Individual and Consolidated Financial Statements Grupo Casas Bahia S.A.

A
DEDICAÇÃO
TOTAL
NUNCA FOI TÃO FORTE

Year ended December 31, 2023
with Independent Auditor's Report

Contents

Management Report

Message from Management

2023 Highlights

The fourth quarter of 2023 (4Q23) was marked by important advances in our Transformation Plan, which prioritizes a more robust free cash flow and improved return on invested capital, through synergies and a focus on our core activity. The Transformation Plan initiatives evolved on schedule in 2023 and, after some necessary restructuring within the year, we expect to gradually reap benefits throughout 2024. This will leave us in a strengthened position to grow structurally as of 2025.

In 2023, the highlight initiative was the cost reduction front, with the streamlining of the Company's structures. This resulted in a reduction of more than 8,000 positions (including a 42% reduction in senior leadership positions), reduction of marketing expenses, closing of 55 contribution margin detractor stores, and optimization of 4 DC's.

On the cost of capital front, we highlight an adjustment to the purchasing plan, a reduction of excess inventory (R$1,221) and the reduction in the storage period from 94 to 76 days – a record level in the Company, bearing in mind that the initial objective was to reach a period below 90 days.

In 2023 we launched the new Casas Bahia Ads platform, which explores the concept of retail media and contributes to increasing revenue. On this platform, the partner will have the entire ecosystem of Grupo Casas Bahia at their disposal, with access to all our omnichannel to use the most appropriate channel for their product. With full autonomy through the platform, the partner monitors and optimizes their campaigns, reaching a qualified and segmented audience, which consequently brings greater visibility and conversion.

The credit facility is a lever of sales and profitability for the Company, and its financing through FIDC (Receivables Investment Fund) represents a paradigm shift, given decades of its CDCI-based model. The fund's regulation was filed with the Brazilian Securities and Exchange Commission (CVM), as signaled last quarter, and the process is ongoing.

At the end of February 2024, we announced the extension of debt schedule, in the amount of R$1,519 for a term of 3 years – reinforcing the understanding and confidence of financial institutions about the evolution of the Transformation Plan. Thus, short-term gross debt, which previously accounted for 58.5% of indebtedness, now represent 32.4% of the total.

Despite the short period - considering the changes in management, the conception of the Plan, its announcement in the 2Q23 and the implementation of most of the initiatives in the second half of 2023 -, we are convinced that we are on the right track to make Grupo Casas Bahia increasingly perennial, resilient to adverse scenarios and with robust and sustainable liquidity for the coming years.

2023 Profit or Loss

The Company expects to capture all of the gains from the Transformation Plan in 2024. However, its effects in 2023 can already be observed, with emphasis on the 4.6% reduction in personnel expenses, reduction in credit losses and, especially, the rationalization of marketing expenses, which represent an overall improvement in cost containment for the period. Net finance costs totaled R$3,041, still reflecting the high level of interest rates.

In millions of reais, unless otherwise stated

Inventories

In 2023 profit or loss was impacted by the Transformation Plan actions, we believe that cash flow is the best metric to measure our performance.

This year, the Company focused on reducing slower-moving and older inventory items, since they bring higher loading costs and have a lower commercial sales value due to technological lag. The decrease in inventory items above 90 days was 63%, whereas those items below 90 days had only a 2% decrease, in order to ensure an adequate level of recent inventories, without impact on breakage.

As a result, the average storage period improved from 94 days in 2022 to 76 days in 2023, the lowest historical level ever recorded at the Company, even exceeding the initial target of the Transformation Plan, i.e., less than 90 days.

Financial Cycle and Capex

This movement is intended for greater efficiency in the Company's capital management. As a result, there is a gradual improvement, quarter by quarter, in the financial cycle variation, which ended the year in (36) days, an improvement of 11 days compared to the previous year.

The investment level also reflects a moment of greater rationality and liquidity preservation. Thus, capex goes from R$1,006 in 2022 to R$386 in 2023, due to the less expansionary moment and the ending of long payback projects that are not core to what we do. It is important to note that we continue investing in essential projects, such as infrastructure and technology to improve the customer's experience on Company's platforms, increase conversion and systems that promote greater productivity.

Taxes and Legal Proceedings

There was a gradual and upward evolution in the net tax balance throughout 2023, this reflects our efforts to have our tax credit rights validated before the government's Departments of Finance, greater logistical-tax efficiency in the operation and, consequently, a decrease in the balance of taxes recoverable in the face of greater efficiency in monetization.

Offsetting this effect on cash, payments of lawsuits totaled R$1,228 in 2023, the same level as in the previous year. This amount mainly reflects legacy labor lawsuits, with older and more onerous lawsuits. We emphasize that the issue is under control, as expected, and that the Company's internal processes and controls have been revisited, so that we have been more successful in defenses related to these suits. The expectation is to reduce this more onerous legacy liability throughout 2024, so we expect to have a better trend for 2025.

Leverage and Liquidity

In 2023, the Company's liquidity balance was impacted by credit limit reduction, as a result of market events in early 2023. In addition, when comparing the Company's liquidity in 2023 with its liquidity in 2022, the impact of renewing our co-branded card partnership, which took place in 4Q22 and impacted the Company's cash by R$1,750, must be taken into account.

	12.31.2023	12.31.2022
Cash and cash equivalents	**2,573**	2,019
Credit card companies	**273**	3.426
Other accounts receivable and B2B accounts receivable	**733**	708
Cash and cash equivalents (managerial)	**3,579**	6,153

It is important to point out that we are in compliance with the financial covenants and we continue to work to strengthen the Company's capital structure.

2023 key messages

In 2023, we took important steps to build a profitable and long-lasting company. We revisited our strategy for a specialist approach, focusing on what we have expertise in and know how to operate profitably. We changed the corporate name to Grupo Casas Bahia and rescued the *Dedicação Total a Você* (Total Dedication to You) culture, corroborating the “back to basics” mindset internally and the recognition of thousands of customers.

We structured and advanced in performing our Transformation Plan, which will allow additional gains of R$1,500 to R$1,600 in pretax income related to already structured and partially implemented opportunities, to be captured in the short term.

We worked on improving the capital structure and launched Grupo Casas Bahia’s 1st FIDC, which will allow growth of the credit facility portfolio, diversification of its financing and release of the overdraft facility.

We closed the year with a liquidity position of R$3,579 and once again, we point out the short- and medium-term debt schedule extension and that we have a satisfactory liquidity position for the Company’s requirements.

Short-term vision

We are focusing primarily on what depends on our work, irrespectively of external factors. The Transformation Plan is being executed, with the implementation of important actions whose benefits are expected to be more and more noticeable each quarter.

Our revenue will reflect our positioning as a specialist player that does not give up profitability and that will keep its predominant share in core categories. Our margins are expected to improve gradually, returning to historical levels, and reflecting greater service penetration, an adequate mix, and the review of B2B, B2C and marketplace operations with a view to higher profitability. We must fully capture the cost reduction initiatives implemented in the previous year, seeking new efficiencies and maintaining a lean and synergistic structure.

The mindset of all areas and operations is mainly focused on the quality of the Company’s cash management, with inventory efficiency and rationality in investments. And we should continue with our tax efficiency actions with a positive impact on cash, and keep labor lawsuits under control.

We are close, aligned and have the support of partner institutions, as evidenced by the aforementioned short-term debt schedule extension. And we continue improving the Company’s capital structure, including the credit financing model.

2025 Outlook

The process of operational, financial and capital structure improvement for Grupo Casas Bahia to become a reference in value generation and return on invested capital in 2025 will be gradual. Our ambition is to be the largest specialist electronics and furniture retailer in Brazil. This position can only be achieved by, in addition to maintaining the leader status in core categories, increasing GMV and reaching a larger scale, winning market share and exploring locations currently ill-served by the physical channel.

We want to offer an omnichannel complete, uncomplicated and customized buying journey to our customers through a complete portfolio of core products, service offerings, excellence in assisted selling and using our entire database to assist in conversion.

Our objective is to generate value to our stakeholders with an efficient, lean operation that provides robust margins for the sector and sustainable cash generation through high-return assets. All this in a diverse environment, which values good ESG practices in day-to-day activities and promotes a culture of collaboration, high performance, recognition and growth based on meritocracy.

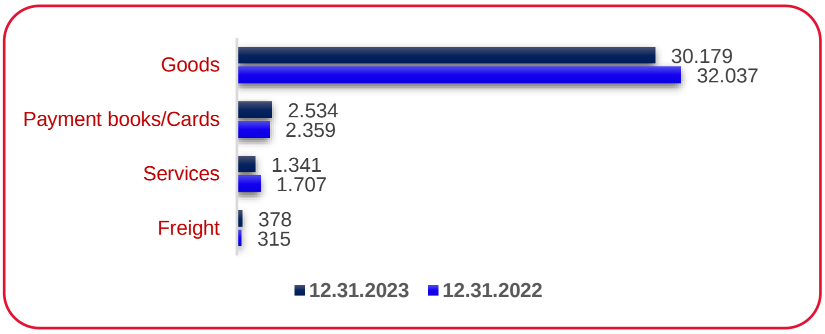
We are optimistic about the future, confident that we are on the right track and very clear about our goal. We take this opportunity to thank all our customers, employees, suppliers, financial institutions and other stakeholders. We will continue Fully Dedicated to You!

In millions of reais, unless otherwise stated

Financial and operation highlights

Gross revenue

In 2023, consolidated gross revenue decreased by 5.5% compared to 2022, this variation is explained by the decrease in revenue from physical and online stores, despite the growth in marketplace revenue.



Gross revenue performance in brick-and-mortar stores reflects a more restrictive demand scenario, lower availability of consumer credit. In addition, it should be taken into account the high base of comparison for brick-and-mortar stores due to the World Cup in 2022.

The variation in online 1P is due to the decrease in investment in the B2B channel and other media (more profitable partnerships were prioritized focusing on results), the drop in the market and the more restrictive scenario for online purchases. Even in this context, in 2023 the Company strengthened its presence in the core categories.

In 2023, the Company sought greater profitability and a better experience for customers and sellers, through a greater number of services offered on its platforms (such as logistics and credit), the result of which was an 18% increase in 3P gross revenue.

	12.31.2023	12.31.2022
Brick-and-mortar stores	**21,796**	22,139
Online	**12,636**	14,279
1P	**11,924**	13,675
3P	**712**	604
Gross sales revenue, net of returns and cancellations per channel	**34,432**	36,418

Gross profit

	12.31.2023	12.31.2022
Operating revenue, net	**28,847**	30,898
Cost of sales and services	**(20,792)**	(21,684)
Gross profit	**8,055**	9,214
Gross margin	**27.9%**	29.8%

In the second half of 2023, the Company’s Gross Profit was impacted by the clearance sale, a non-recurring effect, in line with the Transformation Plan (announced in the 2Q23). After the sale ended, the Company observed a recovery in gross margin in line with its historical information.

Selling, general and administrative expenses

	12.31.2023	12.31.2022
Selling expenses	**(5,883)**	(6,160)
General and administrative expenses	**(1,181)**	(936)
Selling, general and administrative expenses	**(7,064)**	(7,096)

Selling, general and administrative expenses in 2023 decreased by 0.5% and remained stable in relation to ROL (24.5%).

Based on the Transformation Plan, the Company prioritized the reduction of personnel expenses, reduction of credit losses and cost containment, especially the rationalization of marketing expenses.

In millions of reais, unless otherwise stated

Net income (loss)

	12.31.2023	12.31.2022
Loss before income and social contribution taxes	**(4,202)**	(1,083)
% Net revenue	**-14.6%**	-3.5%
Income and social contribution taxes (IRPJ and CSLL)	**1,577**	741
Net loss	**(2,625)**	(342)
Net margin - %	**-9.1%**	-1.1%

In 2023, loss before income and social contribution taxes amounted to R$4,202, reflecting the performance of the market and also of non-recurring impacts linked to the Transformation Plan (restructuring, optimization of staff and store closures).

