

Casas Bahia Group presents an update on its transformation plan and Q4'23 Results, with the best annual free cash flow in the last 4 years

We have progressed with the Plan and now have the initiatives started and in place for capture by 2025.

The fourth quarter of 2023 confirms the ongoing Transformation Plan presented in Q2'23 and reinforces the high delivery capacity of the initiatives, which continue as planned and will be gradually captured throughout 2024 and 2025.

- Management model based on **new margin and cash cycle metrics** ✓
- Inventory reduction of **R\$ 1.4 billion** in Q4'23 vs. Q2'23 (**beginning of the Transformation Plan**) ✓
- Overhead reduction of **8.6 k positions** in Dec/23 vs. Dec/22 and 42% of leadership positions ✓
- Marketing Expenses 30% lower as a percentage of net sales ✓
- Closure of **55 stores - 17 stores** in Q4'23 and **4 DCs** downsized ✓
- **Migration of 23 subcategories** with negative margins from **1P to 3P only** ✓
- **Change in Buy Now Pay Later financing model - in progress** ✓
- **Net monetization** of tax assets of R\$ 682 million in Q4'23 ✓
- **Capital structure strengthening and extension of debt profile to 3 years** ✓
- **+60% CAPEX reduction** in 2023 vs. 2022 ✓

Q4'23 Results Highlights

- Free Cash Flow of R\$ 721 million in Q4'23 and R\$ 648 million in 2023, the best in the last 4 years
- Cash balance, including receivables, at **R\$ 3.6 billion in Q4'23**
- Inventory reduction of **R\$1.2 billion** in YoY and **R\$605 million vs. Q3'23**
- Reduction of 18% in **people** vs. Q4'22
- Net tax **monetization** of **R\$ 682 million** in Q4'23 and R\$ 1.3 billion in 2023
- New bank debt raise of **R\$ 682 million** in Q4'23 and renewal of **R\$ 1.5 billion** for 3 years
- **Digital consumer credit** reaches sales in **90%** of the cities in Brazil
- **Launch of Casas Bahia Ads** platform

(R\$ Million)	Q4'22 Accounting	Co-branded credit card renewal	Q4'22 Ex non-recurring	Q4'23 Accounting	Inventory Reduction ("Saldão")	Restructuring and Others	DIFAL Provisions	Q4'23 Ex non-recurring	Var.
Gross Revenue	10.427	(350)	10.077	8.811	126	-	-	8.937	-11,3%
Net Revenue	8.845	(317)	8.528	7.414	105	-	-	7.519	-11,8%
Gross Profit	2.595	(317)	2.278	2.046	105	5	-	2.156	-5,4%
Gross Margin	29,3%	-	26,7%	27,6%	-	-	-	28,7%	200bps
SG&A	(2.030)	-	(2.030)	(1.944)	-	3	-	(1.941)	-4,4%
Adjusted EBITDA	629	(317)	312	163	105	8	-	276	-11,4%
Adjusted EBITDA Margin	7,1%	-	3,7%	2,2%	-	-	-	3,7%	0bps
Other Expenses	(87)	-	(87)	(604)	-	289	197	(119)	36,7%
Financial Results	(641)	-	(641)	(734)	-	-	24	(711)	10,9%
EBT	(380)	(317)	(697)	(1.467)	105	297	220	(844)	21,1%
Income Tax & Social Contribution	217	108	325	466	(36)	(75)	(75)	280	-13,7%
Net Income (Loss)	(163)	(209)	(372)	(1.000)	69	222	145	(564)	51,6%

Status of the Transformation Plan

Execution of the transformation plan has advanced, initiatives have progressed, adding up to R\$ 1.5-1.6 Bi in opportunities.

Type	Lever explored	Identified Impact	Evolution with non-exhaustive examples of initiatives implemented and mapped
Revenue	<ul style="list-style-type: none"> Efficiency in Services Pricing and Promotion Sales Channels Review of Mix and Assortment 	R\$450 MM	<ul style="list-style-type: none"> Increased penetration of services and CDC (CDC penetration Q4'23+2.2 p.p. vs.Q4'22) Review of B2C, B2B and Marketplace operations Optimization of store assortment Review of pricing strategy and operation across all channels
Variable Costs	<ul style="list-style-type: none"> Marketing Efficiency Commercial Efficiency Indirect Costs Renegotiation 	R\$460 MM	<ul style="list-style-type: none"> Increased investment efficiency in Marketing (30% lower investment/revenue vs.2022) Renegotiation and review of all contracted spend scope (~10 % reduction in expenses)
Fixed Costs	<ul style="list-style-type: none"> Review of Headcount Technology Costs Store Profitability Optimization of Freight and Distribution Centers 	R\$540 - 610 MM	<ul style="list-style-type: none"> Review of headcount, with 2 k reductions in Q4'23 and 8.6 k over the year Closure of stores with negative profitability (17 in Q4'23, 55 in 2023) Re-sizing of the Distribution Centers footprint (4 re-sized Distribution Centers, +10 planned) Plan to optimize and reverse stores profitability (~200 stores in the program)
Capital Costs Impact on cash	<ul style="list-style-type: none"> 3P Assortment Migration Inventory Reduction Review of Payment Terms 	R\$0,9 BI	<ul style="list-style-type: none"> Reduction of R\$ 1.2 billion in stocks between Q4'22 and Q4'23 (76 days of stock Q4'23 vs. 94 days Q4'22) Migration of low margin categories to 3P (23 subcategories migrated)

R\$1,5-1,6 BI

EBT

R\$0,9 BI

Cash

Transformation Plan – work in progress, but the following results can already be observed:

Inventories: the Company proposed R\$1 billion reduction in older inventories and non-core categories. A R\$1.2 billion reduction in inventories was observed YoY.

Assortment Migration: 23 subcategories migrated from 1P to 3P, such as beverages, baby line, cleaning products, toys, home and construction, among others.

People: headcount reduction in 2023 reached 8.6*k positions, corresponding to about 20% of the Company's staff. This movement was stronger in the 2nd half of the year and YoY we observed a reduction in people expenses of 17.8%, equivalent to +R\$152 million, part in the COGS and part in the SG&A. Additionally, it is worth mentioning that there was a 42% reduction in senior leadership positions.

Store Closures: the Company proposed the closure of 50 to 100 underperforming stores. In 2023, 55 stores were closed.

Marketing and indirect expenses: reduction in outsourced expenses by R\$90 million, 11% lower YoY. Benefit will be fully captured in 2024.

Capital Structure and Liability Management: in addition to the R\$623 million raised in a stock offering carried out in Sep/23, there were R\$ 682 million new funding with financial institutions throughout Q4'23 and extension of debt maturity of R\$1.5 billion by 3 years.

Tax Credits Monetization: net monetization of R\$1.3 billion in 2023 vs. R\$ (74 million) in 2022.

*8 k direct employees and 600 third parties

Understanding 2022, Q4'23 and 2023 results

2022 Income Statement Reclassification: the Company identified that personnel expenses directly attributable to the costs of services provided by Asap Logística and CB Tecnologia were classified as "SG&A" and such expenses were reclassified to "COGS", according to the standards already adopted in 2023. Therefore, there was no change in the consolidated results according to explanatory note 2.6 in the financial statements. Total amount of R\$ 376 million in 2022.

4T23: there were non-recurring factors, specific to this quarter, as a result of the Transformation Plan, and also Tax topics. Namely:

Stock Clearance Sale: the Company proposed reducing R\$1 billion in older stocks and non-core categories, at a discount. In Q4'23, the remaining part of this inventory was sold, generating a short-term impact on gross profit and EBT of R\$105 million.

Restructuring and Others: the Company observed a non-recurring short-term negative impact in the period, in the amount of R\$5 millions in Gross Profit, R\$3 million in SG&A and R\$289 million in other operating revenue and expenses, linked to restructuring, mainly personnel reduction, store closures and asset write-offs. The impact on EBT was R\$297 million.

Provision for DIFAL: the Company observed a non-recurring negative impact in the amount of R\$197 million in other operating revenues and expenses, and R\$24 million in the financial result linked to DIFAL. Impact on EBT was R\$ 220 million.

