



The shopping channel of all Brazilians, where, when, and how they want announces, **GMV of R\$38.8 billion** and **net income of R\$ 1.0 billion in 2020**, turnaround is consolidated

GROSS GMV

R\$ 38.8 bln 2020

R\$ 12.7 bln 4Q20

ADJUSTED EBITDA

R\$ 2.9 bln 2020

R\$ 545 mln 4Q20

NET INCOME

R\$ 1.0 bln 2020

R\$ 336 mln 4Q20

- **Digital performance well above that of the market, resulting in significant market share gains.** Sales made through the digital channel represented almost 50% of the total GMV. Gross GMV was **R\$ 12.7 billion** in 4Q20 (+ 31% y / y) and **R\$ 38.8 billion** (+ 21% y / y) in 2020. We also saw robust growth in 1P e-commerce of 112% y / y in 4Q20 and 174% y / y in 2020. Strong acceleration of the marketplace (3P) with an evolution of 84% y / y in 4Q20 and 90% y / y in 2020, with much more news in the 2021 pipeline.
- **Strong EBITDA advance confirms profitable growth strategy.** Adjusted EBITDA multiplied by ~ 2.7x in 2020 vs 2019 and registered **R\$ 2.9 billion** (adjusted accounting EBITDA margin of 10.1%, + 5.9 pp). In 4Q20, adjusted EBITDA also showed an important improvement to **R\$ 545 million** (adjusted EBITDA margin of 5.8%, + 621 bps), compared to the negative EBITDA of R\$ 35 million in 4Q19. Operational adjusted EBITDA was **R\$ 709 million** in 4Q20 and **R\$ 2.3 billion** in 2020, with EBITDA margins of 7.5% and 8.0%, respectively.
- **Reversal of loss into net profit consolidates turnaround.** Net income reached **R\$ 1.0 billion** in 2020 (net margin of 3.5%) vs loss of R\$ 1.4 billion in 2019. In 4Q20, net income was **R\$ 336 million** compared to a loss of **R\$ 875 million** in 4Q19. Net operating income was **R\$ 209 million** in 4Q20 and **R\$ 167 million** in 2020.
- **We ended 2020 with a solid cash position.** Cash including receivables that were not anticipated and adjusted for suppliers advances totaled **R\$ 9.3 billion** (or net cash including supplier advances of **R\$ 4.8 billion**) in 2020, a significant improvement vs. 2019. We also highlight the strong cash generation of **R\$ 1.4 billion** in the year.

Highlights (R\$ million)	4Q20	4Q19	%	2020	2019	%
Gross Revenue	11,274	8,875	27.0%	34,458	29,848	15.4%
Net Revenue	9,470	7,613	24.4%	28,901	25,655	12.7%
Gross Margin	30.5%	29.1%	144bps	32.8%	28.6%	413bps
Adjusted EBITDA	545	-35	-	2,917	1,076	171.1%
Adjusted EBITDA Margin	5.8%	-0.5%	621bps	10.1%	4.2%	590bps
Net Earnings (Loss)	336	(875)	-	1,004	(1,433)	-
Adj. Net cash including supplier advances	4,807	2,213	117.2%	4,807	2,213	117.2%

B3: VVAR3
R\$12.02
Per share

1.597.341.594
Total of Shares

Market Cap
R\$19.2 billion
In Mar.02,2020

Highlights –GMV, Digital Sales and SSS

R\$ (million)	4Q20	4Q19	%	2020	2019	%
Gross GMV (e-commerce & Stores)	12,665	9,640	31.4%	38,827	32,078	21.0%
Total GMV (e-commerce & Stores)	12,160	9,363	29.9%	37,306	31,206	19.5%
Digital Sales¹	5,665	2,691	110.5%	18,099	7,449	143.0%
Digital Sales Participation (%)	46.6%	28.7%	1784bps	48.5%	23.9%	2465bps
e-commerce GMV	4,670	2,272	105.6%	15,989	6,357	151.5%
GMV (1P)	3,661	1,724	112.4%	12,766	4,658	174.0%
Marketplace GMV (3P)	1,009	548	84.2%	3,224	1,698	89.8%
Marketplace Penetration (% e-commerce GMV)	21.6%	24.1%	(251bps)	20.2%	26.7%	(655bps)
Bricks and Mortar - Gross Rev SSS (%) ²	6.1%	-2.2%	830bps	7.7%	-1.6%	930bps

¹ GVM e-commerce + Click&Collect

² Open stores and comparable sales considering the operating restrictions of the pandemic

Income Statement Reconciliation Non-Recurring Effects (4Q20-4Q19):

Reconciliation Adjustments R\$ million	4Q20			4Q19			Var.(%) Accou. Δ	Var. (%) Ope. Δ
	Accounting	Non Recurring	Operational	Accounting	Non Recurring	Operational		
Net Revenue	9.470	(11)	9.459	7.613	(13)	7.600	24,4%	24,5%
Cost of Goods Sold	(6.535)	(124)	(6.659)	(5.352)	90	(5.262)	22,1%	26,5%
Depreciation (Logistic)	(43)		(43)	(46)		(46)	(6,7%)	(6,7%)
Gross Profit	2.892	(134)	2.758	2.215	77	2.292	30,6%	20,3%
Gross Profit (% NR)	30,5%		29,2%	29,1%		30,2%	144bps	(101bps)
SG&A	(2.402)	298	(2.104)	(2.311)	582	(1.729)	3,9%	21,7%
Equity Income	12		12	15		15	(20,0%)	(20,0%)
Other Operating Income (Expenses)	(229)	247	18	(771)	731	(40)	(70,3%)	(145,5%)
Depreciation and Amortization	(181)	2	(179)	(202)		(202)	(10,4%)	(11,3%)
Net Financial Income (Expense)	(71)	(184)	(255)	(185)	(22)	(207)	(61,6%)	23,1%
Income Tax	315	(356)	(41)	364	(416)	(52)	(13,5%)	(20,8%)
Net Income (Loss)	336	(127)	209	(875)	953	78	(138,4%)	167,7%
Net Income (%NR)	3,5%	A	2,2%	-11,5%	B	1,0%	1504bps	118bps
EBITDA	316	411	727	(806)	1.391	585	-	24,3%
EBITDA (%NR)	3,3%		7,7%	-10,6%		7,7%	1392bps	(01bps)
Adjusted EBITDA	545	164	709	(35)	660	625	-	13,4%
Adjusted EBITDA	5,8%		7,5%	-0,5%		8,2%	621bps	(73bps)

* Prior period to banQi

(R\$) Impact on Net Income	4Q20	4Q19
ICMS credit based on PIS / COFINS	-134	-12
Social Security Credits	-26	
Grant Credits	-287	
Tax Credits	(447)	(12)
Provision Contingencies	271	925
Others	48	40
Total Impact	(127)	953
	A	B

Message from Management

The year of 2020 will be forever marked not only in the memory of Brazilians, but of the whole world. It was a year with lots of uncertainties, numerous casualties and complex challenges for everyone, companies and governments. Here at Via it was not any different. In just one year, Via Varejo reinvented itself, executed several new projects, and attracted talents for its transformation, bolstered its strategic positioning and improved competitiveness in a new **scenario of united retail**, an environment where physical and online operate worlds are fully integrated: our brick-and-mortar stores, our DCs and the entire digital ecosystem, providing a unique customer experience. This is our essence: to become ***the shopping channel of all Brazilians, wherever, whenever, and however they want.***

This digital transformation, allowed, within a short period of time, for a great upturn in our growth and profitability. With the agility of a startup, we gained market share across a lot of segments, channels and categories. We ended 2020 with a historical record of GMV performance which totaled **R\$ 38.8 billion**, 21% higher than in 2019. A greater share from the digital channel over total sales evidenced our successful transformation (~50% of the entire volume transacted in 2020 was from digital channels). We delivered a robust net income of **R\$ 1.0 billion** in 2020, with a consistent evolution of EBITDA each quarter, also resulting in a robust **R\$ 2.9 billion** in 2020 (growth of 171%). These figures give us confidence that we are on the right track.