Financial cycle

	12.31.2023	12.31.2022
(+/-) Inventories	**4,353**	5,574
Inventory days[1]	**76**	94
(+/-) Trade accounts payable - goods and portal	**6,379**	7,119
Trade accounts payable - agreement	**1,765**	2,463
Service providers	**823**	789
Total days of trade accounts payable	**112**	119
Financial cycle variation	**(36)**	(25)

(1) Days in COGS

In 2023, the Company reduced its inventory by R$1,221 (-18 days in inventory). The main impact on such variation refers to the reduction of older inventories, in line with the Transformation Plan.

Capital structure

	12.31.2023	12.31.2022
(+) Casas Bahia credit facility	**5,355**	5,523
(-) Transfers to financial institutions - CDCI	**(5,383)**	(5,665)
(=) Financing installments, net balance - CDCI	**(28)**	(142)
(-) Loans and financing - current (*)	**(2,332)**	(1,752)
(-) Loans and financing - noncurrent (*)	**(1,651)**	(2,385)
(=) Gross debt	**(3,983)**	(4,137)
(+) Trade accounts payable - agreement	**(1,765)**	(2,463)
(=) Net balance CDCI + Gross debt + trade accounts payable (agreement)	**(5,776)**	(6,742)
(+) Cash and short-term investments	**2,573**	2,019
(+) Credit cards companies	**273**	3,426
(+) Other accounts receivable and B2B accounts receivable	**733**	708
(=) Cash and cash equivalents (managerial)	**3,579**	6,153
Equity	**3,454**	5,284

(*) The balances of Transfers to Financial Institutions – CDCI are not considered

The Company's gross debt, for the purposes of covenants and understanding of capital structure, does not consider the Trade accounts payable - agreement (Note 13) and Transfers to Financial Institutions – CDCI (Note 14).

On February 29, 2024, the Company announced a debt schedule extension (see Note No. 29) in the amount of R$1,519 with a term of 3 years at the cost of CDI + 4% p.a. and grace period of 18 months, reinforcing the confidence in the Company and in the Transformation Plan.

In millions of reais, unless otherwise stated

Capex

	12.31.2023	12.31.2022
Logistics	**14**	52
New stores	**9**	180
Store renovation	**31**	56
Technology	**329**	654
Other	**3**	64
Total	**386**	1.006

Human resources

In the year ended December 31, 2023, the Company's headcount was 37,958 employees, with a turnover rate of 30.3% (25.8% at December 31, 2022).

	12.31.2023	12.31.2022
Balance at beginning of year	**46,052**	51,242
Loans raised	**9,659**	11,995
Terminations	**(17,753)**	(17,185)
Balance at end of year	**37,958**	46,052

In the year ended December 31, 2023, 545,322 hours of training were conducted, which represents an average of approximately seven hours of training per employee.

ESG Highlights

In 2023, Grupo Casas Bahia was once again included in B3's portfolios of important indexes: ISE (Corporate Sustainability Index) and ICO2 (Carbon Efficient Index), reinforcing its environmental, social and governance commitments. Our main highlights in the year are as follows:

SLB (*Sustainability Linked Bonds*): Progress in the renewable energy target established in the SLB (Sustainability Linked Bonds), with acquisition of 67% of energy from clean and renewable sources. We are committed to reach 90% by 2025.
REVIVA Recycling Program: More than 3,000 tons of waste were allocated for recycling, benefiting 12 partner cooperatives. With 593 electronics collectors distributed in the group's stores and operations, we collected more than 10 tons of electronics for disposal and recycling, an increase of more than 200% compared to the same period or the previous year.

Social - Diversity

Awareness and Training: More than 26,000 employees trained in the Distance Learning Diversity Course. Training provided to 900 store operation leaders on inclusive leadership.
People with Disabilities: The Journey Without Barriers Program, specifically for employees with disabilities (5% of the headcount), engaged 1,300 active employees, 80% of the audience.
Race – Racial Equity: Growth in the participation of black people in the workforce: in the general staff, we went from 42% in 2022 to 45% in 2023; in leadership (managers or above), from 30% to 34%. Our goal is 45% of black people in the positions of managers and above by 2025. We highlight the *Dedicação Total na Luta Antirracista* (Anti-Racist Struggle) campaign, with more than 200,000 people impacted (internal and external audience).
Women - Gender Equity: Supporting the participation of women in the workforce: 46% of women in the general staff and 33% in leadership (managers or above). Women Power Program with highlight to training on harassment.
LGBTQIAP+: #TenhoOrgulhoEMostro (#I'mProudToShow) campaign, with reinforcement in the fight against any discrimination against LGBTQIAP+ people. Reach of 9 million views (internal and external audience).
Partnership - G10 Favelas and Favela Express: In order to expand deliveries to vulnerable communities, in 2023 we had more than 63,000 orders delivered by startup Favela Express, representing a 17% increase compared to the previous year.

Social - Casas Bahia Foundation

In 2023, the Casas Bahia Foundation invested R$ 3.7 million in social projects, impacting more than 40,000 people.
Youth Prominence: More than 10,000 young people impacted; 5,869 young people trained in partnership with Instituto PROA, 44 of whom were hired by the Company. With AFESU, we supported the training of 55 girls, through the Employability and Digital Inclusion Program. In addition, we inaugurated the institution's Computer Lab, which benefited 250 students between the ages of 8 and 24.
We supported the Vini Jr. Institute com the construction of 02 TC Base (Training Center), impacting 389 students and 45 teachers. We contributed to the training of 5,345 young people and 44 teachers, in partnership with Viven.
Fostering Entrepreneurship: Training of women entrepreneurs in partnership with the Dona de Si Institute. In all, there were 268 women in Rio de Janeiro and Rio Grande do Sul, 67% of whom self-declared as black. The AfroLab Program, a partnership with the Feira Preta Institute, included the training of 204 black and indigenous entrepreneurs; Social Engagement: On the volunteering front, we highlight: South Solidarity Campaign, with the collection of more than 7,000 pieces of clothing; Career Fair, which had 50 volunteer employees, training 488 young people nominated by institutions AFESU, PROA, Viven and Aldeias Infantis; +Joy at Christmas Campaign, which benefited 523 people supported by AFESU, Casa São Vicente de Paulo and Lar Mãos Pequenas, with the participation of 44 volunteer employees on the day of delivery.
In the humanitarian aid front, we responded to situations of calamity, with the donation of 1,500 products (mattresses, blankets and cleaning and personal hygiene items) to the victims of the rains on the North Coast of São Paulo; 300 mattresses for people affected by the calamity situation in Rio Grande do Sul resulting from heavy rains; and 900 baskets of food staples for families in Manaus (AM), Porto Alegre (RS) and Itajaí (SC).

Governance

In 2023, the Company continued to maintain a special focus on Ethics and Integrity. It revisited and updated the training courses available on topics such as Moral and Sexual Harassment, Discrimination, Anti-Corruption and other topics related to the Code of Ethical Conduct, maintaining a high level of adherence. In addition, face-to-face and distance meetings and discussions were held on the same topics with the leadership of all stores and with the corporate areas.

Investments in associates and subsidiaries

The Company is part of an economic group in which 17 (seventeen) subsidiaries (direct and indirect interest) and 3 (three) associates participate.

In the year ended December 31, 2023, the Company did not invest in the acquisition of equity interest.

Dividend payment policy

The Company's Articles of Incorporation provide for dividends of not less than 25% of the annual net income, adjusted at 5% for the recognition of a legal reserve, capped at 20% of the paid-in capital.

In the year ended December 31, 2023, no dividends will be distributed, as the Company did not meet the dividend distribution requirement.

Shareholding structure

	Number of shares (in thousands)	
	12.31.2023	12.31.2022 (*)
Goldentree Fundo de Investimentos em Ações	**7,462**	4,965
Twinsf Fundo de Investimento Multimercado CP	**6,604**	4,804
EK-VV *Limited*	**3,279**	3,279
Michael Klein	**1,603**	1,603
BlackRock	**246**	3,198
Other	**75,669**	45,365
Treasury shares	**220**	724
	95,083	**63,938**

(*) Due to the reverse stock split that occurred in the year ended December 31, 2023, for better comparability, the previous balances of the number of shares were grouped in the ratio of 25:1. For more details, see Note 21.1.

Reverse stock split

On November 27, 2023, the reverse stock split of the Company's common shares was approved without any change in capital. For more details, see Note 21.1.

Executive Board's Representation on the financial statements

In compliance with the provisions contained in article 27, paragraph 1, item V of Ruling No. 80/2022, as amended, the Officers of Grupo Casas Bahia S.A. (the "Company") represent that they have reviewed, discussed and agreed on the Company's individual and consolidated financial statements for the year ended December 31, 2023, authorizing its completion on that date.

São Paulo (SP), March 25, 2024.

Renato Horta Franklin
Chief Executive Officer

Sérgio Augusto França Leme
Administrative Vice President and Investor Relations Officer

Elcio Mitsuhiro Ito
Financial Vice President

Tiago Celso Abate
Chief Financial Solutions Officer

Executive Board’s Representation on the independent auditor’s report on financial statements

In compliance with the provisions contained in article 27, paragraph 1, item V of Ruling No. 80/2022, as amended, the Officers of Grupo Casas Bahia S.A. (the “Company”) represent that they have reviewed, discussed and agreed on the opinions expressed in the independent auditor’s review report on the Company’s individual and consolidated financial statements for the year ended December 31, 2023, authorizing its disclosure on that date.

São Paulo (SP), March 25, 2024.

Renato Horta Franklin
Chief Executive Officer

Sérgio Augusto França Leme
Administrative Vice President and Investor Relations Officer

Elcio Mitsuhiro Ito
Financial Vice President

Tiago Celso Abate
Chief Financial Solutions Officer

Supervisory Board's Opinion on the financial statements

The Supervisory Board of Grupo Casas Bahia S.A. (the "Company"), in compliance with legal and statutory obligations, has examined the Management Report and the Financial Statements for the year ended December 31, 2023. In its opinion, based on the examinations carried out and the clarifications provided by management, as well as considering the opinion of the independent auditors – Ernst & Young Auditores Independentes S.S. Ltda. – dated March 25, 2024, the documents are, in all material respects, in conditions to be considered at the General Shareholders' Meeting, to be held under the terms of Law No. 6404/76.

São Paulo, March 25, 2024.

Magali Rogéria de Moura Leite
President

Olavo Fortes Campos Rodrigues Junior
Member

Susana Hanna Stiphan Jabra
Member

Summary of the Annual Audit, Risk and Compliance Committee Report

The Members of the Board of Directors of Via S.A. ("Company")

1. PRESENTATION

The Company's Audit, Risk and Compliance Committee ("Committee") is a statutory advisory body directly linked to the Board of Directors, of a permanent nature, governed by applicable legislation and regulations, especially CVM Ruling No. 23/2021, as amended, by the provisions of the Company's Articles of Incorporation and by its Internal Rules.

The Committee was initially 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, currently it is composed by three members.

On March 6, 2023, Mr. Marcel Cecchi Vieira, member of the Board of Directors and Coordinator of the Audit, Risk and Compliance Committee, submitted a communication regarding his resignation from the positions held at the Company, for personal reasons.

Therefore, the new Audit, Risk and Compliance Committee structure was approved, with Mr. Rogério Paulo Calderón Peres becoming the coordinator, Mr. Luiz Carlos Nannini continuing as a member, and Mr. André Coji being elected as a committee member. The term of office of those members will run until August 2024.

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 its Internal Rules.

2. ACTIVITIES CONDUCTED

In accordance with the Committee's Internal Rules, general meetings will be held at least bimonthly. The Committee met 12 (twelve) times from January 2023 to March 2024.

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 Company's Corporate Governance area.