Accounting and Pro-forma Result Q4'23 and 2023

Q4'23

(R\$ Million)	Q4'22 Accounting	Co-branded credit card renewal	Q4'22 Ex non-recurring	Q4'23 Accounting	Inventory Reduction ("Saldão")	Restructuring and Others	DIFAL Provisions	Q4'23 Ex non-recurring	Var.
Gross Revenue	10.427	(350)	10.077	8.811	126	-	-	8.937	-11,3%
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Gross Profit	2.595	(317)	2.278	2.046	105	5	-	2.156	-5,4%
Gross Margin	29,3%	-	26,7%	27,6%	-	-	-	28,7%	200bps
SG&A	(2.030)	-	(2.030)	(1.944)	-	3	-	(1.941)	-4,4%
Adjusted EBITDA	629	(317)	312	163	105	8	-	276	-11,4%
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Other Expenses	(87)	-	(87)	(604)	-	289	197	(119)	36,7%
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Net Income (Loss)	(163)	(209)	(372)	(1.000)	69	222	145	(564)	51,6%

(R\$ Million)	Q4'22 Accounting	Co-branded credit card renewal	Q4'23 Accounting	Inventory Reduction ("Saldão")	Restructuring and Others	DIFAL Provisions
P&L Impact	317	317	(622)	(105)	(297)	(220)
Cash Impact	1.750	1.750	457	506	(49)	-

2023

(R\$ Million)	2022	Co-branded credit card renewal	2022 Ex non-recurring	2023 Accounting	Inventory Reduction ("Saldão")	Restructuring and Others	Co-branded credit card renewal	DIFAL Provision	2023 Ex non-recurring	Var.
Gross Revenue	36.418	(350)	36.068	34.433	496	-	100	-	35.029	-2,9%
Net Revenue	30.898	(317)	30.581	28.847	414	-	100	-	29.361	-4,0%
Gross Profit	9.214	(317)	8.897	8.055	414	8	100	-	8.578	-3,6%
Gross Margin	29,8%	-	29,1%	27,9%	-	-	-	-	29,2%	0,1p.p.
SG&A	(7.096)	-	(7.096)	(7.063)	-	12	-	-	(7.052)	-0,6%
Adjusted EBITDA	2.382	(317)	2.065	1.240	414	20	100	-	1.774	-14,1%
Adjusted EBITDA Margin	7,7%	-	6,8%	4,3%	-	-	-	-	6,0%	(0,8p.p.)
Other Expenses	(102)	-	(102)	(1.262)	-	565	-	197	(501)	n/a
Financial Results	(2.244)	-	(2.244)	(3.041)	-	-	-	24	(3.017)	34,5%
EBT	(1.083)	(317)	(1.400)	(4.201)	414	586	100	220	(2.882)	n/a
Income Tax & Social Contribution	741	108	849	1.576	(141)	(174)	(34)	(75)	1.153	35,8%
Net Income (Loss)	(342)	(209)	(551)	(2.625)	273	412	66	145	(1.729)	n/a

(R\$ Milhões)	Total	Co-branded credit card renewal	Total	Inventory Reduction ("Saldão")	Restructuring and Others	Co-branded credit card renewal	DIFAL Provision
EBT Impact	317	317	(1.319)	(414)	(586)	(100)	(220)
Cash Impact	1.750	1.750	1.177	1.258	(81)	-	-

Omnichannel

R\$ million	Q4'23	Q4'22	%	2023	2022	%
Total GMV	10.976	12.469	(12,0%)	42.750	44.378	(3,7%)
GMV Omnichannel (1P)	9.380	10.775	(12,9%)	36.919	39.026	(5,4%)
GVM Physical Stores	6.266	6.756	(7,3%)	23.996	23.819	0,7%
GMV (1P Online)	3.114	4.019	(22,5%)	12.923	15.207	(15,0%)
GMV Omnichannel (3P)	1.596	1.694	(5,8%)	5.831	5.352	8,9%

Total GMV YoY dropped (12.0%) and (3.7%) in 2023. Physical stores GMV was lower by (7.3%) in Q4'23 and +0.7% in 2023. On the other hand, 1P Online GMV went down (22.5%) in the period and (15.0%) in 2023. 3P omnichannel GMV was lower (5.8%) YoY and increased +8.9% in 2023.

Gross Revenue Performance by Channel

R\$ million	Q4'23	Q4'22	%	2023	2022	%
Physical Stores	5.731	6.540	(12,4%)	21.796	22.139	(1,5%)
Online	3.080	3.887	(20,8%)	12.637	14.279	(11,5%)
1P	2.888	3.704	(22,0%)	11.924	13.675	(12,8%)
3P	193	184	5,1%	713	604	18,0%
Total Gross Revenue	8.811	10.427	(15,5%)	34.433	36.418	(5,5%)

In Q4'23, consolidated gross revenue decreased (15.5%) YoY, to R\$ 8.8 billion and was (5.5%) lower in 2023. If we exclude the additional revenue of R\$350 million from the agreement with Bradescard in Q4'22, the variation would be (12.6%) in the quarter. The variation results from both the decline in revenue from stores and the decline in the online sales revenue, despite progress in marketplace revenues.

Physical stores – GMV and Gross Revenue

Gross GMV from stores totaled R\$6.3 billion, and gross revenue was R\$5.7 billion, a drop of 12.4%. Excluding the partnership with Bradescard, in Q4'22, the drop would be 7.4% in Q4'23. Despite the high basis of comparison, due to the World Cup in the previous year, stores performance reflect weak demand, less credit available to consumers and the closure of stores. Same-store performance (GMV) was (5.8%) in Q4'23 and +0.7% in 2023.

Throughout the quarter, in line with the Transformation Plan, we closed 17 underperforming stores, ending Q4'23 with 1,078 stores. In 2023, 55 stores were closed. Most of the closures took place in municipalities with multiple stores.

1P and 3P ONLINE – GMV and Gross Revenue

1P Online GMV went down (22.5%), reaching R\$3.1 billion YoY, as a result of: (i) lower investment in the B2B channel and other media (we prioritized more profitable partnerships, focusing on results), (ii) the market decline and (iii) a more restrictive scenario for online purchases. Despite this context, in 2023 we strengthened our presence in the core categories, in line with our stated positioning strategy.

3P omnichannel GMV dropped (5.8%) in Q4'23 to R\$1.6 billion, but with a revenue growth of +5.1% to R\$193 million. In 2023, GMV advanced 8.9% with 18.0% revenue growth, reflecting the aim of higher profitability and enhanced customer and seller experience through a greater number of services offered in our platforms, such as logistics and credit. We closed the quarter with a take rate of 12.1%, up by 120 bps YoY and a take rate of 12.2% in 2023, +90 bps vs. 2022.

Gross Revenue Breakdown

R\$ million	Q4'23	Q4'22	%	2023	2022	%
Merchandise	7.658	9.012	(15,0%)	30.179	32.037	(5,8%)
Freight	110	109	1,4%	378	316	19,9%
Services	380	690	(44,9%)	1.341	1.707	(21,5%)
CDC/Credit Cards	663	617	7,4%	2.534	2.359	7,4%
Gross Revenue	8.811	10.427	(15,5%)	34.433	36.418	(5,5%)

Gross revenue from merchandise was pressured by 1P online GMV and stores decline, declining by (15.0%). Services revenue declined by (44.9%), but excluding the effect from the partnership with Bradescard, there would be a +11.4% growth. Freight revenue remained flat and revenue from financial solutions advanced by +7.4%. Observing the full year of 2023 and excluding the partnership with Bradescard, we would have had revenue from merchandise declining by (5.8%), +19.9% in freight, (1.2%) in services and +7.4% in financial services.

Consolidated Sales by means of payment	Q4'23	Q4'22	%	2023	2022	%
Cash/Debit Card	35,6%	31,3%	430bps	33,8%	28,9%	490bps
CDC (Payment Book)	13,4%	11,2%	220bps	13,2%	13,9%	(70bps)
Co-branded Credit Card	7,6%	10,6%	(300bps)	7,8%	9,6%	(180bps)
Third-party Credit Card	43,4%	46,8%	(340bps)	45,2%	47,7%	(250bps)

Our installment plan remained a valuable tool for building customer loyalty and a competitive advantage as well, with a penetration of +13% over consolidated gross revenue. Cash payment growth is prominent, mainly due to greater share and appeal of payments via PIX.

