Individual and Consolidated Financial Statements Via S.A.

Year ended December 31, 2021
with Independent Auditor's Report

Via S.A.

Financial Statements
Year ended December 31, 2021

Summary

Management Report

Presentation

Via Varejo S.A., the shopping route for all Brazilians, wherever, whenever and however they want, in compliance with the legal provisions and in accordance with the corporation law in force, presents below the Management Report containing the financial and operating results for the year ended December 31, 2020.

Profile

Via S.A., directly or through its subsidiaries ("Company" or "Via"), listed in the special segment called Novo Mercado da B3 S.A. - Brasil, Bolsa, Balcão ("B3"), under the code VIIA3, headquartered in São Paulo, State of São Paulo – Brazil.. We are a digital ecosystem and a marketplace open for innovation with a customer-centric approach.

We recently transitioned from a transactional retail model to a relational platform model. Our focus remains on increasing our customer base, the customer lifetime value (LTV), and on the continuous improvement of the customer experience.

We offer financial and credit solutions to our customers through BanQi and specialized logistic services by means of ASAPLog.

The recently launched corporate brand *Via* (the word *varejo* - retail - is no longer part of the name), accompanied by a new positioning, in line with the great transformation we are experiencing. This new name reinforces the strategy of being recognized as "the best shopping route for all Brazilians, wherever, whenever and however they want".

At December 31, 2021, the Company had 28 Distribution Centers and Warehouses and conducted sales through 1,091 active branches (927 with the Casas Bahia brand and 164 with the Ponto brand).

Disclaimer

The statements contained in this report relating to the Company's business prospects, projections and its growth potential are mere forecasts and were based on Management's expectations regarding the Company's future. These expectations are highly dependent on market changes and on the general economic performance in Brazil, the industry and the market as a whole and are therefore subject to change

Message from Management

The year 2021 represented the consolidation of Via's transformational strategy. We did everything we set out to do when we designed the Company's turnaround plan. We remained focused on the consolidation of our digital transformation and acquired and partnered with new companies that will contribute to the acceleration of our business. We changed our brand, our positioning, strengthened our omnichannel proposition and digitalized our operations. In 2022, Via is reaping the fruits of the choices we made when we took over the Company. And It arrives more mature to see the results of this decision to transform the Company, which at the time was focused on retail, into an open platform solution to meet any demand of its nearly 28 million active customers.

All the steps of our transformation were taken in a transparent manner and produced results that we are proving here in the second full year of the new management. We are now showing that our expanded universe - our credit and logistics as a service solutions - is beginning to report numbers that ratify our strategy. As a consequence of investments in technology and the expansion of our ecosystem, we delivered a 15% increase in GMV in 2021, which totaled around R$45 billion, 59% of which came from digital sales, a significant increase when compared to 2020.

We said 2021 would be the year of the Marketplace, and it was. 3P GMV doubled compared to 2020, reaching R$6.4 billion, an amount reached at an unprecedented speed in the sector, and accounted for 24% of digital sales (+720 bps vs. 2020). We built a robust marketplace and closed the year with over 130,000 sellers and a wide assortment of 41 million SKUs, in which long tail items accounted for 60% of orders placed in 4Q21. We offer sellers services that range from capacity building (Via Academy) to increased visibility of virtual stores, using our advertising tools (Via Ads) and many other initiatives that will contribute to increasing the profitability of this vertical. We have developed a platform that welcomes sellers and enables them to grow so they can help us expand our relationship with customers at all contact points. We seek to encourage purchase recurrence among active customers and attract new customers with the support of our more than 22,000 online salespeople, who jointly generated R$7 billion in online GMV in 2021, 19% of which corresponded to 3P product sales.

The long tail design reflects the Company's strategy: a customer-centric approach so that our ecosystem can meet all our customers' needs. In 2021, we acquired 1.8 million new customers. Every quarter, we implemented different partnership initiatives linked to the purchase of products and access to free content from services such as HBOMax, Buser and Game Pass, among others, allowing us to increase customer loyalty and enhance life time value (LTV). In 4Q21, we launched VIP Casas Bahia, our loyalty program focused on rewarding our customers with progressive benefits according to their engagement. This is the first fully free of charge loyalty program of a retailer that offers benefits on the website, store and app under the omnichannel approach, through discount coupons, VIP freight, exclusive customer service and benefits in partner brands.

Logistics, a new chapter of a key pillar. In January 2022, with the acquisition of CNT, we initiated fulfillment services using an agnostic, multi-platform approach. This is another milestone reached in our logistical services expansion plan. It reinforces our direction of operating Via logistics as a service (LaaS), making valuable assets of Via´s logistical network (2.8 million sqm / 30 million sq ft of DCs and stores, the transportation network and the technologies embedded) available to our commercial partners, whether as 1P suppliers, sellers or "open seas" clients. Furthermore, CNT brought us a well-established fullcommerce operation, untapping a relevant addressable market which, leveraged by Via´s network, will scale profitably and faster.

In the meantime, we have kept making progress in our operational efficiency, which translates into better service levels to our clients and a more cost-efficient operation. This is taking place based on the addition of new technologies and the digitalization of our warehousing, transportation and data management processes, all of which began with the acquisition of ASAPLog in 2020 and it is being managed by a hundreds-strong logistics and technology teams.

Financial solutions connected with the customer. If 2021 was the year when the marketplace began to flourish in our ecosystem, 2022 will see our financial solutions increasingly connecting with our consumer universe, how, when and where they want. We have a relationship with Brazil's entire economically active population through online and offline installment plans. We combine all this with technology, artificial intelligence tools and data that enable us to find the right measure to attract Brazilians to try a new and uncomplicated financial journey totally free of charge. banQi was born to include Brazilians, with intuitive technology and the most appropriate offering of financial services. Our fintech tripled the number of accounts to 4.3 million at the end of 2021 and started offering personal loans, with one of the lowest acquisition costs among Brazilian fintechs. We added sub-acquirer Celer to our ecosystem and invested in financial startups such as GoPublic, PoupaCerto, byebnk and Uffa.

We consistently make progress in our omnichannel journey. As defined in our strategy, we followed the expansion plan with the opening of 101 new outlets in 2021. Much more than stores, they are hubs for relationship with customers, credit origination and support to our logistics structure. We will continue to expand our omnichannel network and enter new municipalities, thus strengthening the offer of financial and installment plans, as well as increasing the growth of online sales. The best translation is the Casas Bahia mega store on Marginal Tietê, in São Paulo, which was opened in 2021. With a sales area of more than 8,500 m^2, it is an experience lab full of innovation, with the customer at the center of all the actions. As with the mega store, all our outlets nationwide are prepared to operate as logistics and financial connections, in synergy with our ecosystem. 2022 will not be any different.

In 3Q21, we informed the market about our provisions for past and present labor claims and disclosed our tax credit monetization estimate, intended to mitigate the impacts on the Company's cash and results. In a transparent manner, we remained committed and strictly adhered to the plans and the strategy designed and presented to the market to monetize tax credits, which totaled R$9.4 billion at the end of 2021.

Our country has always been full of challenges, and 2022 should not be any different. However, we are experts on Brazil and on retail, with over six decades of knowledge and experience. We are now better prepared in terms of technology, commercial strategy and the most efficient credit operation, with the best salesforce and the best knowledge of customers everywhere in the national territory, no matter how distant. We are prepared to continue to be a an increasingly open relationship platform with Brazilians.

I would like to end this message by thanking all our employees, our millions of customers, our thousands of marketplace sellers, our shareholders, our Board members, analysts, business partners and suppliers for their trust in us. I reiterate the importance of our partnership to continue this journey together, always with customer-centric actions and decisions.

Consolidated Informations

Gross Revenue Breakdown

R$ million	4Q21	4Q20	%	2021	2020	%
Merchandise	8,711	10,317	(15.6%)	33,052	31,281	5.7%
Freight and Assembly Services	66	127	(48.0%)	298	458	(34.9%)
Services	305	341	(10.6%)	1,088	1,020	6.7%
CDC/Credit Cards	484	489	(1.0%)	1,937	1,699	14.0%
Gross Revenue	**9,566**	**11,274**	**(15.1%)**	**36,375**	**34,458**	**5.6%**
Freight, Services, CDC/Credit Card and Assembly	855	957	(10.7%)	3,323	3,177	4.6%
% Total Gross Revenue	*8.9%*	*8.5%*	45bps	*9.1%*	*9.2%*	(8bps)

Gross revenue from merchandise fell 15.6% in 4Q21 and increased 5.7% in 2021. Our installment plan continued to be an important tool for building customer loyalty and a competitive advantage for Via, accounting for 12.3% of sales in 4Q21 and 12.6% in 2021 (+100 bps vs. 2020). Installment plans accounted for 25-30% of revenue from store sales and 6.0% of revenue from online sales (however, this penetration was already triple the figure recorded in the previous year). Sales using our own means of payments accounted for 22% and 21% of the total in 4Q21 and 2021, respectively, up from 20% in 2020.

Consolidated Sales by means of payment	4Q21	4Q20	%	2021	2020	%
Cash/Debit Card	29.4%	24.9%	446bps	27.3%	24.1%	315bps
CDC (Payment Book)	12.3%	14.7%	(244bps)	12.6%	11.6%	97bps
Co-branded Credit Card	9.8%	8.0%	177bps	8.4%	8.5%	(13bps)
Third-party Credit Card	48.5%	52.3%	(378bps)	51.7%	55.7%	(400bps)

Gross Profit

R$ million	4Q21	4Q20	%	2021	2020	%
Gross Profit	2,364	2,892	(18.3%)	9,327	9,466	(1.5%)
Gross Margin	*29.1%*	*30.5%*	(145bps)	*30.2%*	*32.8%*	(257bps)
Non Recurring Adjustements	8	(124)	na	124	(820)	na
Operational Gross Profit	**2,372**	**2,768**	**(14.3%)**	**9,451**	**8,646**	**9.3%**
Operational Gross Margin	*29.2%*	*29.2%*	(4bps)	*30.6%*	*29.9%*	67bps

In 4Q21, operational gross margin remained flat compared to 4Q20 at 29.2%. In 2021, there was an improvement of 70bps to 30.6% even considering the increase in the share of online sales, whose margins are lower than those of physical stores. The gross margin gain can be explained by the positive effect of commercial negotiation and installment plan production. The non-recurring adjustment is related to the labor effect on the gross margin was R$8 million in 4Q21 and R$124 million in 2021.

Selling, General, and Administrative Expenses

R$ million	4Q21	4Q20	%	2021	2020	%
SG&A	(1,784)	(2,402)	(25.7%)	(8,198)	(6,783)	20.9%
% Net Revenue	*(22.0%)*	*(25.4%)*	341bps	*(26.5%)*	*(23.5%)*	(306bps)
Non Recurring Adjustements	85	266	na	979	153	na
Operational SG&A	**(1,699)**	**(2,136)**	**(20.5%)**	**(7,219)**	**(6,630)**	**8.9%**
% Net Revenue	*(20.9%)*	*(22.6%)*	165bps	*(23.4%)*	*(22.9%)*	(42bps)

Operational selling, general, and administrative expenses adjusted for the effect of the provision for labor claims dropped 20.5% in 4Q21, with a 160bps dilution to 20.9% of NOR. In 2021, these expenses increased 8.9%, representing 23.4% of NOR, 40bps higher than in 2020, due to the higher share of digital sales, which require higher marketing investments to boost sales.

The impact related to the adjustment of the provision for legacy labor claims was R$85 million in 4Q21 and R$979 million in 2021.

Financial Result

R$ million	4Q21	4Q20	%	2021	2020	%
Financial Revenue	**22**	**21**	**4.8%**	**75**	**83**	**(9.6%)**
Financial Expenses	**(489)**	**(251)**	**94.8%**	**(1,473)**	**(1,103)**	**33.5%**
Debt Financial Expenses	(108)	(64)	68.8%	(323)	(195)	65.6%
CDC Financial Expenses	(95)	(57)	66.7%	(306)	(222)	37.8%
Cost of Receivable Card Sales	(146)	(12)	na	(288)	(180)	60.0%
Interest on lease liabilities	(103)	(96)	7.3%	(391)	(388)	0.8%
Other financial expenses	(37)	(22)	68.2%	(165)	(118)	39.8%
Financial Results pre monetary	**(467)**	**(230)**	**103.0%**	**(1,398)**	**(1,020)**	**37.1%**
% Net Revenue	*(5.7%)*	*(2.4%)*	(332bps)	*(4.5%)*	*(3.5%)*	(100bps)
Monetary Restatements	29	159	(81.8%)	181	324	(44.1%)
Financial Results Net	**(438)**	**(71)**	**516.9%**	**(1,217)**	**(696)**	**74.9%**
% Net Revenue	*(5.4%)*	*(0.7%)*	(464bps)	*(3.9%)*	*(2.4%)*	(153bps)
Non Recurring Adjustements	27	(185)	(114.6%)	(4)	(438)	(99.1%)
Operational Net financial Results	**(411)**	**(256)**	**60.5%**	**(1,221)**	**(1,134)**	**7.7%**
% Net Revenue	*(5.1%)*	*(2.7%)*	(235bps)	*(4.0%)*	*(3.9%)*	(3bps)

In 4Q21, the financial result net of non-recurring adjustments was negative R$411 million, 240bps higher as a percentage of Net Revenue (5.1%), mainly due to the y/y increase in the Selic rate and higher factoring of credit card receivables. In 2021, the operational financial result was stable as a percentage of Net Revenue (4.0%). The impacts of non-recurring adjustments totaled R$27 million in 4Q21 and negative R$4 million in 2021.

Via S.A.

Management Report
Year ended December 31, 2021

Net Income

R$ million	4Q21	4Q20	%	2021	2020	%
Net Revenue (Loss)	29	336	(91.4%)	(297)	1,004	(129.6%)
Net Margin	*0.4%*	*3.5%*	(319bps)	*-1.0%*	*3.5%*	(444bps)
Non Recurring Adjustements	96	134	na	835	(597)	na
Net Operating Income (Loss)	**125**	**470**	**-73.4%**	**538**	**407**	**32.2%**
Subsidy Incentive	0 -	287	-	(203) -	287	na
Reconciliation Net Income (Loss) after Subsidy and Adjustments	125	183	(31.7%)	335	120	179.2%
Net Margin after Subsidy	*1.5%*	*1.9%*	(39bps)	*1.1%*	*0.4%*	67bps

Comparable net income after non-recurring adjustments was R$125 million (net margin of 1.5%) in 4Q21. In 2021, net income reached R$538 million (+32.2%) with a net margin of 1.7%.

In 4Q21, there was an effect of R$88 million related to the recurring investment grant. In 2021, the investment grant totaled R$491 million, of which R$203 million referred to the effect of periods prior to 2021.

Financial Ciclo

R$ million	4Q20	1Q21	2Q21	3Q21	4Q21	(+/-) 4Q21 vs. 3Q21
(+/-) Inventory	**6.176**	**7.867**	**7.303**	**7.829**	**7.152**	**(677)**
Days of Inventory[1]	115	141	119	127	120	(7 days)
(+/-) Suppliers	**8.284**	**9.078**	**8.404**	**8.672**	**9.654**	**982**
Total Days of Suppliers[1]	155	163	137	141	163	22 days
Change in Financial Cycle	**2.107**	**1.212**	**1.101**	**843**	**2.502**	**1.659**

([1]) Days of COGS

We ended 4Q21 with a significant reduction in days of inventory (7 days) compared to 3Q21 and a substantial increase in days of suppliers, resulting in a R$1.7 billion positive change in the financial cycle.

This movement is in line with the recently adopted strategy of normalizing inventory levels at between 90 and 100 days in 2022.

.

Investments

R$ million	4Q21	4Q20	%	2021	2020	%
Logistics	38	16	139%	87	49	79%
New Stores	116	39	195%	223	55	308%
Stores Renovation	52	18	184%	154	47	227%
Technology	143	99	45%	514	259	99%
Others	30	9	237%	62	26	145%
Total	**379**	**181**	**110%**	**1.040**	**434**	**139%**

In 2021, Via made record investments totaling R$1.0 billion, around 60% of which was allocated to technology and logistics projects to support the Company's growth and digitalization. Investments in technology, in particular, doubled over 2020. In 4Q21, capex totaled R$379 million, twice the amount invested in 4Q20.

Store Breakdown by Format and Banner

Sixty-three stores were opened in the quarter, all of which under the Casas Bahia banner. The Company closed 2021 with 1,091 stores. In 2021, we opened 101 new stores and closed 62 stores, totaling a net addition of 39 stores.

Casas Bahia	4Q20	3Q21	Opening	Closure	4Q21
Street	671	679	57	-	736
Shopping Malls	186	186	6	1	191
Consolidated (total)	857	865	63	1	927
Sales Area ('000 m²)	820	828	24.3	0.8	852
Total Area ('000 m²)	1,317	1,323	45.0	1.3	1,367

Ponto	4Q20	3Q21	Opening	Closure	4Q21
Street	97	89	-	-	89
Shopping Malls	98	75	-	-	75
Consolidated (total)	195	164	-	-	164
Sales Area ('000 m²)	107	90	-	-	90
Total Area ('000 m²)	184	147	-	-	147

Consolidated	4Q20	3Q21	Opening	Closure	4Q21
Street	768	768	57	-	825
Shopping Malls	284	261	6	1	266
Consolidated (total)	1,052	1,029	63	1	1,091
Sales Area ('000 m²)	927	918	21.3	0.8	941
Total Area ('000 m²)	1,500	1,470	45.0	1.3	1,514

Distribution Centers	4Q20	3Q21	Opening	Closure	4Q21
DCs	27	28	-	0	28
Total Area ('000 m²)	1,062	1,220	-	0	1,287

Consolidated	4Q20	3Q21	Opening	Closure	4Q21
Total Area ('000 m²)	2,562	2,690	45.0	1.3	2,801

Fiscal Year

The Company's fiscal year coincides with the calendar year, and the financial statements will be drawn up at the end of each year, in accordance with the provisions of the Brazilian Corporation Law and other applicable legal provisions.

The Company will prepare interim balance sheets observing the applicable legal provisions.

The accumulated losses and the provision for taxes on income (loss) for the year will be deducted from income (loss) for the year before any profit distribution or sharing.

When presenting the financial statements for the year at the General Meeting, Management will propose the allocation of the remaining net income for the year after the following deductions or additions, made on a decreasing basis and in the following order:

(a) 5% (five percent) for the set-up of the legal reserve, which will not exceed 20% (twenty percent) of the share capital. The set-up of the legal reserve may be waived in the year in which the balance thereof, plus the amount of capital reserves, exceeds 30% (thirty percent) of the share capital;
(b) Amount intended for to the recognition of reserves for contingencies and reversal of those recognized in previous years;
(c) Unrealized profits and reversal of profits previously recorded in this reserve that have been realized in the year;
(d) twenty-five percent (25%) for payment of mandatory dividends; and
(e) The remaining portion of net income will be allocated: (i) to the investment and expansion reserve, without prejudice to retained profits under the terms of article 196 of the Brazilian Corporation Law; (ii) strengthening working capital; and it may also (iii) be used in the redemption, reimbursement or acquisition of shares of the Company's capital, and the General Meeting may resolve otherwise in case dividends are paid in addition to the mandatory minimum.

By resolution of the Board of Directors, the Company may declare interim dividends to the account of (i) profits determined in the interim balance sheets, provided for in the Sole Paragraph of Article 31 above, (ii) retained earnings or (iii) profit reserves.

The dividends thus declared will be considered an advance payment of mandatory dividends referred to in article 33 of these Bylaws.

The Board of Directors may also determine the payment of interest on equity (IOE) in accordance with the legislation in force, which will be imputed to the annual mandatory minimum dividends.

Dividends attributed to shareholders will be paid within the terms of the law, and, if they are not claimed within 3 (three) years from the publication of the act that authorized their distribution, they will lapse in favor of the Company.

Relationship with the External Audit

The Company's policy in contracting any services from the independent auditor that are not related to the external audit is based on principles that preserve the auditor's independence, namely: (a) the auditor shall not audit his or her own work; (b) the auditor shall not exercise management functions for his or her client; and (c) the auditor shall not promote the interests of his or her client.

Audit fees refer to professional services provided for the audit of the Company's consolidated financial statements, quarterly reviews of the Company's consolidated financial statements, corporate audits and interim reviews of certain subsidiaries, as required by the applicable legislation.

In order to comply with CVM Ruling No. 381/2003, the Company informs that Ernst & Young Auditores Independentes S.S., which provided external audit services to the Company, did not provide other non-audit services that represented more than 5% (five percent) of audit fees in 2020.

ESG Highlights

Value Added

Value Added for the year totaled R$5,554 million. Of that amount, R$4,849 million, 87.3% of the Value Added, was allocated to the federal, state and local governments in the form of taxes and contributions.

In the year ended December 31, 2021, the Company had a staff of 51,722 employees, 9% higher than the number presented in the year ended December 31, 2020, which was 47,485 employees.

We have matured in ESG issues. We included ESG in the strategic goals of all our employees and approved our Action Plan with indicators, objectives and quantifiable results directly linked to the business up to 2025. More than that, 2021 was the year when we were included, for the first time, in B3's Corporate Sustainability Index (ISE), a concrete recognition of our environmental, social and governance practices. It was also the year when we launched in our marketplace inclusive and sustainable products, when the percentage of women in leadership positions reached 34% of the Company and when the Casas Bahia Foundation's initiatives benefited over 400,000 people. For us, sustainability is linked to the business, to our innovation strategy and to our purpose. More than a random theme, it is a value of Via and something we will never give up.

Corporate Governance

The Company has a very robust Governance structure, aiming to guarantee an efficient and responsible management, always following the best market practices, in accordance with the laws, rulings and other applicable rules, in addition to the commitments assumed by the Company with its customers, investors and society as a whole, particularly with regard to transparency. The Company's Governance is structured as follows: General Meeting; Board of Directors; Audit, Risk and Compliance Committee, with the objective, among others, of ensuring that risk controls are in full operation; Finance Committee; and a People, Innovation and Governance Committee, which also has an independent member, where people discuss matters related to people and governance improvements, in addition to, of course, an Executive Board, responsible for implementing and executing the Company's strategy. Additionally, the Company has a Supervisory Board, a non-permanent body, but which has been established in recent years, always very active and helping to ensure even more transparency with regard to the practices adopted by the Company.