The Committee's key activities in the period from January 2023 to March 2024 were as follows:

(a) Analysis of and recommendation about the Company's Management Report and Financial Statements for the year ended December 31, 2022 (DF2022);
(b) Analysis of and recommendation to renew the agreement with the Independent Auditor (EY) for year 2023;
(c) Analysis and recommendation of the Company's financial information for the quarterly reviews of March, June and September 2023;
(d) Analysis of and recommendation about the Company's financial statements for the period ended December 31, 2023 (4T23);
(e) Monitoring the work plan of the Company's Independent Auditor for year 2023;
(f) Monitoring the work and annual plan of the Company's Internal Audit in 2023;
(g) Analysis of a recommendation regarding the update of the Company's Corporate Internal Audit Policy by the Internal Audit function;
(h) Definition of engagement of an Internal Audit for banQi Instituição de Pagamento Ltda.;
(i) Analysis of the presentation of the Audit Work Plan of KPMG Assessores Ltda. to banQi;
(j) Analysis and approval of the 2024 annual Internal Audit Work Plan;

(k) Monitoring of the actions conducted by the Technology function regarding the Company's Information Security and Cyber Security;
(l) Review of the 2022 Reference Form;
(m) Monitoring the work of the Internal Controls, Risk and Compliance function in 2023, including, but not limited to, the results of the Hotline and Risk Maps;
(n) Monitoring of Whistleblowing Channel indicators: key volume measurements, topics, outcomes and management information of the allegations (business unit, region, etc.);
(o) Independent Auditor's (EY) Comment Letter – notes, recurrence of topics and action plans;
(p) Follow-up on the Integrity Program, including work plan, data on preventive actions and relevant metrics;
(q) General information about the monitoring applied to the Marketplace Platform;
(r) Overview of the evolution of corporate documents and submission of relevant Corporate Policies, including (a) Integrity Program and (b) Tax Guidelines; and
(s) Analysis of and recommendation about the Company's Management Report and Financial Statements for the year ended December 31, 2023 ("2023 Financial Statements").

3. 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, 2023. 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, its Independent Auditors, as well as the Investigation Report, 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 22, 2024.

Rogério Paulo Calderón Peres
Coordinator

Luiz Carlos Nannini
Member

André Coji
Member

São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1.909
6º ao 10º andar - Vila Nova Conceição
04543-011 - São Paulo – SP - Brasil

Tel: +55 11 2573-3000
ey.com.br

Independent auditor’s report on financial statements

A free translation from Portuguese into English of Independent Auditor’s Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

To the
Board of Directors, Officers and Shareholders of
Grupo Casas Bahia S.A.

Opinion

We have audited the individual and consolidated financial statements of Grupo Casas Bahia S.A. (the “Company”), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2023 and the statements of profit or loss, of comprehensive income, of changes in equity, and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Company’s individual and consolidated financial position as at December 31, 2023, 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.

Emphasis of matter - recoverability of deferred income and social contribution tax assets

We draw attention to Note 17 to the individual and consolidated financial statements, which describes the projected realization of deferred income and social contribution tax assets, recognized through December 31, 2023, based on income and social contribution tax losses and temporary differences in the amount of R$4,764 million and R$5,105 million in the individual and consolidated financial statements, respectively. The realization of this asset depends on future generation of sufficient taxable profits against which income and social contribution tax losses can be used. There is uncertainty over the timing of future taxable profit realization and, consequently, over the timing of realization of this asset. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters 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 a separate 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.

Going-concern considerations

The individual and consolidated financial statements were prepared considering the Company’s and its subsidiaries’ ability to continue as a going concern, i.e., considering that they are in business and will remain in operation for a foreseeable future of at least 12 months from the date of the financial statements. This assumption takes into account that the executive board neither intends to liquidate the entity nor cease operations, or has no realistic alternative other than these ones. Note 1 to the individual and consolidated financial statements details how the Company’s executive board concluded that there is an expectation about the Company’s ability to continue as a going concern to support the preparation of the financial statements using this assumption.

As at December 31, 2023, the Company presented losses for the year and accumulated losses in its individual and consolidated financial statements, in addition to onerous debts recorded in current liabilities. Additionally, at that date, the Company presents other impairment indicators in its individual and consolidated financial statements.

Given the high degree of judgment related to assumptions on which this going-concern assessment is based, specifically associated with the determination of future cash flow projections, and the impact that any material change in these assumptions could have on the assessment of the Company’s ability to continue as a going concern, and, consequently, on the individual and consolidated financial statements, we consider this to be a key audit matter.

How our audit has addressed this matter:

Our audit procedures included the following, among others: (i) Obtaining and analyzing the financial evaluation prepared by the Company and the evaluation of the cash flow projections prepared by the Company for the next 12 months, as of the statement of financial position date; (ii) Evaluating the assumptions used in the determination of cash flow projections, considering realized results, external data and market conditions, as well as the consistency of projections made compared to those realized for recent years; (iii) Reading the contractual terms of debentures, considering potential material breach or new terms and conditions, as well as the minutes of meetings of shareholders, those responsible for governance and relevant committees; (iv) assessing events after the reporting date regarding the agreements on schedule extension of onerous debt due in 2024; and (v) Assessing the Company’s disclosures included in Note 1 to the individual and consolidated financial statements.

Based on the result of our audit procedures conducted considering the going-concern assumption, which is consistent with the executive board’s assessment, we consider that the criteria and assumptions, as well as the respective disclosures in an explanatory note, are acceptable in the context of the financial statements taken as a whole.

Recoverability of deferred income and social contribution tax assets

As disclosed in Note 17, the Company recorded deferred income and social contribution tax assets amounting to R$4,764 million and R$5,105 million in the individual and consolidated financial statements, respectively, at December 31, 2023, calculated on temporary differences and income and social contribution tax losses. The Company assessed whether these deferred income and social contribution tax assets were recoverable based on projections of future taxable profits, prepared based on the Company’s business plan, which was approved by the executive board and the board of directors. This was considered a key audit matter since such assessment requires a high degree of judgment by the executive board in determining the assumptions and criteria used in the taxable profit projections, which are affected by expected future market and economic conditions, which are not under the Company’s control.

How our audit addressed this matter:

Our procedures included, among others: (i) analyzing the tax bases that gives rise to deferred income and social contribution taxes; (ii) comparing the assertiveness of projections made in previous periods in relation to the performance achieved by the Company in the year; (iii) involving professionals specialized in financial projections and in income taxes to assist us in assessing the assumptions and methodology used by the Company, particularly those relating to projections of future taxable profits, including the estimated realization period, revenue growth rate and annual margin; (iv) with the assistance of subject matter specialists in financial projections, we analyzed arithmetic consistency, recalculated the projections, and compared the projection data with data from available external sources; (v) evaluating the adequacy of disclosures related to this matter in Note 17 to the financial statements as at December 31, 2023.

Based on the results of the audit procedures carried out on the recoverability of deferred income and social contribution tax assets, which are consistent with the executive board's assessment, we consider that the criteria and assumptions adopted by the executive board, as well as respective disclosures in Note 17, are acceptable, in the context of the financial statements taken as a whole.

Measurement of the provision for labor, civil and tax contingencies

At December 31, 2023, the provision for labor, civil and tax contingencies totaled R$2,342 million and R$2,464 million in the individual and consolidated financial statements, respectively, as disclosed in Note 18 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, civil and tax matters.

In addition, the Company and its subsidiaries also present other contingencies related to labor, civil and tax disputes amounting o R$9,044 million in the individual and consolidated financial statements as at December 31, 2023, for which no provision was set up. According to an assessment by Company's executive board, supported by the opinion of its outside and internal legal advisors, the likelihood of loss of these proceedings is rated as possible.

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 and its subsidiaries 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 all 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 outside legal advisors; (iii) confirmation letter replies from the Company's outside advisors about the current stage and risk classification of lawsuits and administrative proceedings; (iv) involvement of our specialists in taxes and controversial matters in the analysis of the likelihood of loss of legal disputes related to tax, labor and civil matters, and the calculation model adopted by the Company to set up the provision; and (v) assessment of the adequacy of the Company's disclosures in explanatory notes in relation to the matter.

As a result of these procedures, we identified audit adjustments that indicated the need to supplement the provision for tax contingencies: part of the adjustment recorded in view of its materiality and part of the adjustment amount not recorded by the executive board in view of its immateriality, in relation to the financial statements taken as a whole.

Based on the results of the audit procedures performed on the estimates for recognition of provisions for labor, civil and tax contingencies, which are consistent with the executive board's assessment, we consider that the criteria and assumptions adopted by the executive board, as well as the respective disclosures in Note 18, are acceptable in the context of the financial statements taken as a whole.

Other matters

<u>Statements of value added</u>

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2023, prepared under the responsibility of the Company's executive board, and presented as supplementary information for IFRS purposes, were subject to audit procedures conducted jointly with the audit of the Company's individual and consolidated 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 Brazilian accounting standard NBC TG 09 - *Statement of Value Added*. In our opinion, the individual and consolidated 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.

The Company's executive board is responsible for such other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of 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 the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements 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), and for such internal control as the executive board 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, the executive board 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 the executive board 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 exercised professional judgment and maintained 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 the executive board.

- 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have 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 describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 25, 2024
ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-034519/O

Julio Braga Pinto Accountant
CRC SP-209957/O

GRUPO CASASBAHIA

Statement of financial position
December 31, 2023
In milions of reais

		Individual		Consolidated	
	Note	**12.31.2023**	**12.31.2022**	**12.31.2023**	**12.31.2022**
Assets					
Current assets					
Cash and cash equivalents	5	**2,525**	1,717	**2,573**	2,019
Trade accounts receivable	6	**3,351**	6,537	**3,588**	6,595
Inventories	7	**4,325**	5,533	**4,353**	5,574
Taxes recoverable	8	**1,629**	1,815	**1,663**	1,827
Transactions with related parties	9	**500**	523	**268**	299
Prepaid expenses		**237**	217	**247**	231
Other assets	6 (f)	**569**	523	**658**	578
Total current assets		**13,136**	16,865	**13,350**	17,123
Noncurrent assets					
Trade accounts receivable	6	**432**	764	**432**	764
Taxes recoverable	8	**4,044**	4,770	**4,189**	4,910
Deferred taxes	17 (c)	**4,764**	3,319	**5,125**	3,635
Transactions with related parties	9	**126**	134	**170**	184
Judicial deposits	18 (e)	**1,150**	908	**1,167**	925
Financial instruments	15 (b)	**-**	-	**11**	10
Other assets	6 (f)	**459**	500	**460**	501
Investments	10	**2,024**	1,999	**298**	265
Property and equipment	11	**1,400**	1,650	**1,478**	1,737
Intangible assets	12	**1,715**	1,599	**2,755**	2,704
Right-of-use assets	19	**2,536**	2,789	**2,561**	2,816
Total noncurrent assets		**18,650**	18,432	**18,646**	18,451
Total assets		**31,786**	35,297	**31,996**	35,574

See accompanying notes

Statement of financial position
December 31, 2023
In milions of reais

Liabilities and equity	Note	Individual 12.31.2023	Individual 12.31.2022	Consolidated 12.31.2023	Consolidated 12.31.2022
Current liabilities					
Trade accounts payable	13	**7,080**	7,110	**7,202**	7,251
Trade accounts payable - portal	13	**-**	657	**-**	657
Trade accounts payable - agreement	13	**1,765**	2,463	**1,765**	2,463
Loans and financing	14	**6,795**	6,373	**6,795**	6,373
Taxes payable	16	**496**	227	**517**	255
Social and labor obligations		**371**	357	**448**	440
Deferred revenue	20	**229**	190	**244**	201
Transactions with related parties	9	**410**	332	**3**	20
Transfers to third parties	15 (b)	**566**	560	**637**	648
Lease liabilities	19	**601**	641	**606**	645
Other liabilities		**560**	779	**612**	797
Total current liabilities		**18,873**	19,689	**18,829**	19,750
Noncurrent liabilities					
Loans and financing	14	**2,164**	3,005	**2,164**	3,005
Deferred revenue	20	**2,083**	2,165	**2,150**	2,228
Provision for contingencies	18	**2,342**	2,107	**2,464**	2,188
Taxes payable	16	**25**	19	**26**	20
Deferred taxes	17 (c)	**-**	-	**20**	34
Transactions with related parties	9	**2**	2	**-**	-
Lease liabilities	19	**2,842**	3,016	**2,877**	3,054
Other liabilities		**1**	10	**12**	11
Total noncurrent liabilities		**9,459**	10,324	**9,713**	10,540
Total liabilities		**28,332**	30,013	**28,542**	30,290
Equity	21				
Capital		**5,340**	5,044	**5,340**	5,044
Capital transactions		**(1,232)**	(1,232)	**(1,232)**	(1,232)
Capital reserves		**2,640**	2,361	**2,640**	2,361
Treasury shares		**(22)**	(74)	**(22)**	(74)
Accumulated losses		**(3,264)**	(639)	**(3,264)**	(639)
Other comprehensive income (loss)		**(8)**	(176)	**(8)**	(176)
Total equity		**3,454**	5,284	**3,454**	5,284
Total liabilities and equity		**31,786**	35,297	**31,996**	35,574