Gross Profit

R\$ million	Q4'23	Q4'22	%	2023	2022	%
Gross Profit	2.046	2.595	(21,2%)	8.055	9.214	(12,6%)
% Gross Margin	27,6%	29,3%	(170bps)	27,9%	29,8%	(190bps)

In Q4'23, gross profit totaled R\$2.0 billion, with a gross margin of 27.6%, down 170 bps., but with recovery of 460 bps compared to Q3'23. Margin is justified by lower net sales, in addition to other non-recurring factors, mainly by the reduction in the remaining low-turnover inventory (in line with the Transformation Plan). The remaining reduction in inventory (clearance sale) had an estimated impact of R\$105 million in gross profit. It should be noted that with the end of the clearance sale (Q3'23 and Q4'23), we have already observed the gross margin coming back to historical pattern. In 2023, gross profit was R\$8.1 billion, with a gross margin of 27.9%, corresponding to a reduction of 190 bps., resulting mainly from the reduction in inventory (clearance sale) carried out in Q3'23 and Q4'23.

Selling, General and Administrative Expenses

R\$ million	Q4'23	Q4'22	%	2023	2022	%
SG&A	(1.944)	(2.030)	(4,2%)	(7.063)	(7.096)	(0,5%)
% Net Revenue	(26,2%)	(23,0%)	(320bps)	(24,5%)	(23,0%)	(150bps)

In Q4'23, SG&A expenses went down by (4.2%) YoY and advanced by 320 bps. at (26.2%) of net revenue, due to the sales drop. This results from the (11.8%) decline in selling expenses, with an emphasis on staff reduction (17.8%), reduction in installment plan losses (-8.5%), in addition to a general improvement in the control of expenses in the period, mainly the rationalization of third-party service spend (-10.8%). SG&A expenses, in 2023 declined by (0.5%).

Adjusted EBITDA

R\$ million	Q4'23	Q4'22	%	2023	2022	%
Adjusted EBITDA	163	629	(74,1%)	1.240	2.382	(38,6%)
% Adjusted Margin EBITDA	2,2%	7,1%	(490bps)	4,3%	7,7%	(340bps)

Adjusted EBITDA reached R\$ 163 million in Q4'23 and a 2.2% margin, lower by 490 bps. YoY, mainly reflecting non-recurring factors that impacted the previously explained reduction in sales and reduction in gross margin. Regarding Q3'23 there was an increase of 320 bps QoQ. For the same factors, in 2023 adjusted EBITDA reached R\$1.2 billion and a margin of 4.3%, 340 bps. lower vs. 2022.

Financial Result

R\$ million	Q4'23	Q4'22	%	2023	2022	%
Financial Revenue	23	51	(54,9%)	87	116	(25,2%)
Financial Expenses	(776)	(698)	11,1%	(3.300)	(2.659)	24,1%
Debt Financial Expenses	(149)	(155)	(3,5%)	(588)	(557)	5,6%
CDC Financial Expenses	(207)	(196)	5,6%	(819)	(626)	30,8%
Expenses of Discounted Receivables	(201)	(137)	46,6%	(1.035)	(763)	35,6%
Interest on Lease Liabilities	(113)	(116)	(2,2%)	(459)	(435)	5,6%
Interest on trade accounts payable - agreement	(62)	(107)	(42,2%)	(287)	(246)	16,6%
Other Financial Expenses	(44)	13	n/a	(112)	(32)	n/a
Financial Results pre monetary update	(753)	(647)	16,5%	(3.213)	(2.543)	26,3%
% Net Revenue	(10,2%)	(7,3%)	(290bps)	(11,1%)	(8,2%)	(290bps)
Monetary Restatements	18	6	n/a	172	299	(42,4%)
Net Financial Results	(734)	(641)	14,5%	(3.041)	(2.244)	35,5%
% Net Revenue	(9,9%)	(7,2%)	(270bps)	(10,5%)	(7,3%)	(320bps)

In Q4'23, the net financial result was R\$(734) million, 270 bps. higher as a percentage of the Net Revenue (9.9%). In 2023, the net financial result was R\$(3.0) billion, 320 bps. higher as a percentage of the Net Revenue (10.5%).

Net Profit

R\$ million	Q4'23	Q4'22	%	2023	2022	%
EBT	(1.467)	(380)	n/a	(4.201)	(1.083)	n/a
% Net Revenue	(19,8%)	(4,3%)	(1.550bps)	(14,6%)	(3,5%)	(1.110bps)
Income Tax & Social Contribution	466	217	n/a	1.576	741	n/a
Net Income (Loss)	(1.000)	(163)	n/a	(2.625)	(342)	n/a
% Net Margin	(13,5%)	(1,8%)	(1.170bps)	(9,1%)	(1,1%)	(800bps)

EBT was R\$(1.5) billion in the quarter, reflecting market performance and also non-recurring factors related to the Transformation Plan, related to restructuring, staff reduction and closure of stores. The net income (loss) was R\$(1.0) billion and net margin of (13.5%) in the quarter, with a reduction of 1,170bps. YoY. In year 2023, EBT totaled R\$(4.2) billion with net profit (loss) of R\$(2.6) billion.

Financial Cycle

R\$ million	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22	vs. Q4'22
Inventory	4.353	4.958	5.738	6.501	5.574	(1.221)
Days of Inventory ¹	76	83	97	110	94	(18 days)
Suppliers w/o agreement and others	6.379	6.664	7.151	7.593	7.078	(699)
Trade accounts payable – agreement	1.765	1.407	1.550	1.381	2.463	(698)
Others	823	665	714	626	830	(7)
Total Days of Suppliers ¹	112	112	121	128	119	(7 days)
Change in Financial Cycle	36	29	24	18	25	11

⁽¹⁾ Days of COGS

Inventory ended Q4'23 with a reduction of R\$1.2 billion (18 days) YoY and a reduction of R\$605 million vs. Q3'23. The variation is the result of the strategy applied to optimize older and low turn-over inventory addressed in the Transformation Plan, which allowed for a higher quality inventory for the Company and released R\$ +544 million in the Cash.

Capital Structure

R\$ million	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22	(+/-) Q4'23 vs. Q4'22
(+) Payment Book (CDCI) - Assets	5.355	5.326	5.348	5.397	5.522	(167)
(-) Payment Book (CDCI) - Liabilities	(5.383)	(5.387)	(5.437)	(5.549)	(5.665)	282
(=) Net Payment Book (CDCI)	(28)	(60)	(90)	(152)	(143)	115
(-) Current Loans and Financing	(2.331)	(1.866)	(1.241)	(1.700)	(1.752)	(579)
(-) Noncurrent Loans and Financing	(1.651)	(1.805)	(2.421)	(2.398)	(2.385)	734
(=) Gross Debt	(3.982)	(3.671)	(3.662)	(4.098)	(4.137)	155
Trade accounts payable – agreement	(1.765)	(1.407)	(1.550)	(1.381)	(2.463)	698
(=) Gross Debt + Trade accounts payable – agreement + Net CDCI	(5.776)	(5.138)	(5.302)	(5.631)	(6.743)	967
(+) Cash and financial investments	2.573	1.642	874	1.050	2.019	554
(+) Accounts Receivable - Credit Cards	273	471	1.094	1.594	3.426	(3.153)
(+) Other Accounts Receivable	733	686	819	903	708	25
Cash, Investments, Credit Cards, Advances and Others	3.580	2.800	2.787	3.547	6.153	(2.573)
(=) Adjusted Net Cash	(403)	(871)	(875)	(550)	2.016	(2.419)
(=) Adjusted Net Cash + Trade accounts payable – agreement + Net CDCI	(2.196)	(2.338)	(2.514)	(2.084)	(590)	(1.606)
Short-term Debt/Total Debt	59%	51%	34%	41%	42%	
Long-term Debt/Total Debt	41%	49%	66%	59%	58%	
Reported Adjusted EBITDA (LTM)	1.240	1.706	2.162	2.384	2.382	
Adjusted Net Cash/Adjusted EBITDA	-0,3x	-0,5x	-0,4x	-0,2x	0,8x	
Adjusted Net Cash/Adjusted EBITDA + Trade accounts payable – agreement + Net CDCI	-1,8x	-1,4x	-1,2x	-0,9x	-0,2x	
Shareholders' Equity	3.454	4.434	4.610	5.064	5.284	