Roberto Fulcherberguer
CEO

Executive Board's statement on the Financial Statements

In compliance with the provisions contained in item VI, paragraph 1, article 25 of Ruling No. 480 of the Brazilian Securities and Exchange Commission (CVM) dated December 7, 2009, the Officers of Via S.A. (the "Company") state that they have reviewed, discussed and agreed on the Company's financial statements for the year ended December 31, 2021, authorizing its completion on that date.

São Paulo (SP), March 9, 2022.

Roberto Fulcherberguer
Chief Executive Officer (CEO)

Sérgio Augusto França Leme
Administrative Vice President

Abel Ornelas Vieira
Commercial and Operations Vice President

Orivaldo Padilha
Financial Vice President and Investor Relations Officer

Helisson Brigido Andrade Lemos
Digital Innovation Vice President

Executive Board's Representation on the Independent Auditor's Report on Financial Statements

In compliance with the provisions contained in item V, paragraph 1, article 25 of Ruling No. 480 of the Brazilian Securities and Exchange Commission (CVM) dated December 7, 2009, the Company's Officers state that they have reviewed, discussed and agreed with the opinions expressed in the independent auditor's report on financial statements for the year ended December 31, 2021, authorizing their completion on this date.

São Paulo (SP), March 9, 2022.

Roberto Fulcherberguer
Chief Executive Officer (CEO)

Sérgio Augusto França Leme
Administrative Vice President

Abel Ornelas Vieira
Commercial and Operations Vice President

Orivaldo Padilha
Financial Vice President and Investor Relations Officer

Helisson Brigido Andrade Lemos
Digital Innovation Vice President

Supervisory Board's Opinion on the Financial Statements

The Supervisory Board of Via S.A. ("Company"), in compliance with the legal and statutory provisions, examined the Management Report and the Financial Statements for the year ended on December 31, 2021. Based on the examinations carried out and the clarifications provided by Management, also considering the opinion of the independent auditors - Ernst & Young Auditores Independentes S.S. - dated March 9, 2022, the Supervisory Board's favorable opinion is that the referred to documents, in all significant aspects, are in conditions to be considered by the Company's Annual Shareholders' Meeting to be called, under the terms of Law No. 6404/76.

São Caetano do Sul, March 9, 2022.

Olavo Fortes Campos Rodrigues Junior – Chairman

André Coji – Member

Magali Rogéria de Moura Leite – Member

Summary of the annual report of the Audit, Risks and Compliance Committee

To the Members of the Board of Directors of Via Varejo S.A. (“Company”)

Presentation

The Company's Audit Committee ("Committee") is a statutory advisory body directly linked to the Board of Directors, of a permanent nature, governed by CVM Ruling No. 308/99, by the provisions of the Company's Articles of Incorporation and by its Bylaws.

The Committee was installed at the Board of Directors’ meeting of October 24, 2018, when the Company migrated to the special listing segment of B3 S.A. – Brasil, Bolsa, Balcão, called Novo Mercado, and is currently composed of three (3) members.

On July 7, 2020, the Board of Directors approved the update of the Committee's Internal Regulations, also changing its name to expressly include "Risks and Compliance", as well as the new composition of the Committee, namely: (i) election of Mr. Marcel Cecchi Vieira as Committee Coordinator; (ii) election of Mr. Luiz Carlos Nannini and Mr. Rogério Paulo Calderón Peres as Committee members; and (iii) removal of Mr. Fernando Dal-Ri Múrcia from the position of Committee member. The term of office of these members will be effective until the first meeting of the Board of Directors to be held after the Annual Shareholders' Meeting of the Company in 2022.

The Committee reports to the Board of Directors and operates independently from the Executive Board. Its powers and responsibilities are performed in compliance with the applicable legal and statutory responsibilities, defined in the Internal Rules.

Activities conducted

In accordance with the Committee's Internal Rules, general meetings will be held at least bimonthly. A total of nine (9) Committee meetings were held in the period from January 2021 to March 2022.

All the issues, guidance, discussions, recommendations and opinions of the Committee were formalized in minutes of meetings, which are signed by the attending Committee members and remain filed at the Company's headquarters and in the platform used by the Corporate Governance area.

The Committee’s key activities in the period from January 2021 to March are described below:

(a) Analysis and recommendation about the Company's Management Report and Financial Statements for the year ended December 31, 2020 (FS2020);
(b) Analysis and recommendation about the Company's financial information for the period ended March 31, 2021 (1Q21);
(c) Analysis and recommendation about the Company's financial information for the period ended June 30, 2021 (2Q21);
(d) Monitoring of the work plan of the Company’s External Audit for fiscal year 2021;
(e) Restructuring of the Company’s Internal Audit area, with the hiring of a new professional responsible for the area, as well as monitoring of the area’s work and annual plan;
(f) Analysis and recommendation about the Company's financial information for the period ended September 30, 2021 (3Q21);
(g) Analysis of the possibility of extending the rotation of auditors due to the existence of the Statutory Audit Committee;

(h) Analysis and monitoring of labor contingencies and the action plan for labor claims;
(i) Analysis of the Internal Audit Work Plan for the first quarter of 2022;
(j) Analysis and recommendation on updating of the Company's Risk Management Policy and monitoring of the construction of the Company's Risk Map;
(k) Monitoring the hiring process and selection of the new professional responsible for the Risk Management and Compliance area;
(l) Analysis and recommendation about the Company's Management Report and Financial Statements for the year ended December 31, 2021 (FS2021).

Conclusions

The Committee members, in the exercise of their duties, carried out an examination and analysis of the Company's Financial Statements, including the Independent Auditor's Report and the Annual Management Report, referring to the year ended December 31. 2021. Considering all the analyses, studies and debates carried out during the meetings and the follow-up and supervision carried out by the Committee regarding the closing of the Financial Statements, in particular arising from the information provided by the Company and its Independent Auditors, the Committee members state that they have found no objection in submitting these documents for proper consideration by the Company's Board of Directors, with the subsequent recommendation for approval of shareholders at the General Meeting.

São Paulo, March 09, 2022.

Marcel Cecchi Vieira
Coordinator

Luiz Carlos Nannini
Member

Rogério Paulo Calderón Peres
Member

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 - Interim Financial Reporting and with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's report on the individual and consolidated financial statements

To the Board of Directors, Shareholders and Officers of
Via S.A.
São Paulo - SP

Opinion

We have audited the individual and consolidated financial statements of Via S.A. ("Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2021, and its individual and consolidated financial performance and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Measurement of the provision for labor and civil contingencies

At December 31, 2021, the provision for labor and civil contingencies totaled R$2,494 million in the individual statements and R$2,533 million in the consolidated statements, as disclosed in Note 17.c to the individual and consolidated financial statements. The Company and its subsidiaries are parties to a significant number of lawsuits and administrative proceedings pending before courts and government agencies arising from the normal course of their operations, involving labor and civil matters.

The measurement, accounting recognition of the provision and the respective disclosure of contingencies related to these lawsuits and administrative proceedings require judgment of the Company and its internal and external legal advisors.

Changes in the assumptions used by the Company to exercise this judgment, or changes in external conditions, may significantly impact the amount of the provision recognized in the individual and consolidated financial statements.

How our audit addressed this matter:

Our audit procedures included the following, among others: (i) evaluation of the accounting policies applied by the Company for classification of losses, including assessment of the judgment on measurement of the amounts to be recorded as provision and the appropriate and consistent application of the judgment throughout the years presented; (ii) analysis of the sufficiency of recognized provisions and contingency amounts disclosed and that took into account the evaluations prepared by the Company's internal and external legal advisors; (iii) external confirmations obtained from the Company's advisors about the current stage and risk classification; (iv) involvement of our specialists in the analysis of the likelihood of loss and of the model adopted by the Company to set up the provision; and (v) assessment of the adequacy of the Company's disclosures in the explanatory notes to the financial statements in relation to the matter.

Based on the results of the audit procedures performed, which are consistent with management's assessment, we understand that the estimates prepared by the Company management, as well as the respective disclosures in Note 17, are acceptable in the context of the financial statements taken as a whole.

Realization of State VAT (ICMS) credits recoverable

As of December 31, 2021, the balance of State VAT (ICMS) credits totaled R$3,616 million in the Individual financial statements and R$3,625 million in the Consolidated financial statements, as disclosed in Note 8.b to the financial statements as at December 31, 2021. The recoverability analysis of ICMS credits was significant for our audit due to the following: (i) the amounts of these credits are material in relation to the individual and consolidated financial statements as at December 31, 2021 and (ii) the preparation of this analysis involves judgment by the Company management in determining the projections of future ICMS debts in its operations, including consideration of special taxation regimes. These projections could be impacted by future market and economic conditions.

How our audit addressed this matter:

Our audit procedures included the following, among others: (i) understanding of the process implemented by management for preparation of the annual tax credit recoverability analysis, including evaluation of the design and operational effectiveness of internal controls implemented for preparation of projections; (ii) assessment of the reasonableness of the data used in the preparation of the annual tax credit recoverability analysis, including these calculations; and (iii) involvement of our indirect tax experts in assessing the application of tax legislation and special taxation regimes in the projections used for the annual analysis of recoverability of tax credits. We also evaluated the adequacy of disclosures in Note 8 to the financial statements as of December 31, 2021.

Based on the results of the audit procedures carried out on the annual tax credit recoverability analysis, which is consistent with management's assessment, we consider that the criteria and assumptions associated with the recoverability of the ICMS credits adopted by management, as well as the respective disclosures in Note 8, to be acceptable in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2021, prepared under the responsibility of the Company management, and presented as supplementary information for IFRS purposes, were subjected to audit procedures conducted jointly with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

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

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

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

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

- Identified and assessed risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group's audit and, consequently, for the audit opinion.

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 9, 2022

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Julio Braga Pinto
Accountant CRC-1SP209957/O-2

Via S.A.

Statement of financial position
December 31, 2021
In millions of Brazilian reais

	Notes	Individual 12.31.2021	Individual 12.31.2020	Consolidated 12.31.2021	Consolidated 12.31.2020
Assets					
Current assets					
Cash and cash equivalents	5	**1,596**	2,925	**1,781**	2,984
Trade accounts receivable	6	**6,855**	7,901	**6,900**	7,907
Inventories	7 e 14 (g)	**7,099**	6,149	**7,152**	6,176
Taxes recoverable	8	**1,782**	1,366	**1,809**	1,394
Related Parties	9	**420**	254	**271**	209
Prepaid expenses		**180**	276	**191**	281
Other assets	6 (d)	**310**	259	**360**	297
Total current assets		**18,242**	19,130	**18,464**	19,248
Noncurrent assets					
Trade accounts receivable	6	**665**	888	**665**	888
Taxes recoverable	8	**4,408**	4,052	**4,495**	4,052
Deferred taxes	16 (c)	**2,709**	1,535	**2,841**	1,607
Related Parties	9	**141**	57	**188**	97
Judicial deposits	17 (e)	**803**	654	**823**	676
Judicial deposits	14 (b)	**-**	-	**10**	-
Other assets	6 (d)	**466**	136	**467**	137
Investments	10	**1,466**	1,173	**225**	206
Property and equipment	11	**1,620**	1,335	**1,712**	1,413
Intangible assets	12	**1,055**	661	**2,143**	1,653
Right-of-use asset	18	**3,273**	3,039	**3,307**	3,079
Total noncurrent assets		**16,606**	13,530	**16,876**	13,808
Total assets		**34,848**	32,660	**35,340**	33,056

See accompanying notes.

Via S.A.

Statement of financial position
December 31, 2021
In millions of Brazilian reais

	Notes	Individual 12.31.2021	Individual 12.31.2020	Consolidated 12.31.2021	Consolidated 12.31.2020
Liabilities and equity					
Current liabilities					
Trade accounts payable		**7,608**	7,704	**7,750**	7,799
Trade accounts payable – agreement	14 (b)	**1,904**	484	**1,904**	484
Loans and financing	13	**5,267**	6,687	**5,283**	6,687
Taxes payable	15	**225**	273	**231**	276
Social and labor obligations		**558**	582	**591**	612
Deferred revenue	19	**365**	357	**374**	385
Transactions with related parties	9	**76**	51	**27**	26
Transfer to third parties	19	**498**	637	**576**	653
Lease liabilities	18	**824**	659	**829**	665
Other liabilities		**1,082**	864	**1,112**	910
Total current liabilities		**18,407**	18,298	**18,677**	18,497
Noncurrent liabilities					
Loans and financing	13	**4,139**	2,409	**4,139**	2,409
Deferred revenue	19	**793**	1,036	**853**	1,108
Provision for contingencies	17	**2,509**	1,625	**2,593**	1,691
Taxes payable	15	**21**	22	**21**	23
Deferred taxes	16 (c)	**-**	-	**6**	6
Lease liabilities	18	**3,328**	3,249	**3,373**	3,298
Other liabilities		**14**	42	**41**	45
Total noncurrent liabilities		**10,804**	8,383	**11,026**	8,580
Total liabilities		**29,211**	26,681	**29,703**	27,077
Equity	20				
Paid-in Capital		**5,044**	5,039	**5,044**	5,039
Capital transactions		**(1,232)**	(1,232)	**(1,232)**	(1,232)
Capital reserves		**2,299**	2,656	**2,299**	2,656
Treasury shares		**(10)**	(1)	**(10)**	(1)
Income reserve		**-**	1,004	**-**	1,004
Retained earnings (accumulated losses)		**(297)**	(1,420)	**(297)**	(1,420)
Other comprehensive income (loss)		**(167)**	(67)	**(167)**	(67)
Total equity		**5,637**	5,979	**5,637**	5,979
Total liabilities and equity		**34,848**	32,660	**35,340**	33,056

See accompanying notes.

Via S.A.

Statement of profit or loss
Year ended December 31, 2021
In millions of Brazilian reais – R$

		Individual		Consolidated	
	Notes	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Revenue from sales and/or services	21	**30,896**	28,893	**30,899**	28,901
Cost of goods sold and services rendered	22	**(21,513)**	(19,403)	**(21,572)**	(19,435)
Gross Profit		**9,383**	9,490	**9,327**	9,466
Selling expenses	22	**(7,079)**	(5,893)	**(7,121)**	(5,892)
General and administrative expenses	22	**(1,013)**	(812)	**(1,077)**	(891)
Depreciation and amortization	11, 12 e 18	**(782)**	(721)	**(799)**	(731)
Other operating income (expenses), net	23	**(682)**	(390)	**(718)**	(386)
Income (loss) before finance income (costs) and equity pickup		**(173)**	1,674	**(388)**	1,566
Finance income (costs), net	24	**(1,230)**	(691)	**(1,217)**	(696)
Equity pickup	10	**(98)**	(25)	**45**	53
Income (loss) before income taxes		**(1,501)**	958	**(1,560)**	923
Income and social contribution taxes	16	**1,204**	46	**1,263**	81
Net income (loss) for the year attributable to the Company's shareholders		**(297)**	1,004	**(297)**	1,004
Earnings per share (reais/share)	25				
Basic					
Common shares		**(0.18593)**	0.68707		
Diluted					
Common shares		**(0.18593)**	0.66838		

Via S.A.

Statement of comprehensive income
Year ended December 31, 2021
In millions of Brazilian reais

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Net income (loss) for the year attributable to the Company's shareholders	**(297)**	1,004	**(297)**	1,004
Other comprehensive income (loss)				
Items that may be reclassified to P&L				
Fair value of financial instruments	**(153)**	(24)	**(153)**	(24)
Taxes on fair value of financial instruments	**52**	8	**52**	8
Equity pickup on other comprehensive income in Investees	**1**	(3)	**-**	-
Translation adjustments for the period	**-**	-	**1**	(3)
Comprehensive income for the year attributable to the Company's shareholders	**(397)**	985	**(397)**	985

See accompanying notes.

Via S.A.

Statement of cash flows
Year ended December 31, 2021
In millions of Brazilian reais

	Notes	Individual 12.31.2021	Individual 12.31.2020	Consolidated 12.31.2021	Consolidated 12.31.2020
Net income for the year		**(297)**	1,004	**(297)**	1,004
Adjustments:					
Depreciation and amortization	11, 12 and 18	**963**	884	**993**	912
Equity pickup	10	**98**	25	**(45)**	(53)
Deferred income and social contribution taxes	16	**(1,121)**	(81)	**(1,181)**	(114)
Unrealized interest and monetary difference		**846**	428	**853**	431
Provision for labor contingencies, net of reversals		**2,185**	705	**2,224**	732
Provision for other contingencies, net of reversals		**130**	76	**131**	76
Allowance for expected credit losses	6 (c)	**825**	799	**830**	800
Loss on disposal of property and equipment and intangible assets	23	**7**	(58)	**38**	(59)
Estimated impairment loss of inventories	7	**16**	(13)	**15**	(12)
Deferred revenue recognized in profit or loss		**(219)**	(249)	**(267)**	(269)
Share-based payment		**49**	53	**49**	53
Write-off of right of use and lease liabilities	18	**2**	(129)	**1**	(125)
Discounts received - leases		**-**	(91)	**-**	(91)
Other		**20**	(2)	**19**	(2)
Adjusted net income for the year		**3,504**	3,351	**3,363**	3,283
Changes in working capital					
Trade accounts receivable		**272**	(4,134)	**246**	(4,139)
Inventories		**(966)**	(1,586)	**(987)**	(1,599)
Taxes recoverable		**(605)**	(1,272)	**(691)**	(1,426)
Related parties		**(83)**	(188)	**(3)**	(181)
Judicial deposits		**(112)**	(15)	**(110)**	(17)
Prepaid expenses		**96**	(223)	**90**	(226)
Financial instruments – fair value hedge		**(381)**	(110)	**(393)**	(114)
Other assets		**1,198**	237	**1,228**	283
Trade accounts payable		**(49)**	109	**(47)**	256
Taxes payable		**(13)**	193	**(12)**	191
Social and labor obligations		**(139)**	122	**(93)**	136
Transfer to third parties		**(18)**	6	**(18)**	7
Labor contingencies	17	**(1,474)**	(782)	**(1,505)**	(809)
Other contingencies	17	**(133)**	(127)	**(133)**	(127)
Other liabilities		**190**	247	**157**	251
Dividends received from investees	10	**1**	5	**26**	10
Changes in working capital		**(2,216)**	(7,518)	**(2,245)**	(7,504)
Net cash used in operating activities		**1,288**	(4,167)	**1,118**	(4,221)
Cash flow from investing activities					
Acquisition of property and equipment and intangible assets	11 and 12	**(876)**	(347)	**(912)**	(362)
Disposal of property and equipment and intangible assets	11 and 12	**3**	-	**3**	6
Financial instruments		**-**	-	**(10)**	-
Acquisition of equity interest	10	**-**	-	**-**	(18)
Acquisition of subsidiary, net of cash		**-**	-	**(39)**	(70)
Capital increase in subsidiary	10	**(272)**	(176)	**-**	-
Advance for future capital increase	10	**(119)**	-	**-**	-
Net cash used in in vesting activities		**(1,264)**	(523)	**(958)**	(444)
Cash flow from financing activities					
Fundraising	13	**9,199**	10,247	**9,199**	10,247
Payment of principal	13	**(9,028)**	(6,998)	**(9,028)**	(6,998)
Payment of interest	13	**(491)**	(466)	**(491)**	(466)
Repayment of principal - lease	18	**(643)**	(420)	**(647)**	(424)
Payment of interest - lease	18	**(385)**	(383)	**(391)**	(389)
Funds from issue of shares		**-**	4,455	**-**	4,455
Payment of share issue costs		**-**	(142)	**-**	(142)
Acquisition of treasury shares, net of disposal	20 (d)	**(10)**	-	**(10)**	-
Capital increase	20 (a)	**5**	2	**5**	2
Net cash from (used in) financing activities		**(1,353)**	6,295	**(1,363)**	6,285
Increase (decrease) net in cash and cash equivalents		**(1,329)**	1,605	**(1,203)**	1,620
Opening balance of cash and cash equivalents	5	**2,925**	1,320	**2,984**	1,364
Closing balance of cash and cash equivalents	5	**1,596**	2,925	**1,781**	2,984
		(1,329)	1,605	**(1,203)**	1,620
Additional information on non-cash items:					
Acquisition of property and equipment and intangible assets through financing	11 and 12	**263**	38	**266**	38

See accompanying notes.

Via S.A.

Statement of changes in equity
Year ended December 31, 2021
In millions of Brazilian reais

	Notes	Attributable to Company shareholders										
				Capital reserves					Income reserves			
	Notes	Capital	Capital transactions	Special goodwill reserve	Premium on subscription of shares	Tax incentives	Granted options	Treasury shares	Investment grant	Retained earnings (accumulated losses)	Other comprehensive income	Total
Balances at December 31, 2019		2,903	(1,232)	279	-	8	89	(1)	-	(1,420)	(48)	578
Income for the period		-	-	-	-	-	-	-	-	1,004	-	1,004
Adjustments to financial instruments		-	-	-	-	-	-	-	-	-	(24)	(24)
Taxes on adjustments of financial instruments		-	-	-	-	-	-	-	-	-	8	8
Capital increase	20 (a)	2,230	-	-	-	-	-	-	-	-	-	2,230
Share issue costs	20 (a)	(94)	-	-	-	-	-	-	-	-	-	(94)
Investment grant		-	-	-	-	-	-	-	1,004	(1,004)	-	-
Recognized options granted	20 (d)	-	-	-	-	-	53	-	-	-	-	53
Premium on subscription of shares	20 (d)	-	-	-	2,227	-	-	-	-	-	-	2,227
Translation adjustments for the period		-	-	-	-	-	-	-	-	-	(3)	(3)
Balances at December 31, 2020		5,039	(1,232)	279	2,227	8	142	(1)	1,004	(1,420)	(67)	5,979
Income for the period		-	-	-	-	-	-	-	-	(297)	-	(297)
Capital increase	20 (a)	5	-	-	-	-	-	-	-	-	-	5
Adjustments to financial instruments		-	-	-	-	-	-	-	-	-	(153)	(153)
Taxes on adjustments of financial instruments		-	-	-	-	-	-	-	-	-	52	52
Translation adjustments for the period		-	-	-	-	-	-	-	-	-	1	1
Recognized options granted		-	-	-	-	-	60	-	-	-	-	60
Treasury shares	20 (d)	-	-	-	-	-	-	(10)				(10)
Absorption of accumulated losses	20 (b)	-	-	-	(416)	-	-	-	(1,004)	1,420	-	-
Balances at December 31, 2021		**5,044**	**(1,232)**	**279**	**1,811**	**8**	**202**	**(11)**	**-**	**(297)**	**(167)**	**5,637**

See accompanying notes.

