

SPID



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20
22

Press Release

Second Quarter

GIGA
ATACADO

O MELHOR LUGAR PARA COMPRAR



MERCANTIL
ATACADO
cencosud

ATACADO e VAREJO

1. Overview 2Q22 / 1H22



Net revenue: reached R\$ 2.2 billion in 2Q22 (R\$ 1.8 billion from the Retail Format and R\$ 403 million from Cash & Carry), with an increase of +7.7% versus 2Q21. Same store sales (SSS) increased by +6.5%¹ in 2Q22 versus 2Q21, despite of inflationary pressures mainly in the food area and at less extend in non-food sales, which also influenced the drop in purchasing power, as well as the high comparison basis.



Stores: 3 were opened during the quarter, ending June with 360 stores, 322 Retail² and 38 in the Cash & Carry format. At the same period, two stores migrated from G Barbosa to Mercantil Atacado.



Acquisition: of Grupo Giga in May 2022, which added 10 stores and a Distribution Center, with the entry into the São Paulo market in the Cash & Carry format. The acquisition was concluded on July 1st.



Digital: net online revenue grew 66.1% when compared to 2Q21, with a penetration of 2.5% over total sales. Loyalty programs reached 4.0 million registered customers, with an increase of 66.2% and an identification of 60.1% of sales at the end of June.



ESG: the initiatives continued their focus during the 2° quarter, with emphasis on the pesticide residues traceability and monitoring program in partnership with RAMA in the states of Bahia, Rio de Janeiro and Sergipe.



Financial Position: net cash position of R\$ 136.3 million at the end of June 2022. Since 2019, Cencosud Brazil does not have any bank liabilities.



Capex: a growth of 171.7% reaching R\$ 99.5 million, when compared to 2Q21. Year-to-date, it reached R\$ 142.1 million.

¹ Include revenues from Retail, Cash & Carry, Kiosk and Digital segment

² Include Supermarkets, Gas Stations, Electroshow and pharmacies.

2. Financial Highlights

2.1 Income Statement - Consolidated¹

<i>(R\$ million)</i>	Consolidated					
	2Q22	2Q21	Δ %	1H22	1H21	Δ %
Gross Revenue	2.459	2.277	8,0%	4.675	4.499	3,9%
Net Revenue	2.189	2.032	7,7%	4.162	4.024	3,4%
SSS	6,5%	-1,1%	0,0%	2,9%	0,5%	0,0%
Cost of sales	(1.704)	(1.591)	7,1%	(3.242)	(3.147)	3,0%
Gross Profit	485	441	10,0%	920	878	4,9%
% Gross Margin	22,2%	21,7%	0,5 p.p.	22,1%	21,8%	0,3 p.p.
Selling Expenses	(273)	(258)	5,8%	(539)	(520)	3,6%
% Net Revenue	-12,4%	-12,7%	0,2 p.p.	-13,0%	-12,9%	0,0 p.p.
General & Adm. Expenses	(156)	(108)	44,9%	(304)	(241)	25,9%
% Net Revenue	-7,1%	-5,3%	-1,8 p.p.	-7,3%	-6,0%	-1,3 p.p.
Other Income, net	- 2	7	n.a.	12	17	n.a.
EBITDA	139	132	5,1%	253	271	-6,8%
% EBITDA Margin	6,3%	6,5%	-0,2 p.p.	6,1%	6,7%	-0,7 p.p.

¹ Include revenues from Retail, Cash & Carry, Kiosk and Digital segment

2.2 Income Statement – Segment

<i>(R\$ million)</i>	Retail					
	2Q22	2Q21	Δ %	1H22	1H21	Δ %
Gross Revenue	2.006	1.910	5,0%	3.839	3.934	-2,4%
Net Revenue	1.787	1.705	4,8%	3.418	3.517	-2,8%
SSS	4,1%	-3,7%	0,0%	-0,3%	-1,1%	0,0%
Cost of sales	(1.370)	(1.321)	3,7%	(2.619)	(2.730)	-4,1%
Gross Profit	417	384	8,6%	799	787	1,5%
% Gross Margin	23,3%	22,5%	0,8 p.p.	23,4%	22,4%	1,0 p.p.

<i>(R\$ million)</i>	Cash & Carry					
	2Q22	2Q21	Δ %	1H22	1H21	Δ %
Gross Revenue	453	368	23,3%	836	566	47,9%
Net Revenue	403	327	23,1%	744	507	46,7%
SSS	12,3%	5,2%	0,0%	12,6%	2,5%	0,0%
Cost of sales	(334)	(269)	24,0%	(623)	(417)	49,5%
Gross Profit	69	58	18,9%	121	90	33,8%
% Gross Margin	17,1%	17,7%	-0,6 p.p.	16,3%	17,8%	-1,6 p.p.