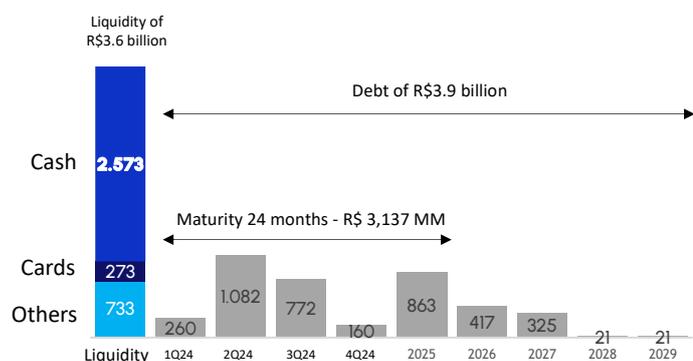
Our gross debt was R\$4.0 billion (not including CDCI and trade accounts payable agreement). For the purposes of Covenants and understanding the capital structure, this liability has a corresponding asset, accounts receivable from CDCI, both presented in the first lines of the table above and in the Financial Statements under explanatory notes 6.1 and 14. The Company showed adjusted net debt of R\$(0.4) billion and net equity of R\$3.5 billion, with leverage ratios at levels within financial covenants. In Q4'23 cash including undiscounted receivables totaled R\$3.6 billion. The financial leverage indicator, measured by net cash/adjusted EBITDA over the last 12 months, was (0.3x). Considering trade accounts payable agreement and the CDCI balance, the same indicator was (1.8x).

In Q1'24, there was an announcement to extend the debt in the amount of R\$1.5 billion, with 3 years (36 months) at the cost of CDI + 4% p.a. and a grace period of 18 months, reinforcing confidence in the Company and in the Transformation Plan presented.

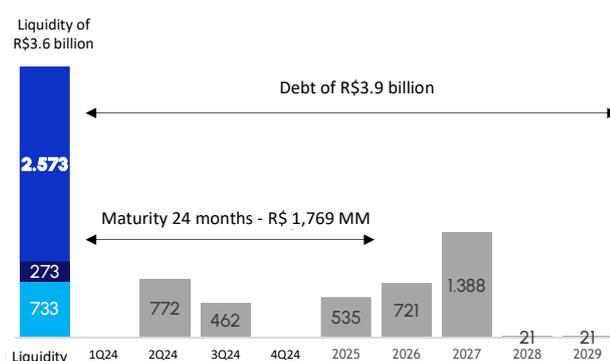
Debt maturity schedule – Q4'23 before and after extension

The liquidity position including undiscounted receivables totaled R\$3.6 billion. Observing Q4'23 closure, of the R\$4.0 billion in debt, we had R\$1.7 billion (41%) with long-term maturities and an average cost of CDI + 2.7% y/y. Now, with the rollover, 69% of the debt is long term. To better depict the new debt profile, we have the pre-extension and post-extension schedule below.

Pre-extension



Post-extension



Managerial Cash Flow

Understanding Managerial Cash Flow: Cash flow is currently the Company's main focus of management. Therefore, we adopted the format below for management analysis of cash performance, which will serve for better understanding, greater transparency and monitoring results of the Transformation Plan. The flow is reconciled with the accounting flow, therefore it is possible to do the reconciliation in the spreadsheets on the IR website.

We start with the accounting net profit and adjust the cash profit by returning the costs of prepayment of receivables. In assets and liabilities variations, we have the lines for working capital with inventory and suppliers, legal liabilities, and other cash variations until reaching operational activities and, subsequently, the leasing and investment cash resulting in the line of Free Cash Flow, landing in the entire balance available to settle debts, creditors and remunerate shareholders. The financing activities were separated into net funding and interest payments, encompassing the amounts of CDCI, debentures, CCB's, trade accounts payable agreement and costs of prepayment of receivables.

Q4'23: despite a **net loss** of 1 billion, **cash profit** was positive at 610 million (since many impacts on the Income Statement had no cash effect). The positive effect of the reduction in **inventory** of R\$544 million, resulting from fewer purchases and higher quality inventory, was partially offset by the negative effect of the supplier account of R\$110 million. We closed with 77 days of inventory and 112 days of suppliers. In the line of **Losses**, we had a variation of +7% vs. Q4'22, in turn, in **Legal Liabilities** there was an improvement of 14% in the same period. **Taxes**, R\$682 million, was another positive highlight given the level of **monetization** in the period. Accordingly, we closed Q4'23 with **free cash flow** of R\$721 million, which was enough to pay **interest** of R\$625 million. Therefore, the execution of the **Transformation Plan** was crucial to improve the Company's cash flow performance. Compared to Q4'22, we performed better due to management of working capital, taxes and investments, bearing in mind that in Q4'22 there was an input of R\$1.75 billion into Cash due to renewal of the partnership with Bradescard.

Indirect cash flow	Q4'22	Q423	Δ Q4'23 vs. Q4'22	2.022	2.023	Δ 23 vs. 22
Profit (loss) for the period	(163)	(1.000)	(837)	(342)	(2.625)	(2.283)
Cash profit after adjustments	1.047	610	(437)	4.069	3.104	(965)
Working capital variation	1.599	434	(1.165)	1.714	501	(1.213)
Inventory	833	544	(289)	1.563	1.088	(475)
Suppliers	766	(110)	(876)	151	(587)	(738)
Losses	(340)	(365)	(25)	(1.148)	(1.154)	(6)
Legal Liabilities	(280)	(242)	38	(1.245)	(1.228)	17
Transfer to third parties	244	21	(223)	72	(264)	(336)
Taxes to be recovered/paid	319	682	363	(74)	1.297	1.371
Other Assets and Liabilities	1.157	(67)	(1.224)	(94)	(39)	54
Net Cash generated (applied) in operational activities	3.746	1.073	(2.673)	3.294	2.217	(1.078)
Net Cash generated (applied) in leasing activities	(276)	(261)	15	(1.137)	(1.064)	73
Net Cash generated (applied) in investment activities	(170)	(91)	79	(928)	(505)	423
Free Cash Flow	3.300	721	(2.579)	1.229	648	(582)
Net Funding	(46)	682	728	198	(1.077)	(1.275)
Interest Payment	(531)	(625)	(94)	(1.914)	(2.748)	(834)
Follow-on, net of fundraising costs	-	-	-	-	602	602
Others	(1)	-	1	(63)	-	63
	(578)	57	635	(1.779)	(3.223)	(1.444)
Net Cash generated (applied) in financing activities						
Opening Cash Balance and Cash Equivalents	3.431	2.800	(631)	6.703	6.153	(550)
Final Cash and Balance and Cash Equivalents	6.153	3.578	(2.575)	6.153	3.578	(2.575)

Free Cash Flow 2020-2023 – ex-Bradescard renewal:



CAPEX

In the quarter, Casas Bahia Group's investments totaled R\$75 million, with 90% of the total amount assigned to technology projects to support the Company's growth, digitalization, customer experience and cost reduction. In 2023, Capex was 62% lower than in 2022.

R\$ million	Q4'23	Q4'22	%	2023	2022	%
Logistics	3	7	(52%)	14	52	(73%)
New Stores	0	25	(98%)	9	180	(95%)
Stores Renovation	3	9	(63%)	31	56	(45%)
Technology	67	168	(60%)	331	654	(49%)
Others	1	1	(43%)	2	64	(97%)
Total	75	210	(64%)	387	1.006	(62%)

Store Footprint by Format and Brand

In the quarter, a total of 17 stores were closed, 10 under the Casas Bahia's brand and 7 under Ponto's, totaling 1,078 stores at the end of the period. In 2023, 55 stores were closed and the sales footprint area was reorganized in the remaining stores.

During the period, there was also an readjustment of the usable area in the DC's, for better efficiency and productivity.