Via S.A.

Statement of value added
Year ended December 31, 2021
In millions of Brazilian reais

	Notes	Individual 12.31.2021	Individual 12.31.2020	Consolidated 12.31.2021	Consolidated 12.31.2020
Revenue		**35,501**	33,631	**35,558**	33,665
Sale of goods and services	21	**36,322**	34,430	**36,375**	34,458
Allowance for expected credit losses	6	**(825)**	(799)	**(830)**	(800)
Other revenues		**4**	-	**13**	7
Materials acquired from third parties		**(29,324)**	(25,993)	**(29,359)**	(25,958)
Cost of goods sold and services rendered		**(24,529)**	(21,799)	**(24,350)**	(21,654)
Materials, energy, third-party services and other		**(4,851)**	(4,474)	**(5,041)**	(4,580)
Recovery (loss) of receivables		**2**	184	**(23)**	180
Other		**54**	96	**55**	96
Gross value added		**6,177**	7,638	**6,199**	7,707
Depreciation and amortization	11, 12 and 18	**(963)**	(884)	**(993)**	(912)
Net value added produced by the Company		**5,214**	6,754	**5,206**	6,795
Value added received in transfer		**175**	394	**348**	475
Equity pickup	10	**(98)**	(25)	**45**	53
Finance income	24	**273**	419	**303**	422
Total value added to be distributed		**5,389**	7,148	**5,554**	7,270
Value added distributed		**5,389**	7,148	**5,554**	7,270
Employee benefits expense		**4,731**	3,121	**4,849**	3,219
Salaries		**2,053**	2,006	**2,098**	2,063
Benefits		**255**	236	**272**	246
Unemployment Compensation Fund (FGTS)		**179**	156	**198**	160
Labor claims		**2,211**	698	**2,223**	706
Other personnel expenses		**33**	25	**58**	44
Taxes and contributions		**(627)**	1,890	**(596)**	1,907
Federal taxes		**(1,173)**	635	**(1,170)**	648
State taxes		**467**	1,187	**493**	1,190
Local taxes		**79**	68	**81**	69
Debt remuneration		**1,582**	1,133	**1,598**	1,140
Interest	24	**1,503**	1,110	**1,520**	1,118
Rents		**56**	2	**55**	-
Other		**23**	21	**23**	22
Equity remuneration		**(297)**	1,004	**(297)**	1,004
Income for the year		**(297)**	1,004	**(297)**	1,004
Total value added distributed		**5,389**	7,148	**5,554**	7,270

See accompanying notes.

1. Operations

Via S.A., directly or through its subsidiaries ("Company" or "Via"), listed in the special segment called Novo Mercado da B3 S.A. - Brasil, Bolsa, Balcão ("B3"), under the code VIIA3, headquartered in São Paulo, State of São Paulo – Brazil.. We are a digital ecosystem and a marketplace open for innovation with a customer-centric approach.

We recently transitioned from a transactional retail model to a relational platform model. Our focus remains on increasing our customer base, the customer lifetime value (LTV), and on the continuous improvement of the customer experience.

We offer financial and credit solutions to our customers through BanQi and specialized logistic services by means of ASAPLog.

The recently launched corporate brand *Via* (the word *varejo* - retail - is no longer part of the name), accompanied by a new positioning, in line with the great transformation we are experiencing. This new name reinforces the strategy of being recognized as "the best shopping route for all Brazilians, wherever, whenever and however they want".

At December 31, 2021, the Company had 28 Distribution Centers and Warehouses and conducted sales through 1,091 active branches (927 with the Casas Bahia brand and 164 with the Ponto brand).

2. Presentation and preparation of the individual and consolidated financial statements

2.1. Basis of preparation, presentation and statement of compliance

The individual and consolidated financial statements has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and also with the accounting practices adopted in Brazil issued by Brazil's Financial Accounting Standards Board - FASB ("CPC"), and approved by the Brazilian Securities and Exchange Commission ("CVM"), and discloses all significant information inherent in individual and consolidated financial statements, and only such information, which is consistent with that used by management.

2.2. Basis of measurement and functional and presentation currency of the individual and consolidated financial statements

The individual and consolidated financial statements adopts the Brazilian real (R$) as the functional and presentation currency and is stated in millions of reais (R$). This information has been prepared on a historical cost basis, except for certain financial instruments and share-based payments, measured at fair value.

2.3. Statement of compliance

In compliance with CVM Rule No. 505/2006, authorization to issue the individual and consolidated financial statements for the year ended as of December 31, 2021 was granted by the Company's Board of Directors on March 09, 2022.

2.4. Statement of relevance

The Company management applied Accounting Guidance OCPC 7 and CVM Rule No. 727/14, meeting the minimum requirements and, at the same time, disclosing only relevant information that assists readers in decision making.

2.5. Significant accounting judgments, estimates and assumptions

In preparing the individual and consolidated financial statements, it is necessary to use estimates to account for certain assets and liabilities and other transactions. To make those estimates, the Company's management used the best information available on the date of preparation of the individual and consolidated financial statements, as well as the experience of past and/or current events, also considering assumptions related to future events.

The individual and consolidated financial statements therefore includes estimates and assumptions referring mainly to impairment losses on accounts receivable, inventories and intangible assets with indefinite useful lives, deferred income and social contribution taxes, provision for litigation and contingencies. , fair value of assets and liabilities and measurement of financial instruments. Accordingly, actual results may differ from those estimates.

2.6. Impacts of COVID-19

The World Health Organization (WHO) decreed that the outbreak of the coronavirus COVID-19 is a pandemic on a global scale. On March 10, 2020, the Brazilian Securities and Exchange Commission (CVM) issued circular letter CVM-SNC/SEP No. 02/2020, and on January 29, 2021, issued Circular Letter CVM-SNC/SEP No. 01/2021, providing guidance for Publicly-Held Companies to carefully assess the impacts of COVID-19 on their business and report the main risks and uncertainties arising therefrom in their financial statements, in accordance with the applicable accounting standards. The aforesaid pandemic resulted in significant impacts on Brazilian society and the economy in general, having a severe impact on various sectors of the economy, including the retail segment.

Via has adopted a number of protocols and measures to comply with certain sanitary requirements, including restriction of opening hours and/or the need to close stores. However, due to the great advance shown in our digital strategy, we were able to mitigate the adverse effects of the pandemic on our results, so that we see neither going-concern risks nor the need to adjust accounting estimates.

Since the beginning of the pandemic, the Company has taken several measures to preserve the health of its employees, service providers, suppliers, customers and other business partners. We estimate that the advance of Brazil's national immunization plan will allow the normalization of the stores' operations and relaxation of restrictions on operating hours, allowing people to move freely, and thus a gradual resumption of activities.

2.7. Acquisitions

(a) Celer Processamento Comércio e Serviço Ltda. ("Celer")

On July 2, 2021, the Company announced that it had completed the acquisition of one hundred percent (100%) of Celer's units of interest, through its subsidiary Cnova. Celer is a fintech established as a proprietary payment solutions platform that currently offers a complete Bank as a Service (BaaS) package, allowing other fintechs to provide their customers with a full-fledged digital account integrated with payment services, comprising cash-in and cash-out alternatives, card issuance and processing, collection and transfer management, including PIX in the traditional portfolio.

In millions of Brazilian reais – R$, unless otherwise stated

In compliance with CPC 15 – Business Combinations, the Company is currently evaluating the fair value of net assets acquired on July 2, 2021. The best estimate of the fair value of identifiable assets and liabilities on Celer's acquisition date is presented below:

Statement of financial position	Fair value at acquisition date 07.02.2021
Current assets	27
Noncurrent assets	11
	38
Current liabilities	50
Noncurrent liabilities	-
Equity	(12)
	38

The goodwill from the acquisition amounts to R$97, which comprise the difference paid by the Company, in the amount of R$85, in relation to the fair value of the acquiree's equity. It is mainly attributed to the synergies expected from the integration of the entity to the Company's existing businesses. The cash disbursement for the acquisition of the subsidiary, net of the cash acquired, is R$39, which corresponds to the amount of R$45 paid in 2021 net of the cash acquired of R$6.

(b) Via Next

On September 8, 2021, the Company communicated to the shareholders and to the market in general about the launch of the "Via Next" program, under which it made investments as a minority shareholder, through its subsidiary Cnova, in three startups: Gopublic Serviços Financeiros Ltda. ("GoPublic"), Mibolsillo Financial Technologies Inc. ("Poupa Certo") and Byebnk Facilitadora de Pagamentos Internacionais Ltda ("byebnk").

On October 8, 2021, the Company also made an investments as a minority shareholder, through its subsidiary Cnova, in the startup: Uffa Portal e Serviços de Informação Ltda. ("UFFA").

Via Next is Via's startup connection program, which was developed in partnership with Distrito and is intended to accelerate the Company's digital transformation and promote innovative solutions to improve the customers' entire purchase and relationship experience.

3. Revised pronouncements and interpretations issued but not yet adopted

Those IFRSs issued/amended by the IASB that are effective for the year beginning in 2021 had no impact on the Company's individual and consolidated financial statements.

Additionally, the IASB has issued/revised certain IFRS standards, which have their adoption scheduled for year 2021 or later. The Company is currently assessing the impacts of adopting these standards on its individual and consolidated financial statements:

- Amendment to IAS 1 - Classification of liabilities as current or noncurrent: This standard clarifies aspects to be considered for the classification of liabilities as current or noncurrent liabilities. This amendment to the standard is effective for years beginning on or after January 1, 2023, with retrospective application. The Company does not expect significant impacts on its individual and consolidated financial statements.

- Annual improvements in the IFRS 2018-2020. Changes in IFRS 1 addressing the first-time adoption in a subsidiary; IFRS 9, addressing the 10% test criterion for the reversal of financial liabilities; IFRS 16, addressing illustrative examples of leases; and IAS 41, addressing aspects of fair value measurement. These amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Company does not expect significant impacts on its financial statements.

- Amendment to IAS 16 – Property, Plant and Equipment: Proceeds produced before the projected use conditions are met. The amendment clarifies aspects to consider in classifying items produced before the asset is in the projected use conditions. This amendment is effective for annual reporting periods beginning on or after January 1, 2022. The Company does not expect significant impacts on its financial statements.

- Amendment to IAS 37 - Onerous contracts: Cost of fulfilling a contract. The amendment clarifies aspects to consider in classifying costs relating to the fulfillment of an onerous contract. This amendment is effective for annual reporting periods beginning on or after January 1, 2022. The Company does not expect significant impacts on its financial statements.

- Amendment to IFRS 3 - Reference to the conceptual framework. The amendment clarifies conceptual alignments of this standard with the IFRS conceptual framework. This amendment is effective for annual reporting periods beginning on or after January 1, 2022. The Company does not expect significant impacts on its financial statements.

- Amendment to IAS 1 and IFRS practice statement 2 - Disclosure of accounting policies. The amendment clarifies aspects to consider in disclosing accounting policies. This amendment is effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect significant impacts on its financial statements.

- Amendment to IAS 8 - Definition of accounting estimates. The amendment clarifies aspects to consider in defining accounting estimates. This amendment is effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect significant impacts on its financial statements.

- Amendment to IFRS 16 – Leases. The amendment defines the treatment of changes in lease contracts that are directly related to the Covid-19 pandemic. This amendment is effective for annual reporting periods beginning on or after January 1, 2021. The Company does not expect significant impacts on its financial statements.

- Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction. It clarifies aspects to consider in recognizing deferred taxes assets and liabilities related to taxable temporary differences and deductible temporary differences. This amendment is effective for annual reporting periods beginning on or after January 1, 2023. The Company does not expect significant impacts on its financial statements.

In millions of Brazilian reais – R$, unless otherwise stated

4. Significant accounting practices

The significant accounting policies adopted by the Company and its subsidiaries are described in the specific notes on the items presented. Those generally applicable to different aspects of financial information are described below.

a) Consolidation

In preparing the individual and consolidated financial statements, the financial information of subsidiaries as of the same reporting date and that is consistent with the Company's accounting policies was used.

Equity interest in subsidiaries

	12.31.2021		12.31.2020	
	Interest		Interest	
Subsidiaries	**Direct**	**indirect**	**Direct**	**indirect**
Indústria de Móveis Bartira Ltda. (“Bartira”)	99.99%	0.01%	99.99%	0.01%
Globex Administração e Serviços Ltda. (“GAS”)	99.99%	0.01%	99.99%	0.01%
Lake Niassa Empreendimentos e Participações Ltda. (“LAKE”)	99.99%	0.01%	99.99%	0.01%
VVLog Logística Ltda. (“VVLog”)	99.99%	0.01%	99.99%	0.01%
Globex Administradora de Consórcio Ltda. (“GAC”)	99.99%	0.01%	99.99%	0.01%
Cnova Comércio Eletrônico S.A. (“Cnova”)	100.00%	-	100.00%	-
ASAPLog Ltda. (“ASAPLog”)	-	100.00%	-	100.00%
Carrier EQ, LLC (“Airfox”)	-	100.00%	-	100.00%
BanQi Instituição de Pagamento Ltda. (“BanQi”)	-	100.00%	-	100.00%
I9XP Tecnologia e Participações S.A. (“I9XP”)	-	100.00%	-	100.00%
E-Hub Tecnologia em E-commerce Ltda. (“E-Hub”)	-	100.00%	-	-
BNQI Sociedade de Crédito Direto S.A. (“BNQI”)	-	100.00%	-	-
Celer Processamento Comércio e Serviço Ltda. (“Celer”)	-	100.00%	-	-

Description of key subsidiaries:

Indústria de Móveis Bartira Ltda.
Indústria de Móveis Bartira Ltda. is a limited liability company organized on May 11, 1962, whose business purpose is manufacturing and selling furniture in general, predominantly wooden furniture. Its ultimate parent is Via S.A.

Globex Administração e Serviços Ltda.
Globex Administração e Serviços Ltda. is a limited liability company engaged in providing property administration, rent, lease and intermediation services.

Lake Niassa Empreendimentos e Participações Ltda.
Lake Niassa Empreendimentos e Participações Ltda. is a holding company engaged in concentrating the interests held by the Company in the following financial entities: Financeira Itaú CBD S.A. Créditos, Financiamento e Investimento (“FIC”), Banco Investcred Unibanco S.A. (“BINV”), and FIC Promotora de Vendas Ltda. In 2020, Via announced that it has completed the acquisition of Airfox through its subsidiary Lake.

VVLog Logística Ltda.
VVlog Logística Ltda. is a limited liability company established on August 29, 2000 for the purpose of optimizing the logistics operations of its parent company, Via Varejo S.A., focused primarily on the management of logistics between the Company’s stores and distribution centers. In 2020, VVLog announced the acquisition of ASAPLog and I9XP.

Globex Administração de Consórcios Ltda.
Globex Administração de Consórcios Ltda. is authorized, according to Authorization Certificate No. 03/00/164/90 of the Ministry of Finance, to manage consortium groups organized to acquire durable goods to be delivered by its parent company Via S.A., upon collection of administration fees. The Administrator does not have active consortium groups at the moment.

Cnova Comércio Eletrônico S.A.
Cnova Comércio Eletrônico S.A. was established in 2014 through the contribution of certain assets and liabilities of Nova Pontocom, which belonged to Grupo Pão de Açúcar ("CBD") and Via S.A. ("Via"), with a view to creating Cnova N.V. based in the Netherlands. With the corporate reorganization of 2016, Cnova is now Via's direct subsidiary. On July 1, 2019, the subsidiary Cnova was partially spun off, and the spun-off portion was merged into Via. From that date, Via has been directly managing the e-commerce and marketplace businesses previously managed by Cnova. In 2020, Cnova acquired equity interest in Distrito. In 2021, the subsidiary Cnova completed the acquisition of one hundred percent (100%) of Celer's units of interest.

b) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as measured at amortized cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are classified as measured amortizes cost or at fair value through profit or loss. The financial liabilities are classified as measured at fair value through profit or loss, in the case of the financial liability is designated as held for trading.

Subsequent measurement

(i) Financial assets

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets at fair value through profit or loss.

Financial assets and financial liabilities at amortized cost

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include Cash and cash equivalents, Trade accounts receivable (except accounts receivable from credit card companies), and transactions with related parties.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company's debt instruments at fair value through OCI include the balances of Trade accounts receivable - Credit card companies.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. This category includes derivative instruments that the Company had not irrevocably elected to classify at fair value through OCI.

A derivative embedded in a hybrid contract with a financial liability is separated from the liability and accounted for as a separate derivative if: (a) the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (c) the hybrid contract is not measured at fair value, with changes recognized in profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

(ii) Financial liabilities

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost (loans and financing)

After initial recognition, interest-bearing financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

The Company's financial liabilities at amortized cost include Trade accounts payable, Trade accounts payable - agreement, Loans and financing (except in foreign currency), Lease liabilities, Transactions with related parties, and Transfer to third parties.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by CPC 48. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in CPC 48 are satisfied. Financial liabilities classified as fair value through profit or loss include Loans and financing in foreign currency.

Derecognition

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of: (i) the carrying amount of the asset; and (ii) the maximum amount of consideration that the entity could be required to repay (amount of the guarantee).

(ii) Financial liabilities

A financial liability is derecognized when:

- The obligation under the liability is discharged or cancelled
- An existing financial liability is replaced by another from the same lender on substantially different terms.
- The terms of an existing liability are substantially modified.

Impairment of financial assets

The Company applies the simplified approach under CPC 48 – Financial instruments to measure expected credit losses considering a loss allowance based on lifetime ELCs for all trade accounts receivable.

To measure expected credit losses, trade receivables were grouped based on shared credit risk characteristics and days past due. Expected loss rates are based on days sales outstanding during a 12-month period and on the corresponding historical credit losses incurred during this period, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company evaluates periodically whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

c) Foreign currency transactions

Foreign currency transactions are initially recognized at the market value of the corresponding currencies, on the date the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into reais using the market quotation at the reporting dates. Differences arising from the payment and translation of monetary items are recognized in finance income (costs).

d) Hedge accounting

The Company uses derivative financial instruments such as swaps to hedge contracts in foreign currency and when there are contracts at fixed rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasurement at fair value at each reporting date. These contracts must have the same terms, interest and principal payment dates, and be entered into with the same financial conglomerate of the hedged item.

These instruments are classified as fair value hedges, and recorded as hedge accounting, when they effectively hedge the hedged asset or liability from changes.

The hedged item and derivative financial instrument are recorded following the procedures below:

- The item designated as a hedged item is classified as “measured at fair value”, and changes are recognized in finance income (costs);
- Changes in the fair value of a derivative financial instrument classified as fair value hedge are recognized as finance income (costs) at each reporting date.

Fair value of loans and derivative financial instruments

The fair value of financial instruments designated as hedged items was measured based on the rates disclosed in the financial market and projected up to the maturity date of the financial instruments, and the discount rate used for the calculation was developed using DI curves, Clean Coupon and DI, indices published by B3. For loans in local currency, the DI curve and an index published by B3 are used, and calculated using the exponential interpolation method.

e) Provisions

Provisions are recognized for present obligations (legal or constructive) arising from past events, whose amounts can be reliably estimated and whose settlement is probable. In cases in which the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

f) Statement of value added

This statement presents information on the wealth created by the Company and its distribution over a given year, and is presented as required by Brazilian Corporation Law as part of the individual and consolidated financial statements, given that it is not provided for or mandatory under the IFRS.

The SVA was prepared based on information obtained from accounting records used as basis for preparation of the financial statements, supplementary records, and following the provisions contained in CPC 09 - Statement of Value Added. The first part presents the wealth created by the Company, represented by revenues (gross revenue from sales, including applicable taxes, other revenues, and the effects of allowance for doubtful accounts), inputs purchased from third parties (cost of sales and purchases of materials, energy and services from third parties, including taxes levied on the purchase amount, the effects of losses and recovery of receivables, and depreciation and amortization), and the value added received from third parties (equity pickup, finance income, and other revenues). The second part of the SVA presents the distribution of wealth among individuals, taxes, fees and contributions, debt remuneration, and equity remuneration.

The other significant accounting policies are disclosed in the respective explanatory notes.

In millions of Brazilian reais – R$, unless otherwise stated

5. Cash and cash equivalents

a) Accounting policy

These include cash and short-term highly liquid investments, immediately convertible into cash amounts and subject to an insignificant risk of change in value, with intention and possibility of redemption in the short term with the issuer itself.

b) Breakdown of balances

	Weighted average rate (p.a.)	Individual 12.31.2021	Individual 12.31.2020	Consolidated 12.31.2021	Consolidated 12.31.2020
Cash and banks		**116**	106	**232**	118
Short-term investments - repurchase agreements	90.09 % of CDI p.a.	**1,476**	2,805	**1,535**	2,837
Sweep accounts (i)	16.46 % of CDI p.a. (i)	**4**	14	**4**	14
Investments in government bonds (LFT´s)	100% of Selic rate p.a.	**-**	-	**10**	15
		1,596	2,925	**1,781**	2,984

(i) These refer to investment of funds available in checking account with daily profitability linked to the Interbank Deposit Certificate (CDI) rate, automatically redeemed on the first business day following that of the investment (D+1).