Statement of profit or loss
for the year ended December 31, 2023
In milions of reais, unless otherwise stated

	Note	Individual		Consolidated	
		12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022 restated**
Sales and service revenue	22	**28,702**	30,780	**28,847**	30,898
Cost of goods sold and services rendered	23	**(20,154)**	(21,010)	**(20,792)**	(21,684)
Gross profit (loss)		**8,548**	9,770	**8,055**	9,214
Selling expenses	23	**(6,018)**	(6,216)	**(5,883)**	(6,160)
General and administrative expenses	23	**(1,302)**	(1,057)	**(1,181)**	(936)
Depreciation and amortization	11, 12 and 19	**(911)**	(875)	**(940)**	(895)
Other operating income (expenses), net	24	**(1,150)**	(129)	**(1,262)**	(102)
Income (loss) before finance income (costs) and equity pickup		**(833)**	1,493	**(1,211)**	1,121
Finance income (costs), net	25	**(3,053)**	(2,286)	**(3,041)**	(2,244)
Equity pickup	10	**(259)**	(149)	**50**	40
Loss before income and social contribution taxes		**(4,145)**	(942)	**(4,202)**	(1,083)
Income and social contribution taxes	17	**1,520**	600	**1,577**	741
Loss for the period attributable to Company shareholders		**(2,625)**	(342)	**(2,625)**	(342)
Earnings (loss) for the period per share (Reais per share)	26				
Basic					
Common		**(36.09253)**	(5.40726)		
Diluted					
Common		**(36.09253)**	(5.40726)		

See accompanying notes

Statement of comprehensive income
for the year ended December 31, 2023
In milions of reais

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Loss attributable to Company shareholders	**(2,625)**	(342)	**(2,625)**	(342)
Other comprehensive income (loss)				
Items that may be reclassified to P&L				
Fair value of financial instruments	**255**	(20)	**255**	(20)
Taxes on fair value of financial instruments	**(87)**	7	**(87)**	7
Equity pickup on other comprehensive income (loss) in investees	**-**	4	**-**	-
Translation adjustments for the year	**-**	-	**-**	4
Comprehensive loss for the year attributable to Company shareholders	**(2,457)**	(351)	**(2,457)**	(351)

See accompanying notes

GRUPO CASASBAHIA

Statement of cash flows
for the year ended December 31, 2023
In milions of reais

	Note	Individual 12.31.2023	Individual 12.31.2022	Consolidated 12.31.2023	Consolidated 12.31.2022
Net loss for the year		**(2,625)**	(342)	**(2,625)**	(342)
Adjustments to					
Depreciation and amortization	11, 12 and 19	**1,102**	1,090	**1,139**	1,118
Equity pickup	10	**259**	149	**(50)**	(40)
Deferred income and social contribution taxes	17	**(1,523)**	(599)	**(1,583)**	(754)
Unrealized interest and monetary differences		**1,921**	1,496	**1,937**	1,517
Provisions for labor contingencies, net of reversals		**1,101**	602	**1,150**	615
Provisions for other contingencies, net of reversals		**256**	105	**255**	109
Allowance for expected credit losses	6 (c)	**1,132**	1,044	**1,180**	1,085
Loss on disposal of property and equipment and intangible assets	24	**38**	(24)	**129**	(38)
Estimated impairment loss of inventories	7	**136**	19	**140**	19
Deferred revenue recognized in P&L		**(161)**	(237)	**(160)**	(238)
Share-based payment		**17**	56	**20**	59
Write-off of rights of use and lease liabilities	19	**(9)**	(57)	**(9)**	(58)
Other		**255**	15	**258**	15
Adjusted net income for the year		**1,899**	3,317	**1,781**	3,067
Changes in working capital					
Trade accounts receivable		**2,675**	(859)	**2,448**	(910)
Inventories		**1,072**	1,547	**1,088**	1,563
Taxes recoverable		**1,054**	(59)	**1,026**	(97)
Transactions with related parties		**18**	134	**(61)**	(59)
Deferred taxes		**(2)**	-	**1**	-
Judicial deposits		**(156)**	(61)	**(156)**	(58)
Prepaid expenses		**(20)**	(37)	**(16)**	(40)
Other assets		**(14)**	(292)	**(48)**	(295)
Trade accounts payable	13	**89**	834	**70**	826
Trade accounts payable - portal	13	**(657)**	(675)	**(657)**	(675)
Taxes payable		**275**	-	**271**	23
Social and labor obligations		**14**	(204)	**8**	(142)
Transfers to third parties		**(247)**	62	**(264)**	72
Deferred revenue		**(97)**	1,396	**(97)**	1,396
Legal contingencies - labor	18	**(1,124)**	(1,152)	**(1,148)**	(1,176)
Legal contingencies - other	18	**(74)**	(69)	**(80)**	(69)
Other liabilities		**(184)**	(305)	**(156)**	(336)
Income and social contribution taxes - payment		**-**	-	**(3)**	(11)
Dividends received from investees	10	**15**	2	**17**	-
Changes in operating assets and liabilities		**2,637**	262	**2,243**	12
Net cash from operating activities		**4,536**	3,579	**4,024**	3,079
Cash flow from investing activities					
Acquisition of property and equipment and intangible assets	11 and 12	**(479)**	(972)	**(506)**	(1,008)
Disposal of property and equipment and intangible assets	11 and 12	**3**	75	**-**	98
Financial instruments		**-**	-	**1**	-
Acquisition of subsidiary, net of cash acquired		**-**	-	**-**	(18)
Capital increase in subsidiary	10	**-**	(73)	**-**	-
Future capital contributions in subsidiary	10	**(296)**	(601)	**-**	-
Net cash used in investing activities		**(772)**	(1,571)	**(505)**	(928)
Cash flow from financing activities					
Fundraising	14	**8,790**	7,803	**8,790**	7,803
Payment of principal	14	**(9,169)**	(8,147)	**(9,169)**	(8,164)
Payment of interest	14	**(1,426)**	(912)	**(1,426)**	(912)
Payment of principal - leases	19	**(601)**	(698)	**(605)**	(702)
Payment of interest - leases	19	**(454)**	(430)	**(459)**	(435)
Funds from issue of shares	19	**622**	-	**622**	-
Payment of share issue costs		**(20)**	-	**(20)**	-
Trade accounts payable - agreement	13	**(698)**	559	**(698)**	559
Acquisition of treasury shares, net of disposal	21.2	**-**	(62)	**-**	(62)
Net cash used in financing activities		**(2,956)**	(1,887)	**(2,965)**	(1,913)
Net increase in cash and cash equivalents		**808**	121	**554**	238
Opening balance of cash and cash equivalents	5	**1,717**	1,596	**2,019**	1,781
Closing balance of cash and cash equivalents	5	**2,525**	1,717	**2,573**	2,019
		808	121	**554**	238
Additional information on non-cash items					
Acquisition of property and equipment and intangible assets through financing	11 and 12	**81**	194	**81**	194

See accompanying notes

Statement of changes in equity
for the year ended December 31, 2023
In milions of reais

		Attributable to Company shareholders									
				Capital reserves							
	Note	Capital	Capital transactions	Special goodwill reserve	Premium upon subscription of shares	Tax incentives	Options granted	Treasury shares	Accumulated losses	Other comprehensive income (loss)	Total
Balances at December 31, 2021		5,044	(1,232)	279	1,811	8	202	(11)	(297)	(167)	5,637
Loss for the year		-	-	-	-	-	-	-	(342)	-	(342)
Adjustments to financial instruments		-	-	-	-	-	-	-	-	(20)	(20)
Taxes on adjustments of financial instruments		-	-	-	-	-	-	-	-	7	7
Translation adjustments for the period		-	-	-	-	-	-	-	-	4	4
Recognized options granted	21.4 (c)	-	-	-	-	-	61	-	-	-	61
Treasury shares	21.2	-	-	-	-	-	-	(62)	-	-	(62)
Treasury shares delivered in stock plans								(1)			(1)
Balances at December 31, 2022		5,044	(1,232)	279	1,811	8	263	(74)	(639)	(176)	5,284
Loss for the year		-	-	-	-	-	-	-	(2,625)	-	(2,625)
Capital increase	21.1	311	-	-	-	-	-	-	-	-	311
Share issue costs	21.1	(15)	-	-	-	-	-	-	-	-	(15)
Adjustments to financial instruments		-	-	-	-	-	-	-	-	255	255
Taxes on adjustments of financial instruments		-	-	-	-	-	-	-	-	(87)	(87)
Treasury shares delivered in stock plans		-	-	-	-	-	(52)	52	-	-	-
Recognized options granted	21.4 (c)	-	-	-	-	-	20	-	-	-	20
Premium on subscription of shares	21.4 (b)	-	-	-	311	-	-	-	-	-	311
Balances at December 31, 2023		**5,340**	**(1,232)**	**279**	**2,122**	**8**	**231**	**(22)**	**(3,264)**	**(8)**	**3,454**

See accompanying notes

Statement of value added
for the year ended December 31, 2023
In milions of reais

	Note	Individual 12.31.2023	Individual 12.31.2022	Consolidated 12.31.2023	Consolidated 12.31.2022
Revenues		**33,077**	35,275	**33,255**	35,433
Sales and service revenue	22	**34,207**	36,240	**34,432**	36,418
Allowance for expected credit losses	6	**(1,132)**	(1,044)	**(1,180)**	(1,085)
Other revenues		**2**	79	**3**	100
Inputs acquired from third parties		**(28,308)**	(28,787)	**(28,003)**	(28,603)
Cost of goods sold and services rendered		**(22,985)**	(23,856)	**(22,715)**	(23,683)
Materials, energy, third-party services and other		**(5,216)**	(4,938)	**(5,158)**	(4,893)
Loss of receivables		**(155)**	(37)	**(177)**	(71)
Other		**48**	44	**47**	44
Gross value added		**4,769**	6,488	**5,252**	6,830
Depreciation and amortization	11, 12 and 19	**(1,102)**	(1,090)	**(1,139)**	(1,118)
Net value added produced by the Company		**3,667**	5,398	**4,113**	5,712
Value added received in transfer		**80**	412	**426**	674
Equity pickup	10	**(259)**	(149)	**50**	40
Finance income	25	**339**	561	**376**	634
Total value added to be distributed		**3,747**	5,810	**4,539**	6,386
Value added distributed		**3,747**	5,810	**4,539**	6,386
Personnel		**3,245**	2,778	**3,946**	3,288
Salaries		**1,604**	1,746	**2,149**	2,174
Benefits		**236**	275	**282**	304
Unemployment Compensation Fund (FGTS)		**186**	157	**237**	196
Labor claims		**1,201**	576	**1,234**	568
Other personnel expenses		**18**	24	**44**	46
Taxes, charges and contributions		**(360)**	448	**(300)**	474
Federal taxes		**(1,089)**	(94)	**(1,045)**	(118)
State taxes		**627**	442	**625**	480
Local taxes		**102**	100	**120**	112
Debt remuneration		**3,487**	2,926	**3,518**	2,966
Interest	25	**3,392**	2,847	**3,417**	2,878
Rents		**84**	70	**86**	72
Other		**11**	9	**15**	16
Equity remuneration		**(2,625)**	(342)	**(2,625)**	(342)
Loss for the year		**(2,625)**	(342)	**(2,625)**	(342)
Total value added distributed		**3,747**	5,810	**4,539**	6,386

See accompanying notes

1. Operations

At the Company's Special General Meeting held on September 12, 2023, the shareholders approved the change in the Company's corporate name to Grupo Casas Bahia S.A.

Grupo Casas Bahia S.A., directly or through its subsidiaries ("Company" or "Casas Bahia Group"), listed in the special segment named Novo Mercado (New Market) of B3 S.A. - Brasil, Bolsa, Balcão ("B3"), under ticker symbol BHIA3, with head office in the city and state of São Paulo, Brazil, and listed on OTC Markets ("OTC") under ticker symbol VIAYY (through ADRs) traded in the US market.

Grupo Casas Bahia S.A. is a Brazilian omnichannel retailer with national reach, serving millions of consumers through brick-and-mortar stores and e-commerce (1P and marketplace), by means of Casas Bahia, Ponto and Extra.com brands.