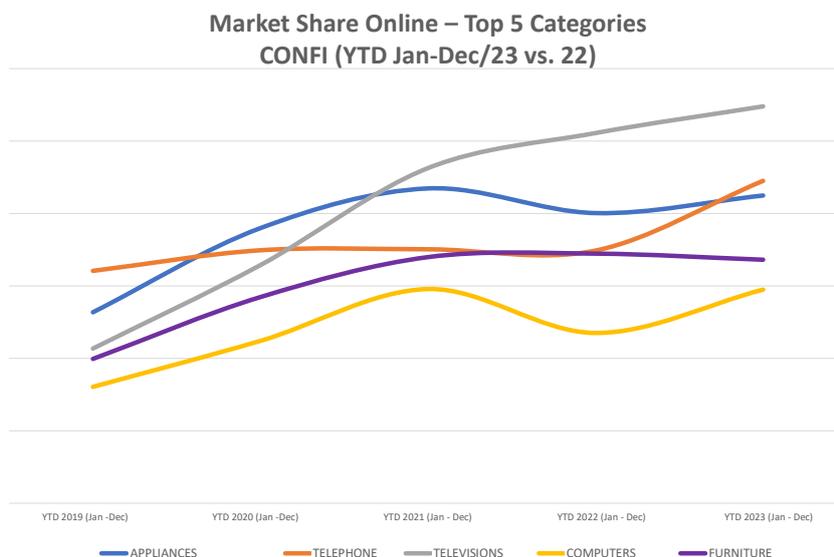
Our Transformation Plan is still in progress, and the progress of stores profitability will be closely watched, aiming for return and business contribution margin.

Casas Bahia	Q4'22	Q3'23	Opening	Square meter optimization	Closure	Q4'23
Street	789	772	-	-	7	765
Shopping Malls	188	181	-	-	3	178
Consolidated (total)	977	953	-	-	10	943
Sales Area ('000 m2)	904	884	-	-	6	879
Total Area ('000 m2)	1.433	1.394	-	-	9	1.385
Pontofrio	Q4'22	Q3'23	Opening	Square meter optimization	Closure	Q4'23
Street	88	88	-	-	4	84
Shopping Malls	68	54	-	-	3	51
Consolidated (total)	156	142	-	-	7	135
Sales Area ('000 m2)	86	79	-	-	3	76
Total Area ('000 m2)	140	129	-	-	6	123
Consolidated	Q4'22	Q3'23	Opening	Square meter optimization	Closure	Q4'23
Street	877	860	-	-	11	849
Shopping Malls	256	235	-	-	6	229
Consolidated (total)	1.133	1.095	-	-	17	1.078
Sales Area ('000 m2)	990	964	-	-	9	955
Total Area ('000 m2)	1.573	1.523	-	-	15	1.508
Distribution Centers	Q4'22	Q3'23	Opening	Square meter optimization	Closure	Q4'23
DCs	30	29	-	-	-	29
Total Area ('000 m2)	1.290	1.263	-	(85)	-	1.178
Consolidated (Total)	Q4'22	Q3'23	Opening	Square meter optimization	Closure	Q4'23
Total Area ('000 m2)	2.863	2.786	-	(85)	15	2.686

Market Share

Market Share – top 5 core categories

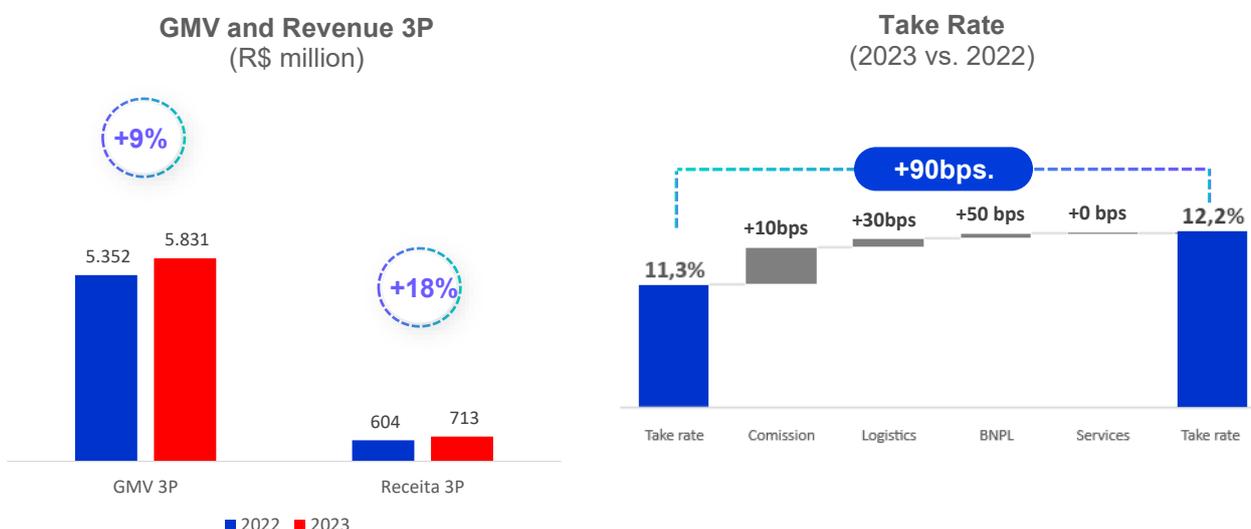
We will dedicate greater attention to the market share of the core categories, for which we are recognized as a destination and Top of Mind for the 18th year in a row. Casas Bahia Group's performance is depicted below, according to data from **CONFI Neotrust** for the core Online market. Data from **GFK** for the total market follow the same trend.



Gain in share for the top 5 categories 2023 vs. 2022: telephone +480 bps, Computer +300 bps, TVs +180 bps., Appliances +120 bps, Furniture (40) bps

3P

In Q4'23, GMV at 3P reached R\$ 1.6 billion (5.8% lower YoY) and R\$5.8 billion in 2023, +8.9% YoY. Revenue for 3P grew by +5.1% in the quarter and +18% vs. 2022, as a result of the increased penetration of services offered in the marketplace, with take rate reaching 12.1% in Q4'23 vs. 10.8% in Q4'22, an increase of +120bps, and 12.2% in 2023 vs. 11.3% in 2022, an increase of +90bps. This is the role performed by the marketplace in the Casas Bahia Group: a journey of complementarity and opportunity for our customers with a comprehensive shopping experience, in addition to leveraging logistics and credit.



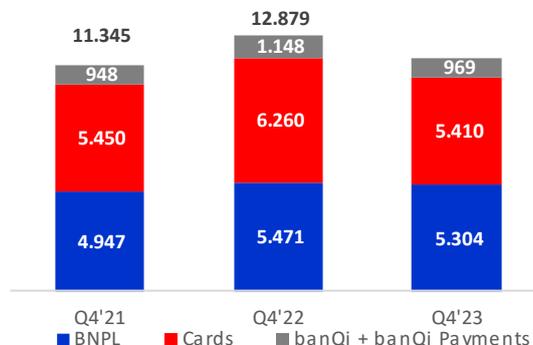
Financial Solutions

Main Figures Q4'23

- R\$11.7 billion total TPV, 9% lower than Q4'22
- Installment plan portfolio totaled R\$5.3 billion
- Over 90 days came at 9.4% and portfolio loss at 4.5%
- Co-branded card TPV R\$5.4 billion, 13% lower YoY, and e +6% higher vs. Q3'23, reaching 3.6 million customers
- banQi reached +7.4 million open accounts, +12% YoY

TPV Card: On and Off us

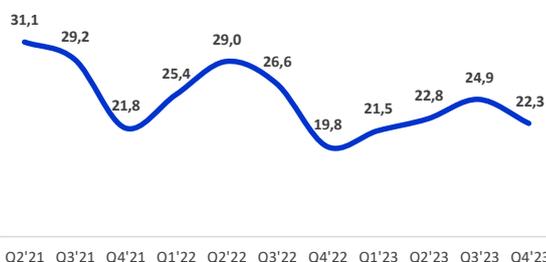
TPV (R\$ million)



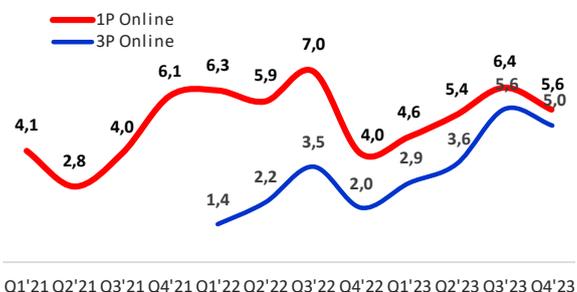
Installment Plan – Buy Now, Pay Later

In Q4'23, the installment plan active portfolio slowed down (4%) YoY, reaching R\$5.3 billion. Installment Plan is a profitable tool in the stores and online channel (1P and 3P) and a purchase opportunity for a population that does not have access to credit or has low credit card limit. In the stores, BNPL penetration reached 22.3%. In 1P online, penetration of BNPL was 5.6%, while in 3P it accounted for 5.0% of sales and is available for +2.6 million SKUs (greater installment plan production in 3P since its beginning). In addition, through the reach of our digital installment plan, we have already sold in +4,400 municipalities without our physical stores, reinforcing that the installment plan in digital channels as a mean of profitable growth lever built on Casas Bahia Group's strength and proven competences. In addition, 20% of installment plan receipts are paid through banQi app.

