber. The arbitration procedure will take place in the City of São Paulo, State of São Paulo, the place where the arbitration award shall be rendered. The arbitration shall be administered by the Market Arbitration Chamber itself, being conducted and judged in accordance with the relevant provisions of the Arbitration Rules, in Portuguese.

CHAPTER IX - LIQUIDATION OF THE COMPANY

Article 48. The Company will go into liquidation in the cases determined by law, and the Shareholders' Meeting will be responsible for electing the liquidator or liquidators, as well as the Fiscal Council that shall function during this period, in compliance with legal formalities.

CHAPTER X - FINAL AND TEMPORARY PROVISIONS

Article 49. Cases not covered by these Bylaws shall be resolved by the General Meeting and regulated in accordance with the provisions of the Brazilian Corporation's Law, in compliance with the provisions of the Novo Mercado Regulation.



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ATACADÃO S.A.

Brazilian Taxpayer's Registry of Legal Entities (CNPJ/ME) No. 75.315.333/0001-09

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BYLAWS

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CHAPTER I - NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 1. Atacadão S.A. ("Company") is a corporation governed by these Bylaws and applicable laws and regulations.

§1. The Company conducts its holding activities under the trade name "Grupo Carrefour Brasil".

§2. With the Company's entry into the special listing segment called Novo Mercado da B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the Company, its Shareholders, including Controlling Shareholders, managers and members of the fiscal council, when installed, are subject to the provisions of the Novo Mercado Regulation ("Novo Mercado Regulation").

§3. The Company, its managers and Shareholders must comply with the provisions of the issuer listing and admission to trading of B3 securities, including, without limitation, the rules regarding the withdrawal and exclusion from trading of securities admitted to trading on organized markets managed by B3.

Article 2. The Company has its registered office and jurisdiction in the City of São Paulo, State of São Paulo, at Avenida Morvan Dias de Figueiredo, 6169, Vila Maria, ZIP Code 02170-901.

Sole paragraph. The Company may open, close or change the address of branches in Brazil or abroad by resolution of the Board of Executive Officers.

Article 3. The Company's corporate purpose is:

- I. distribution, wholesale and retail trade, industrialization, import and export of articles, materials, products and/or merchandise in general, primary and industrialized;
- II. operation of supermarkets and department stores, restaurants and snack bars;
- III. provision of phytosanitary, trade and transport auxiliary services;
- IV. exploration of banking correspondent activity, including, but not limited to: (i) receipts, payments and other activities arising from service contracts maintained by the Company with financial institutions; (ii) receipt and forwarding of credit card supply proposals; and (iii) supplementary services for collecting registration data and documentation, as well as data control and processing; and
- V. provision of telemarketing services (call center).

Sole paragraph. The Company may explore other fields of activity similar or complementary to the purpose expressed in article 3, as well as holding equity interests and other securities in other companies, in the country or abroad.

Article 4. The duration of the Company is indefinite.

CHAPTER II - CAPITAL STOCK, SHARES AND SHAREHOLDERS

Article 5. The fully subscribed and paid-in capital stock is BRL 9,910,725,262.96 (nine billion, nine hundred and ten million, seven hundred and twenty-five thousand, two hundred and sixty-two reais and ninety-six cents), divided into 2,103,046,980 (two billion, one hundred and three million, forty-six thousand, nine hundred and eighty) common, registered, shares with no par value.

§ 1. The capital stock will be represented exclusively by common shares. Each common share will give the right to 1 (one) vote in the resolutions of the General Meeting.



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§ 2. All of the Company's shares are book-entry, kept in a deposit account at a financial institution authorized by the Brazilian Securities and Exchange Commission ("CVM") designated by the Company on behalf of their holders.

§ 3. The cost of transferring ownership of the shares may be charged directly to the selling Shareholder by the aforementioned financial institution, as may be defined in the share bookkeeping agreement, subject to the maximum limits set by the CVM.

§ 4. In the event of default by the Shareholder in the payment of the issuance price of the shares subscribed by him, he must pay the Company the subscription price, plus interest of 1% per month, based on the General Price Index - Market - (IGP- M), published by Fundação Getúlio Vargas, at the lowest legally applicable frequency, and a fine of 10% on the amount not paid, without prejudice to other applicable legal sanctions.

Article 6. The Company is authorized to increase its capital stock, upon resolution of the Board of Directors and regardless of amendment to these Bylaws, up to the limit of 2,475,100,000 (two billion, four hundred and seventy-five million, one hundred thousand) common shares, upon issuance of new common shares, nominative, with no par value.

§ 1. Within the authorized limit mentioned in the caput of this Article, the Board of Directors will set the number, price, payment terms and other conditions for the issuance of shares.

§ 2. Provided that it is carried out within the authorized capital limit, the Board of Directors may also: (i) resolve on the issuance of subscription warrants and convertible debentures; (ii) in accordance with the plan approved by the General Meeting, to resolve on the granting of stock options to managers and employees of the Company or its subsidiaries, excluding the preemptive right of Shareholders in the granting or exercise of stock options; and (iii) approving the capital stock increase through the capitalization of profits or reserves, with or without stock bonus.

Article 7. The issuance of new shares, debentures convertible into shares or subscription warrants whose placement is made through sale on the stock exchange, public subscription or exchange for shares in a public offer for the acquisition of control pursuant to articles 257 to 263 of Law No. 6,404, of December 15, 1976, as amended ("Brazilian Corporation's Law"), or, further, under the terms of a special law on tax incentives, may take place without the Shareholders being granted preemptive rights in the subscription or with a reduction in the minimum term provided for by law for its exercise.

Article 8. In the cases provided for by law, the reimbursement value of the shares, to be paid by the Company to the Shareholders dissenting from the resolution of the General Meeting who have exercised the right of withdrawal, must correspond to the economic value of such shares, to be determined in an appraisal pursuant to the paragraphs 3 and 4 of article 45 of the Brazilian Corporation's Law, whenever such amount is lower than the book value included in the last balance sheet approved by the General Meeting.

Article 9. Any individual, legal entity or any other entity, acting alone or bound by a voting agreement, which becomes the holder of a number of shares representing equity interest or voting rights greater than or equal to 1% of the capital stock or voting rights of the Company, or any whole multiple of this percentage, shall notify the Company, and such notice shall: (i) include the information required under article 12 of CVM Instruction No. 358/2000, the total number of shares and voting rights held, as well as securities convertible or exchangeable into shares and voting rights potentially related thereto, and (ii) be sent immediately after this percentage has been reached or exceeded. The obligation to inform the Company also applies to the Shareholder whose equity interest or voting rights held falls below the percentages mentioned above.

§ 1. If the aforementioned increase in the Company's equity interest or voting rights seeks to cause or causes a change in Control or a change in the Company's administrative structure, or otherwise generates an obligation to carry out a public tender offer, the Shareholder or group of Acquiring shareholders shall disclose and make it public such information to the market through advertisements published in the same disclosure channels customarily used by the Company for its own publications.



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§ 2. Failure to comply with the provisions of this Article will give rise to the application of the penalty of suspension of rights, established in Article 12, Item XII of these Bylaws.

§ 3. The Investor Relations Officer shall send copies of such notices to the CVM and the stock exchanges where the Company's securities are admitted to trading as soon as they are received by the Company.

CHAPTER III - GENERAL MEETING

Section I - Organization

Article 10. The General Meeting, convened and installed as provided for in the Brazilian Corporation's Law and in these Bylaws, will meet, ordinarily, once a year, in the first 4 (four) months following the end of the fiscal year and, extraordinarily, whenever the interests of the Company so require.

§ 1. The General Meeting will be called by the Chairman of the Board of Directors or, in the cases provided for by law, by Shareholders or by the Fiscal Council, if and when installed, by means of a published announcement, and the first call must be made, with at least 15 (fifteen) days in advance, and the second at least 8 (eight) days in advance, also observing the provisions of the CVM regulation that provides for information, proxy requests, participation and remote voting in general meetings.

§ 2. The resolutions of the General Meeting will be taken by majority of the votes of the Shareholders present at the meeting, not counting blank votes and abstentions, except for the exceptions provided for by law.

§ 3. The General Meeting may only resolve on matters on the agenda, contained in the respective call notice, with the exception of the exceptions provided for in the Brazilian Corporation's Law

§ 4. The Company shall initiate the registration of Shareholders to take part in the General Meeting, at least 48 (forty-eight) hours in advance, and the Shareholder is responsible for submitting: (i) proof issued by the depository institution of the book-entry shares held by the Company, in the form of article 126 of the Brazilian Corporation's Law, dated up to 5 days from the date of the General Meeting, and the Company may, at its discretion, waive the presentation of this proof; and (ii) power of attorney and/or other suitable documents that prove the powers of the Shareholder's legal representative. Any Shareholder or its legal representative must attend the General Meeting with documents proving their identity.

§ 5. The minutes of the Meetings must be drawn up in the Book of Minutes of the General Meetings, and may, if so approved at the General Meeting in question, be drawn up in the form of a summary of the facts that occurred and published with omission of signatures.

Article 11. The General Meeting will be installed and chaired by the Chairman of the Board of Directors or, in his absence or impediment, installed and chaired by another Director, Officer or Shareholder appointed in writing by the Chairman of the Board of Directors. The Chairman of the General Meeting will appoint up to 2 (two) Secretaries.

Section II - Competence

Article 12. It is incumbent upon the Shareholders' Meeting, in addition to the attributions conferred by law and regulations applicable by these Bylaws:

- I. to take the managers' accounts, as well as examine, discuss and approve the financial statements;
- II. to resolve, in accordance with the proposal presented by the management, on the allocation of income for the year and the distribution of dividends;
- III. to elect and dismiss the members of the Board of Directors and the Fiscal Council, when installed;
- IV. to establish the annual global compensation of the managers, as well as that of the members of the Fiscal Council, if installed;



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- V. to approve plans for the granting of shares or the granting of stock options to the managers and employees of the Company or its subsidiaries;
- VI. to amend the Bylaws;
- VII. to resolve on the dissolution, liquidation, merger, spin-off, incorporation of the Company or any company in the Company;
- VIII. to previously approve the trading, by the Company, of shares of its own issuance in the cases whose approval at the General Meeting is prescribed by the regulations in force;
- IX. to resolve on the delisting from the Novo Mercado;
- X. to resolve on the cancellation of registration as a publicly-held company with the CVM;
- XI. to suspend the exercise of Shareholder rights, including voting rights, of any Shareholder or Shareholders who fail to comply with legal, regulatory or statutory obligations, pursuant to the provisions of article 120 of the Brazilian Corporation's Law and in compliance with the sole Paragraph of this Article 12;
- XII. to elect and dismiss the liquidator, as well as the Audit Committee that shall function during the liquidation period; and
- XIII. to resolve on any matter submitted to it by the Board of Directors.