Grupo Casas Bahia S.A.'s financial solutions serve millions of customers through the Company's installment sales model (buy now, pay later - Casas Bahia Credit Facility), its marketplace with over 163 thousand partners (sellers) and over 76 SKUs, offering solutions and services such as fulfillment, and using the Company's planning network for operations throughout Brazil.

As part of the process of preparing the financial statements, management assessed the Company's ability to continue operating as a going concern and is convinced that it has the resources to continue its business in the future. The Company also stresses that it continues implementing the plan to transform its operations. This plan envisions strategic changes focused on stabilizing the operation, prioritizing cash generation and improving the Company's profitability, as disclosed on August 10, 2023. The transformation plan has been executed as initially expected.

Below, we highlight some of the initiatives that are underway and that management understands will contribute to the business's profitability:

- Implementation of a digital biometrics process, which is expected to significantly reduce fraud and consequently increase profitability in credit facility.
- Increased penetration and profitability of credit and additional services
- Migration of less profitable and/or negative categories from 1P to be sold solely in 3P
- Improvements in DC productivity and readjustment of the leased footprint according to inventory reductions.
- Review of corporate and store overhead, seeking optimal efficiency levels

In addition to operating levers, the Company has focused on liquidity and debt management.

On October 10, 2023, the Company entered into Bank Credit Bill (CCB) contracts amounting to R$400.

At the end of February 2024, the Company announced the extension of its debt schedule, in the amount of R$1,519 for a term of 3 years. Accordingly, short-term maturities will represent 32,4% of the total. For more details, see Note 29.

Inventory reduction from R$5,533 in 2022 to R$4,325 in 2023. The focus was on older products, improving the quality of inventories as a whole. This initiative reduces the need for working capital, thus improving their cash and bank balances.

2. Presentation and preparation of individual and consolidated financial statements

2.1. Basis of preparation and presentation, and statement of compliance

The individual and consolidated financial statements were 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 the Brazilian Financial Accounting Standards Board (CPC), and approved by the Brazilian Securities and Exchange Commission (CVM), and disclose all relevant financial statements information, and this information only, which is consistent with that used to manage the Company's operations.

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

The individual and consolidated financial statements adopt the Brazilian real (R$) as the functional and presentation currency, and is stated in millions of Brazilian reais. 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 December 31, 2023 was granted by the Company's Board of Directors on March 25, 2024.

2.4. Statement of relevance

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, estimates are used to account for certain assets, liabilities and other transactions. To make these estimates, Company management used the best information available on the date of preparation of the individual and consolidated financial statements, as well as past experience and/or current events, also considering assumptions relating to future events.

The individual and consolidated financial statements therefore include estimates and assumptions referring mainly to impairment of accounts receivable, inventories and intangible assets with an indefinite useful life, deferred income and social contribution taxes, provision for litigation and contingencies, fair value of assets and liabilities, and measurement of financial instruments. Actual results from the transactions and information may differ from these estimates.

In millions of reais, unless otherwise stated

2.6. Reclassification in the statement of profit or loss

In the year ended December 31, 2023, the Company identified that personnel expenses directly attributable to the costs of services provided by Asap Logística and CB Tecnologia were classified as “Selling expenses” and “General and administrative expenses”. These expenses were reclassified to “Cost of goods and services sold”.

For balance comparability purposes, the Company conducted the abovementioned reclassifications in the consolidated statement of profit or loss for year ended December 31, 2022, in accordance with Brazilian accounting pronouncement CPC 23 (IAS 8) – *Accounting policies, changes in accounting estimates and errors*. Reclassification effects are as follows:

	Consolidated at 12.31.2022		
	As originally stated	**Reclassi-fications**	**Restated**
Revenue from goods and services sold	30,898	-	30,898
Cost of goods and services sold	(21,308)	(376)	(21,684)
Gross profit	**9,590**	**(376)**	**9,214**
Selling expenses	(6,340)	180	(6,160)
General and administrative expenses	(1,132)	196	(936)
Depreciation and amortization	(895)	-	(895)
Other operating income (expenses), net	(102)	-	(102)
Income before finance income (costs) and equity pickup	**1,121**	**-**	**1,121**
Finance income (costs), net	(2,244)	-	(2,244)
Equity pickup	40	-	40
Loss before income and social contribution taxes	**(1,083)**	**-**	**(1,083)**
Income and social contribution taxes (IRPJ and CSLL)	741	-	741
Net loss for the year attributed to Company’s shareholders	**(342)**	**-**	**(342)**

3. Revised pronouncements and interpretations issued but not yet adopted

The IFRSs issued/amended by the IASB that are effective for annual reporting periods beginning in 2023 had no impact on the Company’s financial statements. In addition, the IASB issued/amended certain IFRSs, whose adoption is scheduled for 2024 or later, and the Company is assessing the impacts of the adoption of these standards on its financial statements:

- Amendment to IFRS 16 - Lease liabilities in a sale and leaseback transaction. This amendment clarifies aspects to be considered for treating an asset transfer as a sale. This amendment is effective for annual reporting periods beginning on or after January 1, 2024. The Company does not expect any significant impacts on its financial statements.

- Amendments to IAS 1 - Noncurrent liabilities with Covenants. This amendment clarifies aspects of separate classifications on the statement of financial position of current and noncurrent assets and liabilities, establishing presentation based on liquidity when providing reliable and more relevant information. The amendment is effective for annual reporting periods beginning on or after January 1, 2024. The Company does not expect any significant impacts on its financial statements.

- Amendment to IAS7/CPC3: Disclosures – Supplier finance arrangements. This amendment establishes disclosure requirements for supplier finance arrangements presenting how such arrangements affect an entity's liabilities and cash flows; and how the entity could be affected if the arrangements were no longer available to it. The amendment is effective for years beginning on or after January 1, 2024. The Company does not expect any significant impacts on its financial statements.

- Issue of IFRS S1: General requirements – Establishes the general requirements for a company to disclose information about sustainability-related risks and opportunities. This standard provides for the preparation and disclosure of financial information reports related to sustainability, based on ISSB (International Sustainability Standards Board) standards, from fiscal years beginning on or after January 1, 2026. It may also be adopted on a voluntary basis from fiscal years beginning on or after January 1, 2024. The Company is assessing the impacts that this standard will have on its financial statements.

- Issue of IFRS S2: General requirements – Establishes the general requirements for a company to disclose information about sustainability-related risks and opportunities. This standard provides for the preparation and disclosure of financial information reports related to sustainability, based on International Sustainability Standards Board ("ISSB") standards, from fiscal years beginning on or after January 1, 2026. It may also be adopted on a voluntary basis from fiscal years beginning on or after January 1, 2024. The Company is assessing the impacts that this standard will have on its financial statements.

- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction - The amendments to IAS 12: *Income taxes* (equivalent to CPC 32 - *Income taxes*) narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The Company does not expect any significant impacts on its financial statements.

4. Significant accounting policies

The financial statements have been prepared using information of Casas Bahia Group and its subsidiaries as at the same reporting date, as well as consistent accounting policies and 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 the financial statements are described below.

a) Consolidation

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

In millions of reais, unless otherwise stated

Equity interest in subsidiaries

	12.31.2023		12.31.2022	
	Equity interest		Equity 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%
Asap Log Logística e Soluções Ltda. (“Asap Logística”)	100.00%	-	99.99%	0.01%
Globex Administradora de Consórcios Ltda. (“GAC”)	99.99%	0.01%	99.99%	0.01%
Cnova Comércio Eletrônico S.A. (“Cnova”)	100.00%	-	100.00%	-
Asap Log Ltda. (“Asap Log”)	-	100.00%	-	100.00%
BanQi Instituição de Pagamento Ltda. (“BanQi”)	-	100.00%	-	100.00%
I9XP Tecnologia e Participações S.A. (“I9XP”) (i)	-	-	-	100.00%
Casas Bahia Tecnologia Ltda. (“CB Tecnologia”) (i) (ii)	16.19%	83.81%	-	100.00%
BNQI Sociedade de Crédito Direto S.A. (“BNQI”)	-	100.00%	-	100.00%
Celer Processamento Comércio e Serviço Ltda. (“BanQi Pagamentos”)	-	100.00%	-	100.00%
BANQI Administradora de Cartão Ltda. (“BanQi Adm”)	-	100.00%	-	100.00%
CNT Soluções em Negócios Digitais e Logística Ltda. (“CNT Soluções”)	-	100.00%	-	100.00%
Íntegra Soluções para Varejo Digital Ltda. (“Íntegra”)	-	100.00%	-	100.00%
CNTLog Express Logística e Transporte Eireli (“CNT Express”)	-	100.00%	-	100.00%
BanQi EP Fundo de Investimento em Direitos Creditórios	-	100.00%	-	-
Asacal Fundo de Investimentos em Direitos Creditórios	-	100.00%	-	-

(i) At the Special General Meeting held on March 31, 2023, the merger of I9XP into ViaHub (currently named “CB Tecnologia”) was approved. This reorganization is part of the corporate strategy to optimize Casas Bahia Group’s shareholding structure.

(ii) On September 29, 2023, the corporate name of ViaHub Tecnologia em E-commerce Ltda. (ViaHub) was changed to Casas Bahia Tecnologia Ltda. (CB Tecnologia).

Description of key subsidiaries

Indústria de Móveis Bartira Ltda.
Indústria de Móveis Bartira Ltda. is a limited liability company founded on May 11, 1962, whose business purpose is the manufacture and sale of furniture in general, predominantly wooden. Casas Bahia Group is this company’s ultimate parent.

Lake Niassa Empreendimentos e Participações Ltda.
Lake Niassa Empreendimentos e Participações Ltda. is a holding company engaged in concentrating the interests of the Company in the financial entities: Financeira Itaú CBD S.A. Créditos, Financiamento e Investimento (“FIC”), Banco Investcred Unibanco S.A. (“BINV”), FIC Promotora de Vendas Ltda, BanQi Instituição de Pagamento Ltda. (“BanQi”), BNQI Sociedade de Crédito Direto S.A. (“BNQI”) and BANQI Administradora de Cartão Ltda. (“BanQi Adm”).

Asap Log Logística e Soluções Ltda.

Asap Log Logística e Soluções Ltda. (“Asap Logística”) is a limited liability company established on August 29, 2000 for the purpose of optimizing the logistics operations of its parent company, Casas Bahia Group, focused primarily on the logistics management between the Company’s stores and distribution centers.

Asap Log Ltda.
Acquired by Casas Bahia Group in 2020, Asap Log is a technology company specialized in last-mile logistics solutions.

CNT
Acquired by Casas Bahia Group in 2022, CNT is a logitech specialized in complete solutions for e-commerce, multi-marketplace operations and plug & play platforms, operating in (i) fulfillment e (ii) fullcommerce (white label) by means of customized solutions and solutions based on proprietary technologies.

b) Financial instruments – initial recognition and subsequent measurement

A financial instrument is a 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

Upon initial recognition, financial assets are classified as subsequently measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss.

Classification of the financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial asset and the Company's business model for management of these financial assets.

For a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, this asset needs to generate cash flows that are solely payments of principal and interest on the outstanding principal amount. This assessment is conducted at the instrument level.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model adopted.

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or derivatives designated as hedging instruments in an effective hedge, as the case may be.

All financial liabilities are classified as measured at amortized cost or at fair value through profit or loss. They are measured at fair value through profit or loss if classified as held for trading.

Subsequent measurement

(i) Financial assets

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

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income, with reclassification of retained earnings/accumulated losses (debt instruments);
- Financial assets at fair value through profit or loss.

Financial assets and liabilities at amortized cost

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

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

Financial assets at fair value through other comprehensive income (debt instruments)

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

The Company's debt instruments at fair value through other comprehensive income include Accounts receivable - Credit card company balances.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are recognized in the statement of financial position at fair value, and variations net of fair value are stated in profit and loss. This category includes derivative instruments, which the Company has not irrevocably classified at fair value through other comprehensive income.

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 strictly related to the economic characteristics and risks of the host contract; (b) the separate instrument, with the same terms as the embedded derivative, meets the definition of a derivative; and (c) the hybrid contract is not measured at fair value, with changes recognized in profit and loss. Embedded derivatives are measured at fair value, and changes in fair value are recognized in profit and loss. A revaluation only occurs if there is 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 outside the fair value through profit or loss category.