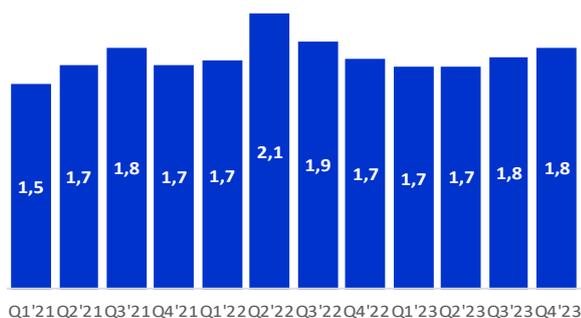
BNPL Share at Physical Stores (%)



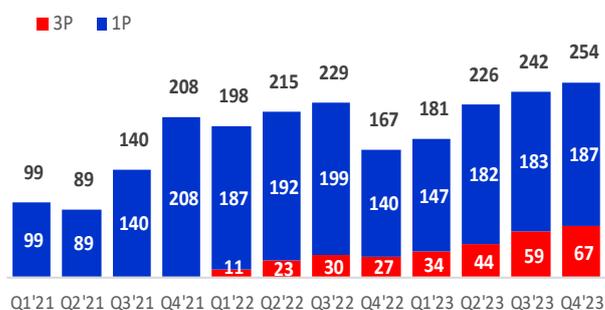
Digital BNPL Share (%)



BNPL Origination - Total (R\$ billion)



Digital BNPL Origination - Total (R\$ million)

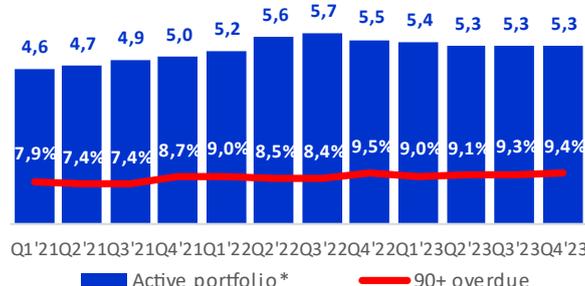


BNPL Portfolio Aging (R\$ million)

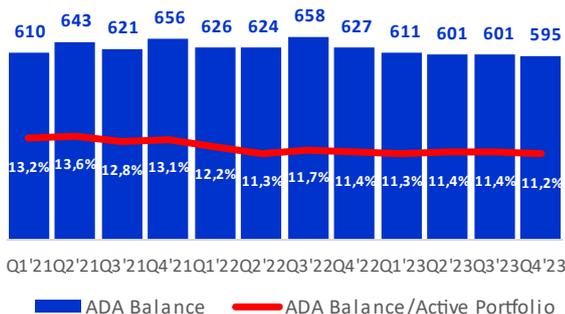
BNPL	Q4'22	% total	Q4'23	% total	Var(%)
Not Yet Due	4.062	73,6%	3.942	73,6%	-3,0%
Past due					
<i>Past due from 6 to 30 days</i>	471	8,5%	443	8,3%	-5,8%
<i>Past due from 31 to 60 days</i>	264	4,8%	266	5,0%	0,7%
<i>Past due from 61 to 90 days</i>	207	3,7%	203	3,8%	-1,9%
<i>Past due from 91 to 120 days</i>	214	3,9%	185	3,5%	-13,79%
<i>Past due from 121 to 150 days</i>	197	3,6%	176	3,3%	-10,85%
<i>Past due from 151 to 180 days</i>	107	1,9%	139	2,6%	30,2%
Total	5.523	100,0%	5.355	100,0%	-3,1%

BNPL Active Portfolio Evolution* (R\$ billion)

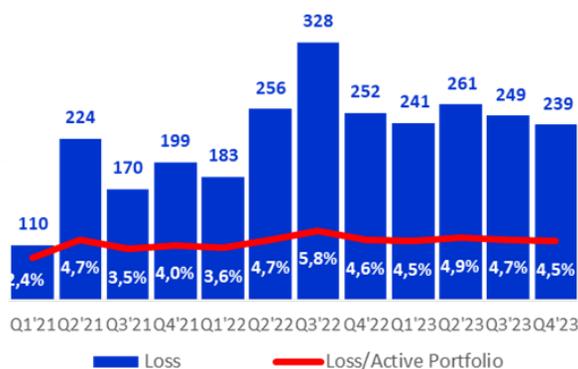
*Active portfolio = base of installment plans without effect on interests to incur



ADA (R\$ million)



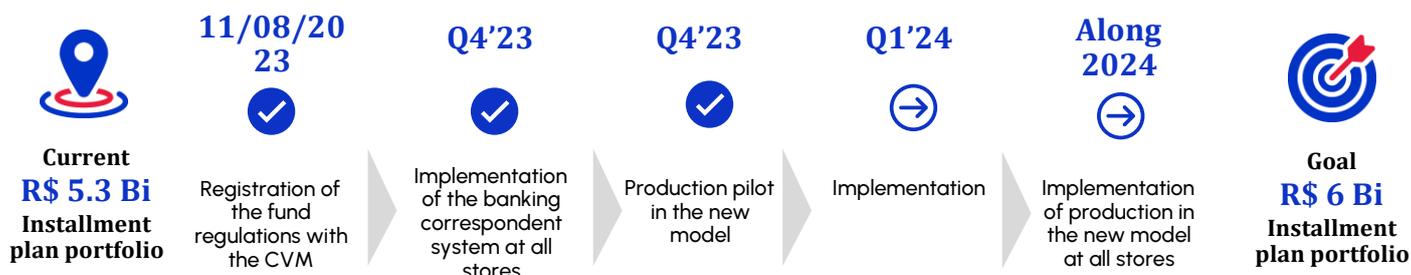
Loss on Portfolio (R\$ million)



A reduction in ADA expenses was observed, and coverage provisions are above losses. The over 90 days late was a flatish 9.4%, reflecting the portfolio quality trend. The level of losses on the active portfolio remained within the historical average, at 4.5%, confirming the other indicators in the installment plan.

Change in BNPL financing model

. A banking correspondent process has been implemented, so that all installments paid in cash at the store are settled directly in the new model. In addition, we put in place a digital biometrics process for 100% of cases, allowing for a substantial reduction in fraud.





banQi will focus on generating value for the Company, using the current ecosystem. App downloads total 18.9 million, with 7.4 million accounts. The app is increasingly part of customers' daily lives, and we highlight: (i) R\$19 billion in accumulated transactions; (ii) TPV accumulated reaching R\$9.3 billion; and (iii) the frequency of use continues to improve quarter after quarter, reaching 42x in the last 360 days.

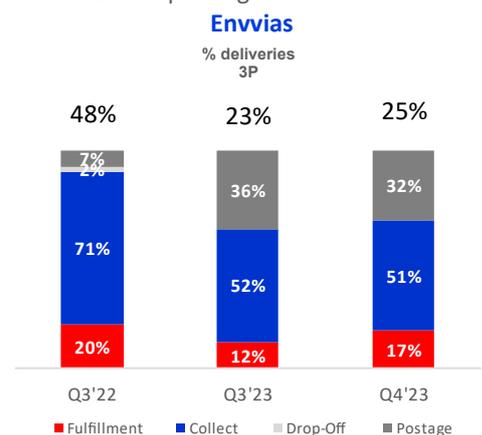
App downloads (# thousand)																	
	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	CAGR 2020-2023
Downloads	205	308	673	1,088	1,205	1,246	2,660	2,847	1,160	1,282	1,359	1,347	816	793	819	703	193%
Accumulated	557	864	1,538	2,626	3,831	5,077	7,737	10,584	11,744	13,026	14,385	15,732	16,548	17,341	18,160	18,863	
Account Opening (# thousand)																	
	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	CAGR 2020-2023
Accounts	101	175	407	596	653	596	979	712	518	547	575	598	263	222	181	152	174%
Accumulated	212	387	794	1,391	2,044	2,640	3,619	4,331	4,849	5,396	5,971	6,569	6,832	7,054	7,235	7,387	
Transactions R\$ Million																	
	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	CAGR 2020-2023
Transactions	13	32	143	288	402	784	1,238	1,351	1,501	1,750	1,904	2,061	1,839	1,876	1,868	1,834	339%
Accumulated	23	55	196	484	887	1,671	2,909	4,260	5,761	7,511	9,415	11,476	13,315	15,191	17,059	18,893	
TPV																	
	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	CAGR 2020-2023
TPV	6	14	53	130	214	399	595	656	742	866	936	1,023	909	923	919	903	356%
Accumulated	10	23	76	206	420	820	1,415	2,071	2,813	3,679	4,615	5,638	6,547	7,470	8,389	9,392	
In-store transactions in R\$ Million																	
	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	CAGR 2020-2023
In-store transactions	4	5	39	80	86	138	180	171	163	184	173	175	138	136	130	122	245%
Accumulated	7	12	50	131	217	354	534	705	868	1,052	1,225	1,400	1,538	1,674	1,804	1,926	
Average frequency of use of banQi app (recurrence 360 days)																	
	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	CAGR 2020-2023	
Frequency	5	5	6	7	10	12	14	17	19	21	23	25	29	33	42	191%	