Sole paragraph: For the purposes of item XI above:

- (a) Shareholders representing at least 5% of the capital stock may call a general meeting to resolve on the suspension of the defaulting Shareholder's rights, when the Board of Directors does not respond, within 8 days, to the request of notice that they present, indicating the breached obligation and the identification of the defaulting Shareholder or Shareholders;
- (b) The general meeting that approves the suspension of the rights of the Shareholder or Shareholders will also be responsible for establishing, among other things, the scope and term of the suspension, with the suspension of the rights of inspection and request for information guaranteed by law being prohibited; and
- (c) The suspension of rights will cease as soon as the Shareholder cures the default, fulfilling the obligations that led to the application of the suspension.

Section III - Election of the members of the Board of Directors

Article 13. In the election of the members of the Board of Directors, Shareholders representing the percentage of the capital stock established by law and applicable regulations may request the adoption of the multiple vote process, provided that they do so at least 48 hours before of the General Meeting.

§ 1. The Company, immediately after receiving the request, must notify, by means of a notice inserted on its website and forwarded, by electronic means, to the CVM and to B3, the information that the election will take place through the voting process. multiple.

§ 2. Once the Meeting is installed, the chairman of the board will inform, in view of the signatures contained in the Attendance Book and the number of shares held by the Shareholders present, the number of votes that will be held by each Shareholder and the number of votes necessary to elect a Director.

§3. Each Shareholder will have the right to accumulate the votes attributed to him/her in a single candidate or distribute them among several of them, with those who receive the greatest number of votes being declared elected.

§4. The positions that, due to a tie, are not filled, will be subject to a new vote, using the same process, adjusting the number of votes that will be held by each Shareholder according to the number of positions to be filled.

§5. Whenever the election has been carried out using this process, the dismissal of any member of the Board of Directors, who does not have an elected alternate, by the General Meeting will imply the



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dismissal of the other members, proceeding to a new election; in other cases in which there is a vacancy in the Board of Directors, the first General Meeting will proceed with the election of the entire Board of Directors.

§6. While the Company remains under the control of a Shareholder or controlling group, as defined in article 116 of the Brazilian Corporation's Law, Shareholders representing 10% of the capital stock may request, as provided for in paragraphs 4 and 5 of article 141 of the Brazilian Corporation's Law, that the election of one of the members of the Board of Directors is carried out separately.

CHAPTER IV - MANAGEMENT

Section I - Provisions common to management bodies

Article 14. The Company will be managed by the Board of Directors and the Board of Executive Officers. The positions of Chairman of the Board of Directors and Chief Executive Officer – Grupo Carrefour Brasil (the Company's main executive) cannot be held by the same person.

§ 1. The Board of Directors and the Board of Executive Officers, for better performance of their functions, may create Committees or working groups with defined objectives, which shall act as auxiliary bodies without deliberative powers, always with the aim of advising them. The members of the Committees or working groups will be appointed by the Board of Directors or by the Board of Executive Officers, as the case may be.

§ 2. The investiture of the members of the Board of Directors and of the Board of Executive Officers, effective and alternates, is conditioned to the signature of a term of investiture, which must include their subjection to the arbitration clause referred to in article 56 of these Bylaws.

§ 3. The Company's managers will remain in their positions until their substitutes take office (their respective term of office being extended until this date), unless otherwise resolved by the General Meeting or the Board of Directors, as the case may be.

Article 15. The General Meeting shall establish the global amount of the managers' remuneration. It will be incumbent upon the Board of Directors, at a meeting, to establish the global portion of the remuneration attributed to each body (as a whole).

Article 16. With the exception of the provisions of these Bylaws, any of the management bodies validly meets with the presence of the majority of their respective members and resolves by the vote of the majority of those present.

Sole paragraph. The prior call of the Board of Directors and Board of Executive Officers meeting is waived as a condition of its validity if all its members are present. If they are not physically present, the members of the Board of Directors and the Board of Executive Officers may express their vote through: (a) delegation of powers made in favor of another member of the respective body, (b) written vote sent in advance and (c) written vote transmitted by fax, electronic mail or any other means of communication, as well as by audio or videoconference system or other similar means, provided that they allow identification and effective participation in the meeting, so that the participants can simultaneously hear each other.

Article 17. Pursuant to Article 156 of the Brazilian Corporation's Law, the Company's managers who are in a situation of conflicting personal interest must inform the other members of the Board of Directors or the Board of Executive Officers of their impediment and have them recorded in the minutes of the Board meeting of Directors or the Board of Executive Officers, the nature and extent of their impediment.

Article 18. Within the limits established in this Article, the Company will indemnify and keep harmless its members of the Board of Directors, members of the Board of Executive Officers, members of advisory committees and other employees who exercise a management position or function in the Company (jointly or individually "Beneficiaries"), in the event of any damage or loss actually suffered by the Beneficiaries as a result of the regular exercise of their duties at the Company.

§ 1. The Company will not indemnify the Beneficiary for (i) acts performed outside the exercise of attributions or powers; (ii) acts with bad faith, willful misconduct, gross negligence or fraud; (iii) acts performed in their own interest or in the interests of third parties, to the detriment of the company's



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corporate interest; (iv) indemnities arising from a social action provided for in article 159 of the Brazilian Corporation's Law or compensation for losses referred to in article 11, § 5, II of Law No. 6,385, of December 7, 1976; and (v) other indemnity exclusions provided for in the indemnity agreement signed with the Beneficiary.

§ 2. If convicted, by a court, arbitration or administrative decision that has become final or for which there is no longer any appeal, due to acts performed (i) outside the exercise of its attributions; (ii) with bad faith, intent, gross negligence or fraud; or (iii) in its own interest or that of third parties, to the detriment of the Company's corporate interest, the Beneficiary shall reimburse the Company for all costs and expenses incurred with legal assistance, pursuant to the legislation in force.

§ 3. The conditions and limitations of the indemnity object of this Article will be determined in an indemnity contract, whose standard model must be approved by the Board of Directors, without prejudice to the contracting of specific insurance to cover management risks.

Section II - Board of Directors

Subsection I - Composition

Article 19. The Board of Directors shall be composed of at least 8 (eight) and at most 10 (ten) members, elected by the General Meeting, with a unified term of office of 1 (one) year, considering each year as the period between 2 (two) Ordinary General Meetings, with dismissal and reelection being permitted.

§ 1. At the General Meeting whose purpose is to resolve on the election of the members of the Board of Directors, the Shareholders must first establish the effective number of members of the Board of Directors to be elected.

§ 2. Among the members of the Board of Directors, at least 2 (two) or 20% (twenty percent), whichever is greater, must be independent directors, in accordance with the definition of the Novo Mercado Regulation, with the characterization of those appointed to the Board of Directors Management as independent directors be resolved at the general meeting that elects them.

§ 3. When, as a result of the calculation of the percentage referred to in the above paragraph, the result generates a fractional number, the Company must round up to the nearest whole number.

§ 4. The General Meeting may elect one or more alternates for the members of the Board of Directors, however, no more than 1 (one) alternate may be elected for each effective member of the Board of Directors.

§ 5. The Board of Directors will have 1 (one) Chairman, and 1 (one) Vice-Chairman, who will be elected by the majority of votes of those present, at the first meeting of the Board of Directors that takes place immediately after the inauguration of such members, or whenever resignation or vacancy occurs in those positions.

§6. In the event of a vacancy in the position of a member of the Board of Directors, the substitute will be appointed by the remaining directors and will serve until the next General Meeting.

Subsection II - Meetings

Article 20. The Board of Directors will meet ordinarily at least 6 (six) times a year, according to the annual calendar to be approved by the Board of Directors at the first meeting to be held after the annual election, and extraordinarily, whenever necessary, by call made pursuant to Paragraph 1 of this Article. The Board of Directors may unanimously resolve on any matter that has not been included in the agenda.

§ 1. The notices for meetings of the Board of Directors must be delivered electronically or by letter, by the Chairman of the Board of Directors or by the Vice-Chairman, if the former is absent, to each member of the Board of Directors, with at least 8 (eight) days in advance of the meeting, and indicating the date, time, place, detailed agenda and documents to be discussed at that meeting. Any Director may, by means of a written request to the Chairman, request that a meeting be called or that items be included on the agenda.

§ 2. The Chairman of the Board of Directors will preside over the meetings of the Board of Directors, except in cases of absence or temporary impediment, provided for in Paragraph 5 below.



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§ 3. Each director will be entitled to 1 (one) vote in the resolutions of the Board of Directors, and the resolutions of the Board of Directors will be taken by majority of its members present at the meeting.

§ 4. The chairman of any meeting of the Board of Directors shall not take into account and shall not compute the vote cast in breach of the terms of any Shareholders' agreement that may be duly filed at the Company's headquarters, as provided for in article 118 of the Brazilian Corporation's Law

§ 5. In the event of the President's absence or temporary impediment, if a Vice-Chairman has been appointed by the Board of Directors, the Vice-Chairman will perform the duties of the Chairman. If the Board of Directors has not appointed a Vice-Chairman, in the event of the Chairman's absence or temporary impediment, the Chairman's duties will be performed by another member of the Board of Directors appointed by the Chairman.

§ 6. In the event of permanent vacancy of the Chairman, the Vice-Chairman will automatically assume the position and must call a meeting of the Board of Directors within 60 (sixty) days from the vacancy date, for the appointment of the new Chairman of the Board of Directors of permanently, until the end of the original term of office, or call a General Meeting with the objective of appointing the new Chairman of the Board of Directors to replace him, until the end of the original term of office.

§ 7. In the event of absence or temporary impediment of a member of the Board of Directors, such absent or temporarily impeded member may be represented at the meetings of the Board of Directors by another member appointed in writing, who, in addition to his/her own vote, shall express the vote of the member absent or temporarily disabled.

§ 8. If the member of the Board of Directors to be represented is an Independent Director, then the member representing him/her must also be an Independent Director.

§ 9. All resolutions of the Board of Directors will be recorded in the minutes recorded in the Book of Minutes of Meetings of the Board of Directors.