6. Trade accounts receivable

a) Accounting policy

The balances recorded in Trade accounts receivable refer to the Company's operating activities arising from the sale of goods and services. The other accounts receivable not related to operating activities are recognized under "Other assets".

Trade accounts receivable balances are initially recorded at the transaction value, which corresponds to the sales value, and are subsequently measured according to the portfolio: (i) fair value through other comprehensive income, in the case of credit card companies and (ii) amortized cost, for all other portfolios.

The measurement of balances of accounts receivable from credit card companies is based on comparable operations carried out regularly by the Company, while financial assets measured at amortized cost follow the effective interest rate method for each operation. For all portfolios, the estimated loss is considered, recognized in P&L, according to the methods explained below.

- The Company uses different methods to assess the allowance for expected credit losses for each of the portfolios. The portfolios are divided as follows: CDCI Consumer financing, Credit card companies, B2B, and other portfolios;
- To calculate the expected losses from the CDCI Consumer financing portfolio, the Company considers the sales payment profiles over a 12-month period and the corresponding historical credit losses incurred in that period, adjusted for specific prospective factors relating to the debtors and the economic environment.
- For the credit card companies, B2B and other portfolios, the Company uses historical information through a loss matrix to apply estimated losses.

In millions of Brazilian reais – R$, unless otherwise stated

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Credit card companies	**3,820**	5,512	**3,839**	5,512
Casas Bahia Credit Facility – Total (Note 6.1)	**5,006**	4,488	**5,006**	4,488
Interest to be incurred / to allocate in future periods (Note 6.1)	**(1,286)**	(1,213)	**(1,286)**	(1,213)
Trade accounts receivable - B2B (i)	**361**	217	**361**	217
Other accounts receivable	**325**	327	**356**	334
Allowance for doubtful accounts (ADA) (c)	**(706)**	(542)	**(711)**	(543)
	7,520	8,789	**7,565**	8,795
Current	**6,855**	7,901	**6,900**	7,907
Noncurrent	**665**	888	**665**	888

(i) These refer to sales made to other legal entities for resale or own use.

c) Changes in allowance for doubtful accounts (ADA)

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Balance at beginning of year	**(542)**	(489)	**(542)**	(489)
Expected loss recorded in the year	**(825)**	(799)	**(830)**	(800)
Write-off of accounts receivable, net of recovery	**661**	746	**661**	746
Balance at end of year	**(706)**	(542)	**(711)**	(543)
Current	**(623)**	(477)	**(628)**	(478)
Noncurrent	**(83)**	(65)	**(83)**	(65)

d) In addition to the aforementioned balances, the Company has other receivables from various sources, such as: amounts related to collateral given, indemnity assets, expenses paid in advance, advances to suppliers, amounts receivable related to reimbursement of expenses, among others, all of which are recorded in the specific Other assets account.

6.1 Accounts receivable – Direct Consumer Credit (Casas Bahia Credit Facility) "buy now, pay later"

a) Breakdown of balances – Portfolio (Casas Bahia Credit Facility)

These correspond to receivables from time sales financed through Direct Consumer Credit with Seller Intervention (Casas Bahia Credit Facility) "buy now, pay later", according to Note 13(a)(i), payable in up to 24 months, with days sales outstanding of 15 months with average interest rate of 92% p.a. Set out below are gross balances of time-sale payment slips and the amount of interest to be incurred as per the agreed terms.

In millions of Brazilian reais – R$, unless otherwise stated

	Individual and Consolidated	
	12.31.2021	12.31.2020
Casas Bahia Credit Facility – Current	**4,371**	3,876
Casas Bahia Credit Facility – Noncurrent	**635**	612
Casas Bahia Credit Facility – Total (a)	**5,006**	4,488
Interest to be incurred / Revenue to be allocate in future periods	**(1,286)**	(1,213)
Casas Bahia Credit Facility – Total Without interest to be incurred	**3,720**	3,275
Allowance for doubtful accounts (ADA) (b)	**(656)**	(479)
(%) Allowance for Expected Credit Losses – AECL (ADA) / Casas Bahia Credit Facility – Total ((b)÷(a))	**13.1%**	10.7%

b) Changes in allowance for expected credit losses – Casas Bahia Credit Facility

	Individual and Consolidated	
	12.31.2021	12.31.2020
Balance at beginning of year	**(479)**	(422)
Expected loss recorded in the year	**(704)**	(687)
Write-off of accounts receivable, net of recovery	**527**	630
Balance at end of year	**(656)**	(479)
Current	**(573)**	(414)
Noncurrent	**(83)**	(65)

c) Breakdown of expected credit loss by type of receivable – Total portfolio

	Individual					
	12.31.2021			12.31.2020		
	Gross	ECL (ADA)	Net	Gross	ECL (ADA)	Net
Credit card companies	**3,820**	**(33)**	**3,787**	5,512	(42)	5,470
Casas Bahia Credit Facility – Total	**5,006**	**(656)**	**4,350**	4,488	(479)	4,009
Trade accounts receivable – “B2B”	**361**	**(4)**	**357**	217	(7)	210
Other accounts receivable	**325**	**(13)**	**312**	327	(14)	313
	9,512	**(706)**	**8,806**	10,544	(542)	10,002

	Consolidated					
	12.31.2021			12.31.2020		
	Gross	ECL (ADA)	Net	Gross	ECL (ADA)	Net
Credit card companies	**3,839**	**(33)**	**3,806**	5,512	(42)	5,470
Casas Bahia Credit Facility – Total	**5,006**	**(656)**	**4,350**	4,488	(479)	4,009
Trade accounts receivable - “B2B”	**361**	**(4)**	**357**	217	(7)	210
Other accounts receivable	**356**	**(18)**	**338**	334	(15)	319
	9,562	**(711)**	**8,851**	10,551	(543)	10,008

In millions of Brazilian reais – R$, unless otherwise stated

d) Aging list of accounts receivable, before the reduction of expected credit losses and interest to be incurred – Total portfolio

	Individual											
	12.31.2021						12.31.2020					
		Overdue						Overdue				
	Falling due	Up to 30 days	31 – 60 days	61-90 days	Overdue for more than 90 days	Total	Falling due	Up to 30 days	31 – 60 days	61-90 days	Overdue for more than 90 days	Total
Credit card companies	**3,803**	**-**	**-**	**-**	**17**	**3,820**	5,496	-	-	1	15	5,512
Casas Bahia Credit Facility	**4,665**	**143**	**74**	**53**	**71**	**5,006**	4,289	97	41	27	34	4,488
Trade accounts receivable - "B2B"	**328**	**22**	**4**	**-**	**7**	**361**	113	86	8	2	8	217
Other accounts receivable	**313**	**5**	**3**	**1**	**3**	**325**	321	2	2	1	1	327
	9,109	**170**	**81**	**54**	**98**	**9,512**	10,219	185	51	31	58	10,544

	Consolidated											
	12.31.2021						12.31.2020					
		Overdue						Overdue				
	Falling due	Up to 30 days	31 – 60 days	61-90 days	Overdue for more than 90 days	Total	Falling due	Up to 30 days	31 – 60 days	61-90 days	Overdue for more than 90 days	Total
Credit card companies	**3,822**	**-**	**-**	**-**	**17**	**3,839**	5,496	-	-	1	15	5,512
Casas Bahia Credit Facility	**4,665**	**143**	**74**	**53**	**71**	**5,006**	4,289	97	41	27	34	4,488
Trade accounts receivable - "B2B"	**328**	**22**	**4**	**-**	**7**	**361**	113	86	8	2	8	217
Other accounts receivable	**341**	**6**	**4**	**1**	**4**	**356**	326	2	2	2	2	334
	9,156	**171**	**82**	**54**	**99**	**9,562**	10,224	185	51	32	59	10,551

In millions of Brazilian reais – R$, unless otherwise stated

7. Inventories

a) Accounting policy

The cost of inventories is based on the weighted average cost, and inventories include all expenses related to transportation, storage, non-recoverable taxes, among other costs incurred in bringing them to their present location and condition.

Inventories are stated at the lower of acquisition cost and realization value, computed by the weighted average cost. Inventories are reduced to their recoverable amount through estimated loss due to robbery, theft, scrapping, slow-moving items, and estimated loss on goods that will be sold with negative gross margin, including showcase products.

Bonuses received from suppliers include agreements for volume of purchases, provision of logistics services and specific negotiations for margin adjustment or marketing agreements, among others. Bonuses are recorded in P&L as the corresponding inventories are sold. When applicable, the value of bonuses receivable is recorded as an account reducing the balance of trade accounts payable, provided that the agreements with suppliers allow the settlement of such balance for the net amount.

b) Accounting estimates and assumptions

The net recoverable amount represents the estimated selling price less estimated costs and expenses directly attributable to bringing the goods to selling conditions, including adjustments for slow-moving items, negative margin and shortages due to robbery, theft and scrapping, obtained through analysis of historical loss.

The net realizable value is calculated at the average selling price, less:

(i) taxes on sales;
(ii) personnel expenses directly related to the sale; and
(iii) cost of inventories.

c) Breakdown of balances

	Individual		Consolidated	
	12.31.2021	**12.31.2020**	**12.31.2021**	**12.31.2020**
Stores	**2,953**	1,970	**2,953**	1,970
Distribution centers	**4,161**	4,204	**4,213**	4,232
Storeroom	**21**	16	**22**	16
Estimated loss to the net realizable value	**(36)**	(41)	**(36)**	(42)
	7,099	6,149	**7,152**	6,176

d) Changes in estimated loss on reduction of inventories to net realizable value

	Individual		Consolidated	
	12.31.2021	**12.31.2020**	**12.31.2021**	**12.31.2020**
Balance at beginning of year	**(41)**	(79)	**(42)**	(79)
Reversals (additions)	**(16)**	13	**(15)**	12
Realized losses	**21**	25	**21**	25
Balance at end of year	**(36)**	(41)	**(36)**	(42)

In millions of Brazilian reais – R$, unless otherwise stated

8. Taxes recoverable

a) Accounting policy

The Company records tax credits based on legal, documentary and factual understanding that allows their recognition, including estimated realization. ICMS is recognized as a reduction in “cost of goods sold”, while PIS and COFINS are accounted for as a reduction in P&L accounts on which credits are calculated.

Expected realization of tax is based on the projection of operations and growth, operational management, legislation in force and generation of debts for use of these credits per operation. In the years ended December 31, 2021 and 2020, the Company reassessed its expectations of credit realization based on changes in its budgetary and logistics plans.

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2021	**12.31.2020**	**12.31.2021**	**12.31.2020**
State VAT (ICMS) recoverable (i)	**3,616**	3,123	**3,625**	3,127
Contribution Tax on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) recoverable (ii)	**1,986**	1,878	**2,069**	1,880
Income and social contribution taxes	**217**	243	**230**	257
Other	**371**	174	**380**	182
	6,190	5,418	**6,304**	5,446
Current	**1,782**	1,366	**1,809**	1,394
Noncurrent	**4,408**	4,052	**4,495**	4,052

(i) Realization of ICMS credit

The ICMS credit realization plan is monitored periodically in order to ensure compliance with the established assumptions, which are reassessed based on business events, allowing a better credit realization.

With respect to credits that cannot yet be immediately offset, the Company management, based on a technical recovery study that considers expected operational performance and consequent offset with debts arising from its operations, understands that future offset is feasible. The studies mentioned are prepared and reviewed from time to time based on information extracted from the strategic planning previously approved by the Company's Board of Directors. For the individual and consolidated financial statements for the year ended as of December 31, 2021, the Company management assessed compliance with the monetization plan and, at least annually and whenever necessary, reassesses, includes and/or excludes elements that help clarify the assumptions considered for the realization of the ICMS balance recoverable.

It should be noted that credit is also realized through reimbursement from the state finance departments, requiring evidence of the operations carried out that generated the Company’s right to reimbursement, through tax documents and digital files. This methodology is determined by the legislation of each state, and is duly complied with by the Company.

In millions of Brazilian reais – R$, unless otherwise stated

(ii) Decision of the Federal Supreme Court of Brazil ("STF") on ICMS in the PIS and COFINS tax base

Since adoption of the non-cumulative PIS and COFINS regime, the Company has been pleading in court the right to deduct ICMS and ICMS-ST from the PIS and COFINS tax base. With the judgment of this matter by the STF under general resonance on March 15, 2017, as well as the Decision published on October 2, 2017, calculation is now made considering the respective deductions.

In August 2019, a final favorable decision was handed down on the proceeding in which the Company pleaded the right to exclude ICMS from the PIS and COFINS tax base.

In May 2020, the Company obtained a favorable decision in another proceeding addressing the right to exclude ICMS from the PIS and COFINS base. The amount recorded in the year was R$ 1,330 recorded under "PIS and COFINS recoverable", the principal being R$ 1,039 in "Cost of goods and services sold" and monetary restatement of R$ 291 in "Finance income (costs), net".

In May 2021, the STF decided on the motions for clarification by the Office of the Attorney-General of the National Treasury (PGFN), as well as on limiting the effects of the decision in time. The STF plenary, by a majority vote, partially granted the motions for clarification in the following terms: (i) "as to the topic related to the ICMS tax excluded from the PIS and COFINS contribution tax base, the understanding that it is the ICMS tax disclosed in the invoice prevailed"; and (ii) "the limitation of effects of the decision in time, which is to be enforced after March 15, 2017, except for the judicial and administrative proceedings filed up to the date of the session in which the decision was handed down".

c) Expected realization of taxes recoverable

	Individual				
	ICMS	**PIS and COFINS**	**IRPJ and CSLL**	**Other**	**Total**
2022	**478**	**765**	**27**	**315**	**1,585**
2023	**804**	**901**	**27**	**31**	**1,763**
2024	**789**	**320**	**27**	**23**	**1,159**
2025	**683**	**-**	**27**	**1**	**711**
2026	**661**	**-**	**109**	**1**	**771**
2027	**201**	**-**	**-**	**-**	**201**
	3,616	**1,986**	**217**	**371**	**6,190**

	Consolidated				
	ICMS	**PIS and COFINS**	**IRPJ and CSLL**	**Other**	**Total**
2022	**487**	**796**	**30**	**317**	**1,630**
2023	**804**	**919**	**30**	**33**	**1,786**
2024	**789**	**337**	**29**	**28**	**1,183**
2025	**683**	**17**	**29**	**1**	**730**
2026	**661**	**-**	**112**	**1**	**774**
2027	**201**	**-**	**-**	**-**	**201**
	3,625	**2,069**	**230**	**380**	**6,304**

In millions of Brazilian reais – R$, unless otherwise stated

9. Related parties

	Assets (liabilities), net				Income (expenses), net			
	Individual		Consolidated		Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Related parties								
Subsidiaries								
Indústria de Móveis Bartira Ltda. ("Bartira") (b) (c)	**125**	21	**-**	-	**(643)**	(393)	**-**	-
Globex Administração e Serviços Ltda. ("GAS") (b)	**-**	-	**-**	-	**(2)**	(1)	**-**	-
ASAPLog Ltda. ("ASAPLog") (c)	**-**	-	**-**	-	**(17)**	(4)	**-**	-
VVLog Logística Ltda. ("VVLog") (c)	**(26)**	(2)	**2**	-	**(44)**	(4)	**-**	-
BanQi Instituição de Pagamento Ltda. ("BanQi") (c)	**2**	2	**-**	-	**(7)**	(1)	**-**	-
Associates								
Financeira Itaú CBD S.A. ("FIC") (a)	**(3)**	(3)	**(3)**	(3)	**(10)**	(9)	**(10)**	(9)
Banco Investcred Unibanco S.A. ("BINV") (a)	**1**	-	**1**	-	**7**	-	**7**	-
Growth Partners Investimentos e Participações S.A. ("Distrito")	**-**	-	**(1)**	3	**-**	-	**-**	-
Other								
Casa Bahia Comercial Ltda. ("CB") (d)	**386**	242	**433**	280	**56**	157	**53**	156
	485	260	**432**	280	**(660)**	(255)	**50**	147
Leases								
Other								
Casa Bahia Comercial Ltda. ("CB") (b)								
Right-of-use asset	**1,027**	1,008	**1,054**	1,034	**(123)**	(122)	**(126)**	(124)
Lease liabilities	**(1,499)**	(1,457)	**(1,539)**	(1,496)	**(188)**	(181)	**(193)**	(186)
	(472)	(449)	**(485)**	(462)	**(311)**	(303)	**(319)**	(310)
Related parties - Total	**13**	(189)	**(53)**	(182)	**(971)**	(558)	**(269)**	(163)
Receivables from related parties								
Current	**420**	254	**271**	209				
Noncurrent	**141**	57	**188**	97				
Payables to related parties								
Current	**(76)**	(51)	**(27)**	(26)				

In millions of Brazilian reais – R$, unless otherwise stated

The transactions with related parties presented in the table above refer to transactions that the Company conducts with its key shareholders, its subsidiaries and other related entities. These transactions were accounted for substantially according to the usual market prices, terms and conditions agreed between the parties, as follows:

a) Loans and financing with FIC and BINV

The Company operates as a banking agent for services operated by FIC and BINV, which purchase credit card receivables from the Company. This operation generates amounts to be transferred, indicated as accounts payable to related parties and amounts receivable for services rendered, indicated as accounts receivable from related parties. The result of these operations is presented in the column "Income (expenses), net" in the table above, and classified as "Revenue from sale of goods and services", in the Company's statement of profit or loss.

FIC and BINV are credit card operators that issue cards and finance purchases for customers. In the year ended as of December 31, 2021, the balance of credit cards receivable from FIC and BINV totaled R$400 (R$247 as of December 31, 2020). These balances are recorded as "Accounts receivable" under Credit card companies, as shown in Note 6.

For the year ended December 31, 2021, the Company recognized R$9 (R$9 for the year ended December 31, 2020) in finance costs from the sale of credit card receivables.

b) Leases

Via has lease operations with CBD and GAS. Furthermore, the Company and its subsidiary Bartira have lease contracts regarding 274 properties, including distribution centers and commercial and administrative buildings, entered into under specific conditions with Casa Bahia Comercial ("CB") and its shareholders, pursuant to Association Agreement entered into by Via, CBD, CB and CB's shareholders.

c) Purchase and sale of goods and services

In the years ended December 31, 2021 and 2020, the Company conducted the following transactions with related parties:

		Income (expenses), net	
Counterparty	**Transaction**	**12.31.2021**	**12.31.2020**
Bartira	Purchase of goods	**(643)**	(393)
VVLog	Freight services	**(44)**	(4)
ASAPLog	Freight services	**(17)**	(4)
BanQi	Time-sale payment slips intermediation fee	**(7)**	-

d) Association agreement between Via, CBD and CB and related covenants

On July 1, 2010, the First Amendment to the Association Agreement ("Association Agreement") was entered into by Via, CBD and CB, which, among other rights, guaranteed Via the right to be indemnified, in respect of losses and damages, by CBD and CB, regarding certain lawsuits and reimbursement of expenses related to facts or acts whose origin or triggering event had occurred under the responsibility of the former controlling shareholders of Via Varejo and of the companies included in the Association Agreement.

As provided in the Association Agreement, after the six-year period from the closing date of the transaction, which occurred on November 8, 2016, the procedures referring to indemnification related to new lawsuits were terminated and negotiations between the parties began for collection and settlement of existing balances relating to such losses and damages.

In millions of Brazilian reais – R$, unless otherwise stated

On July 4, 2017, the Company entered into an Agreement with CB, together with CBD, to (i) settle losses and damages already incurred until November 8, 2016; (ii) define new criteria to determine liabilities for losses and damages related to contingencies; (iii) hold periodic meetings in which each party must present the losses and damages incurred as from November 9, 2016, to be indemnified by the other party; and (iv) set up guarantees to meet CB's obligation to indemnify in relation to the contingencies. This Agreement was approved by the Company's Board of Directors and by CBD on July 24, 2017. CB partner sureties were provided as guarantees for compliance with said Agreement, as well as mortgages on properties owned by CB, in an amount sufficient to cover the total potential contingencies identified on November 8, 2016.

On October 24, 2018, the Company and CB, jointly with CBD, entered into an Amendment to the Agreement with a view to improving its criteria and clarifying certain clauses and conditions, thus enabling the settlement of outstanding balances presented in the periodic meetings.

On June 14, 2019, CBD disposed of the totality of the interest held in the Company. As of that date, the amounts receivable started to be recognized under Other assets in Current assets.

The Company has maintained the contractual terms of the Association Agreement and related amendments until the date of approval of this individual and consolidated financial statements.

e) Key management personnel compensation

Expenses related to total key management personnel compensation (Statutory Officers and members of the Board of Directors), recorded in the statement of profit or loss for the year ended as of December 31, 2021 and 2020 are as follows:

	12.31.2021			**12.31.2020**		
	Short-term benefits	**Share-based payment**	**Total**	**Short-term benefits**	**Share-based payment**	**Total**
Executive Board	**26**	**27**	**53**	29	33	62
Board of Directors	**6**	**-**	**6**	6	-	6
	32	**27**	**59**	35	33	68

10. Investments

a) Accounting policy

Subsidiaries are all the entities whose operations are controlled by Via, whether directly or indirectly. Control is defined:

(i) by the decision-making power that the Company has over significant operational and financial activities in its investees;
(ii) by its ability to use that power; and
(iii) by its exposure to the returns of these entities.

The financial statements of the subsidiaries are included in the consolidated financial statements since the date the control was acquired.

Upon loss of control of any subsidiary, the consolidation of the financial statements of the then subsidiary is interrupted. Resulting gains or losses, including any amount received from disposal of an investment, are recognized in P&L for the year when there is loss of control.

Affiliates are entities in which the Company exercises significant influence, but not control. Investments in affiliates in the consolidated financial statements are recognized using the equity method.