Logistics Ecosystem

We aim to grow revenue from logistics as a service, reducing the cost of serving all clients and improving the service level (including marketplace sellers and off-Group partners).

1P, 3P Envias, 3P (without Envias) and Casas Bahia Group Fulfillment

- 1P delivery time improved 14% YoY and 8% sequentially
- 3P delivery time improved 5% YoY
- Casas Bahia Group Fulfillment delivery time improved by 11% YoY
- In fulfillment, 35% of orders were delivered in 48 hours vs. 21% in Q4'22
- Fulfillment customers and revenue advanced +21% and +61% YoY, respectively



Logistics – Open sea

Casas Bahia Group's logistics is also a line of business. We are advancing in various segments (clothing, home centers, tools, etc.). Hence, we not only add density and volume to our logistics, thereby reducing costs, but also generate profitable incremental revenue for Casas Bahia Group.

- Growth of +126% in freight revenue YoY
- Open sea customers and number of orders increased +93% and +96%, respectively

ESG Highlights

In 2023, Casas Bahia Group returned to the portfolio of two important B3 indexes: ISE (Business Sustainability Index) and ICO2 (Carbon Efficient Index), reinforcing our environmental, social and governance commitment. Below are the main highlights of the year:

Environment

SLB (Sustainability Linked Bonds): progress in the renewable energy target set in the SLB (Sustainability Linked Bonds), acquiring 68% of energy from clean and renewable sources. Commitment to reaching 90% by 2025.

REVIVA Recycling Program: program destined more than 3,000 tons of waste for recycling, benefiting 12 partner cooperatives. With 593 electronics collectors distributed across the group's stores and operations, more than 10 tons of electronics were sent for disposal and recycling, a more than 128% increase, compared to the same period in the previous year.

Social - Diversity

Raising of awareness and Training: More than 26,000 employees trained in the EAD Diversity Course. Training 900 store operations leaders in inclusive leadership.

People with Disabilities: Jornada Sem Barreiras Program, specifically for employees with disabilities, engaged 1,300 active employees, 80% of the audience.

Race – Racial Equity: Growth in the participation of black people in the staff: in general terms, we went from 42% in 2022 to 45% in 2023 and in leadership (managerial positions and higher), we went from 30% to 34%. Highlight for the Total Dedication Campaign in the Anti-Racist Fight, more than 200,000 people impacted (internal and external audience).

Women - Gender Equality: Sustaining the participation of women in the staff: 46% of women in the general staff and in 33% leadership (managerial positions and higher). Mulheres Potência Program emphasizing training on harassment.

LGBTQIAP+: #TenhoOrgulhoEMostrar Campaign, emphasizing the combating of all sorts of discrimination against LGBTQIAP+ people. Reaching 9 million views (internal and external audiences).

Partnership - G10 Favelas and Favela Express: With the aim of expanding deliveries to vulnerable communities, in 2023 we had more than 63 thousand orders delivered by the startup Favela Express, representing an increase of 17% compared to the previous year.

Social - Casas Bahia Foundation

In 2023, Casas Bahia Foundation invested R\$3.7 million in social projects, impacting more than 40 thousand people.

Youth Protagonism: More than 10,000 young people impacted; 5,869 young people trained in partnership with Instituto PROA, with 44 of them hired by the Company. With AFESU, we supported the training of 55 girls, through the Employability and Digital Learning Program. Furthermore, we launched the institution's IT Laboratory, benefitting 250 female students between the ages of 08 and 24.

We support the Vini Jr. Institute with the construction of 02 (Training Centers), impacting 389 students and 45 teachers. We contributed to the training of 5,345 young people and 44 teachers, in partnership with Viven.

Fostering Entrepreneurship: Training of women entrepreneurs in partnership with Dona de Si Institute. In total, 268 women were trained in the states of RJ and RS, with 67% of them self-declared as black. The AfroLab Program, a partnership with the Feira Preta Institute, trained 204 black and indigenous entrepreneurs. Social Engagement: On the volunteer front, we highlight: Sul Solidário Campaign, with the collection of more than 7,000 pieces of clothing; Careers Fair, which had 50 volunteer employees, training 488 young people nominated by the institutions AFESU, PROA, Viven and Aldeias Infantis; +Alegria no Natal Campaign, which benefited 523 people supported by AFESU, Casa São Vicente de Paulo and Lar Mãos Pequenas, with the participation of 44 volunteer employees on the day of delivery.

In the humanitarian aid front, we served cases of calamities, donating 1,500 products (mattresses, blankets and cleaning and personal hygiene items) to victims of the rains on the North Coast of São Paulo; 300 mattresses for people affected by the floodings in Rio Grande do Sul; in addition to 900 basic food kits for families in Manaus (AM), Porto Alegre (RS) and Itajaí (SC).

Governance

In 2023, the Company continued to keep special focus on the topics of Ethics and Integrity. It revised and updated the training provided on topics such as Moral and Sexual Harassment, Discrimination, Anti-Corruption and other subject matters related to the Code of Ethical Conduct, reaching a high level of adherence. In addition, face-to-face and remote meetings and discussions were held on the same topics with the leaders of all stores and corporate areas.

Income Statement

Consolidated Income Statement

R\$ million	Q4'23	Q4'22	Δ	12.31.2023	12.31.2022	Δ
Gross Revenues	8.811	10.427	(15,5%)	34.433	36.418	(5,5%)
Net Revenue	7.414	8.845	(16,2%)	28.847	30.898	(6,6%)
Cost of Goods Sold	(5.317)	(6.194)	(14,2%)	(20.594)	(21.460)	(4,0%)
Depreciation (Logistic)	(52)	(56)	(7,3%)	(198)	(224)	(11,5%)
Gross Profit	2.046	2.595	(21,2%)	8.055	9.214	(12,6%)
Selling Expenses	(1.580)	(1.774)	(11,0%)	(5.883)	(6.160)	(4,5%)
General and Administrative Expenses	(365)	(256)	42,5%	(1.181)	(936)	26,2%
Equity Income	10	8	24,7%	50	40	23,8%
Other Operating Income (Expenses)	(604)	(87)	n/a	(1.262)	(102)	n/a
Total Operating Expenses	(2.539)	(2.109)	20,4%	(8.276)	(7.158)	15,6%
Depreciation and Amortization	(239)	(225)	6,3%	(939)	(895)	5,0%
EBIT¹	(732)	261	n/a	(1.160)	1.161	n/a
Financial Income	105	123	(14,8%)	376	634	(40,8%)
Expense Income	(839)	(764)	9,8%	(3.417)	(2.878)	18,7%
Net Financial Income (Expense)	(734)	(641)	14,6%	(3.041)	(2.244)	35,5%
Earnings before Income Tax	(1.467)	(380)	n/a	(4.201)	(1.083)	n/a
Income Tax & Social Contribution	466	217	n/a	1.576	741	n/a
Net Income (Loss)	(1.000)	(163)	n/a	(2.625)	(342)	n/a
EBIT¹	(732)	261	n/a	(1.160)	1.161	n/a
Depreciation (Logistic)	52	56	(7,3%)	198	224	(11,5%)
Depreciation and Amortization	239	225	6,3%	939	895	5,0%
EBITDA¹	(441)	542	n/a	(23)	2.280	n/a
Other Operational Expenses and Revenues	604	87	n/a	1.262	102	n/a
Adjusted EBITDA¹	163	629	(74,1%)	1.240	2.382	(48,0%)
% on Net Sales Revenue	Q4'23	Q4'22	Δ	12.31.2023	12.31.2022	Δ
Gross Profit	27,6%	29,3%	(170bps)	27,9%	29,8%	(190bps)
Selling Expenses	(21,3%)	(20,1%)	(120bps)	(20,4%)	(19,9%)	(50bps)
General and Administrative Expenses	(4,9%)	(2,9%)	(200bps)	(4,1%)	(3,0%)	(110bps)
Equity Income	0,1%	0,1%	0bps	0,2%	0,1%	10bps
Other Operating Income (Expenses)	(8,2%)	(1,0%)	(720bps)	(4,4%)	(0,3%)	(410bps)
Total Operating Expense	(34,2%)	(23,8%)	(1.040bps)	(28,7%)	(23,2%)	(550bps)
Depreciation and Amortization	(3,2%)	(2,5%)	(70bps)	(3,3%)	(2,9%)	(40bps)
EBIT¹	(9,9%)	3,0%	(1.290bps)	(4,0%)	3,8%	(780bps)
Net Financial Income (Expense)	(9,9%)	(7,2%)	(270bps)	(10,5%)	(7,3%)	(320bps)
Earnings before Income Tax	(19,8%)	(4,3%)	(1.550bps)	(14,6%)	(3,5%)	(1.110bps)
Income Tax & Social Contribution	6,3%	2,5%	380bps	5,5%	2,4%	310bps
Net Income (Loss)	(13,5%)	(1,8%)	(1.170bps)	(9,1%)	(1,1%)	(800bps)
EBITDA¹	(5,9%)	6,1%	(1.200bps)	(0,1%)	7,4%	(750bps)
Adjusted EBITDA¹	2,2%	7,1%	(490bps)	4,3%	7,7%	(340bps)