Subsection III - Competence

Article 21. The powers of the Board of Directors shall be established in the Internal Regulations of the Board of Directors, and, in addition to the attributions entrusted to it by applicable laws and regulations, by the Bylaws and by the Internal Regulations of the Board of Directors, it is also incumbent upon the Board of Directors:

I. to submit to the Annual General Meeting a proposal for the allocation of net income for the year, as well as resolve on the opportunity to draw up semi-annual balance sheets, or in shorter periods, and the payment of dividends or interest on equity arising from these balances, as well as resolve on the payment of interim or intermediate dividends to the account of retained earnings or profit reserves, existing in the last annual or half-yearly balance sheet;

II. to authorize the issuance of the Company's shares, within the limits authorized in Article 6 of these Bylaws, setting the number, price, payment term and conditions for issuing shares, and may also exclude the preemptive right or reduce the term minimum for its exercise in the issuance of shares, subscription warrants and convertible debentures, the placement of which is carried out through sale on the stock exchange or by public subscription or through exchange for shares in a public offering for acquisition of control, under the terms established by law;

III. within the authorized capital limit, as provided for in Paragraph 2 of Article 6 of these Bylaws, (i) to resolve on the issuance of subscription warrants and convertible debentures; (ii) in accordance with the plan approved by the General Meeting, to resolve on the granting of stock options to the managers and employees of the Company or its subsidiaries, excluding the preemptive right of Shareholders in the granting and exercise of stock options; and (iii) to approve a capital increase through the capitalization of profits or reserves, with or without stock bonus;

IV. to resolve on the negotiation of shares issued by the Company for the purpose of cancellation or holding in treasury and respective disposal, in compliance with the relevant legal provisions;

V. to resolve on the issuance of simple debentures and, whenever the limits of authorized capital are respected, debentures convertible into shares, and debentures of any class may be of any type or guarantee;



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VI. to resolve, by delegation of the General Meeting, upon the issuance by the Company of debentures convertible into shares that exceed the authorized capital limit, on (i) the time and conditions of maturity, amortization or redemption, (ii) the time and conditions for the payment of interest, profit sharing and reimbursement premium, if any, and (iii) the subscription or placement method, as well as the type of debentures;

VII. to establish the value of the Board of Executive Officers for the issuance of any credit instruments for raising funds, whether commercial promissory notes, bonds, notes, commercial papers, or others of common use in the market, as well as to establish their issuance conditions and redemption, which may, in the cases defined, require the prior authorization of the Board of Directors as a condition of validity of the act;

VIII. to decide on the payment or credit of interest on equity to Shareholders, pursuant to applicable legislation;

IX. to manifest itself in favor or against any public offer for the acquisition of shares that has as its object shares or securities convertible or exchangeable for shares issued by the Company, by means of a prior reasoned opinion, published within 15 (fifteen) days of the publication of the notice of the public offer for the acquisition of shares, which must contain the Management's opinion on possible acceptance of the offer and on the economic value of the Company and manifestation on other points that the Board of Directors deems relevant, as well as the information required and by the Novo Mercado Regulation and the applicable rules established by the CVM;

X. to elect and dismiss the Officers and establish their compensation, within the limit of the annual global compensation approved by the General Meeting, and establish their functions and limits of power, which must be detailed in its internal regulations;

XI. to elect and dismiss the members of the Committees;

XII. to approve its own internal regulations and the internal regulations of the Board of Executive Officers and of all Committees;

XIII. to approve the Company's code of conduct and corporate policies related to (i) disclosure of information and trading in securities; (ii) risk management; (iii) related party transactions and conflict of interest management; (iv) management compensation; and (v) appointment of managers; and

XIV. to resolve on any matter submitted to it by the Board of Executive Officers and the Committees, as well as call the members of the Board of Executive Officers to joint meetings, whenever deemed necessary.

Section III - Board of Executive Officers

Subsection I - Composition

Article 22. The Board of Executive Officers, whose members will be elected and removed at any time by the Board of Directors, will be composed of at least 2 (two) and at most 7 (seven) members, allocated in two distinct divisions, called "Holding Division" and "Atacadão Division".

§1. The Officers will have different designations and attributions based on the division to which they belong, as provided below:

I. The Holding Division will be composed of up to 4 (four) Officers: a Chief Executive Officer – Grupo Carrefour Brasil, a Vice Chairman Finance Officer – Grupo Carrefour Brasil, an Investor Relations Officer and an Executive Officer – Grupo Carrefour Brasil.

II. The Atacadão Division will be composed of up to 3 (three) Officers, being a Chief Executive Officer – Atacadão, a Vice Chairman of Finance – Atacadão and a Vice Chairman of Transactions – Atacadão.

III. The Officers may accumulate positions.

§ 2. The Company's Officers may only exercise their functions until the Annual General Meeting that resolves on the financial statements for the year in which they reach 70 (seventy) years of age is held, unless otherwise authorized by the Board of Directors, as possible exception to this retirement age rule.



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Subsection II - Election and Removal

Article 23. The Officers shall be elected by the Board of Directors, for a unified term of office of 3 (three) years, considering each year the period between 2 (two) Annual General Meetings, reelection and dismissal being permitted.

§ 1. The Chief Executive Officer – Grupo Carrefour Brasil will be replaced: (i) in the event of removal or impediment for a period of up to 30 days, by another Officer appointed by him/her; (ii) in the event of leave for a period of more than 30 days and less than 120 days, by an Officer appointed by the Board of Directors, at a meeting specially called for this purpose; and (iii) in case of removal for a period equal to or greater than 120 days or vacancy, the Board of Directors shall be convened to promote the election of a new Chief Executive Officer – Grupo Carrefour Brasil, in accordance with the procedures established in these Bylaws.

§ 2. The other Officers (except for the Chief Executive Officer - Carrefour Brasil Group) will be replaced: (i) in cases of absence or impediment, as well as absence for a period of less than 120 days, by another Officer appointed by the Chief Executive Officer - Carrefour Brasil Group; and (ii) in case of absence for a period equal to or greater than 120 days or vacancy, the Board of Directors shall be called to promote the election of a new Officer.

Article 24. The Board of Executive Officers has all the powers to perform the acts necessary for the regular operation of the Company's business in its normal course.

Subsection III - Competence

Article 25. As provided below, the Board of Directors will have an internal charter that will specify the duties of each Division and its Officers. The Board of Directors will ensure that the Officers comply with such separation, whose failure will be liable to liability and punishable by the Company. The Officers will only perform the functions related to the business of their respective Division, and, subject to the provisions of the applicable laws and regulations, they will not be responsible for the acts performed by the Officers of the other division. The Officers of the Atacadão Division shall report to the Holding Division in the exercise of their duties.

Article 26. The following acts are the exclusive and solely competence of the Officers of the Holding Division:

- I. to suggest to the Board of Directors, and after approval by the Board of Directors, to implement the macro business policy of the Company and its subsidiaries;
- II. to propose to the Board of Directors the annual budget, business plan, long-term strategic planning, expansion and investment plan of the Company and its subsidiaries;
- III. to annually prepare, review and approve, for evaluation by the Board of Directors, the financial statements and the report and accounts of the Board of Executive Officers;
- IV. to implement any decision taken by the Board of Directors in relation to the Company's subsidiaries;
- V. to represent the Company as a Shareholder, partner or quotaholder in corporate resolutions of its subsidiaries;
- VI. to suggest to the Board of Directors and implement general policies to be observed by the Company and all its subsidiaries;
- VII. to supervise and manage the areas or functions of internal controls, risk management, legal, tax, consolidation and financial reporting of the Company and all its subsidiaries;
- VIII. to supervise and manage the public relations of the Company and its subsidiaries, in particular, vis-à-vis the authorities, the press, investors, Shareholders and rating agencies; and
- IX. to manage and supervise the cash and indebtedness levels of the Company and its subsidiaries, including the decision to enter into financial agreements.

Article 27. The following acts are the responsibility of the Directors of the Atacadão Division, under the supervision of the Officers of the Holding Division:



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I. to operate and manage all businesses and operations carried out under the Atacadão brand; and

II. to coordinate, manage, direct and supervise all activities ancillary to the operations carried out under the Atacadão brand, including the supervision of the departments related to commercial, logistics, planning and human resources operations and the employees of the Atacadão Division.

Article 28. The competence of the Officers will be restricted to certain divisions, which will be identified in the act of their appointment. Without prejudice to the other powers attributed to the Officers by law, regulation, by these Bylaws and by the Board of Directors, it is incumbent upon:

I. the Chief Executive Officer – Carrefour Brasil Group (within both divisions):

(i) to implement the resolutions of the General Meetings and the Board of Directors;

(ii) to establish goals and objectives for the Company and its subsidiaries;

(iii) to coordinate, manage, direct and supervise the commercial, logistics, planning and human resources areas, as well as all the Company's businesses and operations;

(iv) to direct and guide the performance of market analysis, quality policy and guidelines as well as the implementation of standards, methods and operational routines;

(v) to coordinate the activities of the other Officers and employees of their respective divisions;

(vi) to direct, at the highest level, the Company's public relations and guide institutional publicity;

(vii) to convene and preside over Board meetings;

(viii) to approve the Company's organizational structure;

(ix) to direct the activities related to the general and legal planning areas or functions of the Company and its subsidiaries;

(x) to suggest to the Board of Directors, and after approval by the Board of Directors, implement the macro business policy of the Company and its subsidiaries;

(xi) to propose to the Board of Directors the annual budget, business plan, long-term strategic planning, expansion and investment plan of the Company and its subsidiaries and implement them, as applicable, after approval by the Board of Directors;

(xii) to annually prepare, for review and approval by the Board of Directors, the Company's financial statements and management report;

(xiii) to implement any decision taken by the Board of Directors in relation to the Company's subsidiaries;

(xiv) to represent the Company as a Shareholder, partner or quotaholder in corporate resolutions of its subsidiaries;

(xv) to suggest to the Board of Directors and implement general policies to be observed by the Company and all its subsidiaries;

(xvi) to supervise and manage the public relations of the Company and its subsidiaries; and

(xvii) other duties assigned to it, from time to time, as determined by the Board of Directors.

II. to the Chief Executive Officer – Atacadão (within the Atacadão Division):

(i) to implement the annual budget, business plan, long-term strategic planning and expansion and investment plan, as the case may be, within the Atacadão Division, subject to discussion with the other Officers, after approval by the Board of Management;

(ii) to coordinate, manage, direct and supervise the commercial, logistics, planning, human resources areas, employees of the Atacadão Division, as well as all the businesses and operations of the Atacadão Division; and

(iii) to direct and guide the performance of market analysis, quality policy and guidelines, as well as the implementation of norms, methods and operational routines of the Atacadão Division.



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The Chief Executive Officer-Atacadão shall report to the Chief Executive Officer – Grupo Carrefour Brasil in the exercise of his duties.

III. to the Vice Chairman of Finance – Carrefour Brasil Group (within both divisions):

(i) to coordinate, manage and supervise the Company's financial, accounting and management control areas, being responsible for directing and guiding the preparation of the annual budget of both divisions;

(ii) to monitor the Company's treasury activities, including fundraising and management;

(iii) to supervise and manage the areas or functions of internal controls, risk management, tax, consolidation and financial reporting of the Company and its subsidiaries;

(iv) to supervise and manage the relationship with risk rating agencies;

(v) to supervise and manage the cash and indebtedness levels of the Company and its subsidiaries, including the decision to enter into financial agreements;

(vi) all other administrative matters that are not expressly attributed to the other Officers; and

(vii) other attributions that may be determined from time to time by the Chief Executive Officer – Grupo Carrefour Brasil.