In millions of Brazilian reais – R$, unless otherwise stated

Investments in subsidiaries and affiliates, in the parent company's individual financial statements, are recorded using the equity method. Under that method, interests in investments are recognized in the statement of financial position at cost, and are adjusted periodically by the amount corresponding to the share in net income of these investments, recorded against equity pickup and other changes in the net assets acquired.

Furthermore, interests may also be adjusted with recognition of losses due to impairment. Dividends received from these companies are recorded as a reduction in the value of investments.

b) Balances and changes

	Individual				
	Lake	**Bartira**	**VVLog**	**Other**	**Total**
Balance at December 31, 2019	150	735	36	52	973
Capital increase (i)	205	-	17	11	233
Unearned income - inventories	-	4	-	-	4
Distribution of dividends	(5)	-	-	-	(5)
Equity pickup - P&L	2	(16)	(6)	(9)	(29)
Equity pickup on other comprehensive income (loss)	(3)	-	-	-	(3)
Balance at December 31, 2020	349	723	47	54	1,173
Capital increase (ii)	**171**	**-**	**34**	**67**	**272**
Future capital contribution	**80**	**-**	**23**	**16**	**119**
Unearned income - inventories	**-**	**(11)**	**-**	**-**	**(11)**
Distribution of dividends	**-**	**-**	**-**	**(1)**	**(1)**
Equity pickup - P&L	**(45)**	**13**	**(36)**	**(19)**	**(87)**
Equity pickup on other comprehensive income (loss)	**1**	**-**	**-**	**-**	**1**
Balance at December 31, 2021	**556**	**725**	**68**	**117**	**1,466**

(i) In 2020, the Company increased the capital of subsidiary Lake by R$205, with R$148 in cash and R$57 from Convertible Notes issued by Airfox in favor of Via.
(ii) In 2021, the Company increased the capital of subsidiary Lake in cash, in the total amount of R$171, that of VVLog in cash in the amount of R$34, and that of Cnova in cash in the amount of R$67.

	Consolidated			
	FIC	**BINV**	**Distrito**	**Total**
Balance at December 31, 2019	108	37	-	145
Equity pickup - P&L	47	6	-	53
Acquisition of equity interest	-	-	18	18
Distribution of dividends	(6)	(4)	-	(10)
Balance at December 31, 2020	149	39	18	206
Equity pickup - P&L	**38**	**8**	**(1)**	**45**
Distribution of dividends	**(21)**	**(5)**	**-**	**(26)**
Balance at December 31, 2021	**166**	**42**	**17**	**225**

c) Summarized financial information of associates

<u>FIC and BINV</u>

These are financial institutions created with the purpose of financing sales directly to CBD and Via customers. BINV is the result of the association of the Company with Banco Itaú Unibanco S.A., while FIC is the result of the association of CBD and the Company with Banco Itaú Unibanco S.A. The Company has significant influence on investments, but not control over them. The share in the total voting capital of FIC and BINV corresponds to 14.24% and 50.00%, respectively, arising from the investments of subsidiary Lake.

In millions of Brazilian reais – R$, unless otherwise stated

Distrito

Distrito is an innovation hub that has a complete platform to support companies in their transformation through technology. With its ecosystem of open innovation, supported by data and artificial intelligence, Distrito connects large companies, startups, investors and academics to generate new, more collaborative, efficient, transparent and sustainable business models. The Company has significant influence over the investment, but not control over it. As at December 31, 2021, interest in the total voting capital of Distrito corresponds to 14.58% arising from the investment of subsidiary Cnova.

Information on the associates deemed material by the Company for equity pickup calculation purposes is as follows:

	FIC		BINV	
Statement of financial position	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Current assets	**8,742**	6,738	**928**	679
Noncurrent assets	**35**	52	**-**	-
Total assets	**8,777**	6,790	**928**	679
Current liabilities	**7,401**	5,611	**844**	603
Noncurrent liabilities	**44**	22	**2**	2
Equity (i)	**1,332**	1,157	**82**	74
Total liabilities and equity	**8,777**	6,790	**928**	679
Statement of profit or loss	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Net income	**268**	332	**15**	12

(i) The calculation of the investment considers the investee's equity, less the special goodwill reserve, which is the exclusive right of Itaú Unibanco S.A.

11. Property and equipment

a) Accounting policy

Property and equipment items are measured at historical acquisition or construction cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on the depreciable amount, by applying the straight-line method to the established rates, and takes into account the estimated useful life of the assets, thus reflecting the pattern of consumption of future economic benefits embodied in the asset.

The useful lives and methods of depreciation of assets are reviewed at each year end and adjusted prospectively. The weighted depreciation and amortization rates that express the useful life of property and equipment items and right of use, respectively, are distributed as follows:

Asset category	Weighted average useful life estimated in years 12.31.2021
Buildings	40
Leasehold improvements	15
Machinery and equipment	11
IT equipment	5
Facilities	13
Furniture and fixtures	11
Vehicles	4

There were no significant changes in the calculation of the weighted average useful life in relation to the previous year.

When directly related to logistics and distribution, depreciation expenses are allocated to the cost of products and subsequently recorded in “Cost of goods and services sold” as inventories are sold.

Impairment

Property and equipment items should be recognized at the lower of the carrying amount and the recoverable amount, the former representing the sum of the historical cost and the accumulated depreciation of the asset. The recoverable amount is the higher of the value in use and fair value less costs to sell. If the carrying amount of the asset exceeds the recoverable amount, the excess amount is recognized in profit or loss for the year.

Any gains or losses from write-off of assets are posted to profit or loss for the year, under “Other operating income (expenses), net”.

The Company tests its P&E items for impairment on an annual basis, assessing the existence of internal or external evidence that the assets are recognized at amounts that exceed their recoverable amount. This evidence is substantially defined by a recurring loss of profitability in cash-generating units and macroeconomic conditions reasonably different from the last impairment assessment, among others.

b) Accounting estimates and assumptions

The Company understands that the Cash-Generating Units (“CGU”) are represented by its stores, and tests property and equipment for impairment at this level. The test is conducted considering the following stages:

(i) The CGUs that recorded a negative gross margin in the last 12 months proceed to the next stage;
(ii) The expected cash flow of the CGUs identified for the next 5 years is prepared and the result is compared with the carrying amount;
(iii) In the case of own stores with value in use below their carrying value, the Company requests an assessment by independent specialists to obtain the market value of the property.

The EBITDA margin used for the test varies among the CGUs considering the result presented by the CGU in the previous year. The EBITDA margin, sales growth and discount rate used are subject to approval by the Company's Board of Directors. The discount rate used in the impairment test reflects the Company's cost of capital (WACC).

The result of the impairment test, as well as the indices used, are presented in item (e) of this note.

In millions of Brazilian reais – R$, unless otherwise stated

c) Breakdown of balances and changes

	Individual						Consolidated					
	Balance at 12.31.2021			Balance at 12.31.2020			Balance at 12.31.2021			Balance at 12.31.2020		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	**11**	**-**	**11**	11	-	11	**15**	**-**	**15**	15	-	15
Buildings	**15**	**(8)**	**7**	15	(8)	7	**20**	**(13)**	**7**	19	(12)	7
Leasehold improvements	**1,174**	**(479)**	**695**	1,090	(452)	638	**1,177**	**(479)**	**698**	1,092	(451)	641
Machinery and equipment	**303**	**(171)**	**132**	251	(151)	100	**502**	**(318)**	**184**	440	(290)	150
IT equipment	**660**	**(453)**	**207**	602	(393)	209	**667**	**(457)**	**210**	605	(393)	212
Facilities	**173**	**(59)**	**114**	158	(53)	105	**190**	**(65)**	**125**	177	(62)	115
Furniture and fixtures	**394**	**(218)**	**176**	356	(191)	165	**398**	**(220)**	**178**	358	(193)	165
Vehicles	**5**	**(4)**	**1**	5	(4)	1	**10**	**(5)**	**5**	12	(7)	5
Construction in progress	**253**	**-**	**253**	82	-	82	**258**	**-**	**258**	85	-	85
Other	**70**	**(46)**	**24**	61	(44)	17	**84**	**(52)**	**32**	63	(45)	18
	3,058	**(1,438)**	**1,620**	2,631	(1,296)	1,335	**3,321**	**(1,609)**	**1,712**	2,866	(1,453)	1,413

In millions of Brazilian reais – R$, unless otherwise stated

Changes in 2020

	Individual						Consolidated						
	Balance at 12.31.2019	Additions	Write-offs	Depreciation	Transfers	Balance at 12.31.2020	Balance at 12.31.2019	Additions	Write-offs	Business combination	Depreciation	Transfers	Balance at 12.31.2020
Land	12	-	-	-	(1)	11	15	-	-	-	-	-	15
Buildings	7	-	-	-	-	7	7	-	-	-	(1)	1	7
Leasehold improvements	678	17	(15)	(70)	28	638	681	17	(15)	-	(70)	28	641
Machinery and equipment	90	24	4	(16)	(2)	100	152	27	4	-	(29)	(4)	150
IT equipment	170	62	30	(61)	8	209	172	62	30	1	(61)	8	212
Facilities	92	43	(15)	(11)	(4)	105	104	43	(15)	-	(12)	(5)	115
Furniture and fixtures	148	1	32	(22)	6	165	148	1	31	-	(22)	7	165
Vehicles	1	-	-	-	-	1	9	-	(4)	-	-	-	5
Construction in progress	63	68	-	-	(49)	82	64	70	-	-	-	(49)	85
Other	16	7	(1)	(7)	2	17	17	7	(1)	-	(7)	2	18
	1,277	222	35	(187)	(12)	1,335	1,369	227	30	1	(202)	(12)	1,413

Changes in 2021

	Individual						Consolidated						
	Balance at 12.31.2020	Additions	Write-offs	Depreciation	Transfers	Balance at 12.31.2021	Balance at 12.31.2020	Additions	Write-offs	Business combination	Depreciation	Transfers	Balance at 12.31.2021
Land	11	-	-	-	-	11	15	-	-	-	-	-	15
Buildings	7	-	1	(1)	-	7	7	-	1	-	(1)	-	7
Leasehold improvements	638	111	(12)	(73)	31	695	641	116	(13)	-	(73)	27	698
Machinery and equipment	100	46	-	(20)	6	132	150	51	-	-	(23)	6	184
IT equipment	209	75	(1)	(85)	9	207	212	78	(3)	-	(86)	9	210
Facilities	105	10	-	(11)	10	114	115	11	(1)	-	(12)	12	125
Furniture and fixtures	165	33	-	(28)	6	176	165	33	-	-	(27)	7	178
Vehicles	1	-	(1)	-	1	1	5	-	-	-	-	-	5
Construction in progress	82	252	(1)	-	(80)	253	85	252	(1)	-	-	(78)	258
Other	17	13	-	(7)	1	24	18	18	(4)	9	(10)	1	32
	1,335	540	(14)	(225)	(16)	1,620	1,413	559	(21)	9	(232)	(16)	1,712

In millions of Brazilian reais – R$, unless otherwise stated

d) Classification of depreciation and amortization of Property and equipment and Intangible assets in the statement of profit or loss

In the years ended December 31, 2021 and 2020, the Company recognized the following depreciation and amortization amounts in Cost of goods and services sold:

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Depreciation and amortization	**43**	37	**52**	52

e) Impairment tests of property and equipment

The recoverable amount of the CGUs was determined by means of a calculation based on the value in use considering cash projections for the next five years. The following assumptions were used in the calculation: (i) growth rate for the five-year period 2021-2025, according to the Company's strategic planning; and (ii) discount rate representing the Company’s weighted average cost of capital of 14.47%. The inflation rate of 3.50% p.a. was considered for all periods.

As a result of this analysis, in the year ended December 31, 2021, no impairment loss was recorded (nil at December 31, 2020).

12. Intangible assets

a) Accounting policy

The Company’s intangible assets include substantially goodwill from business combinations, brands and favorable contracts acquired through business combinations, goodwill, software under development or already developed internally, and software purchased from third parties.

Expenses with software development for internal use are recognized as cost of intangible assets, provided that they meet the minimum recognition criteria. Upon initial recognition of intangible assets acquired from third parties, the recognized value is the cost. However, in a business combination, all intangible assets of the investee reliably identified are measured at fair value. Goodwill arising from the acquisition of subsidiaries and brands has an indefinite useful life and, therefore, are not amortized due to the perpetuity of and/or positive cash flows that the acquiree will generate for the business. Intangible assets with finite useful lives are amortized using the straight-line method. The respective useful lives are reviewed annually and adjusted prospectively, when applicable.

Internally generated intangibles and software development costs that do not meet the minimum recognition criteria are recorded in profit or loss for the year as incurred. Annually, or whenever there is evidence of impairment, intangible assets with an indefinite useful life are tested for impairment.

The weighted average useful lives for each class of intangible assets with finite useful life are listed below:

Intangible assets	Weighted average useful life estimated in years 12.31.2021
Goodwill	4
Contractual rights	13
Software and licenses	9
Favorable contract	17

There were no significant changes in the calculation of the weighted average useful life in relation to the previous year.

b) Accounting estimates and assumptions

According to the accounting practice described above, the Company conducts annual tests to check whether the carrying amount of goodwill arising on the acquisition of investments in subsidiaries should be adjusted for impairment. The Company uses assumptions based on its strategic planning and market indicators to assess whether goodwill is impaired. The result of the impairment test, as well as the indices used, are presented in item (d) of this note.

In millions of Brazilian reais – R$, unless otherwise stated

c) Breakdown of balances and changes

	Individual						Consolidated					
	Balance at 12.31.2021			Balance at 12.31.2020			Balance at 12.31.2021			Balance at 12.31.2020		
	Cost	**Accumulated amortization**	**Net**	**Cost**	**Accumulated amortization**	**Net**	**Cost**	**Accumulated amortization**	**Net**	**Cost**	**Accumulated amortization**	**Net**
Goodwill (i)	**-**	**-**	**-**	-	-	-	**964**	**-**	**964**	830	-	830
Software under development	**626**	**-**	**626**	251	-	251	**627**	**-**	**627**	251	-	251
Software and licenses	**809**	**(425)**	**384**	703	(344)	359	**875**	**(432)**	**443**	801	(347)	454
Contractual rights (ii)	**251**	**(211)**	**40**	251	(206)	45	**251**	**(211)**	**40**	251	(206)	45
Trademarks and patents (iii)	**-**	**-**	**-**	-	-	-	**46**	**-**	**46**	46	-	46
Favorable contract (iv)	**-**	**-**	**-**	-	-	-	**36**	**(17)**	**19**	36	(15)	21
Goodwill (v)	**74**	**(69)**	**5**	73	(67)	6	**73**	**(69)**	**4**	73	(67)	6
	1,760	**(705)**	**1,055**	1,278	(617)	661	**2,872**	**(729)**	**2,143**	2,288	(635)	1,653

(i) **Goodwill:** The Company records goodwill based on expected profitability arising from the acquisition of: (a) Bartira in 2013, in the amount of R$ 627; (b) ASAPLog in 2020, in the amount of R$ 3; (c) Airfox in 2020, in the amount of R$ 189, subsequently adjusted to R$ 226 in 2021 as a result of completion of the purchase price allocation; ; and (d) I9XP in 2020 in the amount of R$ 11; (e) Celer in 2021, in the amount of R$97;.

(ii) **Contractual rights:** The Company's contractual rights refer to re-acquisition of insurance intermediation rights and extended warranty. The useful lives of these assets were established based on the end date of the re-acquired rights.

(iii) **Trademarks and patents:** As a result of Bartira's business combination, a value for this brand was recognized in the amount of R$46 based on the royalties relief methodology, which represents the remuneration that would be adopted in the market for use of the brand had it not been acquired;

(iv) **Favorable contract:** As part of Bartira's business combination, the property used by Bartira is leased from the lessor Casa Bahia Comercial Ltda. Its measurement was made using information from comparable transactions in the market;

(v) **Goodwill:** Refers to amounts paid to former owners of points of sale.

In millions of Brazilian reais – R$, unless otherwise stated

Changes in 2020

	Individual						Consolidated							
	Balance at 12.31.2019	Additions	Write-offs	Amortiz-ation	Transfers	Balance at 12.31.2020	Balance at 12.31.2019	Additions	Write-offs	Foreign exchange difference	Business combination	Amortiz-ation	Transfers	Balance at 12.31.2020
Goodwill	-	-	-	-	-	-	627	-	-	-	203	-	-	830
Software under development	181	189	(105)	-	(14)	251	181	189	(105)	-	-	-	(14)	251
Software and licenses	291	9	129	(91)	21	359	294	18	128	(1)	93	(99)	21	454
Contractual rights	74	-	(1)	(28)	-	45	73	-	-	-	-	(28)	-	45
Trademarks and patents	-	-	-	-	-	-	46	-	-	-	-	-	-	46
Favorable contract	-	-	-	-	-	-	23	-	-	-	-	(2)	-	21
Goodwill	1	-	-	-	5	6	1	-	-	-	-	-	5	6
	547	198	23	(119)	12	661	1,245	207	23	(1)	296	(129)	12	1,653

Changes in 2021

	Individual						Consolidated							
	Balance at 12.31.2020	Additions	Write-offs	Amortiz-ation	Transfers	Balance at 12.31.2021	Balance at 12.31.2020	Additions	Write-offs	Foreign exchange difference	Business combination	Amortiz-ation	Transfers	Balance at 12.31.2021
Goodwill	-	-	-	-	-	-	830	18	-	-	97	-	19	964
Software under development	251	418	-	-	(43)	626	252	428	(1)	-	-	-	(52)	627
Software and licenses	359	43	4	(81)	59	384	454	53	(19)	1	1	(96)	49	443
Contractual rights	45	-	-	(5)	-	40	45	-	-	-	-	(5)	-	40
Trademarks and patents	-	-	-	-	-	-	46	-	-	-	-	-	-	46
Favorable contract	-	-	-	-	-	-	21	-	-	-	-	(2)	-	19
Goodwill	6	-	-	(1)	-	5	5	-	-	-	-	(1)	-	4
	661	461	4	(87)	16	1,055	1,653	499	(20)	1	98	(104)	16	2,143

In millions of Brazilian reais – R$, unless otherwise stated

d) Impairment testing of intangible assets

The Company checks, at least annually, for any indication that intangible assets with finite useful lives will not be capable of generating future economic benefits through the generation of revenue from the sale of products or services, cost reduction, or other benefits resulting from the use of the asset by the Company.

The Company management, together with its information technology department, checks at least annually whether the software projects in progress are economically feasible. The projects for which it is not likely that intangible assets would generate economic benefits and/or whose maintenance is not in line with the current Company management's strategy are discontinued.

In the year ended December 31, 2021, the Company management performed the tests and identified no impairment losses.

In order to determine the recoverable amount of intangible assets relating to a business combination, the respective amounts were allocated to the only segment reported by the Company. The strategic acquisition of Bartira was made with the objective of enabling a continuous supply of furniture, an important sales category for the Company in both businesses, as well as of leveraging the flow of customers to the stores, which strongly benefits all other product categories. Thus, the goodwill impairment test considered future cash flows projected for the next 10 years, based on the Company's business plan, which is structured so as to show the realization of assets in this period.

To determine the recoverable amount, four main assumptions were used in preparing the test: (i) growth rate for the five-year period 2021-2026, according to the Company's strategy planning; (ii) real sales growth rate (less inflation) of 0.5% from the sixth to the tenth year; (iii) discount rate representing the investee Bartira's weighted average cost of capital of 16,37% p.a.; and (iv) stability of the EBITDA margin as from the fourth year. Perpetuity was calculated considering the same assumptions as the previous period. This analysis did not indicate the need to recognize losses on this asset.

13. Loans and financing

a) Breakdown of balances

		Individual		Consolidated	
	Taxa	**12.31.2021**	**12.31.2020**	**12.31.2021**	**12.31.2020**
CDCI (i)	9.47% p.a.	**4,828**	4,647	**4,828**	4,647
Loans in local currency (ii)	CDI + 2.86% p.a.	**1,286**	2,448	**1,302**	2,448
Debentures (iii)	CDI + 2.50% p.a.	**2,891**	2,001	**2,891**	2,001
Commercial paper (iv)	CDI + 1.50% p.a.	**401**	-	**401**	-
		9,406	9,096	**9,422**	9,096
Current		**5,267**	6,687	**5,283**	6,687
Noncurrent		**4,139**	2,409	**4,139**	2,409

In millions of Brazilian reais – R$, unless otherwise stated

(i) Direct Consumer Credit with Seller Intervention (“CDCI”)

Direct Consumer Credit with Seller Intervention (“CDCI”) operations correspond to the financing of sales in installments to customers (Casas Bahia Credit Facility), through financial institutions (see Note 6), at fixed rates for each contract the Company performs. At December 31, 2021, the weighted average of the rates adopted by financial institutions for CDCI operations was 9.47% p.a. (5.39% p.a. as at December 31, 2020). The segregation of the respective balances between current and noncurrent is as follows:

	Individual and consolidated	
	12.31.2021	**12.31.2020**
CDCI – Current	**4,482**	4,124
CDCI - Noncurrent	**578**	654
	5,060	4,778
Interest to be incurred	**(232)**	(131)
CDCI, net of interest to be incurred	**4,828**	4,647

(ii) Borrowings in domestic currency

In the year ended as at December 31, 2021, the Company did not enter into any new Bank Credit Notes (CCB) contracts.

On December 19, 2021, the Company made a communication to shareholders and to the market in general about the extension of its debt. As a result of this transaction, the term, interest rate and amortization of the CCB contracted on June 29, 2020 changed.

Contract date	Amount raised	Term	Interest	Amortization
06/29/2020	R$2,503	3 years	CDI + 2.90%	Principal in the due date and quarterly interest
11/26/2020	R$150	3 years	CDI + 2.59%	Principal and semiannual interest
11/26/2020	R$150	3 years	CDI + 2.65%	Principal and annual interest

(iii) Debentures

On December 23, 2019, the Company made the 4th issue of simple, nonconvertible debentures in a single series. The Company issued 500,000 (five hundred thousand) debentures at the par value of R$1,000.00 (one thousand reais), at CDI + 0.99% p.a., final amortization and semiannual interest, which were publicly distributed with restricted placement efforts pursuant to CVM Ruling No. 476/2009. The debentures mature within two years from the issue date, and the funds raised were used to extend the Company’s debt maturity profile. On December 23, 2021, the 4th issue of debentures was completely amortized.