3. Message from the CEO

The 2nd quarter was marked by an important achievement, our arrival in the São Paulo market, the largest and most important in Latin America, through the acquisition of Giga Atacado, a strong, simple company with a lot of experience in the fastest growing segment among retail businesses in Brazil. We are celebrating the moment and working to honor this great opportunity, aware of our responsibility and the challenges we face to continue growing in a sustainable way.

Regarding Cencosud's performance in the quarter, net revenue reached R\$ 2.2 billion in 2Q22, an increase of +7.7% over 2Q21. This result was very good, considering the inflationary pressure that has significantly influenced the purchasing power of the population.

It is also important to mention our advances in digital in this period, with net revenue that reached a growth of 66.1% in the quarter versus the same period last year, with the performance of the Food and Non-Food platforms being the highlight. Regarding food e-commerce, we ended 2Q22 with 58 locations that we use as hubs to carry out the picking, packing and delivery processes. Loyalty programs reached 4.0 million registered customers, with an increase of 66.2% and an identification of 60.1% of sales at the end of June. As for GBarbosa's Non-Food e-commerce, sales in 2Q22 contributed significantly to the digital performance.

In June, we opened 2 new stores under the Mercantil Atacado brand, in Salvador (Bahia), reaching a total of 10 stores in the Northeast. We remain confident in the progress of our Cash & Carry business, especially in the Northeast, where this is the best performing format in the region. In the Spid brand, we had 2 new openings in June and ended the semester with 7 stores in Rio de Janeiro.

Finally, we would like to highlight our initiatives in the ESG area, in which the consumption of solar energy through the contracting of solar panels generated, in the first half, consumption of over 3,000 MWh from clean energy. Solar energy is 100% renewable and has a very low environmental impact, promoting the economy of natural resources and their impacts. In addition, we highlight the pesticide residues traceability and monitoring program in partnership with RAMA in the states of Bahia, Rio de Janeiro and Sergipe.

The scenario remains challenging, but we keep moving forward, always looking out for opportunities and paths to explore.

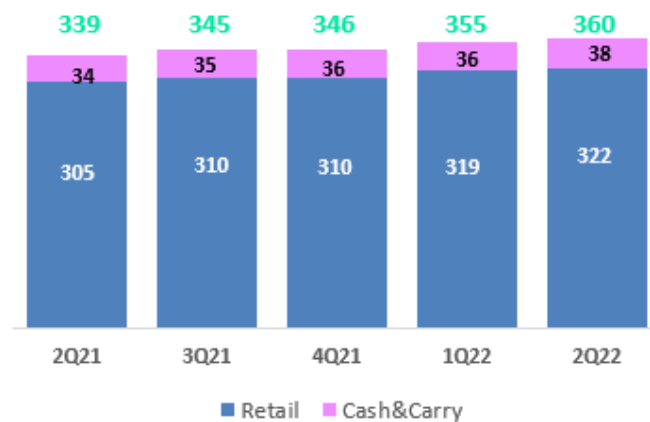
Sebastián Dario Los
CEO Cencosud Brasil

4. Operational Performance

4.1 Organic and Inorganic Expansion

Cencosud continues with its organic expansion program, adding 3 new stores in 2Q22 and two supermarkets stores of GBarbosa were converted to the Cash & Carry format under the Mercantil Atacado brand.

Cencosud Brazil at 2Q22 has 360 stores, of which 322 are in the Retail and 38 in the Cash & Carry formats.



Below we highlight the main events during the quarter:

- 3 new stores:** Spid's expansion continues to accelerate, with the opening of two stores in Rio Janeiro, totaling seven at the end of June. The new stores opened includes sales of digitally, through the Spid App, and physical. Electroshow also continues to expand with the opening of a store in Bahia, totaling 91 stores and offering a complete mix of white goods, IT, telephony, TVs, among others.
- 2 migrated stores:** in order to accelerate the growth strategy in the Cash & Carry format and to balance Cencosud's portfolio, the first GBarbosa Retail stores were converted to Mercantil Atacado in the state of Bahia, totaling 10 stores under this brand. The stores, besides offering an assortment in line with the demands of customers, will also offer products from their own brands, services such as butchers, cold cuts and slices, exclusive cashier retailers in general and to add, a delivery with the option of withdrawal in stores. In addition, the converted stores also have Electroshow and pharmacies, to offer a complete portfolio to customers.

	jun/21				jun/22	
	#Stores	Opening	Conversion	Closing	#Stores	Area Sqm (ths)
Retail	305	24	-3	-4	322	417
Cash & Carry	34	1	3	0	38	116
Total	339	25	0	-4	360	533

- Acquisition:** on May 5, 2022, Cencosud Brasil signed purchase and sale agreement for the acquisition of all the quotas of AFN Participações Ltda. (“AFN”), and GIGA BR Distribuidor e Atacadista Ltda. (“GIGA”), by the Company's subsidiary, Mercantil Rodrigues Comercial Ltda. The acquisition price paid by Cencosud to the Sellers was R\$500 million. The acquisition was concluded on July 1, 2022, after obtaining authorization from the Administrative Council for Economic Defense - CADE.