IV. to the Vice Chairman of Finance – Atacadão (within the Atacadão Division):

(i) to coordinate, manage and supervise the financial, accounting and management control areas of the Atacadão Division, being responsible for directing and guiding the preparation of the annual budget of the Atacadão Division;

(ii) to supervise and manage the areas or functions of internal controls, risk management, consolidation and financial reporting of the Atacadão Division;

(iii) all other administrative matters related to the Atacadão Division that are not expressly attributed to the other Officers; and

(iv) other attributions that may be determined from time to time by the Chief Executive Officer – Atacadão Division.

The Vice Chairman of Finance - Atacadão shall report to the Vice Chairman of Finance - Grupo Carrefour Brasil in the exercise of his duties.

VII. To the Investor Relations Officer:

(i) to provide information to investors, the CVM, the stock exchanges or over-the-counter markets where the Company's securities are traded;

(ii) to keep the Company's registration updated in accordance with the applicable CVM regulation and meet the other requirements of this regulation; and

(iii) other attributions that may be determined from time to time by the Chief Executive Officer – Grupo Carrefour Brasil.

VIII. To the Executive Director – Grupo Carrefour Brasil, all other attributions that may be, from time to time, determined by the Chief Executive Officer – Grupo Carrefour Brasil.

IX. To the Vice Chairman of Transactions – Atacadão (within the Atacadão Division), all the attributions that may be, from time to time, determined by the Chief Executive Officer – Atacadão.

Subsection IV - Meetings

Article 29. The Board of Executive Officers validly meets with the presence of half plus one of the elected Officers and decides by the vote of the majority of those present.

§ 1. It is incumbent upon the Board, as a collegiate body:

I. to approve and submit, annually, the management report to the Board of Directors and the Company's financial statements accompanied by the report of the independent auditors (in draft form), as well as the proposal for the allocation of profits calculated in the previous year, for



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consideration the Board of Directors and the General Meeting, which will be prepared by the Officers of the Holding Division;

II. to propose to the Board of Directors the annual budget, business plan, long-term strategic planning and expansion and investment plans of the Holding Division and Atacadão Division, as applicable, to be prepared by the Officers of the respective divisions;

III. to resolve on the opening and closing of branches, warehouses, distribution centers, offices, agencies, representations for its own account or for third parties, anywhere in the country or abroad, observing the specific competences of each Division; and

IV. decide on any matter that is not the exclusive competence of the General Meeting or the Board of Directors.

§ 2. Calls for meetings will be made by means of a written notice delivered at least 2 (two) business days in advance, which must include the agenda, date, time and place of the meeting.

§ 3. Minutes of Board meetings will be recorded in the Board Meeting Minute Book.

Subsection V - Company Representation

Article 30. Subject to the separation of powers provided for in these Bylaws, the Company will be legally represented by, and will be obliged:

(i) by the isolated signature of the Chief Executive Officer – Carrefour Brasil Group (within both divisions) or of the Chief Executive Officer – Atacadão (within the Atacadão Division);

(ii) by the joint signature of two Officers of the Holding Division (within both divisions) or of two Officers of the Atacadão Division (within the Atacadão Division);

(iii) by the signature of an Officers of the Holding Division together with an attorney-in-fact (within both divisions) or of an Officer of the Atacadão Division, together with an attorney-in-fact (within the Atacadão Division); or

(iv) by two attorneys-in-fact signing together, in compliance with the provisions of Paragraph 1 of this Article.

§ 1. Subject to the restrictions contained in these Bylaws, an Officer acting alone or an attorney-in-fact with sufficient powers may bind the Company in the issuance and endorsement of trade bills, checks, bills of exchange and promissory notes as well as in the collection, guarantee or discount with deposit of funds in the accounts Company's bank accounts, or even for the issuance of receipts configuring payments made to the Company through nominative checks, signatures of credit opening agreements. The representation of the Company before any agencies, departments and public, federal, state and municipal agencies, autarchies and carrying out financial investments on behalf of the Company, with a term not exceeding one year and with financial institutions, will also be incumbent upon a single Officer acting alone or to an attorney invested with sufficient powers.

§ 2. The Board of Directors may authorize the practice of specific acts that bind the Company through the signature of only one Officer or a duly constituted attorney-in-fact, or even establish competence and authority for the performance of acts by a single representative.

Article 31. The power of attorney granted by the Company will be signed:

(i) individually by the Chief Executive Officer – Carrefour Brasil Group (within both divisions) or by the Chief Executive Officer – Atacadão (within the Atacadão Division); or

(ii) by any two other Officers of the Holding Division (within both divisions) or Officers of the Atacadão Division (within the Atacadão Division), acting jointly, and, in all cases, will contain specific powers that will observe the restrictions contained in these Bylaws and will have limited validity period.

§ 1. Powers relating to the respective division may only be delegated by the Officers. The Officers of the Holding Division may grant powers within both divisions and the Officers of the Atacadão Division may grant powers within the Atacadão Division. The Board of Directors will have the right to authorize the granting of powers of attorney by any director individually, establishing the duration



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period and the powers to be granted, with due observance of the matters subject to the General Meeting, under the terms of the applicable law.

§ 2. The powers of attorney containing ad judicia powers granted to lawyers to defend the Company's rights and interests in administrative or judicial proceedings may be for an indefinite period.

Section IV - Committees of the Board of Directors

Article 32. In addition to other advisory committees, the Company will have the following permanent and mandatory Committees to advise the Board of Directors: (i) Statutory Audit Committee; (ii) Strategy Committee; and (iii) Human Resources Committee.

§ 1. The Committees shall exercise their functions in relation to the companies in which the Company participates.

§ 2. The Board of Directors may establish internal regulations for the functioning of the Committees.

Subsection I - Statutory Audit Committee

Article 33. The Statutory Audit Committee, established as a permanent advisory committee to the Board of Directors, will be composed of at least 3 (three) members, appointed by the Board of Directors, at least 1 (one) of whom must be an Independent Director, as defined in the Novo Mercado Regulation, and at least 1 (one) must have recognized experience in corporate accounting matters.

§ 1. The same member of the Statutory Audit Committee can accumulate both characteristics referred to in the caput of this Article.

§ 2. The Board of Directors will approve the internal regulations of the Statutory Audit Committee, which will stipulate rules for convening, installing, voting, the activities of the coordinator and the frequency of committee meetings, term of office and qualification requirements of its members, among other subjects.

Article 34. It is incumbent upon the Statutory Audit Committee to:

I. opine to the Board of Directors on the hiring or dismissal of the Company's independent audit services, and advise the Board of Directors on hiring the independent audit firm to perform non-audit services;

II. monitor the activities of the Company's internal audit and internal controls area, monitoring the effectiveness and adequacy of its structure, and the quality and integrity of the internal and independent audit processes, proposing recommendations for improvements to the Board of Directors, if necessary;

III. oversee the Company's internal controls and financial reporting and consolidation departments and any other departments responsible for preparing the Company's financial statements;

IV. evaluate the Company's quarterly financial information, interim statements and annual financial statements;

V. monitor the quality and integrity of (i) internal control mechanisms; and (ii) information and measurements disclosed based on accounting and non-accounting data that add elements not provided for in the structure of the usual reports of financial statements, proposing recommendations, if necessary;

VI. assess and monitor the risk exposures incurred by the Company, with powers to request detailed information on policies and procedures related to: (i) management compensation; (ii) the use of the Company's assets; and (iii) expenses incurred on behalf of the Company;

VII. evaluate and monitor and recommend to management the correction and improvement of the Company's internal policies, including the Related Party Transactions Policy.

VIII. have means for receiving and processing information about non-compliance with legal and regulatory provisions applicable to the Company, in addition to internal regulations and codes,



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including the provision of specific procedures for the protection of providers and confidentiality of information.

Sole paragraph. The Statutory Audit Committee shall prepare a summary annual report, to be presented together with the financial statements, containing a description of the activities carried out during the period, indicating the meetings held, the main subjects discussed, the results and conclusions reached, and highlighting the recommendations made to the Board of Directors and any situations in which there is significant divergence between the Company's Board of Executive Officers, the independent auditors and the Statutory Audit Committee in relation to the Company's financial statements.

Subsection II - Strategy Committee

Article 35. The Strategy Committee, established as a permanent advisory committee to the Board of Directors, will be composed of 5 (five) members, appointed by the Board of Directors.

Sole paragraph. The Board of Directors must approve the Strategy Committee's internal regulations, which will establish its powers and its own operational guidelines, including the rules applicable to the meetings of the Strategy Committee and its members.

Subsection III - Human Resources Committee

Article 36. The Human Resources Committee, established as a permanent advisory committee to the Board of Directors, will be composed of 5 (five) members, appointed by the Board of Directors.

§ 1. The Board of Directors must approve the internal regulations of the Human Resources Committee, which will establish its powers and its own operational guidelines, including the rules applicable to the meetings of the Human Resources Committee and its members.

§ 2. The Chief Executive Officer – Grupo Carrefour Brasil will be invited to participate in the meetings of the Human Resources Committee, when necessary.

CHAPTER V - FISCAL COUNCIL

Article 37. The Fiscal Council shall function on a non-permanent basis, with the powers and attributions conferred on it by the Brazilian Corporation's Law. The Fiscal Council shall only be installed by resolution of the General Meeting, at the request of Shareholders representing the percentage required by law or by the regulations of CVM.

Article 38. When installed, the Fiscal Council will be composed of at least 3 (three) and at most 5 (five) members and an equal number of alternates (Shareholders or not), all of them qualified in accordance with the legal provisions.

§ 1. The members of the Fiscal Council must be elected by the General Meeting that approves its installation. Their term of office shall expire upon the holding of the first Annual General Meeting held after their election, and they may be removed and re-elected.

§ 2. The members of the Fiscal Council, at their first meeting, will elect their Chairman.

§ 3. The investiture of the members of the Fiscal Council, effective and alternates, is conditioned to the signature of the instrument of investiture, which must include their subjection to the arbitration clause referred to in article 56 of these Bylaws.

§ 4. The members of the Fiscal Council will be replaced, in their absences and impediments, by the respective alternate.

§ 5. In the event of a vacancy in the position of member of the Fiscal Council, the respective alternate will take his place; if there is no alternate, the General Meeting will be convened to proceed with the election of a member for the vacant position.

Article 39. When installed, the Fiscal Council will meet whenever necessary, being responsible for all the attributions entrusted to it by law.

§ 1. The meetings will be called by the Chairman of the Fiscal Council on his own initiative or at the written request of any of its members. Regardless of any formalities, the meeting attended by all the members of the Fiscal Council will be considered regularly convened.



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§ 2. The resolutions of the Fiscal Council must be approved by an absolute majority of votes. For a meeting to be installed, the majority of its members must be present.

§ 3. All resolutions of the Fiscal Council will be recorded in the respective book of Minutes and Opinions of the Fiscal Council and signed by the directors present.

Article 40. The remuneration of the members of the Fiscal Council will be fixed by the General Meeting that elects them, in compliance with paragraph 3 of article 162 of the Brazilian Corporation's Law

CHAPTER VI - FISCAL YEAR AND DISTRIBUTION OF PROFITS

Article 41. The fiscal year coincides with the calendar year. At the end of each fiscal year, the financial statements provided for by law will be prepared.