At the year-end, more than 70% of our customers who shopped on our websites opted for digital solutions (via app & mobile). Our apps are in the TOP 3 in terms of app store scores. The number of MAUs (monthly active users) more than doubled compared to levels seen in 2019 by reaching 14.0 million users at the end of December. Our customers are increasingly becoming more multichannel, digital, and multiplatform shoppers. This digitalized customer now spends double the amount and returns more frequently compared to the former customer shopping only at brick-and-mortar stores. Our penetration for high-income consumers doubled at the year-end, reflecting the strength of our communication strategy, the widespread acceptance of our brands and the successful repositioning of the Casas Bahia character called “Bahianinho” to CB. Today, we have customers from all social classes and ages, this means a true democratization of our strategy of doing business.

The challenges posed by the pandemic required a swift and bold response: in a single day, we closed 1,000 brick-and-mortar stores. At year-end, only 24% of sales originated from digital channels. Rapidly, Via Varejo evidenced its capacity of reinventing itself and went beyond retail - within two weeks, in March/2020 – our more than 20,000 salespeople resumed their work remotely. The online seller strategy, a humanized e-commerce experience, known as **“Me chama no zap” (Text me on WhatsApp)**, was considered one of the world’s most relevant social selling initiatives. This innovative sales platform was instrumental in boosting our sales in 1P and 3P. In 4Q20 it represented more than R\$ 1.2 billion in sales and R\$ 2.8 billion in 2020.

Even Casas Bahia’s traditional booklets also became digital. We digitalized the entire process, from lending to receipt of payments through any physical or digital vehicle. The digital format is achieving a favorable acceptance from our customers, via apps, websites or mobile sites. At our stores the payment book already represents around 25% of sales (in 2019 it represented 14%). We have already more than R\$ 6.0 billion in credit portfolio with more than 3 million active customers and around 5 million customers in the last 12 months.

By mid-2019, we initiated an operational/financial turnaround process. In November 2019, we hit a record online sale of nearly R\$ 2.2 billion on Black Friday. In 2020, this figure was R\$ 3.0 billion on Black Friday, a new record in Brazilian retail. Our advancement of GMV and market-share gains, shows that we are winning the game. Concerning the capital structure, in June 2020, Via Varejo was the first company to reopen the capital market, with a follow-on that raised R\$ 4.5 billion in new proceeds. This transaction was awarded by Latin Finance as the “Best Follow-on in Latin America in 2020.”

Additionally, we concluded the takeover of banQi (Airfox), during the early pandemic, we also acquired the last-mile logistics operator, ASAPLog, as well as a company, specialized in developing e-commerce technologies known as I9XP. We also acquired a minority interest in Distrito, a hub for innovation and startups. All these acquisitions bolstered and will bolster our strategy. BanQi is already a reality offering a Brazilian digital wallet - an excellent tool for financial inclusion / banking of classes C and D, offering a complete portfolio of financial services, bringing recurrence and profitability to Via. We already have 3.3 million downloads of the app and 1.8 million active customers, 2.0 million in the payment booklet managed within the platform equivalent to R\$ 2.3 billion. We have already made available a complete digital account, including payment services with QRcode, PIX, in addition to the integration with Casas Bahia stores, allowing withdrawals and cash deposits at any of the chain's stores. We have a roadmap with new features that includes credit offers, corporate accounts, integration with Casas Bahia apps and marketplace and several partnerships to 2021.

We still foresee favorable growth opportunities for Via Varejo in 2021 and envision the great potential for continuous value creation:

- (i) Win the game on marketplace (3P), with a wide range of services for our sellers, increase shopping frequency, spending, with the offer of new categories;
- (ii) Master the game in the logistics of light and heavy products, offering a full range of services via our plataforma (Enviias) for sellers and “open sea” solutions (pick-up, storage and distribution services)
- (iii) Boost our logistics with increase in same-day deliveries (SDD);
- (iv) Add, at least, 120 new stores, in new regions/cities with focus in the north and northeast part of the country;
- (v) Grow 1P in core and high volume categories;
- (vi) Lift our leadership in the furniture and mattress segments;
- (vii) Raise the penetration in higher-income classes (we are Brazil’s leading iPhone seller, for instance);
- (viii) Accelerate our credit offers (i) via own credit, in the traditional payment booklet or digital option, (ii) credit to our consumers that show within our marketplace and (iii) co-branded credit cards
- (ix) banQi as the Brazilian digital wallet, with a real inclusion/accessible banking services for C and D classes, offering a complete portfolio of financial and banking services, bringing recurrence and profitability to Via Varejo.

Our logistics network will offer our customers and marketplace partners more convenience when delivering light and heavy products on the same day (same-day delivery) in 2021, and this will be available not only in large capital cities, but throughout Brazil. We have the largest retail logistics network with Brazil retail, with more than 1,100,000 sqm of storage, more than 1,000 stores which collectively boost more than 1,500,000 sqm of storage that operate as mini-hubs (to sell, pick-up products and serve as a dispatch point and withdrawal for purchases and deliveries carried out via e-commerce - 1P and 3P) serving 100% of

the Brazilian population. The investment and cost of this structure is already amortized by our current volumes. With the growth expected for 2021, we will further leverage on our installed capacity, accelerating our productivity gains.

We have the customers at the center of our strategy and this obsession with better service is reflected in the improvement of our customer service ratios in terms of NPS and Reclame Aqui ranking during the year.

We also released, on this date, our annual sustainability report, which highlights our main initiatives in the environmental, social and governance (ESG) aspects in 2020. Without the strong engagement of our 47 thousand employees and the preference of our 85 million customers, the results for 2020 probably would not have been so expressive. We would like to thank our customers and employees, our sellers, our shareholders, our directors, analysts and suppliers for their trust. #Boravarejar

Via Varejo Management

Key Deliveries in 2020 & Outlook for 2021

The year 2020 was a turning point for Via Varejo's performance. Despite an extremely challenging scenario, the company executed several projects and delivered excellent results. Below we highlight some of the main deliveries from the last few months and projects coming up:

- **Online Seller / "Me chama no Zap" (Text me on WhatsApp):** an innovative tool launched in 2020 that relied on more than 20,000 sellers, which together sold R\$ 2.8 billion in 2020, which translates into an approximate share of almost 16% of digital sales. This initiative was acknowledged as one of the world's best social selling cases. By expanding our marketplace assortment in 2021, the online seller should leverage even more Via Varejo's sales;
- **Digital CDC:** in 2020, in a simple and safe way, the payment booklet "Carnê das Casas Bahia" was made available digitally. It will also be offered for our customers to buy products in the marketplace (3P) and via e-commerce;
- **banQi:** management of booklets, convenience services and financial and payment services already available on the digital account for individuals. Soon, we will expand banQi's relationship with small and medium-sized companies and marketplace tenants, through a corporate account and various financial services;
- **Apps evolution:** we are "mobile first" and we will continue to improve the experience for our customers, increasing customer engagement and sales conversion;
- **Click&Collect:** new identity validation process including token withdrawal flow, and presence in 100% of stores;
- **Phygital (physical + digital):** We reviewed the entire connectivity system of the stores, offering free Wi-Fi and streamlining process for completing sales, improving the customer experience. **Via + system** will allow you to sell the marketplace assortment (3P) in stores with credit;
- **ENVIAS:** logistics and services platform for the marketplace ecosystem, which assists sellers in the operation and management of deliveries, with a more competitive freight cost and better deadlines for the end customer. With a logistics network of +1 million sqm distributed over 27 DCs, and the support of more than 1,000 brick-and-mortar stores, Via Varejo now offers a robust structure to its marketplace sellers. All of this should be accelerated by ASAPLog,
- **Marketplace:** there are new initiatives coming to expand this business segment in 2021. Among which we highlight the following:
 - **Improvements in seller onboarding process:** a substantial reduction in the admission of new sellers onto our platform;
 - **Assortment expansion:** entry into new categories and higher offerings of long-tail items;
 - **Combos:** launch of coupons and rebate tools manageable by sellers;
 - **Levels of service:** improved product tracking systems, changes in delivery date and cancellations;

- **Seller portal:** new layout, registry process of new products, updating prices and inventories, activation and changes of offers;
 - **Installment plans for marketplace customers;**
 - **Sales of marketplace products at B2B channel that brings together our partnerships;**
- **Logistic:** Increase in the volume of deliveries via Mini-hubs and the volume of same-day deliveries (SDD).

Continue to Invest in People & Technology

Our technology department is organized into 3 areas: platforms, data management and new businesses. We have 1,700 employees throughout the country, this figure doesn't take into account the **banQi team** which is based in Boston (USA), **ASAPLog** (in the city of Curitiba), and the recently-acquired software house **I9XP** (in São Paulo).

According to the ranking of the consultancy **Great Place To Work**, we recently won a position among the 20 best companies to work in retail and we are already working hard to improve this ranking, as we have sparkle in our eyes and are proud to be part of a team that reestablished relationships of trust with simplicity, humility and respect and at the same time has delivered excellent results in the last quarters.

In addition to advances in technology and people management, our innovation agenda remains pulsating. Our partnership with Distrito (the largest innovation ecosystem in Brazil, which gathers hundreds of startups and connects with corporations enabling potential partnerships), is in direct integration with dozens of fronts that involve areas such as: e-commerce, marketplace, credit (via Retail and banQi), logistics, marketing, among others. These integrations range from in-company innovation management to searches for start-ups that generate improvements in our operations.

4Q20 and Update

During this transformational journey, 2020 was a year of overcoming and consolidating our digital strategy by "going beyond retail". We grew twice as fast as the pace of the market in a year marked by the Covid-19 pandemic. Market share data evidenced our competitiveness and upturn. According to data from GfK* (online core) Via Varejo gained **640 bps** in participation in 2020. Additionally, according to another source, Compre&Confie portal (expanded online), the gain was of roughly **400 bps**.

E-commerce

Our e-commerce grew exponentially, +106% in 4Q20 vs. 4Q19, resulting in outstanding market share gains during the period. Our 1P soared up by 112% y/y, while 3P also recorded a solid evolution of 84% y/y in 4Q20 and accounted for 22% of online GMV. Our e-commerce platform, which has been playing a leading role, increased its share from 24% over total GMV in 4Q19 to 38% in 4Q20. Our apps contributed to 31% online GMV in 4Q20 (vs. 18% in 4Q19). We point out that we are “mobile first” (+ 70% of sales via apps or mobile site)

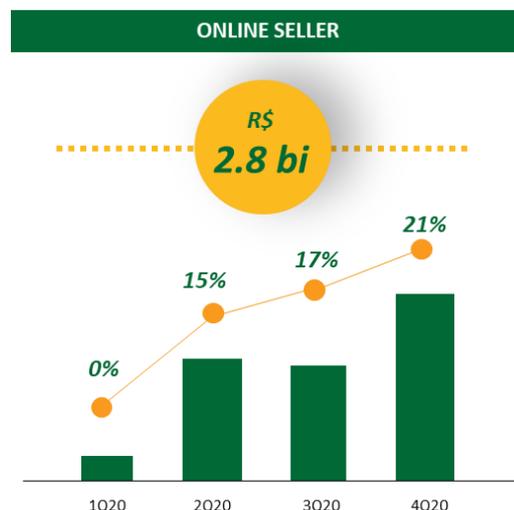
Physical Stores

Business hour restrictions in certain regions, including lockdown in a several Brazilian states, recommendations amidst an ongoing pandemic, impacted brick-and-mortar store performances during the quarter. Nonetheless, same-store sales grew 6.1% in 4Q20, with total sales growth of 5.6%. Continuing our portfolio optimization strategy, we closed 32 stores and opened 20 stores in the period.

Digital Sales, Click&Collect and Online Seller

The digital sales concept takes into account the channel’s origin: (i) online sales picked up at the store in the Click&Collect mode, (ii) sales assisted by the online seller, and (iii) sales via our e-commerce websites and Apps. In 4Q20, the share of GMV digital sales came to 46.6% and totaled 48.5% in 2020 of total GMV.

The **Click&Collect** mode, available in all our stores, jumped 93% in 2020 and accounted for R\$ 2.1 billion in sales. The phenomenon of online seller, a highly awarded initiative that was decisive for the success of our growth in 2020, registered R\$ 2.8 billion in sales in 2020, a participation of about 16% share of digital sales in the year.



In logistics, the projects implemented already bearing fruit

Via Varejo’s logistics infrastructure is sized to operate large volumes, in line with the largest logistics operators in the country. Nearly 50% of all online deliveries came from Via Varejo’s brick-and-mortar stores.

ASAPLog, acquired in April 2020, reached 200,000 couriers registered throughout Brazil and continues to advance as the largest last mile operator in Via Varejo. ASAPLog can also serve third parties (open sea) in several categories, including categories such as apparel, cosmetics, consumer goods, books, auto parts, baby items, pet stores, shoes and many others, with national coverage. More than 90% of ASAPLog’s deliveries are made within 24 hours and has been the logistics platform that enables the aggressive growth of same-day-delivery among other services of the group.

Envvias, a logistics services platform solution for marketplace sellers, already covers more than 50% of all active sellers. We continue investing to offer these partners, in a short period of time, all types of advantages of the Via Varejo distribution capabilities to marketplace partners, raising the service level, order control, optimizing costs and reducing delivery times.

We ended 2020 with deliveries in 100% of municipalities in the country. At the end of 4Q20, the **same-day delivery (SDD)** was already operating from our Jundiaí DC. In early 2021, we expanded our SDD to various stores and other warehouses. At the end of February, SDD represented 15% of the Company's sales. **We already delivered over 40% of all country's light and heavy products orders** and deliveries within 48 hours hit 60%. All these results were accomplished with cost reduction and greater efficiency.