(ii) Financial liabilities

For subsequent measurement purposes, financial liabilities are classified into two categories, as follows:

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

Measurement of financial liabilities depends on their classification, which may be as follows:

Financial liabilities at amortized cost (loans and financing)

After initial recognition, interest-bearing financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recorded in profit and loss when the liabilities are derecognized, and through the amortization process by the effective interest rate method.

The amortized cost is calculated taking into consideration any discount or goodwill on acquisition and rates or costs that are an integral part of the effective interest rate method. Amortization by the effective interest rate method 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 - portal, Trade accounts payable – reverse factoring (agreement), Loans and financing (except foreign currency), Lease liabilities, Transactions with related parties and Transfers to third parties.

Financial liabilities at fair value through profit or loss

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

Gains from or losses on liabilities 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 recognition date, and only if the CPC 48 criteria are met. Financial liabilities classified as fair value through profit or loss comprise Loans and financing in foreign currency.

<u>Derecognition</u>

(i) Financial assets

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

- The rights to receive cash flows have expired; or

- The Company has transferred its rights to receive cash flows from the asset or assumed an obligation to fully pay the cash flows received, without significant delay, to a third party under a pass-through arrangement; and (a) the Company has transferred substantially all risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all risks and rewards related to the asset, but has transferred control over that 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 the risks and rewards of the asset, nor transferred control over the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In this 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 retained by the Company.

The continuing involvement in the form of collateral on the transferred asset is measured at the lower of: (i) the value of the asset; and (ii) the maximum amount of the consideration received that the entity may be required to repay (collateral value).

(ii) Financial liabilities

A financial liability is derecognized when:

- The obligation specified in the contract is settled or canceled;

- An existing financial liability is replaced by another liability of the same borrower under substantially different terms;

- The terms of an existing liability are substantially changed.

<u>Impairment of financial assets</u>

The Company applies the simplified approach of CPC 48 – Financial Instruments, for measuring expected credit losses and considers a provision for expected losses over the useful life for all trade accounts receivable.

In order to measure expected credit losses, trade accounts receivable were grouped based on shared characteristics relating to credit risk and days of delay. Expected loss rates are based on sales payment profiles over the 12-month period and corresponding historical credit losses incurred during that period, adjusted for specific prospective factors relating to the borrowers and the economic environment.

The Company periodically assesses whether the debt instrument is considered of low credit risk using all reasonable and substantiating information that is available. When making such an assessment, the Company reassesses the internal credit risk rating of the debt instrument.

<u>Offsetting financial instruments</u>

Financial assets and financial liabilities are offset and their net amount is presented in the Company's statement of financial position if there is a currently enforceable legal right to offset the amounts recognized and the Company intends to settle on a net basis, 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 at the market price on the statement of financial position dates. Differences arising from the payment and conversion 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 the derivative contract is entered into, with subsequent remeasurement at fair value at each statement of financial position date. These contracts must have the same terms, interest and principal payment dates, and be contracted with the same financial conglomerate as the hedged item.

These instruments are classified as fair value hedges, and recorded as *hedge accounting*, when they effectively protect 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 as 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 statement of financial position date.

<u>Fair value of loans and derivative financial instruments</u>

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 developed through the DI curves, Clean Coupon and DI, indices published by B3. For loans in local currency, the DI curve, an index published by B3 and calculated by the exponential interpolation method is used.

e) Provisions

Provisions are recognized for present (legal or constructive) obligations arising from past events, the amounts of which may be reliably estimated and the settlement of which is likely to occur. In cases when the Company expects that all or part of the provision will be reimbursed, the reimbursement is recognized as a separate asset, but only when it is considered practically 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 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 reais, unless otherwise stated

5. Cash and cash equivalents

a) Accounting policy

These include cash and short-term highly liquid investments, readily convertible into known cash amounts and subject to a low risk of change in value, which the Company intends to and is able to redeem in the short term from the issuer.

b) Breakdown of balances

	Weighted average rate (p.a.)	Individual		Consolidated	
		12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Cash and checking accounts		**133**	122	**144**	133
Short-term investments – repurchase agreements	93.55 % of CDI p.a.	**2,375**	1,593	**2,409**	1,717
veep accounts (i)	7.45 % of CDI p.a.	**17**	2	**20**	3
arketable securities	161.93 % of CDI p.a.	**-**	-	**-**	166
		2,525	1,717	**2,573**	2,019

(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 transaction value, which corresponds to 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.

Measurement of trade accounts receivable from credit card companies is based on comparable operations regularly performed by the Company whereas financial assets measured at amortized cost use the effective interest rate of each operation. For all portfolios, the estimated loss is considered, recognized in profit and loss, according to the methods explained below.

- The Company uses different methods to assess allowance for doubtful accounts for each of the portfolios. The portfolios are divided as follows: Casas Bahia credit facility, Credit card companies, B2B, and other portfolios;

- To calculate the expected loss of Casas Bahia credit facility, the Company uses sales payment profiles over the 12-month period and corresponding historical credit losses incurred during that period, adjusted for specific prospective factors relating to the borrowers 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 reais, unless otherwise stated

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Credit card companies	**245**	3,406	**273**	3,426
Casas Bahia credit facility (Note 6.1)	**5,355**	5,523	**5,355**	5,523
Interest to incur / to allocate in future years (Note 6.1)	**(1,656)**	(1,650)	**(1,656)**	(1,650)
Accounts receivable – B2B (i)	**370**	342	**370**	342
Other accounts receivable	**114**	326	**363**	366
Allowance for expected credit losses (ECL or ADA) (c)	**(645)**	(646)	**(685)**	(648)
	3,783	7,301	**4,020**	7,359
Current	**3,351**	6,537	**3,588**	6,595
Noncurrent	**432**	764	**432**	764

(i) The acronym B2B means business-to-business, which means a company that does business with other companies; in practice, it refers to sales made to other legal entities, for resale or own use.

c) Changes in allowance for expected credit losses – ECL or ADA

	Individual		Consolidated	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Balance at beginning of year	**(646)**	(706)	**(648)**	(711)
Business combinations	**-**	-	**(11)**	-
Expected losses recorded in the year	**(1,132)**	(1,044)	**(1,180)**	(1,085)
Write-off of accounts receivable, net of recovery	**1,133**	1,104	**1,154**	1,148
Balance at end of year	**(645)**	(646)	**(685)**	(648)
Current	**(580)**	(568)	**(620)**	(570)
Noncurrent	**(65)**	(78)	**(65)**	(78)

d) Breakdown of allowance for expected credit losses by type of receivable – total portfolio

	Individual					
	12.31.2023			12.31.2022		
	Gross	ECL (ADA)	Net	Gross	ECL (ADA)	Net
Credit card companies	**245**	**-**	**245**	3,406	-	3,406
Casas Bahia Credit Facility – TOTAL	**5,355**	**(595)**	**4,760**	5,523	(627)	4,896
Accounts receivable - "B2B" (i)	**370**	**(8)**	**362**	342	(4)	338
Other accounts receivable	**114**	**(42)**	**72**	326	(15)	311
	6,084	**(645)**	**5,439**	9,597	(646)	8,951

	Consolidated					
	12.31.2023			12.31.2022		
	Gross	ECL (ADA)	Net	Gross	ECL (ADA)	Net
Credit card companies	**273**	**-**	**273**	3,426	-	3,426
Casas Bahia Credit Facility – TOTAL	**5,355**	**(595)**	**4,760**	5,523	(627)	4,896
Accounts receivable - "B2B" (i)	**370**	**(8)**	**362**	342	(4)	338
Other accounts receivable	**363**	**(82)**	**281**	366	(17)	349
	6,361	**(685)**	**5,676**	9,657	(648)	9,009

(i) The acronym B2B means business-to-business, which means a company that does business with other companies; in practice, it refers to sales made to other legal entities, for resale or own use.

In millions of reais, unless otherwise stated

e) Aging list of trade accounts receivable, before allowance for expected credit losses and unallocated interest – total portfolio

Individual

	12.31.2023						12.31.2022					
		Past due						Past due				
	Falling due	Up to 30 days	31 – 60 days	61 - 90 days	Above 90 days	Total	Falling due	Up to 30 days	31 – 60 days	61 - 90 days	Above 90 days	Total
Credit card companies	**244**	**-**	**-**	**-**	**1**	**245**	3,402	-	-	-	4	3,406
Casas Bahia Credit Facility	**4,941**	**167**	**90**	**66**	**91**	**5,355**	5,128	161	87	64	83	5,523
Accounts receivable - "B2B" (i)	**223**	**23**	**16**	**22**	**86**	**370**	216	94	12	14	6	342
Other accounts receivable	**65**	**15**	**5**	**4**	**25**	**114**	306	2	11	1	6	326
	5,473	**205**	**111**	**92**	**203**	**6,084**	9,052	257	110	79	99	9,597

Consolidated

	12.31.2023						12.31.2022					
		Past due						Past due				
	Falling due	Up to 30 days	31 – 60 days	61 - 90 days	Above 90 days	Total	Falling due	Up to 30 days	31 – 60 days	61 - 90 days	Above 90 days	Total
Credit card companies	**271**	**-**	**-**	**-**	**2**	**273**	3,422	-	-	-	4	3,426
Casas Bahia Credit Facility	**4,941**	**167**	**90**	**66**	**91**	**5,355**	5,128	161	87	64	83	5,523
Accounts receivable - "B2B" (i)	**223**	**23**	**16**	**22**	**86**	**370**	216	94	12	14	6	342
Other accounts receivable	**230**	**42**	**12**	**8**	**71**	**363**	322	6	17	3	18	366
	5,665	**232**	**118**	**96**	**250**	**6,361**	9,088	261	116	81	111	9,657

(i) The acronym B2B means business-to-business, which means a company that does business with other companies; in practice, it refers to sales made to other legal entities, for resale or own use.

In millions of reais, unless otherwise stated

f) In addition to the above-mentioned balances, the Company has other receivables of various origins, such as: collaterals given, indemnification assets, prepaid expenses, advances to suppliers, receivables relating to reimbursement of expenses; all such receivables are recorded in an specific line item called "Other assets".

6.1 Trade accounts receivable - Direct Consumer Credit (Casas Bahia Credit Facility)

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

These correspond to receivables from purchases in installments financed through Direct Consumer Credit with Seller Intervention (Casas Bahia Credit Facility), according to Note 14(a)(i), payable in up to 24 months, with average receipt in 15 months subject to average interest rate of 158.32% p.a. Below are the gross balances of the financing installments and the interest to be incurred over the agreed terms.

	Individual and Consolidated	
	12.31.2023	**12.31.2022**
Casas Bahia Credit Facility – Current	**4,770**	4,839
Casas Bahia Credit Facility – Noncurrent	**585**	684
Casas Bahia Credit Facility – Total (a)	**5,355**	5,523
Interest to incur / revenue to allocate in future years	**(1,656)**	(1,650)
Casas Bahia Credit Facility – Total amount, net of interest to incur	**3,699**	3,873
Allowance for expected credit losses – ADA (b)	**(595)**	(627)
(%) AECL (ADA) / Casas Bahia Credit Facility – Total ((b)÷(a))	**11.1%**	11.4%

b) Allowance for expected credit losses – Casas Bahia Credit Facility

	Individual and Consolidated	
	12.31.2023	**12.31.2022**
Balance at beginning of year	**(627)**	(656)
Expected losses recorded in the year	**(990)**	(1,029)
Write-off of accounts receivable, net of recovery	**1,022**	1,058
Balance at end of year	**(595)**	(627)
Current	**(530)**	(549)
Noncurrent	**(65)**	(78)

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 profit and loss 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.

In millions of reais, unless otherwise stated

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) Inventory costs.

c) Breakdown of balances

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Stores	**2,051**	2,453	**2,051**	2,453
Distribution centers	**2,352**	3,102	**2,380**	3,143
Supplies	**21**	17	**22**	17
Estimated impairment loss, net	**(99)**	(39)	**(100)**	(39)
	4,325	5,533	**4,353**	5,574

d) Changes in estimated impairment losses on inventories at net realizable value

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Balance at beginning of year	**(39)**	(36)	**(39)**	(36)
Reversals (additions)	**(136)**	(19)	**(140)**	(19)
Realized losses	**76**	16	**79**	16
Balance at end of year	**(99)**	(39)	**(100)**	(39)

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 profit and loss accounts on which credits are calculated.