Balance Sheet

Balance Sheet

Assets

R\$ million	12.31.2023	12.31.2022
Current Assets	13.350	17.123
Cash and Cash Equivalents	2.573	2.019
Accounts Receivables	3.588	6.595
Credit Card	222	3.113
Payment Book	4.769	4.838
Payment Book - Interest to be incurred	(1.517)	(1.494)
Others	364	366
Accounts Receivables B2B	370	342
Allowance for doubtful accounts	(620)	(570)
Inventories	4.353	5.574
Recoverable Taxes	1.663	1.827
Related Parties	268	299
Expenses in Advance	248	231
Other Assets	658	578
Noncurrent Assets	18.646	18.451
Long-Term Assets	11.555	10.929
Accounts Receivables	432	764
Credit Card	51	313
Payment Book	585	684
Payment Book - Interest to be incurred	(139)	(155)
Allowance for doubtful accounts	(65)	(78)
Recoverable Taxes	4.189	4.910
Financial Instruments	11	10
Deferred income tax and social contribution	5.126	3.635
Related Parties	170	184
Judicial Deposits	1.167	925
Prepaid Expenses and Other Assets	460	501
Right of Use Asset	2.561	2.816
Investments	298	265
Fixed Assets	1.478	1.737
Intangible Assets	2.755	2.704
TOTAL ASSETS	31.996	35.574

Liabilities and Shareholders' Equity

R\$ million	12.31.2023	12.31.2022
Current Liabilities	18.830	19.750
Taxes and Social Contribution Payable	448	440
Trade accounts payable	7.202	7.251
Suppliers ('Portal')	0	657
Trade accounts payable – agreement	1.765	2.463
Loans and Financing	2.331	1.752
Payment Book (CDCI)	4.844	5.014
Payment Book (CDCI) - Interest to be appropriated	(381)	(393)
Fiscal Obligations	517	255
Related Parties	3	20
Deferred revenues	244	201
Onlending of third parties	637	648
Leasing debts	606	645
Others	611	797
Long-Term Liabilities	9.713	10.540
Loans and Financing	1.651	2.385
Payment Book (CDCI)	539	651
Payment Book (CDCI) - Interest to be appropriated	(26)	(31)
Deferred Income Tax	20	34
Tax Obligations	26	20
Provision for lawsuits	2.464	2.188
Leasing debts	2.877	3.054
Deferred Revenue	2.150	2.228
Others	12	11
Shareholders' Equity	3.454	5.284
LIABILITIES AND SHAREHOLDERS' EQUITY	31.996	35.574

Cash Flow

Cash Flow (R\$ million)	12.31.2023	12.31.2022
Net Income (loss)	(2.625)	(342)
Adjustment:		
Depreciation and Amortization	1.139	1.118
Equity Income	(50)	(40)
Deferred Income Tax and Social Contribution	(1.583)	(754)
Interest and Exchange Variation	1.937	1.517
Provisions for lawsuits, net of reversals	1.405	724
Provisions for labor lawsuits, net of reversals	1.150	615
Provisions for other lawsuits, net of reversals	255	109
Allowance for doubtful accounts	1.180	1.085
Gain (loss) with fixed and intangible assets	129	(38)
Estimated loss of net recoverable value of inventories	140	19
Deferred Revenue	(160)	(238)
Write-off of right of use and lease liability	(9)	(58)
Share-based Payments	20	59
Others	258	15
	1.781	3.067
Asset (Increase) Decreases		
Accounts Receivable	2.448	(910)
Inventories	1.088	1.563
Taxes to Recover	1.026	(97)
Related Parties	(61)	(59)
Deferred Taxes	1	-
Judicial Deposits	(156)	(58)
Expenses in Advance	(16)	(40)
Other Assets	(48)	(295)
	4.282	104
Liabilities Increase (Decreases)		
Suppliers	70	826
Portal Suppliers	(657)	(675)
Fiscal Obligations	271	23
Social and labor obligations	8	(142)
Onlending of third parties	(264)	72
Deferred Revenue	(97)	1.396
Lawsuits	(1.228)	(1.245)
Lawsuits - Labor	(1.148)	(1.176)
Lawsuits - Others	(80)	(69)
Other debts	(156)	(336)
	(2.053)	(81)
Asset and Liabilities - Others (Increase) Decreases		
Dividends Received from investees	17	-
Income Tax Paid	(3)	(11)
	14	(11)
Net Cash (used) in Operating Activities	4.024	3.079
Cash Flow from Investment Activities		
Acquisition of fixed and intangible assets	(506)	(1.008)
Disposal of property, plant and equipment and intangible assets	-	98
Financial Instruments	1	-
Acquisition of subsidiary, net of cash acquired	-	(18)
Net Cash (used) in Operating Activities	(505)	(928)
Cash Flow from Financing Activities		
Proceeds from borrowings	8.790	7.803
Payments of Principal	(9.169)	(8.164)
Payments of Interest	(1.426)	(912)
Payments of Dividend - Lease	(605)	(702)
Payments of Interest - Lease	(459)	(435)
Resources from the issue of shares	622	-
Payment of share issuance expenses	(20)	-
Acquisition of treasury shares, net of disposal	-	(62)
Trade accounts payable – agreement	(698)	559
Net Cash (used in) Financing Activities	(2.965)	(1.913)
Cash and cash equivalents of the opening balance	2.019	1.781
Cash and Cash equivalents at the End of the Period	2.573	2.019
Change in Cash and Cash Equivalents	554	238

BHIA3

Casas Bahia Group shares are registered for trading on B3 under the code "BHIA3", admitted to trading on the Novo Mercado. Therefore, Casas Bahia Group common shares are traded in Brazilian Reals (R\$) on the Novo Mercado segment of B3 S.A. – Brasil, Bolsa, Balcão, under the trading code BHIA3.

Videoconference on the Results



March 25, 2024

(after market closure)

Simultaneously, the video presenting the results will be made available, so that the conference call time the following day shall be exclusively dedicated to questions and answers.

Videoconference

(Questions and Answers Only)

March 26, 2024

2:00 pm (Brasília time)

1:00 pm (New York time)

Portuguese/English (simultaneous translation)

Portuguese Videoconference:

[Click here](#)

Sergio Leme

EVP Supply Chain, Strategy &
IR

Daniel Morais

Coordinator of IR

English Videoconference:

[Click here](#)

Gabriel Succar

Head of IR

Camila Silvestre

Analyst of IR