GIGA operates in the State of São Paulo, with 10 stores and a Distribution Center, more than 1,300 employees and an average sales area of 4,500 m², with gross sales of over R\$ 1.5 billion in 2021. Upon completion of this acquisition, at a very competitive price, Cencosud will enter the largest market in Latin America (São Paulo) with a company with extensive knowledge and operational efficiency in the Cash&Carry format. After consolidation, Cencosud will strengthen its position in the “Cash&Carry” wholesale supermarket format, reaching around 30% of total sales.

4.2 Cencosud Brands

At the end of June, the private label portfolio reached 1,076 SKUs, 28.9% above the same period of the previous year (835 SKUs), with a 2.7% share of net revenue (3.2 % of food revenue), 0.2 pp higher than in 2Q21. Thus, net revenue grew 17.6% in 2Q22, when compared to 2Q21. Year-to-date, growth was 16.2%.

In the quarter, the Prezunic and Bretas stores showed an impressive growth in their portfolio of private label products, mainly in the food sector in the dry and salty groceries, and home cleaning sector (hipel). The Jumbo (PET) and Zeukid (childcare) brands continued to grow. At GBarbosa, pet accessories were launched under the Jumbo brand.

4.3 Environment, Social and Governance

The Social, Environmental and governance initiatives continued their focus during the second quarter, highlighting the main results:

- **Planet:** 15,300 MWh of energy was acquired in the free energy market, representing 81.8% of the total electricity used by the Company in the period, which represented an increase of 12.9 pp over 2Q21 (+74,8% no 1H22, growth of 5,6 pp on 1H21).

At the end of June, 50.6% of the lamps are LED compared to 35.5% at the end of June 2021 (+15.1pp). In addition, a partnership was established with Enel (Goias state) to dispose of self-generated waste for recycling, in exchange for a discount on the stores' energy bill and a reduction in carbon emissions. The project reduced 414 tons. of GHG in 2Q22, an improvement of 22.9% over 2Q21 (832 tons. in 1H22, with a reduction of 38.4% emission over 1H21).

During the quarter, the reverse logistics through the sale of recyclable paper, cardboard, plastic, aluminum, and iron reached 2,300 tons, a decrease of 9.3% over 2Q21 (4,600 tons in the 1H22, -9,8% over 1H21). In the quarter, 1,100 kg of light bulbs were received from customers in “Voluntary Delivery Point- VDP” and sent for recycling, in partnership with Reciclus, with a reduction of -11.5% pp over 2Q21 (2,400 kg in 1H22, an increase of 63.8% over 1H21).

At the end of June 97.5% of the refrigerated displays were plugins and 58.9% had a glass enclosure, an increase of 6.5 pp and 15.8 pp, respectively, over June 2021. It is important to note that a closed display refrigerator has several environmental benefits, as in addition to saving energy, it increases the quality of the product and reduces the loss of goods, reducing waste and, consequently, the carbon footprint.

The sale of returnable bags this quarter reached 180 tons., a decrease of 6.3 pp over 2Q21 (340 tons. in the 1H22, +22.9% over 1H21). Also, as a result of the sale of the bags, more than R\$ 12 thousand were donated to the social projects of the GBarbosa Institute.

Cencosud has a food traceability program and pesticide residue monitoring in partnership with RAMA and uses source information to facilitate the development of good agricultural practices. In 2Q22, 34 samples were verified in Bahia, Rio de Janeiro and Sergipe, an increase of 183.3% over 2Q21, (1H22 with 51 samples).

- **People:** the GBarbosa Institute, through the “Life Project”, has a [YouTube.com/ProjetodeVida](https://www.youtube.com/ProjetodeVida) channel that distributes free content on longevity, quality of life and well-being. The channel had 58,700 subscribers in 2Q22, an increase of +27.7% over 2Q21, with more than 50 thousand views in 2Q22 (+100

thousand views in 1H22). During this period, the contents ranged from gastronomy classes to lectures by specialists in health and well-being. In addition, the Institute received more than 1,300 calls in 2Q22 (2,600 calls in 1H22).

The *Solidarity Exchange* is a program that collects financial donations for philanthropic entities and currently financially supports the Irmã Dulce Social Works in Bahia, the GBarbosa Institute in Sergipe and the Amigos do Bem Association in Pernambuco, totaling R\$ 33 thousand in donations at the end of June.

There were also donations of goods in perfect condition for consumption, to philanthropic entities. In 2Q22, more than 26 tons of food were donated, an increase of 50.8% compared to 2Q21 (79 tons in 1H21, an increase of 145.5% over 1H21).