On June 25, 2020, the Company made the 5th issue of simple, nonconvertible debentures in 2 (two) series. 650,000 (six hundred and fifty thousand) debentures were issued at the par value of R$1,000.00 (one thousand reais) for the 1st series and 850.00 (eight hundred and fifty thousand) debentures at the par value of R$1,000.00 (one thousand reais) for the 2nd series, at CDI + 3.75% p.a. and CDI + 4.25% p.a. respectively, with final amortization and quarterly interest, which were publicly distributed with restricted placement efforts pursuant to CVM Ruling No. 476/2009. The 1st series matures within 1 year and the 2nd series matures within 2 years from the issue date, and the funds raised were used to extend the Company's debt maturity profile. On June 26, 2021, the 1st series debentures were settled.

On May 10, 2021, the Company made the 6th issue of simple, nonconvertible debentures in 2 (two) series. 771,959 (seven hundred and seventy-one thousand, nine hundred and fifty-nine) debentures were issued with a unit value of R$ 1,000.00 (one thousand reais) for the 1st series and 228,041 (two hundred and twenty-eight thousand and forty-one) debentures with a unit value of R$1,000.00 (one thousand reais) for the 2nd series, remunerated at CDI + 1.90% p.a. and CDI + 2.10% p.a. respectively, with final amortization and semiannual interest, at a total issue amount of R$ 1,000,000,000.00 (one billion reais), which were the subject of public distribution with restricted distribution efforts, pursuant to CVM Rule No. 476/2009. The term of the 1st series is 3 years and the 2nd series is 5 years, as of the issue date, and the funds raised were used to lengthen the Company's debt profile The 6th issue had ESG - Environmental, Social and Governance targets, where the Company is committed to complying with the renewal of its electric energy matrix for renewable energy sources.

On September 29, 2021, the Company made the 7th issue of simple, nonconvertible debentures in 2 (two) series. 461,667 (four hundred and sixty-one thousand six hundred and sixty-seven) debentures at the par value of R$1,000.00 (one thousand reais) were issued for 1st series, and 538,333 (five hundred and thirty-eight thousand and three hundred and thirty-three) debentures at the par value of R$1,000.00 (one thousand reais) were issued for the 2nd series, at CDI + 1.50% p.a. and CDI + 1.70% p.a., respectively. Final amortization of the 1st series is on September 15, 2024, and amortization of 50% of the 2nd series is in the 4th year and of the other 50% in the 5th year, with semiannual interest for both series, totaling R$1,000,000,000.00 (one billion reais), which were subject to public distribution with restricted distribution efforts, under the terms of CVM Ruling no. 476/2009. The 1st series matures within 3 years and the 2nd series within 5 years from the date of issue, and the funds raised were used to extend the debt of the Company.

(iv)Commercial papers

On December 23, 2021, the Company made the 1st issue of book-entry Commercial Papers, in a single series. A total of four hundred thousand (400,000) book-entry commercial papers were issued with a unit value of R$1,000.00 (one thousand reais), bearing interest at CDI + 1.50% p.a., amortization and interest at the end, which were subject to public distribution with restricted placement efforts, pursuant to CVM Ruling No. 476/14195. The book-entry commercial notes are valid for 1 year and 6 months from the issue date, and the funds raised were used to pay part of the total amount of the amortization of debentures of the Issuer's 4th issue of debentures.

In millions of Brazilian reais – R$, unless otherwise stated

b) Changes

The table below shows the changes in the cash flow financing activities.

	Individual	Consolidated
Balance at December 31, 2019	5,899	5,899
Cash flows from financing activities		
Fundraising (i)	10,247	10,247
Amortization (i)	(7,004)	(7,004)
Settlement of swap contract	6	6
Payment of interest (i)	(466)	(466)
Non-cash changes		
Interest incurred (i)	423	423
Swap	(4)	(4)
Foreign exchange difference	(5)	(5)
Balance at December 31, 2020	9,096	9,096
Cash flows from financing activities		
Fundraising (i)	**9,199**	**9,199**
Amortization (i)	**(9,028)**	**(9,028)**
Payment of interest (i)	**(491)**	**(491)**
Non-cash changes		
Business combination	**-**	**16**
Interest incurred (i)	**630**	**630**
Balance at December 31, 2021	**9,406**	**9,422**

(i) At December 31, 2021, the amounts related only to CDCI operations included fundraising of R$6,791, repayments of R$6,703, payment of interest of R$213, and interest incurred of R$306 (R$5,944, R$5,030, R$232 and R$219 respectively, at December 31, 2020).

c) Aging list of loans and financing recognized in noncurrent liabilities

Year	Individual and Consolidated
2023	**2,138**
2024	**1,235**
2025	**383**
2026	**383**
	4,139

d) Covenants

The Company constantly monitors significant indicators, such as the consolidated financial leverage ratio, which is total net debt divided by Earnings Before Interest, Tax, Depreciation and Amortization adjusted (Adjusted EBITDA).

Debentures and Commercial papers

The maintenance of the contractual maturity of debentures and of commercial papers at their original maturities is subject to covenants, which are being regularly complied with. The key covenant compliance indicators are the following:

Covenants on ESG- Environmental, Social and Governance
Renewable energy percentage to achieved on the verification dates, as under:
- December 2022 - Equal to or greater than 50%
- December 2025 - Equal to or greater than 90%.

Covenants on net debt:

- Adjusted net debt consolidated (*) not exceeding Equity; and
- Adjusted net debt to adjusted consolidated EBTIDA ratio (**) less than or equal to 3.25.

In the year ended December 31, 2021, the Company fully complied with all covenants related to loans and financing.

(*) **Consolidated net debt:** the Company's total debt (short- and long-term loans and financing, including debentures, promissory notes and balances of CDCI transactions, excluding balances of Lease Agreement transactions), less cash equivalents cash and Accounts Receivable amounts, with a 1.15% discount, arising from sales with credit cards, supermarket vouchers and multi-benefits, including balances of existing CDCI operations under Accounts Receivable.

(**) **Adjusted consolidated EBITDA:** Gross profit, less operating expenses, excluding depreciation and amortization charges, plus other operating income and excluding general, administrative and sales expenses over the last 4 (four) quarters covered by the most recent consolidated financial statements.

14. Financial risk management

a) Accounting policy

When it is not possible to obtain the fair value of derivatives and other financial instruments in active markets, the fair value recorded in the financial statements is determined according to the hierarchy established by accounting pronouncement CPC 46 (IFRS 13) - Fair value measurement, which establishes certain valuation techniques. The inputs to these models are taken from observable markets where possible, or from information from comparable market operations and transactions. Judgments include considerations of inputs, such as liquidity risk, credit risk and volatility. Any changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

The fair value of financial instruments actively traded on organized markets is determined based on market quotations at the reporting dates. In the case of financial instruments not actively traded, the fair value is based on valuation techniques defined by the Company that are compatible with usual market practices. These techniques include the use of recent market transactions between independent parties, benchmarking of the fair value of similar financial instruments, analysis of discounted cash flows, or other valuation models.

In millions of Brazilian reais – R$, unless otherwise stated

b) Breakdown of financial instruments

The key financial instruments and related amounts recorded in the individual and consolidated financial statements, by category, are as follows:

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Financial assets				
Amortized cost				
Cash and cash equivalents	**1,596**	2,925	**1,781**	2,984
Trade accounts receivable (except Credit card companies)	**3,733**	3,319	**3,759**	3,325
Related parties	**561**	311	**459**	306
Financial instruments	**-**	-	**10**	-
Fair value through other comprehensive income				
Credit card companies	**3,787**	5,470	**3,806**	5,470
Financial liabilities				
Amortized cost				
Trade accounts payable	**(7,608)**	(7,704)	**(7,750)**	(7,799)
Trade accounts payable – agreement (i)	**(1,904)**	(484)	**(1,904)**	(484)
Loans and financing	**(9,406)**	(9,096)	**(9,422)**	(9,096)
Lease liabilities	**(4,152)**	(3,908)	**(4,202)**	(3,963)
Related parties	**(76)**	(51)	**(27)**	(26)
Transfer to third parties	**(498)**	(637)	**(576)**	(653)

The Company's treasury operations are regularly reported to the Financial Committee, the Board of Directors' advisory body, and, if necessary, directly to the Board of Directors, which approves the policies to be followed by the Company's treasury department. The most significant risks to which the Company is exposed are related to market risks arising from changes in basic interest rates, exchange differences, liquidity and credit risks. The Company monitors such risks and the respective impacts on financial projections.

(i) Trade accounts payable – agreement: "Trade accounts payable – agreement comprises recurring commercial transactions conducted between Via and suppliers of products and services that are sold by Via, pursuant to its business purpose. As they are materially significant and concern transactions of an operational and commercial nature, such liabilities are classified in a specific account in compliance with general accounting standards. We point out that these transactions meet the mutual interest regarding liquidity and working capital of each party (Supplier and Via). As such, it is a "collaborative" modality between agents in the retail chain, thus the name "trade accounts payable – agreement". The convenience and opportunity of these transactions derive from the interests and commercial advantages that may mutually exist between VIA and its suppliers, as well as from possible conjunctural variations in the level of demand and supply of products and services. Due to the characteristics of commercial negotiation of deadlines between suppliers and the Company, these financial liabilities were included in programs for fundraising through the Company's credit lines with financial institutions, at financial cost of 11.04% p.a. at December 31, 2021 (3.0% p.a. at December 31, 2020). The Company understands that this transaction is of a specific nature and classifies it separately from Trade accounts payable.

c) Market risk

To calculate the sensitivity analysis, the interest rate risk for asset and liability balances presented by the Company at December 31, 2021 is the increase in the CDI percentage, since the total balance of loans and financing exceeded the balance of short-term investments indexed to the same interest rate type.

Basic interest rate

The Company raises loans and financing in local currency from the major financial institutions, at fixed and floating rates, among which the CDI, to cover working capital and investment needs. Likewise, the Company makes short-term investments by reference to the CDI as part of its cash management strategy.

The sensitivity analysis prepared considered an estimate of the net effect on P&L for the next 12 months. Three scenarios were considered. In scenario I, the annual interest rate was defined based on the CDI curve obtained from B3 for the maturity dates of transactions, limited to 12 months, at the rate of 11.79% p.a. Scenarios II and III considered interest rate increases of 25% and 50%, respectively

In millions of Brazilian reais – R$, unless otherwise stated

The table below shows the basic interest rate risk sensitivity analysis, with the possible net impact on P&L for each scenario:

Transactions	Risk	Consolidated Balance at 12.31.2021	Sensitivity analysis Scenario I	Scenario II	Scenario III
Short-term investments	CDI increase	1,549	164	205	246
Bank loans (*)	CDI increase	(4,594)	(441)	(531)	(620)
Impact on P&L - expense			(277)	(326)	(374)

(*) Does not include CDCI loan agreements as these are subject to fixed interest rates.

d) Liquidity risk

The Company adopts the policy of maintaining sufficient short-term investments, loans and lines of credit to meet short- and long-term cash needs. The Company regularly monitors cash forecasts that include, upon the respective maturities, the settlement of contracted financial assets and liabilities. The Company's Treasury department maintains sufficient lines of credit to meet the expected working capital needs. Sensitivity analyses are carried out on a regular basis to assess the impact on the Company's liquidity position, in case the existing lines of credit are not renewed.

The table below shows the undiscounted cash flows of the financial liabilities held by the Company. The table includes principal and interest, calculated until the maturity of the financial liabilities. Accordingly, the balances presented may not match the statements of financial position balances.

	12.31.2021							
	Individual				Consolidated			
	Less than 1 year	1 - 5 years	Above 5 years	Total	Less than 1 year	1 - 5 years	Above 5 years	Total
Trade accounts payable	7,608	-	-	7,608	7,750	-	-	7,750
Trade accounts payable – Agreement	1,943	-	-	1,943	1,943	-	-	1,943
Loans and financing	5,857	4,911	-	10,768	5,873	4,911	-	10,784
Lease liabilities	1,185	3,600	1,009	5,794	1,196	3,649	1,027	5,872
Related parties	76	-	-	76	27	-	-	27
Transfer to third parties	498	-	-	498	576	-	-	576
	17,167	8,511	1,009	26,687	17,365	8,560	1,027	26,952

e) Credit risk

The Company is exposed to credit risk for cash and cash equivalents held with financial institutions, in the position of accounts receivable generated in commercial transactions, as well as in non-recurring transactions, such as sale of non-financial assets.

To minimize credit risk in relation to cash and cash equivalent balances, the Company adopts policies that restrict its relationship with banks to financial institutions validated by the Financial Committee and approved by the Board of Directors. The authorized banks are classified as top-tier banks. This policy also establishes monetary limits and concentration of risks that are regularly updated.

In millions of Brazilian reais – R$, unless otherwise stated

The credit risk relating to Accounts receivable balances is mitigated as a significant portion of the Company's sales takes place with credit cards, which are substantially securitized with the credit card companies. Sales financed through Direct Consumer Credit with Seller Intervention ("CDCI") are lines of credit acquired from Bradesco, Safra, Banco do Brasil, Daycoval and BTG, with the objective of customer financing with the Company's intervention. Under this method, the Company holds the credit risk, adopting careful procedures when granting the credit. The balance receivable from customers is dispersed, with no representative individual amounts.

Estimates of impairment of financial assets are calculated according to the Company's accounting policy, as described in Note 6(a). Balances of these estimates presented at December 31, 2021 and December 31, 2020 were considered sufficient by management to cover possible losses on the receivables portfolio.

f) Capital management

The objective of the Company management is to ensure an adequate credit risk rating, in addition to a well-established proportion of third-party capital, in order to support the business and maximize shareholders' value. The Company manages the capital structure and monitors the financial position considering changes in economic conditions. The Company is not subject to any capital requirements of regulatory agencies.

	Consolidated			
	12.31.2021		**12.31.2020**	
	With CDCI	**Without CDCI**	**With CDCI**	**Without CDCI**
Cash and cash equivalents	**1,781**	**1,781**	2,984	2,984
Credit card receivables	**3,839**	**3,839**	5,512	5,512
Total cash and cash equivalents and credit cards	**5,620**	**5,620**	8,496	8,496
Accounts receivable – Casas Bahia Credit Facility	**5,006**	**-**	4,488	-
Other receivables	**717**	**717**	551	551
Allowance for expected credit losses (ADA)	**(711)**	**(55)**	(543)	(64)
Total cash and cash equivalents and receivables	**10,632**	**6,282**	12,992	8,983
Loans and financing	**(4,594)**	**(4,594)**	(4,449)	(4,449)
CDCI to be transferred to partner banks	**(4,828)**	**-**	(4,647)	-
Total loans and financing and CDCI	**(9,422)**	**(4,594)**	(9,096)	(4,449)
Net cash	**1,210**	**1,688**	3,896	4,534
Equity	**5,637**	**5,637**	5,979	5,979
Net debt ratio	**0.21**	**0.30**	0.65	0.76

In millions of Brazilian reais – R$, unless otherwise stated

g) Fair value measurement

At December 31, 2021, the Company maintained certain financial assets and liabilities, for which the disclosure of fair value measurement is required in accordance with CPC 40 (IFRS 7), as shown in the table below:

	Individual		**Consolidated**	
	Book value	**Fair value**	**Book value**	**Fair value**
Amortized cost				
Casas Bahia Credit Facility (i)	**3,720**	**3,850**	**3,720**	**3,850**
Loans and financing – CDCI (ii)	**(4,828)**	**(4,700)**	**(4,828)**	**(4,700)**
Fair value through other comprehensive income				
Credit card companies (ii)	**3,787**	**3,787**	**3,806**	**3,806**

(i) These are classified at level 3, as non-observable inputs are used for fair value measurement. For this calculation, the Company used as assumption the Casas Bahia Credit Facility receivables portfolio and the expectation of loss on the notes, as well as the average discount rate of trade notes.
(ii) These are classified at level 2, as readily observable market inputs are used, such as interest rate projections, spot and future exchange rate parity quotes, and negotiations with independent parties.

The Company evaluated and concluded that, except for those indicated in the previous table, most of its financial assets and liabilities are equivalent to their book values, mainly due to their short-term maturities.

The Company's financial instruments are not traded on organized markets and will be held until their maturity, except for the financial assets of Credit card companies.

	Individual		**Consolidated**	
	12.31.2021	**12.31.2020**	**12.31.2021**	**12.31.2020**
Inventories	**7,099**	6,149	**7,152**	6,176
Gross sales revenue net of returns and cancellations	**36,322**	34,430	**36,375**	34,458
Cost of goods sold and services rendered	**(21,513)**	(19,403)	**(21,572)**	(19,435)
Mark-up	**1,69**	1,77	**1,69**	1,77
Inventories at sales value	**11,986**	10,911	**12,060**	10,951

The Company's inventories, negotiated in normal market conditions, could be measured at the sales value adding the historical markup rate as shown in the table above.

15. Taxes payable

a) Accounting policy

The balances of taxes payable are stated net between the total amount due and the balance recoverable related to each tax: Value-Added Tax on Sales and Services ("ICMS"); Service Tax ("ISS"); Contribution Tax on Gross Revenue for Social Integration Program ("PIS"); Contribution Tax on Gross Revenue for Social Security Financing ("COFINS"); Corporate Income Tax ("IRPJ"); Social Contribution Tax on Net Profit ("CSLL"); in addition to taxes that the Company needs to withhold on certain activities, such as rents and services taken, among others.

In millions of Brazilian reais – R$, unless otherwise stated

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
ICMS payable	**163**	228	**164**	228
Special Tax Settlement Program (PERT)	**23**	25	**24**	27
Withholding Income Tax (IRRF) payable	**34**	28	**36**	28
Other	**26**	14	**28**	16
	246	295	**252**	299
Current	**225**	273	**231**	276
Noncurrent	**21**	22	**21**	23

16. Current and deferred income and social contribution taxes

a) Accounting policy

(i) Current income and social contribution taxes

Income and social contribution taxes for the year are calculated at 15%, plus 10% surtax on taxable profit exceeding R$240 thousand for income tax and 9% on taxable profit for social contribution tax on net profit, and take into consideration the offset of income and social contribution tax losses, limited to 30% of taxable profit for the year.

(ii) Deferred income and social contribution taxes

Deferred income and social contribution taxes are recognized on temporary differences between asset and liability balances stated in the financial statements and the corresponding tax bases used to calculate taxable profit, including the balance of income and social contribution tax losses not time barred by statute. Deferred tax liabilities are generally recognized on all taxable temporary differences, and deferred tax assets are recognized on all deductible temporary differences only when it is probable that the future tax base will be at an amount sufficient to absorb deductible temporary differences.

The likelihood of recovery of deferred tax assets is reviewed at each year end and, when future tax bases are no longer likely to be available for total or partial tax recovery, the asset balance is reduced to the amount expected to be recovered.

Deferred tax assets and liabilities are mutually offset only when there is a legal right to offset, when they are related to taxes administered by the same tax authority and the Company intends to settle the net amount of its current tax assets and liabilities.

In millions of Brazilian reais – R$, unless otherwise stated

b) Reconciliation of income and social contribution tax income (expense)

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Income before taxes	**(1,501)**	958	**(1,560)**	923
Income and social contribution taxes at the statutory rate of 34%	**510**	(326)	**530**	(314)
Investment grant (i)	**487**	401	**491**	416
Exclusion of Selic on taxes (ii)	**275**	-	**284**	-
Equity pickup	**(33)**	(9)	**15**	18
Effect of differences in tax rates of entities abroad	**-**	-	**(4)**	-
Unrecognized tax loss (iii)	**-**	-	**(14)**	(19)
Other permanent differences	**(35)**	(20)	**(39)**	(20)
Effective income and social contribution taxes	**1,204**	46	**1,263**	81
Current tax recognized through profit or loss	**83**	(35)	**82**	(33)
Deferred tax recognized through profit or loss	**1,121**	81	**1,181**	114
Income and social contribution tax income (expenses), net	**1,204**	46	**1,263**	81

(i) Investment grant
The Company has tax benefits that reduce the State Value-added Tax (ICMS) expense such as ICMS matching credit, reduction of the taxable base and reduction of tax rate. These benefits are distributed in 21 Brazilian states that result in a considerable amount of exclusion from the IRPJ and CSLL tax bases. To make the use of this tax benefit feasible, the Company complies with the legal requirements. Up to December 31, 2021, the excluded amount represented 2% of the revenue from goods sold, net of taxes. In 2020; this same proportion also corresponded to 3%.

(ii) Exclusion of Selic on taxes
Refers to the effects arising from the exclusion of restatements of the Selic rate from the income and social contribution tax bases by virtue of the recent decision of the Brazilian Supreme Court. The Court unanimously dismissed the appeal to the Supreme Court, interpreting paragraph 1 of article 3 of Law No. 7713/88, article 17 of Decree-Law No. 1598/77, and article 43, item II and paragraph 1, of the Brazilian Tax Code (Law No. 5172/66) in accordance with the Brazilian Constitution, thus excluding the IRPJ and CSLL levied on the Selic rate received by taxpayers on refund o overpaid tax amounts from the scope of these laws.