Customers

We have customers at the center of our strategy and this obsession with serving them is reflected in the improvement of our indicators.

Online NPS (net promoter score): with a sample of + 2M of consumers, showed a significant evolution in the last 2 years:

- **Casas Bahia Online:** 69 points in 4Q20 vs. 38 points in 4Q18;
- **Pontofrio Online:** 67 points in 4Q20 vs. 43 points in 4Q18;
- **Extra Online:** 66 points in 4Q20 vs. 49 points in 4Q18;

Reclame Aqui in 2020, we highlight the following improvements:

- **Casas Bahia Online:** 7.1 points in dec/20 vs. 6.2 points jan/20; **Casas Bahia Marketplace:** 7.6 points in dec/20 vs. 7.3 points jan/20;
- **Pontofrio Online:** 7.4 points in dec/20 vs. 6.3 points jan/20; **Pontofrio Marketplace:** 7.4 points in dec/20 vs. 7.2 points jan/20;
- **Extra Online:** 7.0 points in dec/20 vs. 6.6 points jan/20; **Extra Marketplace:** 7.6 points in dec/20 vs. 7.1 points jan/20;
- **Lojas Casas Bahia:** 7.0 points in dec/20 vs. 6.9 points jan/20;
- **Lojas Pontofrio:** 9.0 – Reclame Aqui 1000 in dec/20;
- **Bartira:** 9.1 – Reclame Aqui 1000 in dec/20

4Q20

Consolidated gross revenue totaled R\$11.3 billion, 27% higher than 4Q19. Operational gross profit amounted to R\$2.8 billion with a gross margin of 29.2%. (+101bps) mainly due to the channel mix with greater share from online sales. Even considering a reduction in gross margin, the operational adjusted EBITDA came 13.4% higher y/y and totaled R\$709 million in 4Q20 with an adjusted EBITDA margin of 7.5% reflecting good expenses control. In 4Q20, we recorded an operational adjusted net income 167,7% higher y/y, totaling R\$209 million, and an adjusted net margin of 2.2%.

R\$12.7bi

Gross Total
GMV 4Q20

The 2020 figures are the result of our dedication and the success of the strategy adopted that represents a relevant step towards innovation, technology, and a future beyond retail. This performance was possible thanks to a strong recognition of our brands, our assets (stores & logistics), and mainly to our people's tenacity that made all the difference. We will be ever more present across all stages of the customer journey by offering more products, better means of delivery and payments while retrofeeding our ecosystem

banQi

Focus in 4Q20 was to educate the customers to use the app and increase recurrence. We launched PIX and QR code functions with cash-in acceleration features, booklets and slips. Regarding the card, we observed a significant increase in recurrence in purchases at Casas Bahia.



Consumers Acquisition:

- **+3,3 million** of downloads, **+1 million** in the last 3 months;
- **+1,8 million** accounts, **+600 thousand of opened accounts** in the last 3 months;
- **+2,0 million** in **CDCs** under management, the amount of **R\$ 2.3 billion**:
 - 43% of CDCs are paperless contracts
 - 12.5% of CDC installments are already paid in banQi;

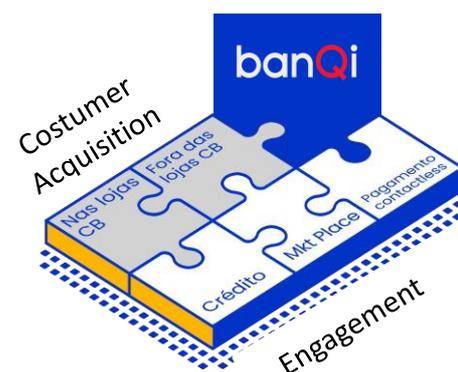
Engagement, Cost & TPV:

- Low **Acquisition Cost** (CAC), lower than **R\$15/customers** for the account opening
- **+R\$300 million** in **TPV** +147% vs. 3Q20
- **TPV mix**: 60% CDC, 9% payment slip, 11% PIX, 15% card, 4% P2P, others are top-up and QR code;
- **325 thousand customers with active PIX keys**;
- Deposits: 50% at stores, 40% PIX and 10% other;
- **Withdrawals: 25% at stores**
- Recurrence: 7.1 transactions (90 days);
- Recurrence: 9 transactions with card (90 days);
- Reputation / NPS: RA 1000

Growth Fronts

Enhance acquisition with free digital account offer, even more complete. Engagement in the app will be reinforced especially on the following:

- Financial Services Offers Individuals and Legal Entity;
- Credit;
- Own MarketPlace with the offer of non – financial services ;
- Integration with Casas Bahia and payment solutions
- Several partnerships



ESG Highlights 2020

Environmental

Reverse logistics: The number of used electronic device collectors at Via Varejo stores tripled totaling 400 units in 2020.

Recycling: The REVIVA Program sent over 5,000 tons of material for recycling, benefiting 250 households who belong to 11 partner cooperatives.

Logistics efficiency: Via Varejo improved its logistics network integration by increasing the number of mini-hubs, the Click&Collect service and ASAPLog adopted its last-mile solution, expediting deliveries for consumers, reducing costs, and generating fewer emissions.

Solar energy: Via Varejo contracted two solar power plants which will generate electricity for 57 branches in the state of Rio de Janeiro from 2021. These will be added to 79 stores in the state of Minas Gerais, which today, are 100% supplied by the Company's solar power plant in the referred state.

Paperless stores: 43% of payment slips issued in stores are already digital, reflecting a substantial reduction in paper printing at stores.

Fight against Covid-19: Agility in the decision-making process, creativity, and capacity of adaptation enabled Via Varejo to keep its employees and customers safe, while continuing to operate and end 2020 with positive ESG and financial results.

Social

Communities as a priority: The Casas Bahia Foundation recorded its all-time highest investment, 74% higher than the previous year, changing its way of operating to meet the emergency needs of communities caused by the Covid-19 pandemic throughout the Brazilian territory.

Focus on diversity: Various actions were executed to reiterate Via Varejo's commitment to diversity and inclusion, such as reinforcement of affinity groups, adhesion to public initiatives, as well as strategic brand repositioning, among others.

New identity: Casas Bahia brand adopted a new visual identity, a new character, the CB, and a new brand positioning, with a focus on inclusion and sustainability: "Brazil is our home. Brazilians are our purpose."

Financial and banking inclusion: Via Varejo created new tools to serve its customers, such as the "Me Chama no Zap" and the Digital Installment payment plan, besides expanding marketplace and services offered via banQi, promoting the digital and banking inclusion of millions of people.

Governance

Board of Directors: Via Varejo's Board of Directors has 3 independent members out of a total of 5 members.

Review of Ethical Code of Conduct: this document was reviewed to reinforce the Company's commitment to diversity and fight against gender violence and moral harassment.

Gross Revenue Performance by Channel

R\$ million	4Q20	4Q19	%	2020	2019	%
Bricks and Mortar	7,490	7,091	5.6%	21,317	24,849	(14.2%)
Online	3,784	1,784	112.1%	13,141	4,895	168.5%
Wholesale*	-	-	na	-	104	na
Gross Revenue	11,274	8,875	27.0%	34,458	29,848	15.4%

(*) Channel discontinued throughout 2019

Consolidated gross revenue grew 27.0% from 4Q19 to R\$ 11.3 billion, boosted by a solid online sales performance (112.1% growth of Online Gross Revenue and 5.6% of brick-and-mortar store gross revenue).