Finally, with the aim of reinforce diversity and inclusion, Cencosud Brasil ended the quarter with 17.3% of its workforce aged over 50 (growth of 1.6 pp over 2Q21), hired 588 apprentices and had 5.3% of its employees with some disability.

There was also the promotion of gender inclusion, where 33.9% of its leadership is composed of women, and racial inclusion with 66.5% of Cencosud employee in the leadership position in the 2Q22, respectively.

- **Governance:** the policy and procedures that regulate corporate donations were published internally, increasing governance and compliance on donations and the positive social impact on communities surrounding the stores.

5. Digital Evolution

Digital initiatives continue to evolve

Investments for the Food and Non-Food e-commerce (electro and bazaar) follow the course defined in the strategic plan, expanding our market coverage, and improving technological platforms.

CRM programs continue to gain penetration, proving to be an efficient tool for customer engagement and helps with marketing expenses targeting, therefore be more efficient in the investment.

5.1 E-commerce

Net revenue from e-commerce including third party last miller reached R\$ 53.8 million in the 2Q22 increased by 66.1% compared to 2Q21 (R\$100.4 million in 1H22, a growth of 80.1% versus 1H21), with the performance of the Food and Non-Food platforms being the highlight.

As for food e-commerce operations, the 2Q22 ended with 58 locations, which we use as hubs to carry out the picking, packing and delivery operational processes, seeking to provide the best levels of service to our customers.

It is also worth noting that in June, the migration of the first food e-commerce operation to a new technological platform aligned with the headquarters in Chile was carried out. This process is starting at the GBarbosa flag and will follow its planning for migrations from other locations and flags. In this way, the Company will obtain greater flexibility in the development of initiatives, as well as use of synergies among different corporate initiatives. As for GBarbosa's Non-Food e-commerce, sales in 2Q22 contributed significantly to the digital revenues.

5.2 CRM Program

Cencosud continues to consolidate its customer base through applications and loyalty programs, registering a total of 4.0 million registered customers at the end of June 2022, an increase of 66.2% compared to the same period last year. Regarding customer identification, it is worth noting that in 1H22, 60.1% of sales were identified, an increase of 10.8 pp versus the same period in 2021.

This achievement was the result of more assertive initiatives in terms of communication, exclusive and personalized promotions, as well as specific actions in the special anniversary events that took place in the period.

To improve the experience in the Apps, usability improvements were made, highlighting the Financial Services area (Cencosud's own card) in which new services were reformulated and added new ones. It is important to highlight that approximately 20% of the new own card accounts are carried out directly in a virtual way through the Apps.

The next quarters will continue to focus on increasing customer engagement with the programs, in addition to providing advances in solutions and services in our Apps.

6. Financial Performance

6.1 Overview on the quarter's performance

Consolidated net revenue was R\$ 2.2 billion in 2Q22, an increase of +7.7% compared to the same period of the previous year (R\$ 2.0 billion). Despite the negative effects on the drop of purchasing power, and the reduction in government emergency aid, sales grew in the period reflecting part the food inflation. Same store sales increased by +6.5% when compared to 2Q21, driven by the Cash & Carry and Retail segment. The digital channel also explained the increase in same-store sales in the quarter, with growth of 65.4% over the same period of the previous year.

Retail Net revenue reached R\$ 1.8 billion in 2Q22, up +4.8% when compared to the same period of the previous year. This growth is due to the performance of the food sectors with +7.7% and the non-food sectors that have been evolving and presented an increase of 0.2%. Sales from stores migrated to Cash & Carry accounted for 1.8% of Retail sales. In the period, same-store sales were +4.1% compared to 2Q21 (-3.7% in 2Q21 over 2Q20).

Cash & Carry Net revenue reached R\$ 402.5 million in 2Q22, up 23.1% over the same period of the previous year. This growth continues to be mainly explained by the performance of the 29 stores migrated from Retail to Cash & Carry in 2021 and 2022. Same-store sales growth was +12.3% over 2Q21 (+5.2% in 2Q21 versus 2Q20), due to the performance in the food sectors, in addition to the increase in the average ticket.

Gross Profit in 2Q22 was R\$ 485.4 million, a growth of +10.0% over 2Q21 (R\$ 441.3 million). In the quarter, gross margin grew 0.5 pp over 2Q21 reaching 22.2% compared to 21.7% in 2Q21. The improvement in the margin reflects the company's efforts to balance increases due to inflation, negotiations with suppliers and the partial pass-through to sales.

Selling Expenses in 2Q22 was R\$ 272.5 million, a growth of +5.8% over 2Q21. As a percentage of revenue, expenses represented 12.4% versus 12.7% in 2Q21, with a reduction

of 0.3 pp This improvement was due to the efficiency and productivity plans in order to minimize the effects of inflation on expenses.