(iii) Unrecognized tax loss
Deferred tax assets arising from tax losses are not recognized since there is no expectation of realization due to losses recorded in previous years. In the year ended as at December 31, 2021, deferred income and social contribution taxes not recognized in the statement of financial position referring to IRPJ and CSLL tax losses are as under:

	Consolidated	
	12.31.2021	12.31.2020
Cnova	**453**	450
BanQi	**-**	15
Other	**11**	-

In millions of Brazilian reais – R$, unless otherwise stated

c) Breakdown of deferred income and social contribution taxes:

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Provision for contingencies	**757**	502	**774**	515
Allowance for expected credit losses	**240**	184	**241**	185
Income and social contribution tax losses	**1,449**	528	**1,597**	609
Provision for current expenses	**96**	115	**101**	118
Estimated loss on property and equipment and inventories	**22**	42	**22**	42
Leases	**261**	250	**265**	255
Other	**140**	66	**141**	68
Total deferred tax assets	**2,965**	1,687	**3,141**	1,792
Depreciation and amortization of property and equipment and intangible assets	**(159)**	(152)	**(169)**	(162)
PPA Bartira	**-**	-	**(22)**	(23)
Selectivity	**(95)**		**(95)**	
Other	**(2)**	-	**(20)**	(6)
Total deferred tax liabilities	**(256)**	(152)	**(306)**	(191)
	2,709	1,535	**2,835**	1,601

Deferred income and social contribution taxes are stated in the statement of financial position for the net amount, by taxpaying entity, as follows:

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Deferred tax assets	**2,709**	1,535	**2,841**	1,607
Deferred tax liabilities	**-**	-	**(6)**	(6)

d) Expected realization of deferred income and social contribution tax assets

Deferred income and social contribution tax assets were recognized as a result of studies prepared by management that show the generation of future taxable profits in an amount sufficient for the full realization of these amounts, in addition to the expected realization of deductible temporary differences, as follows:

At December 31, 2021	Individual	Consolidated
2022	**573**	**596**
2023	**284**	**299**
2024	**316**	**331**
2025	**320**	**372**
2026	**369**	**385**
Above 5 years	**1,103**	**1,158**
	2,965	**3,141**

In millions of Brazilian reais – R$, unless otherwise stated

17. Provision for contingencies

a) Accounting policy

For the provisions for contingencies to reflect the best estimate of future disbursements, legal proceedings are assessed by management to estimate the potential loss of each proceeding. This analysis takes into consideration legal opinions issued by legal advisors in addition to the history of the Company's proceedings and related payments. Provisions are recognized for all proceedings that were analyzed and considered as probable loss, or based on the history of losses, in the case of certain labor, social security and civil proceedings.

The provisions for contingencies are presented in accordance with the amounts of the proceedings and do not consider the balances of judicial deposits, as they are classified in assets, given that the conditions required to present them net, along with the provision, do not exist. In addition, in the case of success fees, the Company's practice is to record the provision when the proceedings receive a res judicata decision.

b) Accounting estimates and assumptions

The Company is a party to legal and administrative proceedings of a tax, labor, social security and civil nature, whose risk of loss is classified into: probable, possible and remote. The analysis of the likelihood of loss is conducted by management with the support of external legal advisors and is duly corroborated by the legal department. The assessment of the likelihood of loss includes the analysis of available evidence, the hierarchy of laws, available case laws, the most recent court decisions and their relevance in the legal system.

Provisions for tax contingencies are recognized for all lawsuits whose likelihood of loss is assessed as probable. Accordingly, the Company recognized provisions that are deemed sufficient to cover any losses in legal and administrative proceedings.

Provisions for labor and civil contingencies are calculated based on the history of losses over the entire mass of lawsuits, using the percentage of success for each type of claim, and the average amount of losses per employee position or type of proceeding.

In addition, for collective actions and those with characteristics that are different from the proceedings contained in the mass, the Company analyzes the individual risk (of each lawsuit). For each lawsuit, an independent law firm is engaged to analyze the risk and calculate the corresponding amounts to which the Company is exposed. A provision is recognized for those amounts according to the timing of the lawsuit and considering the likelihood of loss, and, when decisions had already been issued, the provision amount is calculated based on the settlement amount.

c) Balances and changes

	Individual			
	Tax (i)	**Labor (ii)**	**Civil and other (iii)**	**Total**
Balance at December 31, 2019	2	1,475	322	1,799
Additions of new proceedings and other additions	-	788	192	980
Write-off of provision due to settlement	-	(782)	(127)	(909)
Write of provision due to success and other write-offs	(2)	(129)	(114)	(245)
Balance at December 31, 2020	-	1,352	273	1,625
Additions of new proceedings and other additions	**13**	**2,784**	**208**	**3,005**
Write-off of provision due to settlement	**-**	**(1,474)**	**(133)**	**(1,607)**
Write of provision due to success and other write-offs	**-**	**(471)**	**(81)**	**(552)**
Monetary restatement	**2**	**36**	**-**	**38**
Balance at December 31, 2021	**15**	**2,227**	**267**	**2,509**

In millions of Brazilian reais – R$, unless otherwise stated

	Consolidated			
	Tax (i)	Labor (ii)	Civil and other (iii)	Total
Balance at December 31, 2019	39	1,503	323	1,865
Additions of new proceedings and other additions	-	806	192	998
Write-off of provision due to settlement	-	(809)	(127)	(936)
Write of provision due to success and other write-offs	(2)	(120)	(115)	(237)
Monetary restatement	1	-	-	1
Balance at December 31, 2020	38	1.380	273	1,691
Additions of new proceedings and other additions	**13**	**2,834**	**209**	**3,056**
Write-off of provision due to settlement	**-**	**(1,505)**	**(133)**	**(1,638)**
Write of provision due to success and other write-offs	**-**	**(481)**	**(81)**	**(562)**
Monetary restatement	**9**	**37**	**-**	**46**
Balance at December 31, 2021	**60**	**2,265**	**268**	**2,593**

(i) Tax

Tax proceedings are subject, by law, to monthly restatement, calculated based on index used by each tax jurisdiction. In all proceedings, both interest charges and fines on unpaid amounts, when applicable, were fully computed and provisioned.

At December 31, 2021, significant tax proceedings provisioned refer to PIS/COFINS credit amounting to R$47 (R$38 at December 31, 2020), whose offset was not approved. The provision was recorded based on the assessment of external legal advisors and corroborated by management.

(ii) Labor

The Company is a party to various labor claims relating to employee severance, as result of the ordinary turnover of its business and of restructuring actions of recent years (e.g. drivers and assemblers). Up to June 30, 2021, the Company's provision was calculated based on effective historical losses applied to all active lawsuits per position, as well as on the individual risk assessment for certain lawsuits with unique characteristics.

From September 2021, considering the effective increase in new lawsuits and also in the effective payments of such lawsuits, the Company decided to review the methodology, and adopted the new modeling below:

1) The lawsuits classified in the discovery and/or appeal phase are measured considering the historical effective losses applied to all active lawsuits segregated by variables such as position, length of service, state where employees are assigned to, etc.

2) Lawsuits in the trial phase, classified as probable loss by the external legal advisors and whose amounts have been defined upon approval or by technical experts, are recorded at their individual nominal value.

At December 31, 2021, the Company maintained a provision in the amount of R$2,265 (R$1,380 at December 31, 2020).

The Company has 22,319 ongoing labor claims at December 31, 2021 (22,275 at December 31, 2020). Changes in these lawsuits for the referred to periods are as follows:

In millions of Brazilian reais – R$, unless otherwise stated

Number of lawsuits	12.31.2021	12.31.2020
Initial number	22,275	28,180
New lawsuits	**13,424**	8,508
Lawsuits derecognized	**(12,380)**	(14,413)
Final number	**23,319**	22,275

Transaction amounts relating to lawsuits	12.31.2021	12.31.2020
Write-off of provision due to settlement - cash effect (Note 17)	**(1,505)**	(809)

(iii) Civil and other

The Company responds to civil claims, the main ones being related to the following:

- Proceedings requesting the renewal of store lease, in which the Company is required to pay provisional rent amounts until a final and unappealable decision on the litigation. During the trial period of proceedings, the Company recognizes a provision based on the difference between the amount paid as provisional rent and the amounts claimed by the lessors. At December 31, 2021, this provision totaled R$32 (R$37 at December 31, 2020);

- Proceedings involving consumer relations law: The Company has 30,317 ongoing civil claims at December 31, 2021 (34,522 at December 31, 2020). The provision for these contingencies is calculated based on effective historical losses applied to the total ongoing claims per position, and individual risk assessment for certain proceedings having particular characteristics. At December 31, 2021, this provision totaled R$236 (R$236 at December 31, 2020).

d) Contingent liabilities

The Company is a party to other contingencies that were analyzed by legal advisors and assessed as possible loss which, therefore, are not provisioned, totaling R$3,980 at December 31, 2021 (R$3,612 at December 31, 2020), mainly related to:

<u>Tax</u>

- COFINS, PIS, IRPJ, IRRF, CSLL and INSS: (i) administrative and legal proceedings related to offset requests not recognized by the taxation authorities, generated due to credits from favorable court decisions, payment differences and fine for noncompliance with accessory obligations; (ii) tax delinquency notice as a result of PIS and COFINS not levied on amounts deemed by the Brazilian IRS as taxable revenues, such as bonuses paid to suppliers; (iii) use of PIS and COFINS credits relating to advertising expenses and card administration fees; (iv) tax delinquency notice as a result of insufficient offset tax loss balance; (v) other proceedings of less materiality. The amount involved in the referred to proceedings at December 31, 2021 is approximately R$1.052 (R$908 at December 31, 2020).

- ICMS-ST (Tax Substitution taxation regime) on purchases of goods: tax assessment notice arising from the appropriation of PIS and COFINS credits on the ICMS-ST disclosed in the purchase invoices relating to goods for resale in calendar year 2016. The amount of the tax assessment notice corresponds to R$ 266 at December 31, 2021 (R$258 at December 31, 2020).

In millions of Brazilian reais – R$, unless otherwise stated

- ICMS, ISS and Real Estate Tax ("IPTU"): (i) administrative and legal proceedings resulting from ISS not levied on amounts deemed by the municipal tax authorities as service revenue; (ii) tax delinquency notices arising from alleged differences upon crosschecking the information filed with the state finance departments, and ICMS not levied on rendering of extended warranty services; (iii) tax delinquency notices arising from the use of Company's credits for acquisition of goods from suppliers with irregular state registration and fine for noncompliance with accessory obligations; and (iv) other proceedings of less materiality. The amount involved in the referred to proceedings at December 31, 2021 is approximately R$1.211 (R$1,048 at December 31, 2020);

- Mandala goodwill: tax delinquency notices due to the deduction of amortization charges in years 2012, 2013, 2015 and 2016 relating to goodwill arising from the acquisition of Ponto in calendar year 2009. The restated amount of the tax delinquency notice corresponds to IRPJ and CSLL amounting to R$273 at December 31, 2021 (R$265 at December 31, 2020).

Civil and other

At December 31, 2021, the Company is party to other civil contingencies totaling R$194 (R$167 at December 31, 2020) that were analyzed by legal advisors and assessed as possible loss which, therefore, are not provisioned.

e) Judicial deposits

The Company is challenging the payment of certain taxes and contributions, as well as social security, labor and civil matters for which supplied appeal bonds (restricted) in amounts equivalent to those pending decisions. This amount is recorded in the Company's assets, as follows:

	Individual		**Consolidated**	
	12.31.2021	**12.31.2020**	**12.31.2021**	**12.31.2020**
Social security and labor	**326**	412	**341**	429
Tax (i)	**401**	166	**405**	170
Civil and other	**76**	76	**77**	77
	803	654	**823**	676

(i) Upon enactment of Constitutional Amendment No. 87/2015 and of CONFAZ Agreement No. 93/2005, the States and the Federal District, by means of state laws, started to demand the ICMS Tax Rate Differential ("DIFAL") on interstate operations involving final consumers who are not ICMS taxpayers.

Nonetheless, due to the unconstitutionality of this requirement established by state laws, not supported by a previous supplementary law, the Company filed lawsuits challenging the collection of DIFAL.

On February 24, 2021, the Plenary Session of the Federal Supreme Court (STF), upon judging Appeal to STF No. 1.287.019, a case of general resonance, established the following legal theory: "The collection of the rate differential referring to the ICMS, as introduced by Constitutional Amendment No. 87/2015, presupposes the edition of a supplementary law providing for general rules applicable thereto".

There was a limitation of the effects of this decision for the financial year following the conclusion of this judgment, that is, for the year of 2022. However, such limitation does not affect the Company, since the lawsuits were filed before the date of publication of the STF decision.

In millions of Brazilian reais – R$, unless otherwise stated

f) Collaterals and bank guarantees

At December 31, 2021, the Company offered guarantees in connection with social security, labor, tax and civil proceedings, as follows:

Proceedings	12.31.2021
Social security and labor	2,300
Tax	1,385
Civil and other	372
	4,057

At December 31, 2021, the Company presents bank guarantees and surety insurance involving commercial agreements on financial services (deferred revenue) and administrative agreements totaling R$2,525.

The corporate guarantees granted by Companhia Brasileira de Distribuição at December 31, 2021 total R$216.

18. Leases

a) Accounting policy

CPC 06 – Leases introduced a single model for lessees to account for leases in the statement of financial position. This standard requires that all leases and their corresponding contractual rights and obligations are recognized in the statement of financial position. According to this standard, leases with contractual terms of less than 12 months and whose underlying asset is of low value are exempt from recognition. Lease contracts with an indefinite term and those in which the consideration is based on variable amounts are not included in the scope of this standard either. Those leases that are exempt or are out of the scope of the standard were recognized by the Company as an expense in profit or loss for the year, as incurred. The Company recognized variable lease expenses of R$29 in Individual and Consolidated as at December 31, 2021 (R$39 in Individual and Consolidated as at December 31, 2020).

For each lease contract, the Company recognizes a right-of-use asset and a lease liability.

The right-of-use asset is recognized at the commencement date of the lease, i.e., the date the underlying asset is available for use by the Company. The right-of-use assets are initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Depreciation is calculated using the straight-line method, according to the remaining term of contracts.

Lease liabilities are composed of the present value of payments to be made over the lease term. The lease payments include fixed payments or in-substance fixed payments, which would be the minimum payments agreed with the lessor. In calculating lease liabilities, the Company used its Incremental Borrowing Rate (IBR), which was applied nominally to discount payment flows.

Interest on lease liabilities and the depreciation of right-of-use assets are recognized in the Statement of profit or loss according to the contract period.

As a practical expedient, lessees may choose not to assess whether a benefit granted under a lease contract in connection with COVID-19 is a lease modification and instead to account for the resulting changes in lease payments in profit or loss for the period. The Company and its subsidiaries applied the practical expedient to all benefits granted under lease contracts in accordance with the requirements of Ruling No. 859/20.

In millions of Brazilian reais – R$, unless otherwise stated

On March 31, 2021, the IASB issued new amendments to IFRS 16, extending by one year the practical expedient for benefits granted that occur as a consequence of the COVID-19 pandemic, therefore affecting payments due on or until June 30, 2022. On July 22, 2021, the CVM, through CVM Resolution n. 41/21, approved the Revision of Accounting Pronouncements No. 18/21, issued by the Brazilian Financial Accounting Standards Board (CPC), which amends Accounting Pronouncement CPC 06 (R2) - Leases. This resolution became effective on August 2, 2021, applicable to years beginning on or after January 1, 2021. The lessee may apply the amendments to payments due on or before June 30, 2022.

b) Breakdown of balances and changes

Right-of-use asset

	Individual	Consolidated
Balance at December 31, 2019	3,612	3,640
Business combination	-	16
Additions and remeasurements	359	360
Write-offs	(354)	(356)
Depreciation	(578)	(581)
Balance at December 31, 2020	3,039	3,079
Additions and remeasurements	**836**	**839**
Write-offs	**49**	**46**
Depreciation	**(651)**	**(657)**
Balance at December 31, 2021	**3,273**	**3,307**

Classification of depreciation of right-of-use asset in the Statement of profit or loss

In the years ended December 31, 2021 and 2020, the Company recognized the following right-of-use asset depreciation amounts in the cost of goods and services sold:

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Depreciation	**138**	126	**142**	129

Lease liabilities

	Individual	Consolidated
Balance at December 31, 2019	4,543	4,583
Business combination	-	(17)
Addition and remeasurement	359	360
Write-offs	(483)	(481)
Payment of principal	(420)	(424)
Payment of interest	(383)	(389)
Discounts received	(91)	(91)
Interest incurred	383	388
Balance at December 31, 2020	3,908	3,963
Addition and remeasurement	**836**	**839**
Write-offs	**51**	**47**
Payment of principal	**(643)**	**(647)**
Payment of interest	**(385)**	**(391)**
Interest incurred	**385**	**391**
Balance at December 31, 2021	**4,152**	**4,202**
Current	**824**	**829**
Noncurrent	**3,328**	**3,373**

In millions of Brazilian reais – R$, unless otherwise stated

c) Aging list of the lease liabilities recognized in noncurrent liabilities

	Individual			Consolidated		
Year	Gross flow	Embedded interest	Lease liabilities	Gross flow	Embedded interest	Lease liabilities
2023	982	(307)	675	992	(313)	679
2024	847	(256)	591	857	(261)	596
2025	723	(209)	514	732	(213)	519
2026	601	(165)	436	611	(168)	443
2027	446	(126)	320	456	(128)	328
Above 5 years	1,008	(216)	792	1,027	(219)	808
	4,607	(1,279)	3,328	4,675	(1,302)	3,373

d) Potential right for PIS and COFINS recoverable

The Company has potential right for PIS and COFINS recoverable embedded in the considerations of leases. In measuring cash flows from leases, tax credits were not recorded, and the potential effects of PIS and COFINS on gross contractual flow at December 31, 2021 amounted to R$418 in the Individual financial statements and R$425 in the Consolidated financial statements (R$426 in the Individual financial statements and R$433 in the Consolidated financial statements at December 31, 2020).

e) Contracts per term and discount rate

	Average rate % p.a.	
Contract term	At 12.31.2021	At 12.31.2020
Within 5 years	6.83%	6.47%
From 6 to 10 years	14.01%	10.76%
From 11 to 15 years	13.30%	15.13%
From 16 to 20 years	22.06%	14.44%

f) Additional information

As previously described, the Company adopted the IBR as a discount rate for lease liabilities, which is calculated considering the Company's borrowing cost, based on the CDI (Interbank Deposit Certificate) added to a risk spread, excluding the guarantees given in financing transactions.

The payment flows of the Company's lease contracts are substantially indexed to inflation indices. To ensure the reliable presentation and to comply with the Brazilian Securities and Exchange Commission ("CVM") guidelines contained in Memorandum Circular No. 2/2019, the Company presented liability balances without inflation, which were effectively accounted for, and the estimated balances with inflation.

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Actual flow				
Lease liabilities	5,794	5,650	5,872	5,737
Embedded interest	(1,642)	(1,742)	(1,670)	(1,774)
	4,152	3,908	4,202	3,963
Flow with inflation				
Lease liabilities	7,190	6,776	7,273	6,882
Embedded interest	(2,259)	(2,259)	(2,293)	(2,272)
	4,931	4,517	4,980	4,610

The flow with inflation was measured at the present value of the lease payments expected until the end of each contract, embedding the projected future inflation, and discounted using the IBR, i.e. the nominal interest rate.

In millions of Brazilian reais – R$, unless otherwise stated

In preparing future contractual cash flows by embedding the expected inflation, rates obtained through future market quotations observed in B3 S.A. - Brasil, Bolsa, Balcão were used for the inflation indexes contained in the lease contracts (Extended Consumer Price Index - IPCA). The inflation curves were obtained on the first-time adoption date of the referred to pronouncement and at the end of the current year, considering the remaining contractual terms.

In addition, users of these financial statements may, at their discretion, use other items in this explanatory note, such as the aging list of liabilities and interest rates used in the calculation, to make future payment flow projections indexed by the inflation indices observed in the market.

g) COVID-19 impacts

On March 21, 2020, the Company communicated, through a material news release, that all its physical stores would close due to the restrictions implemented by the authorities to curb the COVID-19 pandemic. In addition, the Company released an announcement to the market on April 17, 2020, in which it informed that, in view of the global economic crisis triggered by the COVID-19 pandemic, management had already been, preventively and in line with the cash preservation measures adopted by several companies in the context at the time, renegotiating the collection and deferral of payment of rental related to all leased properties (particularly of physical stores that were temporarily closed as a result of the pandemic containment measures). The Company clarified that all rents for March 2020 were paid, including any discounts negotiated with the respective owners, without prejudice to other measures required for the renegotiation or deferral of rents of subsequent months. The Company points out that it has given equal treatment to all lessors in the context of renegotiations, including property owners that are related parties, pursuant to the Company's Related Party Transaction Policy, which does not necessarily imply the same result for all negotiations, given the peculiarities and specifics of each lease contract.

19. Deferred revenue

a) Accounting policy

Deferred revenues arising from prepayments received from commercial partners for the exclusivity in the rendering of certain services are recognized in the Statement of profit or loss for the year as the performance obligations contained in the respective agreements are satisfied.

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2021	**12.31.2020**	**12.31.2021**	**12.31.2020**
Additional or extended guarantees (i)	**1,027**	1,127	**1,027**	1,127
Bradesco (ii)	**23**	145	**23**	145
Insurance and services (iii)	**99**	113	**99**	113
Other	**9**	8	**78**	108
	1,158	1,393	**1,227**	1,493
Current	**365**	357	**374**	385
Noncurrent	**793**	1,036	**853**	1,108

In millions of Brazilian reais – R$, unless otherwise stated

(i) Additional or extended guarantees

On October 15, 2018, the Company entered into an amendment to the insurance distribution agreement with Zurich Minas Brasil Seguros S.A. that rescheduled and consolidated the agreements previously entered into, on August 29, 2014 and December 16, 2016. The amendment is expected to expire in January 2025. The prepayment received was R$837 and has been recognized in P&L as the goals contractually set are achieved.

(ii) Card operation and correspondent bank

On December 4, 2015, Via entered into a financial service agreement with Banco Bradesco S.A. and Banco Bradescard S.A. (jointly "Bradesco") effective until August 28, 2029. The contract amends and includes clauses in the contract entered into by between the parties, at the time Casa Bahia Comercial Ltda. and Bradesco, on November 10, 2006. This contract includes: provisions on the offer of co-branded cards and other related financial services related to the "Casas Bahia" trademark and general provisions applicable to the rendering of financial services, correspondent bank and direct consumer credit service. The amounts involved in this transaction total R$704 and are represented by prepaid commissions amounting to R$550, and additional remuneration amounting to R$154.