§ 1. In addition to the financial statements at the end of each fiscal year, the Company will prepare the quarterly financial statements, in compliance with the relevant legal precepts.

§ 2. Together with the financial statements for the year, the Company's management bodies will submit to the Annual Shareholders' Meeting a proposal on the destination to be given to the net income, in compliance with the provisions of these Bylaws and the Brazilian Corporation's Law

§ 3. Any accumulated losses and the provision for income tax and social contribution will be deducted from the income for the year, before any participation.

Article 42. After making the deductions contemplated in the above Article, the net income must be allocated as follows:

I. 5% (five percent) will be applied, before any other allocation, for the constitution of the legal reserve, which will not exceed 20% (twenty percent) of the Company's capital stock;

II. a portion of the net income, as proposed by the management bodies, may be allocated to the formation of a reserve for contingencies, pursuant to article 195 of the Brazilian Corporation's Law;

III. the portion of net income resulting from government subsidies for investments may be allocated to the tax incentive reserve, which may be excluded from the calculation basis of the mandatory dividend;

IV. in the year in which the amount of the mandatory dividend, calculated under the terms of item VI below, exceeds the realized portion of the profit for the year, the General Meeting may, at the proposal of the management bodies, allocate the excess to the constitution of an unrealized profit reserve, subject to the provisions of article 197 of the Brazilian Corporation's Law;

V. a portion not exceeding the difference between (i) 99.9% (ninety-nine and nine-tenths percent) of the adjusted annual net income as provided for in article 202 of the Brazilian Corporation's Law (including, therefore, any allocation of portion of net income to constitute a reserve for contingencies) and (ii) the reserve indicated in Item III above, may be allocated to the formation of a reserve for investments and working capital, which will have the purpose of funding investments for growth and expansion and financing the working capital of the company, with the exception that the accumulated balance of this reserve cannot exceed 100% (one hundred percent) of the Company's capital stock; and

VI. the remaining balance will be distributed to Shareholders as dividends, ensuring the distribution of the minimum mandatory dividend, in each year, not less than 0.1% (one tenth percent) of the adjusted annual net income, as provided for by article 202 of the Brazilian Corporation's Law SA

§ 1. The mandatory dividend provided for in Item VI in the caput of this Article will not be paid in the years in which the Board of Directors informs the Annual Shareholders' Meeting that it is incompatible with the Company's financial situation. The Supervisory Board, if in operation, must issue an opinion on this information within 5 days of the General Meeting, and the Directors must file a reasoned report with the CVM, justifying the information transmitted to the General Meeting.



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§ 2. Retained earnings pursuant to Paragraph 1 of this Article shall be recorded as a special reserve and, if not absorbed by losses in subsequent years, shall be paid as a dividend as soon as the Company's financial situation permits.

Article 43. The Company, by resolution of the Board of Directors, may:

- I. distribute dividends based on profits determined in the semi-annual balance sheets;
- II. draw up balance sheets for periods of less than one semester and distribute dividends based on the profits recorded therein, provided that the total dividends paid in each semester of the fiscal year does not exceed the amount of capital reserves referred to in article 182, paragraph 1 of the Brazilian Corporation's Law;
- III. distribute interim dividends, the retained earnings account or profit reserves existing in the last annual or semi-annual balance sheet; and
- IV. credit or pay to Shareholders, at the frequency they decide, interest on own capital, which will be attributed to the amount of dividends to be distributed by the Company, starting to integrate them for all legal purposes.

Article 44. The General Meeting may resolve on the capitalization of profit or capital reserves, including those established in interim balance sheets, in compliance with the applicable legislation, without prejudice to the provisions of Article 6, Paragraph 2 of these Bylaws.

Article 45. Dividends not received or claimed will expire within 3 (three) years, counting from the date on which they were made available to the Shareholder, and will revert to the Company.

CHAPTER VII - DISPOSAL OF SHAREHOLDING CONTROL

Article 46. The direct or indirect sale of the Company's control, either through a single operation or through successive operations, must be contracted under the condition that the acquirer of control undertakes to carry out a public offer for the acquisition of shares having as its object the shares issued by the Company held by the other Shareholders, observing the conditions and deadlines provided for in the legislation and regulations in force and in the Novo Mercado Regulation, in order to ensure them equal treatment with that given to the seller.

CHAPTER VIII - ARBITRAL JUDGMENT

Article 47. The Company, its Shareholders, managers, members of the fiscal council, effective and alternates, if any, undertake to resolve, through arbitration, before the Market Arbitration Chamber, in the form of its regulation, any dispute that may arise among them, related to or arising from its status as issuer, Shareholders, managers, and members of the fiscal council, in particular, arising from the provisions contained in Law No. 6,385/76, in the Brazilian Corporation's Law, in the Company's bylaws, in the rules issued by the National Monetary Council, the Central Bank of Brazil and the Securities and Exchange Commission, as well as in the other rules applicable to the operation of the capital market in general, in addition to those contained in the Novo Mercado Regulation, the other regulations of B3 and the Novo Mercado Participation Agreement.

§ 1. Without prejudice to the validity of this arbitration clause, if the Arbitral Tribunal has not yet been constituted, the parties may directly request from the Judiciary the necessary conservatory measures to prevent irreparable or difficult to repair damage, and such proceeding will not be considered a waiver of arbitration, pursuant to item 5.1.3 of the Arbitration Rules of the Market Arbitration Chamber.

§ 2. Brazilian law will be the only one applicable to the merits of any and all disputes, as well as to the execution, interpretation and validity of this arbitration clause. The Arbitral Tribunal will be formed by three arbitrators chosen in the manner established in the Arbitration Rules of the Market Arbitration Chamber. The arbitration procedure will take place in the City of São Paulo, State of São Paulo, the place where the arbitration award shall be rendered. The arbitration shall be administered by the Market Arbitration Chamber itself, being conducted and judged in accordance with the relevant provisions of the Arbitration Rules, in Portuguese.

CHAPTER IX - LIQUIDATION OF THE COMPANY



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Article 48. The Company will go into liquidation in the cases determined by law, and the Shareholders' Meeting will be responsible for electing the liquidator or liquidators, as well as the Fiscal Council that shall function during this period, in compliance with legal formalities.

CHAPTER X - FINAL AND TEMPORARY PROVISIONS

Article 49. Cases not covered by these Bylaws shall be resolved by the General Meeting and regulated in accordance with the provisions of the Brazilian Corporation's Law, in compliance with the provisions of the Novo Mercado Regulation.



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ANNEX XII

BYLAWS OF GRUPO BIG BRASIL S.A.

BIG BRASIL GROUP S.A.

CNPJ/ME No. 30.621.687/0001-43

NIRE 35300517270

BYLAWS

CHAPTER 1. NAME, HEADQUARTERS, PURPOSE AND DURATION

Article 1 - GRUPO BIG BRASIL SA ("Company") is a joint stock corporation governed by these Bylaws and by Law No. 6,404, of December 15, 1976, as amended ("Brazilian Corporation's Law").

Article 2 - The Company has its headquarters and jurisdiction in the City of Barueri, State of São Paulo, at Avenida Tucunaré, no. 125, Bloco A, Room (Sala) 109, Tamboré, ZIP Code 06460-020.

Article 3 - The Company's corporate purpose is to participate in the capital of other companies or businesses, in Brazil or abroad (holding company), as a partner, shareholder, debenture holder or otherwise.

Sole Paragraph - The Company may grant sureties or other guarantees (regardless of value), to investee companies, wholly-owned subsidiaries, direct and indirect subsidiaries, as well as in businesses of its interest that are not foreign to its corporate purpose, those of mere favor are prohibited..

Article 4 - The term of duration of the Company is indefinite.

CHAPTER 2. CAPITAL STOCK

Article 5 - The Company's capital stock, fully subscribed and partially paid in, is BRL 261,696,202.48 (two hundred and sixty-one million, six hundred and ninety-six thousand, two hundred and two reais and forty-eight cents), divided into 457,376,521 (four hundred and fifty-seven million, three hundred and seventy-six thousand, five hundred and twenty-one) common, nominative shares with no par value.

Paragraph One - Each common share of the Company corresponds to 1 (one) vote in the resolutions of the General Meetings.

Paragraph Two - The Company is prohibited from issuing founder shares.

CHAPTER 3. GENERAL MEETING



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Article 6 - The Company's Ordinary Shareholders' Meeting shall be held within four (4) months following the end of the fiscal year to vote and approve the matters provided for by law and, on an extraordinary basis, whenever necessary for the Company's business.

Sole Paragraph - Unless otherwise agreed by the shareholders and subject to the Brazilian Corporation's Law, the General Meetings will always be held at the Company's headquarters.

Article 7 - The General Meeting, without prejudice to other attributions determined by law, regulation, these Bylaws or the Shareholders' Agreement of August 10, 2018, filed at the Company's headquarters (as amended from time to time, the "Shareholders Agreement"), but, in any case, subject to the terms and conditions of the Shareholders' Agreement, it will have the power to resolve on the following matters:

- (i) amendments to these Bylaws;
- (ii) any change in the number of members or composition of the Board of Directors;
- (iii) any merger or acquisition, spin-off or merger of shares, in all cases, of the Company;
- (iv) liquidation or declaration of bankruptcy or similar, or other voluntary termination of the Company's activity or operations, as well as the appointment of a liquidator or the members of the Fiscal Council to operate during the liquidation period;
- (v) approving the issuance of securities and bonds by the Company, including shares, participations, share certificates, options, debt securities convertible into shares, preferred shares, founder's shares, subscription warrants and, also, swap of shares or similar instruments (in together, "Shareholdings");
- (vi) the Company's financial statements and management accounts;
- (vii) approving stock option or subscription plans for the benefit of the Company's managers, employees or service providers; and
- (viii) delegate any of the powers listed above to any person, corporate body or committee other than the General Meeting, to the extent permitted by law.

Sole Paragraph - All matters that depend on approval by the shareholders must be submitted to the General Meeting.

Article 8 - The General Meetings shall be convened by the Board of Directors, on the first call, upon prior written notice to shareholders at least 8 (eight) days in advance, and, on second and other calls, upon prior notice in writing to shareholders at least 5 (five) days in advance, subject to the



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terms and conditions of the Shareholders' Agreement. The call notice will be waived when all shareholders are present at the General Meeting and expressly waive the call.

Paragraph One - Any resolution that deals with matters not expressly included in the agenda, as established in the call notice, shall be invalid, unless resolved unanimously by the shareholders.

Paragraph Two - The General Meetings will be installed in compliance with the legal provisions, these Bylaws and the Shareholders' Agreement.

Article 9 - The General Meetings will be chaired by a chairman, who must be a member of the Board of Directors appointed by the shareholders present representing the majority of the common shares issued by the Company. The Chairman shall appoint the secretary.