General and Administrative Expenses in 2Q22 were R\$ 156.4 million, which represented an increase of 44.9% compared to 2Q21 (R\$ 107.9 million). As a percentage of net revenues, expenses represented 7.1% versus 5.3% in 2Q21. The increase in the quarter mainly reflects the revisions in depreciation rates that took place in 2Q21.

EBITDA grew by 5.1% reaching R\$ 138.6 million in 2Q22 versus R\$ 131.9 million in 2Q21. The Ebitda margin was 6.3% against 6.5% in the same period of the previous year. The decrease in the margin was largely due to the increase in the allowance for provision for bad debts related to the joint venture in the credit card operation, due to the growth in delinquency observed in the market.

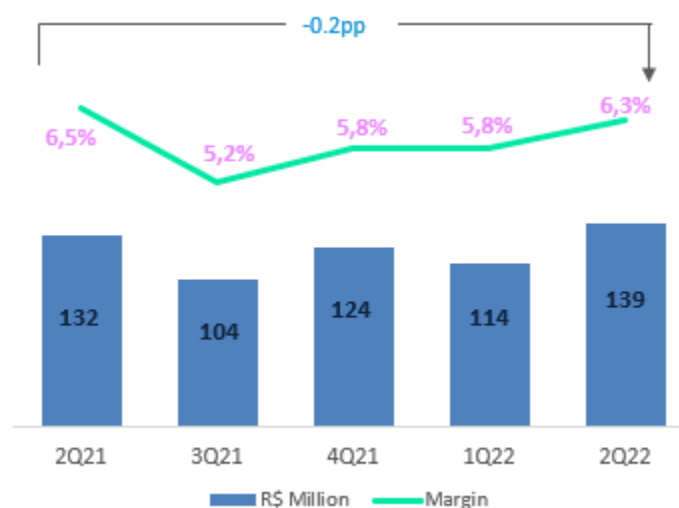
Net Financial Result in 2Q22 was negative by R\$ -130.9 million compared to R\$ -51.7 million in 2Q21. The variation is due to the increase in SELIC interest that affects the prepayment of receivables from credit card sales, interest on lease liabilities, adjustment to present value and renegotiations with suppliers.

Net Income in 2Q22 was negative by R\$ -82.0 million compared to R\$ +35.0 million in the same period of 2021.

6.2 Net Revenue by Format

Net Revenue (R\$ million)	2Q22		2Q21		1H21		1H21	
	Total Revenue	% Total	Total Revenue	% Total	Total Revenue	% Total	Total Revenue	% Total
Retail	1.787	81,6%	1.705	83,9%	3.418	82,1%	3.517	87,4%
Cash & Carry	403	18,4%	327	16,1%	744	17,9%	507	12,6%
Total	2.189	100,0%	2.032	100,0%	4.162	100,0%	4.024	100,0%

6.3 Profitability Evolution – EBITDA and EBITDA Margin



6.4 Other Income

<i>(R\$ million)</i>	Consolidated					
	2Q22	2Q21	Δ %	1H22	1H21	Δ %
Deferred Income	1	1	0,0%	3	3	0,0%
Operational Agreement income	(3)	6	-158,8%	3	14	-77,2%
Foreign exchange	(2)	3	-159,5%	3	0	2013,7%
Other income, net	2	(4)	-156,8%	3	0	850,9%
Total	(2)	7	-126,1%	12	17	-30,3%

6.5 Net Cash Position

At the end of June 2022, Cencosud had a net cash position of R\$ 136.3 million versus R\$ 410.4 million at the end of June 2021. The decrease in the amount was mainly due to the Capex during the period.

It is important to highlight that since 2019 Cencosud has no loans and financing position and holds a very strong cash position.

6.6 Working Capital

At the end of June, the cash cycle was 33 days, in line with the same period of the previous year.

Accounts receivable reached 4 days, with an increase of 3 days compared to June 2021, due to a lower receivable discount. The inventory account, increased by 3 days in relation to the same period last year and reached 52 days, resulting from a greater purchase of items in the food sector to support the growth in store sales, mainly due to the migration of the Cash & Carry format.

Supplier account presented an increase of 6 days, from 83 in June 2021 to 89 in June 2022, due to better renegotiations of payment terms.

<i>In million</i>	2Q21	3Q21	4Q21	1Q22	2Q22
Supplier	(1.456)	(1.491)	(1.764)	(1.626)	(1.724)
Account Receivable	20	33	71	85	81
Inventory	869	882	930	962	1.000
Working Capital	(567)	(576)	(763)	(579)	(643)

<i>In days</i>	2Q21	3Q21	4Q21	1Q22	2Q22
Supplier	(83)	(85)	(102)	(94)	(89)
Account Receivable	1	2	4	5	4
Inventory	49	50	54	55	52
Working Capital	(32)	(33)	(44)	(33)	(33)

6.7 Capex

In 2Q22, Capex reached R\$ 99.5 million, a grow of 171.7% when compared to 2Q21 (R\$ 36.6 million). The main destination was for refurbishment and stores conversion (53.5% of the total), the openings and the acquisition (29.6% of the total), followed by projects focused on IT, and maintenance which is 16.9% of total. Year-to-date, investment totaled R\$142.1 million, 149.3% higher than in 1H21.