The amount received of R$550 has been recognized in P&L for the year to the extent that goals contractually set are achieved and shall be offset in up to 9 years, while the additional remuneration of R$154 has been realized as determined in the contract.

On September 22, 2016, the Company entered into a financial service rendering agreement with Bradesco effective until August 28, 2029. As part of this agreement, provisions were defined on the offer of co-branded cards and other associated financial services related to "Casas Bahia" trademark on the e-commerce network. On the contract execution date, the prepayment received was R$60, which has been recognized in P&L as the goals contractually set are achieved in up to 8 years.

(iii) Insurance and services

On June 26, 2018, the Company entered into a service agreement with CDF Assistência e Suporte Digital S.A. for the rendering of technical assistance services. The prepayments received were R$100 for the Company, which has been recognized in P&L as the goals contractually set are achieved. On December 18, 2020, the Company and CDF signed an amendment and the previous agreement entered into between the parties was renegotiated. The amendment is scheduled to expire in December 2029.

On November 10, 2020, the Company entered into an amendment to the partnership agreement for intermediation of services and other covenants with the USS and MMS, and renegotiated the agreements previously entered into between the parties. The amendment is expected to expire in October 2025.

c) Management's estimate for realization of amounts classified as "Noncurrent"

Year	Individual	Consolidated
2023	**359**	**368**
2024	**357**	**366**
2025	**44**	**53**
2026	**8**	**17**
2027	**8**	**17**
2028 to 2029	**17**	**32**
	793	**853**

In millions of Brazilian reais – R$, unless otherwise stated

20. Equity

a) Capital

At December 31, 2021, the Company's paid-up and subscribed capital amounted to R$5,138 (R$5,133 at December 31, 2020) and was represented by 1,598,426 thousand common registered no-par-value shares with voting right. In the year ended as at December 31, 2021 and 2020, the following capital increases took place:

Date of capital increase (*)	Amounts in Brazilian reais (R$)	Number of common shares
12/02/2020	600,179.02	313,131
25/03/2020	204,982.26	48,798
13/05/2020	6.08	1,824
15/06/2020	2,227,500,000.00	297,000,000
03/02/2021	52,538.93	12,507
07/22/2021	1,410,533.91	386,541
07/10/2021	3,323,726.78	672,332
10/11/2021	54,082.74	12,882

(*) Capital increase from the exercise of stock options plans, except on June 15, 2020, when the public offering for the primary distribution of shares occurred, totaling R$4,455. Of this amount, 50% was intended for capital increase. Costs incurred in the subsequent issue of shares amounted to R$94.

b) Treasury shares

In 2018, as a result of the Company's migration to the B3 listing segment called Novo Mercado and the respective conversion of all the preferred shares issued by the Company into common shares, the holders of preferred shares who did not attend the Special General Meeting (SGM) held on September 3, 2018 were granted the right to withdraw. The Company repurchased 300 thousand preferred shares totaling R$ 685,839.75 (six hundred and eighty-five thousand, eight hundred and thirty-nine reais and seventy-five cents) paid on October 5, 2018.

On December 6, 2021, the Company made a communication to shareholders and to the market in general about the Share Buyback Program, with the objective of acquiring shares issued by the Company to cover the long-term incentive programs and for retention of the key Company executives. The Company will acquire its own shares, without reducing capital. The Company may, at its sole discretion and pursuant to the Share Buyback Program, acquire up to 18,000,000 common, registered, book-entry shares with no par value, issued by the Company, corresponding to up to 1.126% of the total shares issued and up to 1.127% of the outstanding shares.

On December 20, 2021, as part of the Share Buyback Program, the Company repurchased 2,000,000 common shares totaling R$9,825,267.00.

c) Capital transactions

Differences arising from changes in the equity interest of subsidiaries or investees under common control, considering that these are capital transactions, i.e. transactions with shareholders as owners.

d) Capital reserves

(i) Goodwill reserve

The amount recognized in “Special goodwill reserve” derives from the merger of Mandala Empreendimentos e Participações S.A. into the Company on December 22, 2009, a company whose goodwill had been generated upon acquisition of Via by CBD. The merged goodwill has a provision for integrity of equity of 66% in order to keep the tax benefit that was amortized according to the economic benefit of goodwill. As established in the Merger Agreement of Casa Bahia’s Shares entered into on October 5, 2010 (approved at the Special General Meeting held on November 9, 2010), the tax benefit arising from such amortization will be capitalized without issuing new shares, that is, in benefit of all shareholders of Via.

(ii) Premium on subscription of shares

The premium on subscription of shares arises when the Company trades its shares and the buyer pays a value per share higher than the equity value; this positive difference must be accounted for as capital reserves. On June 15, 2020, a public offering of primary distribution of common registered book-entry shares without par value was made after approval at a meeting of the Company’s Board of Directors, through which 297,000,000 new shares at the price of R$15.00 (fifteen reais) each were issued, within the limit of the authorized capital; thus, the total amount of the Restricted Offer was R$4,455,000,000.00 (four billion, four hundred and fifty-five million reais).

The Company determined that, of the price per share of R$15.00: (i) the amount of R$7.50 would be allocated to the Company’s Capital account, totaling R$2,227,500,000.00 (two billion, two hundred and twenty-seven million, five hundred thousand reais) in capital increase, and (ii) the remaining amount of R$7.50 would be allocated to Capital Reserve, under the premium on subscription of shares account, totaling R$2,227,500,000.00 (two billion, two hundred and twenty-seven million, five hundred thousand reais).

(iii) Options granted

The Company maintains share-based compensation plans with the purpose of: allowing the participation of the Company’s managing officers and employees in its capital and in capital increases arising from earnings to which the referred to managing officers and employees have contributed; fostering the achievement of the Company’s corporate purposes; and aligning the interests of the Company’s managing officers and employees to those of the Company’s shareholders.

Accounting policy

In exchange for services rendered for a certain period of time, the Company’ executives may receive share-based compensation (equity-settled or cash-settled).

The cost of share-based payment transactions is recognized as expense for the year over the period in which the performance and/or service conditions are fulfilled (“vesting period”), with a corresponding increase in the Company's equity or recognition as liability for options settled in cash. At the end of each reporting period, the Company reviews the number of equity instruments that will be delivered, excluding any instruments that have expired and have not been exercised. The expense related to each year represents the changes in accumulated expenses recognized at the beginning and at the end of the year.

In millions of Brazilian reais – R$, unless otherwise stated

When a share-based payment transaction is modified, the expense added is recognized over the remaining period in which the vesting conditions are met. In the case of cancelation of a share-based payment transaction, this is classified as if it had been fully acquired by the beneficiary, and the remaining unrecognized expenses related to the share-based payment transaction are fully recognized in the statement of profit or loss for the year.

Stock option plan (equity-settled transaction)

In April 2021, the Company granted 2,950,424 stock options and 2,950,424 shares restricted to the plan beneficiaries. In June, August, September and October 2021, the Company granted, respectively, 36,639, 23,116, 5,396 and 5,709 stock options and 36,639, 23,116, 5,396 and 5,709 restricted shares to the program beneficiaries. Once the service condition is fulfilled, which is to remain bound as a manager or employee of the Company or a company under its control until the end of the vesting period scheduled for April 2026, the beneficiary will be entitled to receive stock options and/or restricted shares in 3 installments from the third anniversary of the grant date in proportion to the following percentages: (i) 40% of the premium on the third anniversary date; (ii) 30% of the premium on the fourth anniversary date; and (iii) 30% of the premium on the fifth anniversary date.

The stock option plans (equity-settled transaction) currently in force are as follows:

	Grant date	**End of vesting period**
Stock options	09/12/2019	07/12/2024
Stock options	04/27/2021	04/26/2026
Restricted shares	04/27/2021	04/26/2026
Stock options	06/02/2021	04/26/2026
Restricted shares	06/02/2021	04/26/2026
Stock options	08/02/2021	04/26/2026
Restricted shares	08/02/2021	04/26/2026
Stock options	09/13/2021	04/26/2026
Restricted shares	09/13/2021	04/26/2026
Stock options	09/20/2021	26/04/2026
Restricted shares	09/20/2021	26/04/2026

The table below presents details and changes, by number of shares, of each program for the year ended December 31, 2021:

Series	Grant date	End of the vesting period	Strike price (in reais) (*)	Number of stock options prevailing at 12.31.2020 (*)	Options granted under new programs	Options cancelled (*)	Options exercised (*)	Number of stock options prevailing at 12.31.2021 (*)
A5	05/25/2018	05/25/2021	R$ 7.24	275,832	-	53,031	217,368	**5,433**
B5	05/25/2018	05/25/2021	R$ 0.01	275,832	-	79,374	191,025	**5,433**
E	09/12/2019	07/12/2024	R$ 4.97	51,619,878	-	-	649,307	**50,970,571**
Stock options	04/27/2021	04/27/2026	R$ 10.01	-	3,021,284	258,501	624	**2,762,159**
Restricted shares	04/27/2021	04/27/2026	R$ 0.01	-	3,021,284	245,134	13,991	**2,762,159**

The total expense including taxes and social charges withheld, relating to the stock option programs and recognized in the year ended December 31, 2021 totaled R$60 (R$53 in the year ended December 31, 2020).

In millions of Brazilian reais – R$, unless otherwise stated

Phantom Stock Option Plan ("Phantom Shares")

In January and March 2021, 21,232 phantom shares equivalent to 63,696 common shares issued by the Company were granted to the beneficiaries of the program. Once the service condition is fulfilled, which means to remain under employment relationship as an officer or employee of the Company or company under its control over the whole vesting period, elapsing in July 2025, the beneficiary will be entitled to receive the premium in 3 installments as of the third anniversary of the grant date in proportion to the following percentages: (i) 40% of the premium on the third anniversary date; (ii) 30% of the premium on the fourth anniversary date; and (iii) 30% of the premium on the fifth anniversary date.

The Phantom Stock Option Plan ("Phantom Shares") currently in force are as follows:

	Grant date	**End of grace period**
Phantom Shares	5/28/2019	5/27/2022
Phantom Shares	8/5/2020	8/4/2025

At December 31, 2021, the liabilities corresponding to this premium, including social charges, are recorded in current liabilities in the amount of R$8 (nil at December 31, 2020), and in noncurrent liabilities in the amount of R$1 (R$20 at December 31, 2020). In 2021, by virtue of the decrease in share price, a reversal of provision in the amount of R$10 was recognized (expense of R$21 for the year ended December 31, 2020).

e) Income reserves

(i) Investment grant

The Company has ICMS tax incentives that are classified as investment subsidies. In view of Supplementary Law (LC) No. 160/2017, as at December 31, 2020 the Company allocated R$ 1,004 to the investment grant reserve, under Income reserve.

The investment grant amounts are not part of the minimum mandatory dividend calculation base, as it can only absorb losses or be incorporated into capital, pursuant to Law No. 6404/76.

(ii) Absorption of accumulated losses from previous years

Pursuant to the Brazilian Corporation Law, the income for the year must be used to absorb accumulated losses from previous years. The income as at December 31, 2020 was R$ 1,004 and the existing amount of accumulated losses from previous years was R$ 1,420.

On April 27, 2021, the resolution on the absorption of the balance of accumulated losses was approved at the Special General Meeting (SGM), which, at December 31, 2020, amounted to R$416, thus absorbing the entire balance of accumulated losses from previous periods into the Company's capital reserve.

In millions of Brazilian reais – R$, unless otherwise stated

21. Sales and service revenue

a) Accounting policy

The Company sells consumer electronics, home appliance, furniture and other domestic items. It also offers services, such as intermediation in the sale of extended warranty, equipment installation, marketplace and financial and operational services such as installment sales and co-branded credit cards. Revenues from furniture production through subsidiary Bartira and from transportation services through VVLog are substantially used in the Company's operations and, consequently, eliminated in the financial statement consolidation process.

Sales revenues are recognized at their fair value when control is transferred to the buyer. Revenues are not recognized if there is a significant uncertainty as to their collection.

For intermediation operations in the sale of insurance policies or extended warranty, the Company does not retain the risks related to the claims and is not the primary responsible for fulfilling the obligations of the policies sold. Revenues from commissions for intermediation in the sale of insurance policies or extended warranty are recognized in P&L when the intermediation services are provided.

Marketplace transactions refer to a single purchase platform, where an independent storekeeper offers products so that customers have access to them through a website of the Company. Service revenue is generated through a percentage on each sale completed (fee) in the website.

As the consumer financing activity is fundamental to the Company business, the finance income from this operation is recognized as operating income over the term defined for each transaction carried out, using the effective interest rate.

All revenues are subject to the Contribution Taxes on Gross Revenue for Social Integration Program ("PIS") and for Social Security Funding ("COFINS"), according to the rate attributed to each operation. Sales revenues are subject to State VAT ("ICMS") while service revenues are subject to Service Tax ("ISS"), which are calculated based on the rates in effect in each State and City, respectively.

b) Breakdown of balances

	Individual		**Consolidated**	
	12.31.2021	**12.31.2020**	**12.31.2021**	**12.31.2020**
Goods	**33,040**	31,275	**33,052**	31,281
Operational finance transactions (c)	**1,927**	1,699	**1,937**	1,699
Services	**1,061**	1,000	**1,088**	1,020
Freight and assembly services	**294**	456	**298**	458
Gross sales revenue net of returns and cancellations	**36,322**	34,430	**36,375**	34,458
Taxes on goods	**(5,136)**	(5,240)	**(5,181)**	(5,260)
Taxes on operational finance transactions (c)	**(84)**	(76)	**(85)**	(76)
Taxes on services	**(142)**	(126)	**(146)**	(126)
Taxes on freight and assembly services	**(64)**	(95)	**(64)**	(95)
Taxes on revenue	**(5,426)**	(5,537)	**(5,476)**	(5,557)
Net operating revenue	**30,896**	28,893	**30,899**	28,901

In millions of Brazilian reais – R$, unless otherwise stated

c) Revenue from operating finance transactions

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Casas Bahia Credit Facility (i)	**1,805**	1,595	**1,805**	1,595
Other	**122**	104	**132**	104
Gross revenue from operating finance transactions – returns and cancellations	**1,927**	1,699	**1,937**	1,699
Casas Bahia Credit Facility	**(70)**	(64)	**(70)**	(64)
Other	**(14)**	(12)	**(15)**	(12)
Taxes on operating finance transactions	**(84)**	(76)	**(85)**	(76)
Operating finance income – Casas Bahia Credit Facility	**1,735**	1,531	**1,735**	1,531
Revenue from operating finance transactions (Other)	**108**	92	**117**	92

(i) These correspond to time sales financed through Direct Consumer Credit with Seller Intervention (Casas Bahia Credit Facility) "buy now, pay later", payable in up to 24 months.

	Individual and Consolidated	
	12.31.2021	12.31.2020
Casas Bahia Credit Facility	**1,805**	1,595
Interest to be incurred - Casas Bahia Credit Facility (Note 6,1)	**1,286**	1,213
Total interest - Casas Bahia Credit Facility	**3,091**	2,808

22. Expenses by nature

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Cost with inventories sold	**20,410**	18,539	**20,237**	18,432
Personnel expenses	**2,582**	2,673	**2,677**	2,750
Third-party service expenses	**3,178**	2,667	**3,327**	2,763
Freight expenses	**1,020**	1,055	**1,061**	1,055
Estimated loss on doubtful accounts – Casas Bahia Credit Facility, net of recovery (ADA)	**704**	687	**704**	687
Estimated losses on doubtful accounts – Other (ADA)	**121**	112	**126**	113
Expenses with labor contingencies (i)	**1,528**	225	**1,540**	230
Other	**62**	150	**98**	188
	29,605	26,108	**29,770**	26,218
Cost of goods sold and services rendered	**21,513**	19,403	**21,572**	19,435
Selling expenses	**7,079**	5,893	**7,121**	5,892
General and administrative expenses	**1,013**	812	**1,077**	891
	29,605	26,108	**29,771**	26,218

(i) The increase refers to changes in the methodology used to calculate the provision for labor contingencies, as presented in Note 17 (c) (ii).

In millions of Brazilian reais – R$, unless otherwise stated

23. Other operating income (expenses), net

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Restructuring expenses (i)	**(709)**	(534)	**(710)**	(537)
Gain (loss) on disposal of property and equipment and intangible assets	**(7)**	58	**(38)**	59
Other	**34**	86	**30**	92
	(682)	(390)	**(718)**	(386)

(i) This line includes, mainly, expenses with logistics adjustments, employment contract termination and labor contingencies, resulting from the implementation of measures to adjust the Company's expense structure, both in the operational and administrative functions.

24. Finance income (costs), net

a) Breakdown of balances

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Finance costs				
Cost of debt	**(322)**	(197)	**(323)**	(198)
Consumer financing - CDCI (i)	**(306)**	(219)	**(306)**	(219)
Costs of sales and discount on receivables	**(288)**	(180)	**(288)**	(180)
Losses on restatements	**(44)**	(13)	**(47)**	(15)
Interest on lease liabilities	**(385)**	(383)	**(391)**	(388)
Other finance costs	**(158)**	(118)	**(165)**	(118)
Total finance costs	**(1,503)**	(1,110)	**(1,520)**	(1,118)
Finance income				
Yield from cash and cash equivalents	**11**	35	**14**	36
Gains on restatements	**200**	338	**228**	339
Advances to suppliers	**57**	43	**57**	44
Other finance income	**5**	3	**4**	3
Total finance income	**273**	419	**303**	422
Finance income (costs), net	**(1,230)**	(691)	**(1,217)**	(696)

(i) Direct Consumer Credit with Seller Intervention- CDCI ("Casas Bahia Credit Facility") operations correspond to the financing of sales in installments to customers through financial institutions (see Note 13), at fixed rates for each contract the Company performs. At December 31, 2021, the weighted average of the rates adopted by financial institutions for CDCI operations was 9.47% p.a. (5.39% p.a. at December 31, 2020).

25. Earnings (loss) per share

a) Accounting policy

The Company presents two methods for calculation of earnings per share: (i) basic earnings (loss); and (ii) diluted earnings. Basic earnings (loss) per share are calculated based on the weighted average number of shares outstanding over the year, except shares issued for payment of dividends and treasury shares. Diluted earnings take into consideration the average weighted number of shares outstanding over the year, less the equity instruments potentially dilutive on the interest held by its shareholders in future years, such as stock options that, if exercised by their holders, will increase the number of the Company's common shares, decreasing earnings per share.

b) Table of earnings (loss) per share

The table below shows the determination of net income available to shareholders and the weighted average number of outstanding shares.

	12.31.2021	12.31.2020
Basic numerator		
Basic earnings (loss) allocated and not distributed	**(297)**	1,004
Basic earnings (loss) allocated and not distributed	**(297)**	1,004
Basic denominator (in thousands of shares)		
Weighted average number of shares	**1,595,388**	1,461,216
Basic earnings (loss) per share (in R$)	**(0.18593)**	0.68707
Diluted denominator (in thousands of shares)		
Stock options	**-**	40,870
Weighted average number of shares	**1,595,388**	1,461,216
Diluted weighted average	**1,595,388**	1,502,086
Diluted earnings (loss) per share (in R$)	**(0.18593)**	0.66838

For the year ended December 31, 2021, stock options have no dilutive effect due to the loss recorded.

26. Insurance coverage

The Company's practice is taking out insurance coverage to minimize the risks of damage to its equity that may cause losses for its business. The insurance coverage encompasses protection of stores, distribution centers and administrative buildings, including all property and equipment and inventories. The fleet of trucks and light vehicles is likewise insured. For any losses that the Company might suffer due to the interruption of its activities due to accidents covered by the insurance policy, the loss of profit insurance covers the losses caused.

At December 31, 2021, the insurance coverage is deemed sufficient by management to cover claims, if any, and is summarized as follows:

Insured assets	Insured perils	Insured amount
Property and equipment and inventories	Named perils	**14,052**
Profit	Loss of profits	**5,388**
Vehicle and other (*)	Losses and damages	**91**

(*) This does not include coverage of bodywork, which is insured at an amount equivalent to 100% of the Foundation Institute of Economic Research ("FIPE") table.

The Company has specific policies covering civil and administrative liability risks in the amount of R$5435.

27. Segment information

Operating segments are defined as components of a business for which financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources to an individual segment and in assessing the segment performance. Considering that all decisions are made based on consolidated reports and that all decisions relating to strategic, financial, procurement and investment planning and to investment of funds are made on a consolidated basis, it is possible to conclude that the Company operates in one single operating segment in the retail market of electronics, home appliances and furniture.

28. Events after the reporting period

Acquisition of CNT Logística

On January 12, 2022, the Company communicated to shareholders and to the market in general the acquisition of CNT (one hundred percent) through its subsidiaries.

CNT is a logtech specialized in complete offers for e-commerce, multi-marketplace and plug & play platform operations (ecosystem with interaction between products and services). CNT has been working in the fulfillment operation for 11 years and in the fullcommerce operation for 4 years, in addition to having broad experience in D2C (direct to consumer), partnerships with the key carriers, and connection with large marketplaces through its own solutions for HUB and ERP integration.

The main strategic differential in the acquisition of CNT is to offer of a single package of logistics solutions for e-commerce operations, which should provide a rapid and consistent improvement in the level of service to customers and partners in the Company's marketplace, especially with regard to the purchasing experience and speed of delivery of orders. The transaction promotes a dilution in logistics costs and contributes to: (i) increasing Via's NPS (Net Promoter Score); (ii) increasing customer lifetime value (LTV); and (iii) reducing the customer acquisition cost (CAC).

Realization of tax credits

Pursuant to the tax credit monetization plan, on January 31, 2022, the Company communicated to shareholders and to the market in general that it concluded the agreement for transfer of ICMS tax credits, in the amount of R$200 ("transaction”). The expected impact of this transaction on the Company's cash flows and P&L will be recognized throughout 2022.

Share buyback

On January 21, 2022, as part of the Share Buyback Program, the Company repurchased 2,000,000 common shares.