Article 10 - Without prejudice to the exceptions provided for by law and in article 30 of the Shareholders' Agreement, the resolutions of the General Meeting shall be approved by the affirmative vote of the majority of the Company's voting shares issued by the Company, excluding votes in white.

CHAPTER 4. MANAGEMENT

Article 11 - The Company will be managed by a Board of Directors and a Board of Executive Officers.

Sole Paragraph - The members of the Board of Executive Officers and the Board of Directors shall be invested in their positions without the need to present any guarantee, by signing the terms of investiture to be filed in the book of Minutes of Meetings of the Board of Executive Officers or Board of Directors, as the case may be.

Article 12 - The statutory managers of the Company shall remain in their positions until the investiture of their respective substitutes, unless otherwise approved by the General Meeting or the Board of Directors, as the case may be.

Article 13 - The Ordinary General Meeting shall define the annual global remuneration of the statutory managers.

Article 14 - The prior call for any meeting of the Board of Directors or the Board of Executive Officers may be waived by means of the attendance of all the members of the respective governing body at the meeting and the waiver of the call.

CHAPTER 5. BOARD OF DIRECTORS

Article 15 - The Board of Directors will be composed of 5 (five) members, who will be appointed, removed and replaced in accordance with the provisions of the Shareholders' Agreement and shall exercise a term of office of 2 (two) years, reelection being permitted.



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Paragraph One - A member of the Board of Directors will be considered independent if he or she is an experienced senior executive with relevant experience in the retail industry, who must not be a director or employee of shareholders and their affiliates.

Paragraph Two - The Board of Directors will have a Chairman, to be appointed by the majority of the Directors.

Paragraph Three - In the event of a vacancy, at any time, as a result of the death, disability, retirement, resignation or dismissal of any Director, the General Meeting shall be convened to elect a substitute member to complete the term of office of the replaced Director, in accordance with the terms and conditions of the Shareholders' Agreement.

Article 16 - The Board of Directors, without prejudice to other attributions provided for by law, regulation, in these Bylaws or in the Shareholders' Agreement, shall have the power to resolve on the matters set forth below:

- (i) any direct or indirect transfer, including the sale, assignment, license, sublicense, transmission, donation or by any other means the alienation, pledge, mortgage or otherwise constituting liens ("Transfer") to or in favor of Company or any of its subsidiaries, of any interest in any business or person that (a) has activities and/or businesses outside Brazil that have generated, in the aggregate, more than 20% (twenty percent) of the consolidated revenue of such business or person in the last 12 (twelve) months prior to such Transfer, or (b) has consolidated income outside Brazil that exceeds BRL 500,000,000.00 (five hundred million reais) in the last 12 (twelve) months prior to such Transfer;
- (ii) any expansion of the business of the Company or its subsidiaries outside Brazil;
- (iii) any execution or amendment of any contracts or transactions with shareholders or their respective related parties (other than the Company's subsidiaries), (a) that are not carried out on an arm's length basis, (b) in which the Company has not provided the shareholders reasonable evidence that such contract or transaction has terms and conditions comparable or consistent with market terms and conditions with unrelated parties, or (c) involving the payment, by the Company or any of its subsidiaries, of any type of management fee or payment or similar consideration to be paid to any shareholder or its subsidiaries;
- (iv) any change in the anti-corruption and money laundering prevention policies of the Company and its subsidiaries;
- (v) any Transfer of real estate assets of the Company and its subsidiaries;
- (vi) any merger or acquisition, divestiture, joint venture, investment in assets or similar transactions involving a cash disbursement or promise of payment in an added value that exceeds fifty million reais (BRL50,000,000.00) (in one or more related transactions);



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- (vii) any corporate reorganizations, restructurings or similar corporate transactions that are not included in Article 80, item (iii) of these Bylaws;
- (viii) to manage the stock option plan approved at the General Meeting;
- (ix) to establish the general guidelines for the Company's business;
- (x) to elect and dismiss the Company's Officers and determine their attribution and individualization of their compensation, limited to the global amount of compensation established at the General Meeting;
- (xi) to supervise the management of the Officers;
- (xii) to express an opinion on the management report and the accounts of the Board of Executive Officers;
- (xiii) to call General Meetings in accordance with art. 132 of the Brazilian Corporation's Law;
- (xiv) to hire or dismiss any independent auditors of the Company;
- (xv) except when related to the purchase of merchandise for resale or as provided for in item (vi) above, the contracting or granting of loans, financing or other obligations of any nature, as well as the execution of any contract whose value (considered the act alone or a set of acts of the same nature performed in the same fiscal year) exceeds the amount of BRL 200,000,000.00 (two hundred million reais), unless provided for in the multi-annual plan or annual budget;
- (xvi) except as provided for in item (v) above, the sale, encumbrance or lease of assets whose market value represents, individually or in a set of acts of the same nature carried out in the same fiscal year, BRL 100,000,000.00 (one hundred million reais) or more, except as provided for in the multi-annual plan or annual budget;
- (xvii) acquisition, encumbrance, transfer or disposal of equity interests held by the Company in other companies;
- (xviii) acquisitions of customer portfolios from third parties, unless provided for in the multi-annual business plan or in the annual budget;
- (xix) subject to the provisions of Article 3, Sole Paragraph, of these Bylaws, the granting, by the Company and/or any of its affiliates, of sureties or other guarantees in favor of third parties, the granting of personal guarantee (aval) being forbidden regardless of its amount;
- (xx) resolve on any matter listed above in this Article 16 or in Article 7 involving entities directly or indirectly controlled by the Company;



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(xxi) delegate any of the above attributions to any person, corporate body or committee other than the Board of Directors.

Sole Paragraph - Subject to the terms and conditions of the Shareholders' Agreement, the Board of Directors may create Committees, which will be composed of members of the Board of Directors, Officers and/or other individuals who are not part of the Company's management, to assist in the performance of the activities of the Board of Directors. Subject to the terms and conditions of the Shareholders' Agreement, the purpose, composition and functioning of each Committee will be defined by the Board of Directors at a meeting that approves its creation, which must comply with the terms and conditions of the Shareholders' Agreement.

Article 17 - The Board of Directors will meet whenever the interests of the Company so require, upon prior written notice sent by any Director. All matters that depend on the approval of the Board of Directors must be submitted to a meeting of the Board of Directors, which must be held in compliance with the terms and conditions of the Shareholders' Agreement.

Paragraph One - The notice may be delivered, subject to the provisions of the Shareholders' Agreement, via email, provided that such notification is sent in the first call with at least 5 (five) days in advance and, in the second and other calls, at least 3 (three) days prior to the date of the respective meeting of the Board of Directors.

Paragraph Two - Each call shall specify the place, date and time of the meeting and shall indicate, in detail, the agenda (the use of general matters being prohibited), as well as attach any proposal or resolution, any document prepared by the Company prior to the meeting to assist in decision making and all necessary documentation related to the meeting. Any resolution that deals with matters not expressly included in the agenda, as established in the call notice, will be invalid, unless resolved unanimously by the Directors.

Paragraph Three - The meetings of the Board of Directors will be installed in accordance with the applicable legislation, these Bylaws and the Shareholders' Agreement.

Article 18 - Any Director shall have the right to participate in the meetings of the Board of Directors by telephone, videoconference or similar electronic means, provided that such Director confirms his vote by means of a written statement to be sent by mail or e-mail to the attention of the Chairman of the Board of Directors as soon as possible after the meeting in question.

Article 19 - In compliance with the terms and conditions of the Shareholders' Agreement, the resolutions of the Board of Directors must be approved by the affirmative vote of the majority of the Directors in office. Each Director will have the right to one vote on all matters to be decided by the Board of Directors. No Director shall be entitled to a casting vote.

Sole Paragraph - The Board of Directors shall always prepare and watch over the minutes of the Board of Directors' meetings, which shall reflect the resolutions taken. Whenever required by law, the minutes must be filed with the competent Board of Trade.

CHAPTER 6. BOARD OF DIRECTORS



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Article 20 - The Board of Executive Officers shall be composed of at least 2 (two) Officers, elected and dismissed at any time by the Board of Directors, with a term of office of 1 (one) year, reelection being permitted, being (1) Chief Executive Officer, and (1) Chief Financial Officer. The other Officers, when appointed, shall have their attributions and functions determined by the Board of Directors.

Sole Paragraph - In the event of a vacancy, created at any time, due to death, disability, retirement, resignation or dismissal of any Officer, the Board of Directors shall elect a substitute member to complete the term of office of the replaced Officer.

Article 21 - The Board of Executive Officers is the Company's executive body, responsible for ensuring its regular functioning, being empowered to perform any and all acts related to the corporate purposes, except those acts that by law, by these Bylaws or by the Shareholders' Agreement are subject to prior approval at the General Meeting or by the Board of Directors.

Article 22 - The acts and operations of the management of the corporate business resulting in the assumption of responsibilities or obligations by the Company, waiver of rights or credits by the Company or waiver of obligations in favor of third parties, must be signed (a) by any (2) two Officers jointly, or (b) 1 (one) Officer jointly with 1 (one) attorney-in-fact with specific powers; or (c) 2 (two) attorneys with specific powers jointly.

Sole Paragraph - The powers of attorney on behalf of the Company shall be granted jointly by 2 (two) Officers and shall specify the powers granted and, except for powers of attorney granted for judicial purposes, shall have a maximum validity of 1 (one) year. Furthermore, the representation of the Company, in or out of court, or before any private entities or public bodies or federal, state or municipal authorities, will be exercised exclusively by any of the Officers or by an attorney-in-fact.

CHAPTER 7. FISCAL COUNCIL

Article 23 - The Company's Fiscal Council will be composed of 3 (three) members, elected as provided for in the Shareholders' Agreement. 1 (one) member must be independent.

Sole Paragraph - The Fiscal Council will not have a permanent character, being installed at the request of the shareholders, under the terms of the Law. The functioning and powers of the Company's Fiscal Council, as well as the duties and responsibilities of its members, must comply with these Bylaws, the Shareholders' Agreement and the law.

CHAPTER 8. FISCAL YEAR AND FINANCIAL STATEMENTS

Article 24 - The fiscal year shall begin on January 1 and end on December 31 of each year.

Article 25 - At the end of each fiscal year, the Company's Board of Executive Officers will prepare, based on the Company's accounting, (i) the balance sheet; (ii) statement of retained earnings; (iii) income statement for the year; and (iv) the cash flow statement, and will submit to the Annual General Meeting that takes place immediately after the end of the fiscal year a proposal for the allocation of net profits for the year, together with the Company's financial statements. The financial



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statements will be prepared in accordance with applicable legal requirements and audited annually by an independent auditor registered with the Brazilian Securities and Exchange Commission - CVM.

Article 26 - Accumulated losses and the provision for income tax shall be deducted from the accumulated result of each fiscal year, before any participation. The loss for the fiscal year must be compulsorily absorbed from retained earnings, profit reserves and legal reserve, in that order.