Expected realization of taxes 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, 2023 and 2022, the Company reassessed its expectations of credit realization based on changes in its budget and logistics plans.

In millions of reais, unless otherwise stated

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
State VAT (ICMS) recoverable (i)	**2,650**	3,813	**2,653**	3,815
Contribution Taxes on Gross Revenue for Social Integration Program and for Social Security Financing (PIS and COFINS) recoverable	**2,511**	2,255	**2,656**	2,377
Income and social contribution taxes (IRPJ and CSLL)	**241**	259	**265**	279
Other	**271**	258	**278**	266
	5,673	6,585	**5,852**	6,737
Current	**1,629**	1,815	**1,663**	1,827
Noncurrent	**4,044**	4,770	**4,189**	4,910

(i) Realization of ICMS credits

The ICMS credit realization plan (monetization) is monitored periodically in order to ensure compliance with the established assumptions. Whenever necessary, these assumptions are reassessed so that the business events are reflected on the plan, allowing credit realization to be better controlled.

With respect to credits that cannot yet be immediately offset, Company management, based on technical recovery studies and on future operating performance expectations, believes that future offset is feasible. The above-mentioned studies are prepared and reviewed periodically based on information extracted from the strategy planning previously approved by the Company's Board of Directors. For the individual and consolidated interim financial information for the year ended December 31, 2023, Company management believes that the established assumptions have been complied with and reflect the best expectation for credit realization.

It should be noticed that those credits could also be realized through refund by the Departments of Finance of the States, through presentation of invoices and digital files relating to the operations that gave rise to such right for refund.

In accordance with the realization plan (monetization) of Company tax credits, on July 10, 2023, the Company entered into new agreements for the transfer of ICMS credits amounting to R$150.

Until December 31, 2023, the Company transferred ICMS credits amounting to R$752 referring to the credit sale agreements entered into between the year ended December 31, 2022 and July 2023. The Company expects to conclude the transfer of those credits until the end of 2024.

c) Expected realization of taxes recoverable

	Individual				
	ICMS	PIS and COFINS	IRPJ and CSLL	Other	Total
2024	767	707	66	84	1,624
2025	604	806	-	140	1,550
2026	578	922	-	45	1,545
2027	424	76	-	2	502
2028	277	-	-	-	277
Above 5 years	-	-	175	-	175
	2,650	2,511	241	271	5,673

	Consolidated				
	ICMS	PIS and COFINS	IRPJ and CSLL	Other	Total
2024	770	716	83	89	1,658
2025	604	942	-	141	1,687
2026	578	922	-	45	1,545
2027	424	76	-	3	503
2028	277	-	-	-	277
Above 5 years	-	-	182	-	182
	2,653	2,656	265	278	5,852

In millions of reais, unless otherwise stated

9. Related parties

	Assets (liabilities), net				Income (expenses), net			
	Individual		Consolidated		Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Related parties								
Subsidiaries								
Indústria de Móveis Bartira Ltda. (“Bartira”) (b) (c)	**141**	161	**-**	-	**(323)**	(362)	**-**	-
Globex Administração e Serviços Ltda. (“GAS”)	**-**	-	**-**	-	**-**	(1)	**-**	-
Asap Log Ltda. (“Asap Log”) (c)	**1**	(3)	**-**	-	**(55)**	(36)	**-**	-
Asap Log Logística e Soluções Ltda. (“Asap Logística”) (c)	**(210)**	(134)	**-**	3	**(282)**	(158)	**-**	-
BanQi Instituição de Pagamento Ltda. (“BanQi”) (c)	**17**	4	**-**	-	**(13)**	(10)	**-**	-
Íntegra Soluções para Varejo Digital LTDA. ("Íntegra") (c)	**1**	4	**-**	(1)	**-**	4	**-**	-
Casas Bahia Tecnologia Ltda. (“CB Tecnologia”) (c)	**(130)**	(119)	**-**	-	**(367)**	(226)	**-**	-
Celer Processamento Comércio e Serviço LTDA. (“BanQi Pagamentos”)	**3**	-	**-**	-	**-**	-	**-**	-
Associates								
Financeira Itaú CBD S.A. (“FIC”) (a)	**(2)**	(1)	**(2)**	(1)	**(19)**	(28)	**(19)**	(28)
Banco Investcred Unibanco S.A. (“BINV”) (a)	**-**	2	**-**	2	**(42)**	(37)	**(42)**	(37)
Other								
Casa Bahia Comercial Ltda. (“CB”) (d)	**393**	409	**437**	460	**(14)**	31	**7**	31
	214	323	**435**	463	**(1,115)**	(823)	**(54)**	(34)
Lease transactions								
Casa Bahia Comercial Ltda. (“CB”) (b)								
Right-of-use asset	**684**	718	**709**	745	**(103)**	(91)	**(107)**	(94)
Lease liabilities	**(1,072)**	(1,105)	**(1,111)**	(1,147)	**(145)**	(133)	**(150)**	(138)
	(388)	(387)	**(402)**	(402)	**(248)**	(224)	**(257)**	(232)
Total transactions with related parties	**(174)**	(64)	**33**	61	**(1,363)**	(1,047)	**(311)**	(266)
Receivables from related parties								
Current	**500**	523	**268**	299				
Noncurrent	**126**	134	**170**	184				
Payables to related parties								
Current	**(410)**	(332)	**(3)**	(20)				
Noncurrent	**(2)**	(2)	**-**	-				

In millions of reais, 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 based on usual market prices, terms and conditions agreed between the parties, namely:

a) Loans and financing with FIC and BINV

The Company operates as a correspondent bank for services operated by FIC and BINV, which buy credit card receivables from the Company. This operation generates amounts to be transferred, stated as accounts payable to related parties, and receivables for services rendered, stated as accounts receivable from related parties. The result of these operations is presented in the column “Income (expenses), net” in the table above, and is classified as “Sales revenue” in the Company’s statement of profit or loss.

FIC and BINV are also credit card operators that issue cards and finance customer purchases. In the year ended December 31, 2023, the balance of credit cards receivable from FIC and BINV totaled R$23 (R$307 as of December 31, 2022). These balances are recorded as Accounts receivable under Credit card companies, shown in Note 6.

In the year ended December 31, 2023, the Company recognized finance costs from prepayment of credit card receivables of R$58 (R$49 as of December 31, 2022).

b) Leases

The Company and its subsidiary Bartira have lease contracts for 185 properties, including distribution centers and commercial and administrative buildings, entered into under specific conditions with Casa Bahia Comercial (“CB”) and its shareholders, pursuant to the Partnership Agreement entered into by Casas Bahia Group, CBD, CB and CB’s shareholders.

c) Purchase and sale of goods and services

Significant related-party transactions are presented below:

		Income (expenses), net	
Counterparty	**Transaction**	**12.31.2023**	**12.31.2022**
Bartira	Purchase of goods	**(323)**	(362)
CB Tecnologia	Engagement of IT services	**(367)**	(226)
Asap Logística	Engagement of logistics services	**(282)**	(158)
Asap Log	Engagement of logistics services	**(55)**	(36)
BanQi	Fee for intermediation of Casas Bahia Credit Facility	**(13)**	(10)
Integra	Sale of goods	**-**	4

d) Partnership Agreement between Casas Bahia Group, Companhia Brasileira de Distribuição (“CBD”) and CB, and related instruments

On July 1, 2010, the First Amendment to the Partnership Agreement (“Partnership Agreement”) was entered into by the Casas Bahia Group, CBD, CB and CB’s shareholders, which guaranteed the Company the right to be indemnified for any losses and/or damages, by CBD, CB and CB’s shareholders, in connection with lawsuits and/or reimbursement of expenses arising during the management by the former controlling shareholders of Casas Bahia Group and of the companies mentioned in the Partnership Agreement.

As provided in the Partnership Agreement, after a six-year period from the transaction closing date that ended on November 8, 2016, the procedures referring to indemnification in connection with new lawsuits were terminated, and the parties began negotiating the collection and settlement of existing balances relating to such losses and damages.

In millions of reais, 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) record guarantees to meet CB's obligation to indemnify in connection with the lawsuits. 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 equity interest it held in the Company in full. From that date, the amounts receivable from CBD has been recognized in "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 these financial statements.

e) Management 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 years ended December 31, 2023 and 2022, are as follows:

	12.31.2023			12.31.2022		
	Short-term benefits	**Share-based payment (i)**	**Total**	**Short-term benefits**	**Share-based payment**	**Total**
Executive Board	**30**	**(2)**	**28**	10	51	61
Board of Directors	**6**	**-**	**6**	6	-	6
	36	**(2)**	**34**	16	51	67

(i) Share-based payment was impacted by unexercised call options.

10. Investments

a) Accounting policy

Subsidiaries are all the entities whose operations are controlled by Casas Bahia Group, 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.

In millions of reais, unless otherwise stated

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 profit and loss 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.

Investments in subsidiaries and affiliates, in the parent company's individual financial statements, are recorded using the equity method. Under this 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

	12.31.2021	Capital increase	Payment of dividends	Equity pickup – profit or loss	Equity pickup – Comprehensive income	Share-based payment	12.31.2022
Lake	556	220	-	(38)	4	2	744
Bartira	725	-	-	30	-	-	755
Asap Logística	68	327	-	(176)	-	1	220
Cnova	79	127	-	22	-	3	231
Other	38	-	(2)	13	-	-	49
Total	1,466	674	(2)	(149)	4	6	1,999

Individual

	12.31.2022	Merger (i)	Capital increase	Unearned income - inventories	Payment of dividends	Equity pickup – profit or loss	Share-based payment	12.31.2023
Lake	744	**-**	**61**	**-**	**-**	**(13)**	**(1)**	**791**
Bartira	755	**-**	**-**	**7**	**-**	**10**	**-**	**772**
Asap Logística	220	**(17)**	**223**	**-**	**-**	**(137)**	**-**	**289**
Cnova	231	**-**	**12**	**-**	**-**	**(117)**	**3**	**129**
CB Tecnologia	-	**17**	**-**	**-**	**-**	**-**	**1**	**18**
Other	49	**-**	**-**	**-**	**(15)**	**(9)**	**-**	**25**
Total	1,999	**-**	**296**	**7**	**(15)**	**(266)**	**3**	**2,024**

(i) Corporate reorganization, see Note 4 a (i).

Consolidated

	12.31.2021	Equity pickup – profit or loss	12.31.2022
FIC	166	34	200
BINV	42	7	49
Distrito	17	(1)	16
Total	225	40	265

Consolidated

	12.31.2022	Equity pickup – profit or loss	Payment of dividends	12.31.2023
FIC	200	**42**	**(16)**	**226**
BINV	49	**8**	**(1)**	**56**
Distrito	16	**-**	**-**	**16**
Total	265	**50**	**(17)**	**298**

In millions of reais, unless otherwise stated

c) Summarized financial information of associates

FIC and BINV

FIC and BINV are financial institutions created with the objective of financing sales directly to CBD and Casas Bahia Group. 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 the Company with Banco Itaú Unibanco S.A. and CBD. The Company has significant influence on these institutions, but not control over them. The Company's 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.

Distrito

Distrito is an innovation hub that has a complete platform to support companies in their transformation through technology. With its open innovation ecosystem, supported by data and artificial intelligence, the District connects large companies, *startups*, investors and academics to created new, more collaborative, efficient, transparent and sustainable winning business models. The Company has significant influence over Distrito, but not the control. As of December 31, 2023, the Company's share in Distrito's total voting capital corresponds to 16.67% from the investment made by 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	**12.31.2023**	**12.31.2022**	**12.31.2023**	**12.31.2022**
Current assets	**9,649**	11,682	**984**	1,090
Noncurrent assets	**1**	32	**-**	-
Total assets	**9,650**	11,714	**984**	1,090
Current liabilities	**7,892**	10,136	**876**	995
Equity (i)	**1,758**	1,578	**108**	95
Total liabilities and equity	**9,650**	11,714	**984**	1,090
Statement of profit or loss	**12.31.2023**	**12.31.2022**	**12.31.2023**	**12.31.2022**
Net profit	**293**	245	**16**	14

(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 buildup cost, less accumulated depreciation and accumulated *impairment* losses, if any. Depreciation is calculated on the depreciable amount, applying the straight-line method to the established rates, and takes into account the estimated useful life of the assets, thus reflecting the consumption pattern of future economic benefits incorporated into the asset.