Brick-and-Mortar Stores – GMV of R\$ 7.5 Bln and SSS of 6.1%

Gross revenue from physical stores increased 5.6% from 4Q19 to R\$ 7.5 billion, accounting for 66% of sales in the quarter. Same-store sales performance came positive at 6.1% in the period. In 2020, SSS was 7.7%.

Online – GMV of R\$ 4.7 Bln and Gross Revenue of R\$ 3.8 Bln

E-commerce GMV totaled R\$ 4.7 billion in 4Q20 and **reached a substantial growth of 106%**. Gross revenue from the online channel grew by approximately 112% in 4Q20 compared to 4Q19, as a result of improvements in delivery times, greater commercial assertiveness, but mainly due to the robust customer base and gains in market share. Greater penetration of online tools (websites and apps) improved customer experience, and successful marketing initiatives were crucial for the excellent results delivered. **Our 1P grew 112%** in the period with substantial market share gains and higher profitability.

3P GMV surged 84% in 4Q20, reflecting our strategy of a continuous expansion in the number of sellers, greater product offering, and improved levels of service. During 4Q20, we accelerated new sellers' onboarding by enhancing our registration process, so we ended the year with around 10,000 sellers, 90% higher than in 4Q19, and doubled assortment at the end of 2020 to 7 million SKUs. Currently, the number of sellers is around 15,000.

Gross Revenue Breakdown

R\$ million	4Q20	4Q19	%	2020	2019	%
Merchandise	10,317	8,020	28.6%	31,281	26,541	17.9%
Freight and Assembly Services	127	119	6.7%	458	422	8.5%
Services	341	277	23.1%	1,020	1,143	(10.8%)
CDC/Credit Cards	489	459	6.5%	1,699	1,742	(2.5%)
Gross Revenue	11,274	8,875	27.0%	34,458	29,848	15.4%
Freight, Services, CDC/Credit Card and Assembly	957	855	11.9%	3,177	3,307	(3.9%)
% Total Gross Revenue	8.5%	9.6%	(115bps)	9.2%	11.1%	(186bps)

Consolidated Sales by means of payment	4Q20	4Q19	%	2020	2019	%
Cash/Debit Card	24.9%	24.0%	92bps	24.1%	22.3%	184bps
CDC (Payment Book)	14.7%	10.8%	399bps	11.6%	11.3%	34bps
Co-branded Credit Card	8.0%	12.0%	(399bps)	8.5%	11.8%	(328bps)
Third-party Credit Card	52.3%	53.2%	(92bps)	55.7%	54.6%	109bps

All lines composing gross revenue reported evolution and positive growth in 4Q20. We resumed installment plan initiatives, with a positive outcome, as seen in the change of financing profile of purchases, with higher penetration in the payment book (+400 bps) in the period.

Gross Profit

R\$ million	4Q20	4Q19	%	2020	2019	%
Gross Profit	2,892	2,215	30.6%	9,466	7,343	28.9%
Gross Margin	30.5%	29.1%	144bps	32.8%	28.6%	413bps
Non Recurring Adjustments*	(134)	77	na	(840)	77	na
Operational Gross Profit	2,758	2,292	20.3%	8,626	7,420	16.2%
Operational Gross Margin	29.2%	30.2%	(101bps)	29.9%	28.9%	93bps

(*) Includes quarterly and annual adjustments + banQi

In 4Q20, the gross margin adjusted for non-recurring effects was 29.2%, 101 bps lower than in 4Q19 explained by changes in sales channel mix.

Selling, General, & Administrative Expenses

R\$ million	4Q20	4Q19	%	2020	2019	%
SG&A	(2.402)	(2.311)	3,9%	(6.783)	(6.495)	4,4%
% Net Revenue	(25,4%)	(30,4%)	499bps	(23,5%)	(25,3%)	2bps
Non Recurring Adjustments*	298	582	na	221	582	na
Operational SG&A	(2.104)	(1.729)	21,7%	(6.562)	(5.913)	11,0%
% Net Revenue	(22,2%)	(22,7%)	50bps	(22,7%)	(23,1%)	34bps

(*) Includes quarterly and annual adjustments + banQi

In 4Q20, selling, general, and administrative expenses increased by 3.9%. This was a smaller change compared to the sales performance in the period, even considering a significant increase of e-commerce penetration in total sales. Operational selling, general and administrative expenses surged 21.7%, mainly due to a decision to internalize the IT team following the I9XP acquisition. However, there was a significant improvement in Selling, general and administrative expenses in relation to Net Revenue of 50 bps vs. 4Q19.

Adjusted EBITDA

R\$ million	4Q20	4Q19	%	2020	2019	%
EBITDA	316	(806)	na	2,531	(159)	na
EBITDA Margin	3.3%	(10.6%)	1392bps	8.8%	(0.6%)	938bps
Other (Expenses)/Operational Revenue	229	771	(70.3%)	386	1,235	(68.7%)
Adjusted EBITDA	545	(35)	na	2,917	1,076	171.1%
Adjusted Margin EBITDA	5.8%	(0.5%)	621bps	10.1%	4.2%	590bps
Non Recurring Adjustements*	164	660	na	(617)	660	na
Operational Adjusted EBITDA	709	625	13.4%	2,300	1,736	32.5%
Operational Adjusted Margin EBITDA	7.5%	8.2%	(73bps)	8.0%	6.8%	119bps

(*) Includes quarterly and annual adjustments + banQi

The adjusted EBITDA totaled R\$ 545 million in 4Q20, with a 5.8% margin, 621 bps higher than in 4Q19. Excluding non-recurring factors, the operational adjusted EBITDA rose 13.4% to R\$ 709 million in 4Q20. The operational adjusted EBITDA margin was 7.5%, 73bps lower than in 4Q19.

Financial Result

R\$ million	4Q20	4Q19	%	2020	2019	%
Financial Revenue	21	13	61,5%	83	58	43,1%
Financial Expenses	(251)	(225)	11,6%	(1.103)	(1.072)	2,9%
Debt Financial Expenses	(64)	(31)	106,5%	(195)	(65)	200,0%
CDC Financial Expenses	(57)	(58)	(1,7%)	(222)	(237)	(6,3%)
Cost of Receivable Card Sales	(12)	(37)	(67,6%)	(180)	(311)	(42,1%)
Interest on lease liabilities	(96)	(108)	(11,1%)	(388)	(423)	(8,3%)
Other financial expenses	(22)	9	(344,4%)	(118)	(36)	227,8%
Financial Results pre monetary	(230)	(212)	8,5%	(1.020)	(1.014)	0,6%
% Net Revenue	-2,4%	(2,8%)	36bps	(3,5%)	(4,0%)	42bps
Monetary Restatements	159	27	488,9%	324	52	523,1%
Financial Results Net	(71)	(185)	(61,6%)	(696)	(962)	(27,7%)
% Net Revenue	-0,7%	(2,4%)	168bps	(2,4%)	(3,7%)	134bps
Non Recurring Adjustements*	(184)	(22)	na	(439)	(22)	na
Operational Net financial Results	(255)	(207)	23,1%	(1.135)	(984)	15,3%
% Net Revenue	-2,70%	-2,72%	0bps	-3,9%	-3,8%	(10bps)

In 4Q20, financial results, net of non-recurring effects totaled R\$ 255 million, in line with net revenue when compared to the same quarter of last year (2.7%). During 4Q20, we resumed the credit card receivables discount policy, with a lower proportion. For the year 2020, there was a reduction of 42.1% in the advancement of credit card receivables due to the higher cash level in 2Q20, mainly due to the conclusion of the follow-on offer.