Article 27 - From the net income for the year, before any other allocation, 5% (five percent) will be allocated to the constitution of the legal reserve, which will not exceed 20% (twenty percent) of the capital stock.

Paragraph One - Net revenue is the remaining revenue for the fiscal year after deducting accumulated losses and the provision for income tax.

Paragraph Two - The legal reserve aims to ensure the integrity of the capital stock and can only be used to offset losses or increase the capital stock.

Article 28 - Shareholders will have the right to receive, as a mandatory dividend, in each fiscal year, a percentage equivalent to, at least, 1% (one percent) of the net income of each fiscal year, the resolution of which shall comply with the terms and conditions of the Shareholders' Agreement, provided that shareholders may approve a distribution lower than the mandatory dividend, pursuant to article 202 of the Brazilian Corporation's Law or as provided for in the Shareholders' Agreement.

Paragraph One - The mandatory dividend will not be due in the fiscal year in which the management informs the General Meeting that it is incompatible with the Company's financial situation.

Paragraph Two - The mandatory dividend not distributed in accordance with paragraph one of this article shall be accounted for as a special reserve and, if not absorbed by losses in subsequent years, shall be paid as dividends as soon as the Company's financial situation allows.

Article 29 - The Company, upon resolution of the Board of Directors, and subject to the terms and conditions of the Shareholders' Agreement, may prepare semi-annual balance sheets and, based on these, declare interim dividends to net revenue, retained earnings or profit reserve. The Company may also distribute dividends in shorter periods, provided that the total amount of dividends paid in each semester of the fiscal year does not exceed the amount of the capital reserve.

Sole Paragraph - Interim dividends shall be accounted for in anticipation of the mandatory dividend.

Article 30 - Dividends, whether annual or interim, shall be paid by the Company to the person who, on the dividend declaration date, is registered as the owner or holder of the usufruct right of the share.

Article 31 - The Company may, upon resolution of the Board of Directors, determine the payment of interest on equity, which will be accounted for as mandatory dividends.



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CHAPTER 9. DISSOLUTION AND LIQUIDATION

Article 32 - Subject to the terms and conditions of the Shareholders' Agreement, the Company may be liquidated or dissolved by resolution of the General Meeting or in legal cases. It is the responsibility of the shareholders, meeting at the General Meeting, (i) to determine the form of liquidation or dissolution, (ii) to elect the liquidator and the members of the Fiscal Council that will function during the liquidation or dissolution, and (iii) to assign the functions and remuneration of the liquidator and the members of the Fiscal Council, as the case may be, under the terms of the law.

Article 33 - The death, withdrawal, bankruptcy or insolvency of any of the shareholders shall not result in the dissolution of the Company. In these cases, the shares of such shareholder may be acquired by the other shareholders, at their sole discretion, at their book values, in accordance with the Company's latest balance sheet.

CHAPTER 10. DISPUTE RESOLUTION

Article 34 - Any dispute, claim or controversy that may arise as a result of or related to these Bylaws, or violation or invalidity of its provisions (including the validity, scope and execution of this arbitration clause or the interpretation or application of the Brazilian Corporation's Law), involving the Company and/or the shareholders and/or the managers and/or the members of the Fiscal Council shall be definitively resolved only in accordance with the Arbitration Rules of the International Court of Arbitration of the International Chamber of Commerce (the "Rules" and the "ICC") in effect on the date of such arbitration and as amended or supplemented by this Chapter 10.

Paragraph One - For the purposes of such arbitration, there shall be 3 (three) arbitrators ("Arbitration Court"). The claimant(s) shall appoint an arbitrator and the respondent(s) shall appoint a second arbitrator, in accordance with the Rules. The two co-arbitrators shall then appoint a third arbitrator, who will be the chairman of the Arbitral Tribunal, within 20 (twenty) days from the date of confirmation of the appointment of the second arbitrator. If any arbitrator is not appointed in a timely manner, as provided herein, such arbitrator, or the court, as applicable, shall be appointed by the ICC in accordance with the Rules.

Paragraph Two - The arbitration will have its headquarters in the City of São Paulo, State of São Paulo, Brazil. All arbitration proceedings will be conducted in the English language. The arbitrators must resolve the dispute in accordance with the Laws of the Federative Republic of Brazil.

Paragraph Three - The parties agree to facilitate the arbitration by (i) cooperating in good faith to expedite (to the maximum extent possible) the conduct of the arbitration, (ii) making it available to each other and to the Arbitral Tribunal, for inspection and extraction, all documents, books, files and employees under its control or under the control of a person controlling or controlled by such party, which are not confidential, if determined by the Arbitral Tribunal to be relevant to the dispute, (iii) conducting arbitration hearings, to the fullest extent possible, on successive business days, and (iv) using its best efforts to comply with the deadlines established by the Rules or by the Arbitral Tribunal for the presentation of evidence and documents.

Paragraph Four - The costs and expenses of the arbitration, including the fees of the Arbitration Court, the administrative costs of the Chamber and the fees of the independent experts will be borne as established in the Rules. After the delivery of the arbitration award, the Arbitration Court may



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determine that the winning party(ies) be reimbursed by the losing party(ies) for these expenses of proportionately, as well as determining that the losing party(ies) pay loss of attorney fees to the attorney(s) of the winning party(ies). The contractual legal fees, however, shall be borne by the respective Contracting Party and may not be attributed to other parties nor considered as costs of arbitration.

Paragraph Five - Any award rendered by the Arbitral Tribunal shall be final and binding on the parties. To the maximum extent permitted by law, the parties will waive their right to seek other remedies or remedies against the arbitration award, as well as any defense against it. The provisions of this Chapter 10 shall not limit the rights of the Parties, in accordance with arts. 32 and 33 of Law No. 9,307/1996. Any decision rendered by the Arbitral Tribunal may be enforced in any court of competent jurisdiction, including any court having jurisdiction over the Parties, their assets or in the courts of the City of São Paulo.

Sixth Paragraph - Notwithstanding the arbitration, the Parties may appeal to the judicial courts or to the emergency arbitrator, under the terms of the Regulation, to request and obtain temporary injunctive measures or other provisional protective measures prior to the constitution of the Arbitral Tribunal. Once constituted, such precautionary or protective measures may only be requested from the Arbitral Tribunal, and any existing provisional or protective measures may only be modified or terminated by the Arbitral Tribunal. Temporary injunctions or temporary protective measures may be requested from any court with jurisdiction over the Parties or their assets, or from the courts of the City of São Paulo.

Paragraph Seven - The Parties agree that any arbitration pending or related to the provisions contained herein may be consolidated with any previous arbitration resulting from this arbitration clause or that established in the Shareholders' Agreement for the purposes of greater efficiency and for the purpose of avoiding the possibility of inconsistent awards. Such consolidation may be requested by any party to the arbitral tribunal constituted for the earlier arbitration, which shall, after giving all interested parties an opportunity to challenge such request, determine that all such pending or contemplated arbitrations be consolidated into a previous arbitration if verified that (i) the matters object of the arbitrations involve common questions of fact and of law; (ii) none of the parties to any of the arbitrations will be prejudiced, by delay or otherwise, as a result of the consolidation; (iii) any party to the pending or contemplated arbitration that has not acceded to the request for consolidation, or that does not agree with such request, is sufficiently related to the parties to the previous arbitration such that its interests are sufficiently represented in the appointment of the tribunal to the previous arbitral tribunal; and (iv) consolidation would be more efficient than separate arbitration proceedings

Eighth Paragraph - Except as required by Law 9,307/1996, the parties agree that the arbitration (including, but not limited to, its existence, the Parties' allegations, third-party statements, evidence and documents presented, as well as any decision rendered by the Arbitral Tribunal) will be confidential and will only be disclosed to the Arbitral Tribunal, the parties to the arbitration, their representatives, advisors, creditors, buyers, investors, partners and any person necessary for the arbitration, except as required by law, regulation or any governmental authority, or to protect or guarantee a right.

CHAPTER 11. GENERAL PROVISIONS

Article 35 - The Company shall comply with the terms and conditions of the Shareholders' Agreement, and any decision taken in violation of its provisions is prohibited, pursuant to art. 118 of the Brazilian Corporation's Law. In the event of any conflict or contradiction between the provisions



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of these Bylaws and the Shareholders' Agreement, the provisions of the Shareholders' Agreement shall prevail, and the Company's shareholders shall make the necessary amendments, adjustments or modifications to these Bylaws Social in order to eliminate such conflict or contradiction.

Article 36 - Shareholders' agreement between the Company's shareholders, as well as agreements with related parties and programs for the acquisition of shares and other securities of the Company, shall be filed at the head office and made available to any shareholder who wishes to have access.

Article 37 - In the event of an IPO, the Company will adhere to a special segment of a stock exchange or entity that maintains an organized over-the-counter market that ensures, at least, the differentiated levels of corporate governance practices provided for in these Bylaws.



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ANNEX XIII

MINUTES OF MEETINGS OF THE COMPANY'S COLLEGIATE BODIES



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ATACADÃO S.A.

Brazilian Taxpayer's Registry of Legal Entities (CNPJ/ME) No. 75.315.333/0001-09
NIRE 35.300.043.154

EXTRACT FROM THE MINUTES OF THE EXTRAORDINARY MEETING OF THE BOARD OF DIRECTORS HELD ON MARCH 23, 2021

- 1. Date, Time and Place:** The members of the Board of Directors of ATACADÃO S.A. ("Company") met on March 23, 2021, at 10:00 am, via video conference or conference call, pursuant to paragraph one of the Article 16 of the Company's Bylaws.
- 2. Call and Attendance:** All members of the Board of Directors were present, participating via video conference or conference call.
- 3. Presiding Board:** Chairman: Matthieu Dominique Marie Malige; Secretary: Julio Mello.
- 4. Agenda:** To resolve on the following matters: (i) acquisition, by the Company, of BIG Group Brasil S.A. ("BIG Group"); (ii) execution, by the Company, of all documents referring to the acquisition of the BIG Group; and (iii) authorization for the performance, by the Company's managers, of the necessary acts for the consummation of the referred transaction.
- 5. Resolutions:** After discussing the matters on the agenda, based on the documentation sent, the members of the Board of Directors, unanimously and without any reservations, approved: (i) the acquisition, by the Company, of the BIG Group, for the total amount of BRL 7,500,000,000.00 (seven billion, five hundred million reais), subject to eventual adjustments in the terms of the transaction documents, to be implemented upon compliance with certain conditions precedent, as follows: (a) acquisition, by the Company, of shares representing 70% (seventy percent) of the BIG Group's capital stock, upon payment in cash; and (b) incorporation of the remaining shares, equivalent to 30% (thirty percent) of the capital stock of the BIG Group, through the issuance of new shares of the Company to be delivered to the shareholders of the BIG Group ("Transaction"); (ii) the execution, by the Company, of all documents related to the Transaction, including, but not limited to, the Share Purchase, Merger Agreement and Other Covenants between, on the one hand, MOMENTUM – Fundo de Investimento em Participações Multiestratégia and Brazil Holdings S.C.S., and, on the other hand, Atacadão S.A., and, as consenting parties, Grupo Big Brasil S.A., and Walmart Inc., as well as all documents related thereto; and (iii) authorization to the Company's Board of Executive Officers to perform all acts necessary for the execution of the Transaction.
- 6. Closing:** There being no further business to discuss, the work was suspended for the time necessary to draw up these minutes, which, after being read and found to be in order, were signed by all those present. Presiding Board: Matthieu Dominique Marie Malige – Chairman; Julio Mello – Secretary. Members of the Board of Directors: Matthieu Dominique Marie Malige (Chairman of the Board of Directors); Edouard Balthazard Bertrand de Chavagnac (Vice Chairman of the Board of Directors); Abílio Diniz (represented by Mr. Eduardo Rossi); Eduardo Pongrácz Rossi; Marcelo Pavão Lacerda; Luiz Fernando Vendramini Fleury; Jerome Nanty; Claire du Payrat; Marc-Olivier Rochu and Noël Frédéric Georges Prioux.