<i>(R\$ million)</i>	Consolidated					
	2Q22	2Q21	Δ %	1H22	1H21	Δ %
New stores, acquisition of land	29	1	2099,6%	44	2	2235,2%
Renovation and Conversions	53	14	276,4%	67	19	244,4%
Maintenance	9	5	71,4%	11	18	-36,3%
Systems & Others	7	16	-52,5%	20	18	11,0%
Total	100	37	171,7%	142	57	149,3%

6.8 Financial Services

Cencosud Brasil offers financial solutions such as its own card - Cencosud Card, as well as consumer credit and product insurance. As of June 30, 2022, the Group had 275,000 active credit card accounts in the month. The financial solutions operate in an integrated manner with our retail and cash & carry formats with the aim of increasing customer loyalty.

In 2Q22, the Cencosud credit card issuance dropped -22.1%, reaching a total of 37 thousand, when compared to the same period of the previous year. The main reason for the reduction is the increase in delinquency. In 1H22, the reduction was -4.3%, with a total of 77 thousand emissions in the period. It is important to highlight the impact of the digital channel launched in 3Q21, which already represents 18% of total subscriptions.

Gross sales grew 14.7% in 2Q22 when compared to 2Q21, reaching R\$ 627 million. In the period, there was an increase in the on-us card in the operations of Bretas by 48% and

Mercantil Rodrigues by 46.8% versus 2Q21, respectively, where the Cash & Carry operation is concentrated, corroborating the sector's tendency to seek of products with more accessible prices, in the face of an adverse economic scenario. In 1H22, the increase was 15.3%, when compared to the same period of the previous year.

The loan portfolio maturing in up to 180 days grew 15.2% over 2Q21, mainly driven by the increase in billing, in addition to the growth in refinancing lines. In 1H22, the increase was 15.5%, when compared to 1H21.

Cencosud Card	2Q22	2Q21	Var. %	1H22	1H21	Var. %
New Cards (In ths)	37	48	- 22,1%	77	80	-4,3%
Gross Sales (R\$ million)	627	546	14,7%	1.201	1.042	15,3%
Credit Portfolio 180 days (R\$ million)	663	575	15,2%	658	569	15,5%



ANEX RESULTS

Consolidated Balance Sheet

Asset

<i>(R\$ million)</i>	jun/22	jun/21	Δ %
Current	1.462	1.616	-9,5%
Cash and cash equivalents	136	410	-66,8%
Trade receivables	81	20	305,8%
Inventories	1.000	869	15,0%
Taxes recoverable	159	247	-35,7%
Advances to suppliers	-	2	-100,0%
Other assets	86	68	27,2%
Non Current	4.446	4.117	8,0%
Taxes recoverable	585	480	21,8%
Judicial Deposits	61	58	5,7%
Deferred income tax and social contribution	583	598	-2,5%
Indemnification assets	53	49	7,1%
Investments	25	-	-
Property and equipment	760	703	8,0%
Right of use assets	848	696	21,7%
Intangible Assets	1.532	1.533	0,0%
Total Asset	5.908	5.733	3,1%

Liability

<i>(R\$ million)</i>	jun/22	jun/21	Δ %
Current	2.303	1.946	18,3%
Trade payables	1.724	1.456	18,4%
Taxes payable	56	62	-10,7%
Taxes in installments	45	10	337,8%
Payroll and related charges provision	97	94	3,2%
Related parties	5	1	850,1%
Profit sharing	18	20	-13,7%
Deferred income	8	6	34,1%
Lease liabilities	218	176	23,9%
Payables for the acquisition of subsidiaries	31	30	1,7%
Other liabilities	100	90	11,3%
Non Current	1.152	1.043	10,4%
Taxes in installments	39	23	70,1%
Deferred income	122	128	-4,6%
Provision for contingencies	126	126	0,0%
Lease liabilities	849	751	13,0%
Payables for the acquisition of subsidiaries	16	15	9,4%
Equity	2.454	2.743	-10,6%
Share capital	2.679	2.717	-1,4%
Carrying value adjustments	(4)	(2)	125,2%
Accumulated losses	(222)	28	-895,6%
Total Liability	5.908	5.733	3,1%