Net Income

R\$ million	4Q20	4Q19	%	2020	2019	%
EBIT	21	(1,239)	na	923	(2,004)	na
% Net Revenue	0.2%	(16.3%)	1650bps	3.2%	(7.8%)	1101bps
Income Tax	315	364	(13.5%)	81	571	(85.8%)
Net Revenue (Loss)	336	(875)	na	1,004	(1,433)	na
Net Margin	3.5%	(11.5%)	1504bps	3.5%	-5.6%	906bps
Non Recurring Adjustments	(127)	953	na	(837)	953	na
Operational Net Revenue (Loss)	209	78	167.7%	167	(480)	na
Operational Net Margin	2.2%	1.0%	118bps	0.6%	(1.9%)	245bps

(*) Includes quarterly and annual adjustments + banQi

The company reported an accounting net income of R\$ 336 million in 4Q20, reversing a net loss of R\$ 875 million in the same period of last year. According to the methodology adjusted for non-recurring events, the company recorded a positive evolution with a 165.9% increase in operational net income of R\$ 78 million in 4Q19 to R\$ 209 million in 4Q20.

Financial Cycle

R\$ million	4Q20	4Q19	(+/-)
(+/-) Inventory	6.176	4.565	+1.611
Days of Inventory ¹	84	78	6 days
(+/-) Suppliers²	11.546	7.925	+3.621
Total Days of Suppliers ¹	156	136	21 days
Working Capital Change	5.370	3.360	+2.010

(¹) Days of CoGS

(²) Suppliers + Suppliers ('Forfait') It would be the values of the financial cycle if there was no CCB operation that reclassified the balance of suppliers to the item "Loans and financing" in the amount of R\$ 2.5 billion and R\$ 760 million of the program for anticipating suppliers receivables with own cash (Portal) done in Dec / 20.

We ended 4Q20 with an increase in inventories and suppliers, change of R\$ 2.0 billion in the financial cycle. Higher inventories (change of R\$1.6 billion vs. 4Q19) resulted from a strategic decision to bolster inventories, taking into account current market conditions and the risk of shortages. This strategy proved to be appropriate in 2020, resulting in market share gains during the period.

Working Capital

In the last 12 months, the adjusted working capital change contributed with R\$ 1.9 billion to operational cash generation, highlighted by the discipline in inventory turnover strategy to bolster online growth and ensure adequate supply of goods. With the cash reinforcement, the company resumed its supplier anticipation program (Suppliers Portal, totaling R\$ 760 million in Dec/20), besides carrying on with its Suppliers Agreement Program with banks.

R\$ million	dec/20	dec/19	Δ
(+) Accounts Receivables (w/o credit card)	2,840	2,190	650
(+) Inventories	6,176	4,565	1,611
(+) Related Parties	209	139	70
(+) Recoverable Taxes	1,394	1,050	344
(+) Other Assets	578	222	356
(+) Operational Current Assets	11,197	8,166	3,031
(-) Suppliers	8,283	7,925	358
(-) Suppliers ('Portal')	760	-	760
(-) CCB Reclassification	2,503	-	2,503
(-) Consumer financing paymentbook	4,003	3,289	714
(-) Taxes and Social Contribution Payable	612	401	211
(-) Taxes payable	276	198	78
(-) Related Parties	26	119	(93)
(-) Deferred revenues	385	369	16
(-) Others	1,563	1,168	395
(-) Operational Current Liabilities	18,411	13,469	4,942
Δ	7,214	5,303	1,911

Capital Structure

R\$ million	12M	dec/20	sep/20	jun/20	mar/20	dec/19
(-) Current Loans and Financing	(1,029)	(2,684)	(2,087)	(1,727)	(1,553)	(1,655)
(-) Non- Current Loans and Financing	(1,265)	(1,765)	(2,423)	(2,780)	(500)	(500)
(=) Gross Loans	(2,294)	(4,449)	(4,509)	(4,507)	(2,053)	(2,155)
(+) Cash and Financial Investments	1,620	2,984	2,122	4,743	2,129	1,364
(+) Accounts Receivables - Credit Card	2,508	5,512	5,753	2,666	752	3,004
(=) Net Cash Adjusted	1,834	4,047	3,366	2,902	828	2,213
Short Term Debt / Total	44.9%	60.3%	46.3%	38.3%	75.6%	76.8%
Long Term Debt / Total	55.1%	39.7%	53.7%	61.7%	24.4%	23.2%
Adjusted EBITDA (LTM)	1,181	2,917	1,650	2,009	1,839	1,736
Adjusted Net Cash / Adjusted EBITDA	1.6 x	1.4 x	2.0 x	1.4 x	0.5 x	1.3 x
Cash, Investments and Credit Cards	4,128	8,496	7,876	7,409	2,881	4,368
Cash, Investments, Credit Cards and Advances	4,888	9,256	8,481	7,435	2,881	4,368

In the last 12 months, the company increased its adjusted net cash position by R\$ 1.8 billion.

On a comparable basis (adjusting + R\$ 760 million from the Supplier Advance Portal activity, (+) R \$ 2.5 billion from the CCB operation that was reclassified to the balance of suppliers to loans and financing and (-) R \$ 4.3 billion from the follow-on offer) the increase in net cash was R\$ 765 million.

The financial leverage indicator, measured by net cash / adjusted EBITDA for the last 12 months, stood at 1.4x, with a solid cash position of R\$ 9.3 billion in December 2020, including the credit card discounted receivables portfolio of R\$ 5.5 billion and adjusted by prepayments to suppliers of R\$ 760 million, which reflects a very solid capital structure.

CDC – Accounting

ASSET	4Q20	3Q20
Receivables short term	3.876	3.065
Receivables long term	612	474
Total receivable	4.488	3.539
Total Interests to be Appropriated	(1.213)	(975)
Total receivable	3.275	2.564
Payment book PCLD	(479)	(415)

LIABILITIES	4Q20	3Q20
Payment Book (CDCI) short term	4.124	3.222
Payment Book (CDCI) long term	654	507
Total payable	4.778	3.729
Total Interests to be Appropriated	(131)	(104)
Total payable	4.647	3.625

CDC – Managerial

ASSET	3Q20	2Q20
Receivables short term	3.876	3.065
Receivables long term	612	474
Total receivable	4.488	3.539
Lowering portfolio	1.888	1.650
Grand Total	6.376	5.189

LIABILITIES	3Q20	2Q20
Payment Book (CDCI) short term	4.124	3.222
Payment Book (CDCI) long term	654	507
Total payable	4.778	3.729