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The Secretary certifies that it is an authentic summary of the minutes of the meeting on the same date, written in the Minutes Book itself, pursuant to Article 130 of Law No. 6,404 of 1976.

São Paulo, March 23, 2021.

Julio Mello

Secretary



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ATACADÃO S.A.

Brazilian Taxpayer's Registry of Legal Entities (CNPJ/ME) No. 75.315.333/0001-09
NIRE 35.300.043.154

EXTRACT FROM THE MINUTES OF THE EXTRAORDINARY MEETING OF THE BOARD OF DIRECTORS HELD ON APRIL 25, 2022

- 1. Date, Time and Place:** The members of the Board of Directors of ATACADÃO S.A. ("Company") met on April 25, 2022, at 6:00 pm, via video conference, through the Digital Zoom Platform ("Digital Platform").
- 2. Call and Attendance:** All members of the Board of Directors were present, participating through the Digital Platform.
- 3. Presiding Board:** Chairman: Matthieu Dominique Marie Malige; Secretary: Ana Luísa Fagundes Rovai Hieaux.
- 4. Agenda:** To resolve on: **(i)** the proposed acquisition, by the Company, of Grupo Big Brasil S.A., a privately held company, headquartered in the City of Barueri, State of São Paulo, at Avenida Tucunaré, No. 125, Bloco A Superior, Sala 109, Tamboré, registered in CNPJ/ME under No. 30.621.687/0001-43, with its articles of incorporation registered under NIRE No. 35.300.517.270 before JUCESP ("BIG Group"), pursuant to the Agreement for the Purchase and Sale of Shares, Merger of Shares and Other Covenants (Share Purchase, Merger Agreement and Other Covenants) entered into on March 23, 2021 between the Company, on the one hand, as purchaser, and MOMENTUM – Fundo de Investimento em Participações Multiestratégia and Brazil Holdings S.C.S., on the other, as sellers ("Sellers") and, as consenting parties, BIG Group and Walmart Inc. ("Purchase and Sale Agreement"), subject to the satisfaction (or waiver) of certain conditions precedent, through: (a) the purchase, by the Company, of shares issued by the BIG Group, representing 70% (seventy percent) of its total capital stock ("Purchase and Sale"); and (b) incorporation, by the Company, of the remaining shares issued by the BIG Group owned by the Sellers, after the Purchase and Sale, with the issuance in favor of the shareholders of the BIG Group of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) new common, nominative, book-entry shares with no par value issued by the Company ("Merger of Shares" and, together with the Purchase and Sale, the "Transaction"); **(ii)** submission of the Purchase and Sale to ratification by the Company's General Meeting, pursuant to article 256 of Law No. 6,404, of December 15, 1976, as amended ("Brazilian Corporation's Law"); **(iii)** the Instrument of Protocol and Justification of the Merger of Shares pursuant to article 252 of the Brazilian Corporation's Law ("Protocol"); **(iv)** the appointment and hiring of Alvarez & Marsal Assessoria em Transações Ltda., headquartered in the City of São Paulo, State of São Paulo, at Rua Surubim, No. 577, set 202, Cidade Monções, ZIP Code 04571-050, registered in the CNPJ/ME under No. 28.287.683/0001-29 ("Appraiser"), a specialized company responsible for preparing the appraisal report, by the fair market value criterion, of the shares issued by the BIG Group under the terms and for the purposes of articles 252 and 256 of the Brazilian Corporation's Law ("Appraisal Report"); **(v)** the Appraisal Report; **(vi)** the proposed Merger of Shares; **(vii)** to ratify the proposed amendment to the caput of article 5 of the Company's Bylaws due to the increase in its capital stock resulting from the Merger of Shares, pursuant to the Protocol, with the consequent consolidation of its Bylaws; **(viii)** the call of the Company's shareholders to meet at the Extraordinary General Meeting ("EGM") to resolve on the matters on the Agenda, on the first call, to be held on May 19, 2022, at 9:30 a.m., through the Digital Platform; **(ix)** appointment of the Chairman of the EGM, in accordance with



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article 11 of the Company's Bylaws, to be made by the Chairman of the Board of Directors and **(x)** authorization for the Company's managers to adopt the necessary measures to implement the resolutions taken in items "i" to "ix" retro, if approved.

5. Resolutions Taken By Unanimity: By unanimous vote of the members of the Board of Directors present, the following resolutions were taken, without reservations or caveats:

(i) To approve, ad referendum of the Meeting, upon satisfaction (or waiver, as the case may be) of the conditions precedent provided for in the Purchase and Sale Agreement, the consummation of the Transaction pursuant to the Purchase and Sale Agreement presented to the members of the Company's Board of Directors during the meeting and which will be filed at the Company's headquarters.

a. To consign that, under the terms agreed between the parties in the Purchase and Sale Agreement, the Purchase and Sale structure consists of the acquisition of all shares issued by the BIG Group, which will comprise the following steps, all interdependent and linked to each other to occur on the closing date of the Purchase and Sale: (a) payment in financial resources in the amount equivalent to 70% (seventy percent) of BRL 7,500,000,000.00 (seven billion and five hundred million reais), subject to the other adjustments in the terms of the Purchase and Sale Agreement, through the transfer to the Company of shares issued by the BIG Group, representing 70% (seventy percent) of its capital stock; and (b) merger, by the Company, of the remaining shares issued by the BIG Group owned by the Sellers, as a result of which the BIG Group will become a wholly-owned subsidiary of the Company and will be issued in favor of the shareholders of the BIG Group 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) of common, registered, book-entry shares, with no par value issued by the Company (CRFB3).

b. The steps provided for in the items above are part of a single legal transaction, being a premise for the Purchase and Sale that each one of the stages is not effective individually, without the others also having it and being, in its entirety, implemented. In this way, the Purchase and Sale cannot be partially approved at a general meeting of the Company or the BIG Group, or partially implemented.

(ii) To approve the submission of the portion of the Transaction consisting of the Purchase and Sale, accompanied by the Appraisal Report, to the appreciation of the Meeting for ratification, pursuant to article 256 of the Brazilian Corporation's Law, subject to the satisfaction (or waiver, as the case may be) of the conditions precedent provided for in the Purchase and Sale Agreement.

(iii) To approve, ad referendum of the Meeting, upon satisfaction (or waiver, as the case may be) of the conditions precedent provided for in the Purchase and Sale Agreement, the Protocol containing the main terms and conditions of the Merger of Shares for the purposes of article 252 of the Brazilian Corporation's Law.

(iv) To ratify, ad referendum of the Meeting, upon satisfaction (or waiver, as the case may be) of the conditions precedent provided for in the Purchase and Sale Agreement, the appointment and hiring of the Appraiser responsible for preparing the Appraisal Report of the shares issued by the BIG Group to purposes of articles 252 and 256 of the Brazilian Corporation's Law.

(v) To approve, ad referendum of the Meeting, upon satisfaction (or waiver, as the case may be) of the conditions precedent provided for in the Purchase and Sale Agreement, the Appraisal Report of



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the shares issued by the BIG Group, by the fair value criterion, for the purposes of articles 252 and 256 of the Brazilian Corporation's Law

(vi) To approve, ad referendum of the Meeting, upon satisfaction (or waiver, as the case may be) of the conditions precedent provided for in the Purchase and Sale Agreement, the Merger of Shares in the context of the Transaction, in accordance with the terms and conditions set forth in the Protocol, with the consequent increase in the Company's capital stock from BRL 7,660,725,261.16 (seven billion, six hundred and sixty million, seven hundred and twenty-five thousand, two hundred and sixty-one reais and sixteen cents) to BRL 9,910,725,262.96 (nine billion, nine hundred and ten million, seven hundred and twenty-five thousand, two hundred and sixty-two reais and ninety-six cents), an increase, therefore, in the amount of BRL 2,250,000,001.80 (two billion, two hundred and fifty million, one real and eighty cents), exclusively in relation to the Merger of Shares, pursuant to article 252 of the Brazilian Corporation's Law, through the issuance of 116,822,430 (one hundred and sixteen million, eight hundred and twenty-two thousand, four hundred and thirty) common, registered, book-entry shares and without par value issued by the Company for attribution to the Sellers.

(vii) To ratify the approval, ad referendum of the Meeting, upon satisfaction (or waiver, as the case may be) of the conditions precedent provided for in the Purchase and Sale Agreement, the proposal to amend the caput of article 5 of the Company's Bylaws, due to the increase of its capital stock, pursuant to the Protocol, as a result of the Merger of Shares, with the consequent restatement of the Company's Bylaws. If approved, article 5 will take effect with the following new wording:

"Art. 5th. The fully subscribed and paid-in capital stock is BRL9,910,725,262.96 (nine billion, nine hundred and ten million, seven hundred and twenty-five thousand, two hundred and sixty-two reais and ninety-six cents), divided into 2,103,046,980 (two billion, one hundred and three million, forty-six thousand, nine hundred and eighty) common, registered, book-entry shares with no par value".

(viii) The call of the Company's shareholders to meet at the Company's Extraordinary General Meeting to resolve on the matters on the Agenda, on the first call, to be held on May 19, 2022, at 9:30 am, through of the Digital Platform.

(ix) the Chairman of the Board of Directors, Mr. Matthieu Dominique Marie Malige, appointed Mr. David Murciano to chair the EGM.

(x) To authorize the Company's managers to adopt all necessary measures to implement the resolutions taken in items "i" to "vii" above.

6. Closing: There being no further business to discuss, the work was suspended for the time necessary to draw up these minutes which, read and found to be in order, were signed by all those present.

Sao Paulo, April 25, 2022.

Ana Luísa Fagundes Rovai Hieaux
Secretary of the Board



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