Consolidated Income Statement

(R\$ million)	Consolidated					
	2Q22	2Q21	Δ %	1H22	1H21	Δ %
Gross Revenue	2.459	2.277	8,0%	4.675	4.499	3,9%
Net Revenue	2.189	2.032	7,7%	4.162	4.024	3,4%
Cost of Sales	(1.704)	(1.591)	7,1%	(3.242)	(3.147)	3,0%
Gross Profit	485	441	10,0%	920	878	4,9%
% Gross Margin	22,2%	21,7%	0,5 p.p.	22,1%	21,8%	0,3 p.p.
Selling Expenses	(273)	(258)	5,8%	(539)	(520)	3,6%
% Net Revenue	-12,4%	-12,7%	0,2 p.p.	-13,0%	-12,9%	0,0 p.p.
General and Administrative Expenses	(73)	(59)	23,9%	(141)	(104)	35,7%
% Net Revenue	-3,3%	-2,9%	-0,4 p.p.	-3,4%	-2,6%	-0,8 p.p.
Other Income, Net	(2)	7	-126,1%	12	17	-30,3%
Depreciation and Amortization	(84)	(49)	69,8%	(164)	(138)	18,6%
EBIT	55	82	-33,7%	89	133	-33,1%
Financial Expenses, Net	(131)	(52)	152,9%	(245)	(94)	160,0%
Financial Results, Net	(131)	(52)	152,9%	(245)	(94)	160,0%
Profit (Loss) before Income Tax & Social Contribution	(76)	31	-347,9%	(156)	39	-503,5%
Taxes	(6)	4	-237,6%	(13)	(36)	63,9%
Net Earnings	(82)	35	-334,5%	(169)	3	-5801,9%
% Net Revenue	-3,7%	1,7%	-5,5 p.p.	-4,1%	0,1%	-4,1 p.p.
EBITDA ⁽¹⁾	139	132	5,1%	253	271	-6,8%
% EBITDA Margin	6,3%	6,5%	-0,2 p.p.	6,1%	6,7%	-0,7 p.p.

(1) Operating income before interest, taxes, depreciation and amortization

Consolidated Cash Flow

<i>(R\$ million)</i>	jun/22	jun/21	Δ %
Profit/Loss before income tax and social contribution	(156)	39	-503,5%
Adjustments			
Depreciation and amortization	74	63	16,3%
Amortization of right-of-use assets	94	78	20,3%
Amortization of deferred income	(4)	(3)	41,1%
Provisions for contingencies, impairment of assets and other	12	18	-31,0%
Loss on disposal of assets	0	2	-96,7%
Interest on leases	60	51	16,3%
Adjustment to present value	(0)	(2)	-88,5%
	79	246	-68,0%
Changes in assets and liabilities			
Trade receivables	(11)	116	-109,9%
Inventories	(71)	3	-2595,6%
Taxes recoverable	(7)	(21)	-67,7%
Other assets	(23)	(31)	-26,3%
Trade payables and related parties	(33)	(215)	-84,4%
Taxes payable	34	(16)	-317,3%
Payroll and related charges	26	26	2,0%
Profit sharing	(19)	(50)	-61,7%
Provision for contingencies	(9)	(2)	324,5%
Lease - Contract adjustment	(2)	(5)	-63,2%
Other liabilities	7	(4)	-274,5%
Cash provided by operating activities	(30)	47	-165,3%
Payment of interest on borrowings and other	-	-	
Net cash provided by operating activities	(30)	47	-165,3%
Cash flows from investing activities			
Additions to property and equipment	(108)	(54)	100,9%
Additions to intangible assets	(9)	(3)	187,6%
Participation in Affiliated Companies	(25)	-	
Net cash used in investing activities	(142)	(57)	149,3%
Cash flows from financing activities			
Loans and Financing	(156)	(140)	11,1%
Capital increase (decrease)	-	-	
Net cash used in financing activities	(156)	(140)	11,1%
Net increase in cash and cash equivalents	(328)	(151)	117,9%
Cash and cash equivalents at the beginning of the year	465	561	-17,2%
Cash and cash equivalents at the end of the year	136	410	-66,8%
Net increase in cash and cash equivalents	(328)	(151)	117,9%

Evolution of Revenue by Format

(R\$ million)	Gross Revenue by Format									
	2Q22	%	2Q21	%	Δ %	1H22	%	1H21	%	Δ %
Retail	2.006	81,6%	1.910	83,9%	5,0%	3.839	82,1%	3.934	87,4%	-2,4%
Cash & Carry	453	18,4%	368	16,1%	23,3%	836	17,9%	566	12,6%	47,9%
Total	2.459	100,0%	2.277	100,0%	8,0%	4.675	100,0%	4.499	100,0%	3,9%