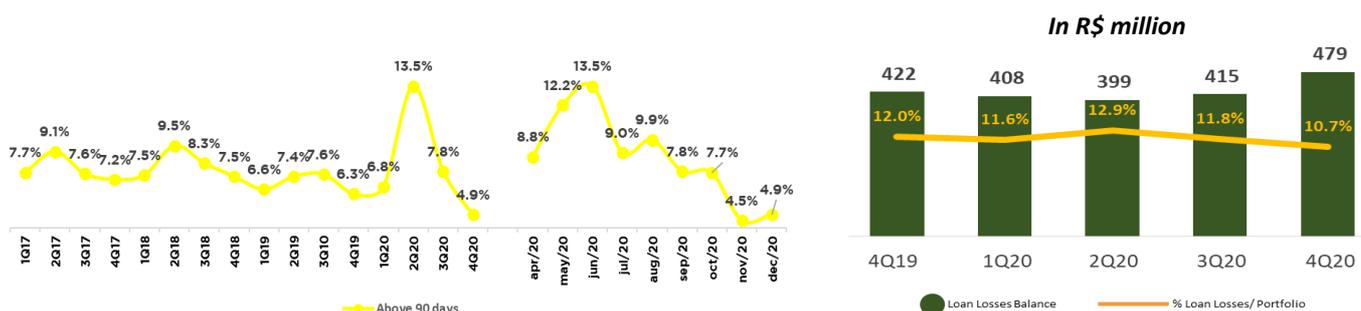
CDC is seen as an excellent sales tools, also boosts loyalty and encourages recurrence. During the pandemic, we launched a digital CDC which already records a monthly origination of R\$ 200 million. In Oct 2020, this operation expanded to an “open sea” with face biometrics. The pre-approved credit customer base on the payment book plan reached +11 million customers. In 4Q20, our CDC (installment plan) strongly recovered, with record origination and higher volumes. Today, 96% of credit decisions are automated.

In our managerial table we included the amount of CDC receivables if they had not been canceled after a six-month past due. Please note that an asset becomes higher than the liability.

Overdue performance

We observed a strong improvement in our late payment indicators during 4Q20, in all aspects and aging.

Below we present the “over 90 days” past due trend and the level of non-performing loans provisions (NPLs) on the active portfolio.



Delinquency over 90 days: (debit balance of all contracts with 91 or more days overdue) on the creditor's active portfolio.

Capex

In 4Q20, Via Varejo's Capex invested R\$ 181 million

Caex was allocated mainly to technological upgrades, expansion, store revamp, and logistics, as follows:

R\$ million	4Q20	4Q19	%	2020	2019	%
Logistics	16	7	142.3%	49	28	73.1%
New Stores	39	18	122.2%	55	97	(43.4%)
Stores Renovation	18	13	43.4%	47	54	(12.9%)
Technology	99	69	42.3%	259	225	15.0%
Others	9	8	16.9%	26	33	(21.3%)
Total	181	114	58.9%	434	436	(0.4%)

Store Activity by Format & Brand

Casas Bahia	4Q19	3Q20	Opening	Closure	4Q20
Street	668	669	17	15	671
Shopping Malls	184	185	3	2	186
Kiosk	3	0	0	0	0
Consolidated (total)	855	854	20	17	857
Sales Area ('000 m2)	822	823	11.8	13.8	820
Total Area ('000 m2)	1,319	1,320	19.9	23.5	1,317

Pontofrio	4Q19	3Q20	Opening	Closure	4Q20
Street	112	111	0	14	97
Shopping Malls	102	99	0	1	98
Kiosk	2	0	0	0	0
Consolidated (total)	216	210	0	15	195
Sales Area ('000 m2)	118	116	0	9.2	107
Total Area ('000 m2)	201	198	0.0	14.9	184

Consolidated	4Q19	3Q20	Opening	Closure	4Q20
Street	780	780	17	29	768
Shopping Malls	286	284	3	3	284
Kiosk	5	0	0	0	0
Consolidated (total)	1,071	1,064	20	32	1,052
Sales Area ('000 m2)	939	938	11.8	23.0	927
Total Area ('000 m2)	1,521	1,519	19.9	38.4	1,500

Income Statement

Consolidated Income Statement

R\$ million	4Q20	4Q19	Δ	2020	2019	Δ
Gross Sales	11,274	8,875	27.0%	34,458	29,848	15.4%
Net Revenue	9,470	7,613	24.4%	28,901	25,655	12.7%
Cost of Goods Sold	(6,535)	(5,352)	22.1%	(19,254)	(18,131)	6.2%
Depreciation (Logistic)	(43)	(46)	(6.7%)	(181)	(181)	(0.1%)
Gross Profit	2,892	2,215	30.6%	9,466	7,343	28.9%
Selling Expenses	(1,992)	(1,923)	3.6%	(5,892)	(5,564)	5.9%
General and Administrative Expenses	(410)	(388)	5.7%	(891)	(931)	(4.3%)
Equity Income	12	15	(20.0%)	53	47	12.8%
Other Operating Income (Expenses)	(229)	(771)	(70.3%)	(386)	(1,235)	(68.7%)
Total Operating Expenses	(2,619)	(3,067)	(14.6%)	(7,116)	(7,683)	(7.4%)
Depreciation and Amortization	(181)	(202)	(10.4%)	(731)	(702)	4.1%
EBIT	92	(1,054)	(108.7%)	1,619	(1,042)	(255.4%)
Financial Income	63	57	10.5%	422	192	119.8%
Expense Income	(134)	(242)	(44.6%)	(1,118)	(1,154)	(3.1%)
Net Financial Income (Expense)	(71)	(185)	(61.6%)	(696)	(962)	(27.7%)
Earnings before Income Tax	21	(1,239)	(101.7%)	923	(2,004)	(146.1%)
Income Tax	315	364	(13.5%)	81	571	(85.8%)
Net Income (Loss)	336	(875)	(138.4%)	1,004	(1,433)	(170.1%)
EBIT	92	(1,054)	(108.7%)	1,619	(1,042)	(255.4%)
Depreciation (Logistic)	43	46	(6.7%)	181	181	(0.1%)
Depreciation and Amortization	181	202	(10.4%)	731	702	4.1%
EBITDA¹	316	(806)	(139.2%)	2,531	(159)	(1691.7%)
Other Operational Expenses and Revenues	229	771	(70.3%)	386	1,235	(68.7%)
Adjusted EBITDA	545	(35)	(1656.9%)	2,917	1,076	171.1%
% on Net Sales Revenue	4Q20	4Q19	Δ	2020	2019	Δ
Gross Profit	30.5%	29.1%	144bps	32.8%	28.6%	413bps
Selling Expenses	(21.0%)	(25.3%)	422bps	(20.4%)	(21.7%)	130bps
General and Administrative Expenses	(4.3%)	(5.1%)	77bps	(3.1%)	(3.6%)	55bps
Equity Income	0.1%	0.2%	-7bps	0.2%	0.2%	0bps
Other Operating Income (Expenses)	(2.4%)	(10.1%)	771bps	(1.3%)	(4.8%)	348bps
Total Operating Expense	(27.7%)	(40.3%)	1263bps	(24.6%)	(29.9%)	533bps
Depreciation and Amortization	(1.9%)	(2.7%)	74bps	(2.5%)	(2.7%)	21bps
EBIT	1.0%	(13.8%)	1482bps	5.6%	(4.1%)	966bps
Net Financial Income (Expense)	(0.7%)	(2.4%)	168bps	(2.4%)	(3.7%)	134bps
Earnings before Income Tax	0.2%	(16.3%)	1650bps	3.2%	(7.8%)	1101bps
Income Tax	3.3%	4.8%	-146bps	0.3%	2.2%	-195bps
Net Income (Loss)	3.5%	(11.5%)	1504bps	3.5%	(5.6%)	906bps
EBITDA	3.3%	(10.6%)	1392bps	8.8%	(0.6%)	938bps
Adjusted EBITDA	5.8%	(0.5%)	621bps	10.1%	4.2%	590bps

(¹)EBITDA, Adjusted EBITDA and EBIT are not part of the review carried out by the external audit.