(R\$ million)	Net Revenue by Format									
	2Q22	%	2Q21	%	Δ %	1H22	%	1H21	%	Δ %
Retail	1.787	81,6%	1.705	83,9%	4,8%	3.418	82,1%	3.517	87,4%	-2,8%
Cash & Carry	403	18,4%	327	16,1%	23,1%	744	17,9%	507	12,6%	46,7%
Total	2.189	100,0%	2.032	100,0%	7,7%	4.162	100,0%	4.024	100,0%	3,4%

Net Revenue Breakdown

(% Net Revenue)	Consolidated			
	2Q22	2Q21	1H22	1H21
Cash	43,7%	45,6%	43,5%	46,1%
Credit Card	47,1%	44,7%	47,0%	44,3%
Food Ticket / Voucher	9,2%	9,7%	9,5%	9,6%

Financial Expenses, Net

(R\$ million)	Consolidated					
	2Q22	2Q21	Δ %	1H22	1H21	Δ %
Financial Income						
Interest income on short-term bank deposits	2	1	39,9%	4	2	71,6%
Net effects of monetary adjustment of ICMS tax credits based on PIS and COFINS	-	(4)	-100,0%	-	-	0,0%
Other financial income	0	0	0,0%	0	0	-50,0%
Financial Income	2	(3)	-166,6%	4	2	71,3%
Financial Expenses						
Interest expenses on borrowings	(20)	(10)	104,1%	(36)	(19)	91,6%
Monetary adjustment expenses	(17)	3	-597,7%	(30)	(1)	2467,4%
Adjustment to present value	(66)	(15)	343,5%	(123)	(25)	389,7%
Derivative financial instruments	(29)	(28)	5,4%	(60)	(51)	16,3%
Other financial expenses	(0)	(0)	390,2%	(0)	(0)	25,7%
Financial Expenses	(133)	(49)	170,9%	(250)	(97)	157,8%
Financial Expenses, net	(131)	(52)	152,9%	(245)	(94)	160,0%
<i>% Net Revenue</i>	<i>-6,0%</i>	<i>-2,5%</i>		<i>-5,9%</i>	<i>-2,3%</i>	

EBITDA and Net Income Reconciliation

<i>(R\$ million)</i>	Consolidated			
	2Q22	2Q21	1H22	1H21
EBITDA	139	132	253	271
EBITDA Margin	6,3%	6,5%	6,1%	6,7%

<i>(R\$ million)</i>	Consolidated			
	2Q22	2Q21	1H22	1H21
Net Earnings	(82)	35	(169)	3
(+) IRPJ/CSSL current and deferred	(6)	4	(13)	(36)
(+) Financial Expenses, net	(131)	(52)	(245)	(94)
(+) Depreciation and Amortization	(84)	(49)	(164)	(138)
EBITDA	139	132	253	271
Net Revenue	2.189	2.032	4.162	4.024
EBITDA Margin	6,3%	6,5%	6,1%	6,7%

About Cencosud Brasil

Cencosud Brazil is part of one of the largest and most prestigious multi-brand and multi-format retail groups in South America and United States, and is among the largest supermarkets in the country, with more than 20 thousand employees and 360 stores in nine states and over 70 cities.

It has a regional leadership, strong and consolidated brands, built along with a performance that aims at proximity to the customer, a trademark that is translated into its purpose of **Passion for serving you, your way.**

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Relationship with Independent Auditors

The individual and consolidated financial statements of Cencosud Brasil Comercial S.A were examined by PricewaterhouseCoopers Auditores Independentes (PwC). The hiring of independent auditors is based on the principles that protect the auditor's independence, which consists of: (a) the auditor must not audit his own work; (b) not exercise managerial functions; and (c) not to advocate for Cencosud or provide any services that may be considered prohibited by the independence rules in force.

In compliance with CVM Instruction 381/03, we declare that, for the year ended June 30, 2022, PwC did not provide any services other than the independent audit of the Company's financial statements.

Disclaimer

São Paulo, August 11th, 2022, Cencosud Brasil Comercial S.A. announces its Second Quarter results 2022 compared to 2Q21. The Company's individual and consolidated financial statements for the comparative years ended June 30, 2022 and 2021 were prepared in accordance with accounting practices adopted in Brazil, which comprise the standards of the Securities and Exchange Commission (CVM), the Brazilian Standards Accounting - General (NBC TG) and the mandates of the Accounting Pronouncements Committee (CPC), as well as in compliance with international accounting standards (International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board - IASB, and moreover, to evidence all the relevant information specific to the financial statements, which is consistent with that used by Management. These statements are presented in Reais, and all growth rates, unless stated otherwise, refer to the same period in 2022.

In compliance with legal provisions and in accordance with Brazilian corporate law, Cencosud Brasil Comercial SA presents below the Management Report, commenting on the operating and financial results for the second quarter ended June 30, 2022. This report is an integral part of the Company's Financial Statements, which follow international accounting standards (IFRS), issued by the International Accounting Standards Board (IASB).