Balance Sheet

Balance Sheet		
Assets		
R\$ million	12.31.2020	12.31.2019
Current Assets	19,248	12,452
Cash and Cash Equivalents	2,984	1,364
Accounts Receivables	7,907	5,112
Credit Card	5,067	2,922
Payment Book	2,767	2,196
Others	334	228
Accounts Receivables B2B	217	206
Allowance for doubtful accounts	(478)	(440)
Inventories	6,176	4,565
Recoverable Taxes	1,394	1,050
Related Parties	209	139
Expenses in Advance	281	54
Financial Instruments - fair value hedge	0	2
Other Assets	297	166
Noncurrent Assets	13,808	11,972
Long-Term Assets	7,457	5,573
Accounts Receivables	888	366
Credit Card	445	82
Payment Book	508	333
Allowance for doubtful accounts	(65)	(49)
Recoverable Taxes	4,052	2,794
Deferred Taxes	1,607	1,467
Related Parties	97	123
Financial Instruments	0	43
Judicial Deposits	676	629
Other Assets	137	151
Investments	206	145
Fixed Assets	1,413	1,369
Right of Use Asset	3,079	3,640
Intangible Assets	1,653	1,245
TOTAL ASSETS	33,056	24,424
Liabilities and Shareholders' Equity		
R\$ million	12.31.2020	12.31.2019
Current Liabilities	18,497	15,733
Suppliers	9,043	7,925
Suppliers ('Forfait')	(760)	0
Loans and Financing	2,684	1,655
Payment Book (CDCI)	4,003	3,289
Fiscal Obligations	276	198
Taxes and Social Contribution Payable	612	401
Deferred revenues	385	369
Related Parties	26	119
Onlending of third parties	653	515
Leasing debts	665	609
Other Debts	910	653
Long-Term Liabilities	8,580	8,113
Loans and Financing	1,765	500
Payment Book (CDCI)	644	457
Deferred Revenue	1,108	1,266
Provision for lawsuits	1,691	1,865
Tax Obligations	23	25
Leasing debts	3,298	3,974
Deferred Income Tax	6	6
Other Liabilities	45	20
Shareholders' Equity	5,979	578
LIABILITIES AND SHAREHOLDERS' EQUITY	33,056	24,424

Cash Flow Statement

Audited Cash Flow (R\$ million)		
R\$ million	12.31.2020	12.31.2019
Net Income (loss)	1,004	(1,433)
Adjustment:		
Depreciation and Amortization	912	883
Equity Income	(53)	(47)
Deferred Income Tax and Social Contribution	(114)	(576)
Interest and Exchange Variation	431	681
Provision for lawsuits	808	1,906
Allowance for doubtful accounts	800	585
Gain (loss) with fixed and intangible assets	(59)	270
Estimated loss of net recoverable value of inventories	(12)	48
Deferred Revenue	(269)	(368)
Write-off of right of use and lease liability	(125)	4
Share-based Payments	53	15
Discounts obtained - lease	(91)	0
Others	(2)	(11)
	3,283	1,957
Asset (Increase) Decreases		
Accounts Receivable	(4,139)	(2,072)
Adjust balance cards for cash and cash equivalents	2,508	1,348
Passive CDCI payment	682	111
Inventories	(1,599)	168
Taxes to Recover	(1,426)	(26)
Related Parties	(181)	(9)
Judicial Deposits	(17)	367
Principal Payments - Leasing	(424)	(497)
Interest Payments - Leasing	(389)	(415)
Expenses in Advance	(226)	(21)
Other Assets	(114)	(92)
	(5,325)	(1,131)
Liabilities Increase (Decreases)		
Suppliers	283	(1,154)
CCB	2,504	0
Fiscal Obligations	256	35
Social and labor obligations	191	(137)
Onlending of third parties	136	(25)
Deferred Revenue	7	(4)
Lawsuits	(936)	(1,137)
Other debts	251	(58)
	2,692	(2,480)
Asset and Liabilities - Others (Increase) Decreases		
Dividends Received from investees	10	10
Income Tax Paid	-	(5)
	10	5
Net Cash (used) in Operating Activities	660	(1,649)
Cash Flow from Investment Activities		
Acquisition of fixed and intangible assets	(362)	(472)
Disposal and write-off of property, plant and equipment and intangible assets	6	16,00
Financial Instruments	-	(40)
Net cash from subsidiary acquisition	(18)	-
Subsidiary acquisition	(70)	-
Net Cash (used) in Operating Activities	(444)	(496)
Cash Flow from Financing Activities		
Proceeds from borrowings	4,303	2,271
CCB	(2,504)	0
Payments of Principal	(1,968)	(1,064)
Payments of Interest	(234)	(65)
Resources from the issue of shares	4,455	-
Payment of share issuance expenses	(142)	-
Capital Increase	2	4
Net Cash (used in) Financing Activities	3,912	1,146
Cash and cash equivalents of the opening balance	4,368	5,367
Cash and Cash equivalents at the End of the Period	8,496	4,368
Change in Cash and Cash Equivalents	4,128	(999)

(*) With the strengthening of cash, we expanded the program for anticipating suppliers with their own cash (Suppliers Portal) to the amount of R\$ 760 million in Dec / 20. Thus, when adjusting this anticipation, the net cash generated from operating activities was 1.4 billion (R\$ 660 + R\$ 760 million).

Video Conference Call and Webcast Results

March 03, 2021

02:00 P.M (Brazil) / 12:00 P.M (NY) / 05:00 P.M (London)

Portuguese / English (simultaneous translation)

Video Conference English: [click here](#)

Phone Number (English): +1 412 717-9627

Webcast Portuguese: [click here](#)

Phone Number (Portuguese): +55 11 3181-8565

**Orivaldo
Padilha**
CFO

**Daniela
Bretthauer**
IRO

Gabriel Succar
IR Manager

Thais Lima
IR Coordinator

Glossary

GMV Total Gross: Amount transacted in R\$ on our website and stores without excluding returns and cancellations. Number comparable to that disclosed by the market.

GMV Total Net: Amount transacted in R\$ on our website and stores net of returns and cancellations.

Digital Sales: R\$ GMV e-commerce + R\$ Quick withdraw

E-commerce GMV (Gross Merchandise Value): Amount transacted in R\$ on our website, including 1P and 3P amounts.

1P: Products of the Company's inventory sold on online platforms.

Marketplace or 3P: Partners' (Sellers) products sold on online platforms.

Click&Collect: Products purchased online can be collected at our stores or our sellers.

Same-store sales: Revenue from stores operating for more than 12 months.

Via+: Web-based stores sales system, which combines all the tools developed over the past months to assist in the sale of products and services.

Mini-Hubs: Stores operating as shipping-from-store hubs.

Online Seller and "Me Chama no Zap" ("Text me on Whatsapp"): new online sales format, through which sellers interact with consumers via social media.

Same day delivery: SDD