The useful life of assets and depreciation methods are reviewed at every 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 categories	Estimated weighted average useful life- in years at 12.31.2023
Buildings	40
Leasehold improvements	15
Machinery and equipment	10
IT equipment	6
Facilities	13
Furniture and fixtures	10
Vehicles	4
Other	5

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” according to the sale of inventories.

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 and loss for the year.

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

The Company tests its property and equipment 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 carried out, among others.

b) Accounting estimates and assumptions

The Company understands that the Cash-Generating Units (CGU) are represented by its stores, and tests the recoverability of its fixed assets 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 10 years is prepared and the result is compared with the book value;

(iii) In the case of own stores with value in use below the book value, the Company requests the assessment of independent experts to obtain the market value of the property.

The EBITDA margin, sales growth and discount rate are used for the impairment test. The EBITDA margin used for the test varies among the CGUs based on the result presented by the CGU in the previous year. 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 reais, unless otherwise stated

c) Breakdown of balances and changes

	Individual						Consolidated					
	12.31.2023			12.31.2022			12.31.2023			12.31.2022		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Lands	**9**	**-**	**9**	9	-	9	**11**	**-**	**11**	11	-	11
Buildings	**9**	**(7)**	**2**	9	(7)	2	**11**	**(9)**	**2**	11	(9)	2
Leasehold improvements	**1,381**	**(633)**	**748**	1,153	(537)	616	**1,388**	**(633)**	**755**	1,160	(537)	623
Machinery and equipment	**351**	**(219)**	**132**	324	(193)	131	**554**	**(373)**	**181**	527	(344)	183
IT equipment	**792**	**(612)**	**180**	715	(535)	180	**801**	**(618)**	**183**	724	(540)	184
Facilities	**177**	**(81)**	**96**	177	(69)	108	**196**	**(89)**	**107**	196	(76)	120
Furniture and fixtures	**436**	**(278)**	**158**	409	(246)	163	**442**	**(282)**	**160**	415	(250)	165
Vehicles	**6**	**(5)**	**1**	6	(5)	1	**10**	**(7)**	**3**	10	(5)	5
Construction in progress	**44**	**-**	**44**	414	-	414	**44**	**-**	**44**	415	-	415
Other	**88**	**(58)**	**30**	76	(50)	26	**92**	**(60)**	**32**	86	(57)	29
	3,293	**(1,893)**	**1,400**	3,292	(1,642)	1,650	**3,549**	**(2,071)**	**1,478**	3,555	(1,818)	1,737

In millions of reais, unless otherwise stated

Individual

	12.31.2021	Additions	Write-offs	Depreciation	Transfers	12.31.2022	Additions	Write-offs	Depreciation	Transfers	12.31.2023
Lands	11	-	(2)	-	-	9	**-**	**-**	**-**	**-**	**9**
Buildings	7	-	(5)	-	-	2	**-**	**-**	**-**	**-**	**2**
Leasehold improvements	695	41	(45)	(75)	-	616	**15**	**(35)**	**(105)**	**257**	**748**
Machinery and equipment	132	17	1	(23)	4	131	**5**	**-**	**(26)**	**22**	**132**
IT equipment	207	23	9	(83)	24	180	**15**	**-**	**(85)**	**70**	**180**
Facilities	114	11	(8)	(13)	4	108	**3**	**(2)**	**(13)**	**-**	**96**
Furniture and fixtures	176	6	1	(29)	9	163	**3**	**-**	**(33)**	**25**	**158**
Vehicles	1	-	-	(1)	1	1	**-**	**-**	**-**	**-**	**1**
Construction in progress	253	237	-	-	(76)	414	**17**	**(2)**	**-**	**(385)**	**44**
Other	24	5	(2)	(7)	6	26	**6**	**(2)**	**(11)**	**11**	**30**
	1,620	340	(51)	(231)	(28)	1,650	**64**	**(41)**	**(273)**	**-**	**1,400**

Consolidated

	12.31.2021	Additions	Write-offs	Depreciation	Business combination	Transfers	12.31.2022	Additions	Write-offs	Depreciation	Transfers	12.31.2023
Lands	15	-	(4)	-	-	-	11	**-**	**-**	**-**	**-**	**11**
Buildings	7	-	(5)	-	-	-	2	**-**	**-**	**-**	**-**	**2**
Leasehold improvements	698	41	(44)	(75)	-	3	623	**15**	**(35)**	**(105)**	**257**	**755**
Machinery and equipment	184	20	1	(28)	-	6	183	**5**	**-**	**(30)**	**23**	**181**
IT equipment	210	25	9	(85)	-	25	184	**15**	**-**	**(86)**	**70**	**183**
Facilities	125	11	(8)	(14)	-	6	120	**4**	**(2)**	**(15)**	**-**	**107**
Furniture and fixtures	178	6	1	(29)	1	8	165	**3**	**-**	**(33)**	**25**	**160**
Vehicles	5	-	-	(1)	-	1	5	**-**	**-**	**(2)**	**-**	**3**
Construction in progress	258	238	-	-	-	(81)	415	**17**	**(2)**	**-**	**(386)**	**44**
Other	32	11	(8)	(11)	-	5	29	**7**	**(3)**	**(13)**	**12**	**32**
	1,712	352	(58)	(243)	1	(27)	1,737	**66**	**(42)**	**(284)**	**1**	**1,478**

In millions of reais, 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, 2023 and 2022, the Company recognized the following depreciation and amortization amounts in cost of goods and services sold:

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Depreciation and amortization	**56**	50	**62**	55

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 ten years. The following assumptions were used in the calculation: (i) growth rate for the ten-year period 2024-2033, according to the Company's strategic planning; and (ii) discount rate representing the Company's weighted average cost of capital of 14.66%. The inflation rate of 3.6% p.a. was considered for all periods.

As a result of this analysis, in the year ended December 31, 2023, no impairment was recorded.

12. Intangible assets

a) Accounting policy

The Company's intangible assets substantially include goodwill generated in 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. The goodwill generated through acquisition of subsidiaries and brands has an indefinite useful life and, therefore, are not amortized due to the perpetuity and/or positive flow of funds 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.

Intangible assets generated internally and expenses with *software* development that do not meet the minimum recognition criteria are recorded in profit and loss for the year, when incurred.

Annually, or whenever there is evidence of uncertainty in the recovery, intangible assets with an indefinite useful life are tested for impairment.

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

Intangible assets	Weighted average useful life estimated in years - 12.31.2023
Software and licenses	10
Contractual rights	13
Favorable contract	17
Goodwill	4

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 book value of goodwill due to acquisition of investments in subsidiaries should be adjusted to bring it to its recoverable amount. The Company uses assumptions based on its strategic planning and market indicators to assess the recoverability of this goodwill. The result of the impairment test, as well as the indices used, are presented in item (d) of this note.

In millions of reais, unless otherwise stated

c) Breakdown of balances and changes

	Individual						Consolidated					
	12.31.2023			12.31.2022			12.31.2023			12.31.2022		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill (i)	**-**	**-**	**-**	-	-	-	**884**	**-**	**884**	962	-	962
Software under development	**206**	**-**	**206**	880	-	880	**210**	**-**	**210**	893	-	893
Software and licenses	**2,182**	**(706)**	**1,476**	1,213	(534)	679	**2,312**	**(749)**	**1,563**	1,291	(543)	748
Contractual rights (ii)	**251**	**(221)**	**30**	251	(216)	35	**251**	**(221)**	**30**	251	(216)	35
Trademarks and patents (iii)	**-**	**-**	**-**	-	-	-	**50**	**-**	**50**	46	-	46
Favorable contract (iv)	**-**	**-**	**-**	-	-	-	**38**	**(22)**	**16**	36	(19)	17
Goodwill (v)	**64**	**(61)**	**3**	65	(60)	5	**64**	**(62)**	**2**	65	(62)	3
	2,703	**(988)**	**1,715**	2,409	(810)	1,599	**3,809**	**(1,054)**	**2,755**	3,544	(840)	2,704

(i) **Goodwill:** The Company records goodwill arising from the acquisition of: (a) Bartira in 2013, amounting to R$627; (b) Asap Log in 2020, amounting to R$3; (c) Airfox in 2020, amounting to R$226; (d) I9XP in 2020, amounting to R$11; (e) CNT in 2022, amounting to R$17.
(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 estimated based on the end date of the re-acquired rights.
(iii) **Trademarks and patents:** As a result of Bartira's business combination, the amount of R$46 was recognized as this brand’s value based on the royalties relief methodology, which represents the consideration that would be adopted in the market for the 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. The measurement was made using information from comparable transactions in the market.
(v) **Goodwill:** This refers to amounts paid to former owners of points of sale.

In millions of reais, unless otherwise stated

Individual

	12.31.2021	Additions	Amortization	Transfers	12.31.2022	Additions	Amortization	Transfers	12.31.2023
Software under development	626	564	-	(310)	880	**279**	**-**	**(953)**	**206**
Software and licenses	384	66	(109)	338	679	**17**	**(173)**	**953**	**1,476**
Contractual rights	40	-	(5)	-	35	**-**	**(5)**	**-**	**30**
Goodwill	5	2	(2)	-	5	**-**	**(2)**	**-**	**3**
	1,055	632	(116)	28	1,599	**296**	**(180)**	**-**	**1,715**

Consolidated

	12.31.2021	Additions	Amortization	Business combination	Transfers	12.31.2022	Additions	Write-offs	Amortization	Business combination	Transfers	12.31.2023
Goodwill	964	-	-	8	(10)	962	**-**	**(75)**	**-**	**(3)**	**-**	**884**
Software under development	627	586	-	-	(320)	893	**298**	**(8)**	**-**	**-**	**(973)**	**210**
Software and licenses	443	67	(120)	-	358	748	**22**	**(7)**	**(191)**	**20**	**971**	**1,563**
Contractual rights	40	-	(5)	-	-	35	**-**	**-**	**(5)**	**-**	**-**	**30**
Trademarks and patents	46	-	-	-	-	46	**-**	**-**	**(1)**	**4**	**1**	**50**
Favorable contract	19	-	(2)	-	-	17	**-**	**-**	**(4)**	**3**	**-**	**16**
Goodwill	4	1	(1)	-	(1)	3	**-**	**-**	**(1)**	**-**	**-**	**2**
	2,143	654	(128)	8	27	2,704	**320**	**(90)**	**(202)**	**24**	**(1)**	**2,755**

In millions of reais, unless otherwise stated

d) Impairment testing of intangible assets

The Company analyzes, at least annually, if there is any indication that intangible assets with finite useful lives are not 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.

Company management performed an analysis together with its information technology department about whether the projects in progress were economically feasible. The cases in which intangible assets would not be likely to generate economic benefits and/or whose maintenance is not in line with the Company management's current strategy were discontinued.

In the year ended December 31, 2023, Company management conducted this analysis and identified no impairment.

To determine the recoverable amount of intangible assets related to the business combination, their respective amounts were allocated to the single segment reported by the Company. The acquisitions of the subsidiaries were strategic and carried out with the objective of exploring the great potential of synergies between the businesses, as well as leveraging the flow of customers to physical stores and e-commerce. As such, the goodwill impairment test was carried out considering the future cash flows projected for the next 10 years of each investee based on the Company's business plan, which is structured so as to show the realization of the assets in this period.

To determine the recoverable amount, two main assumptions were used in the preparation of the test: (i) growth rate for the ten-year period 2024-2033, according to the Company's strategic planning; and (ii) discount rate representing the investees' weighted average cost of capital. Perpetuity was calculated considering the same assumptions as the previous year. This analysis indicated that a R$76 impairment loss allowance should be set up, corresponding to the goodwill generated by the acquisition of subsidiary Celer.

13. Trade accounts payable, trade accounts payable - portal and trade accounts payable - agreement

a) Breakdown of balances

	Individual		Consolidated	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Goods	**6,340**	6,395	**6,379**	6,462
Services	**740**	715	**823**	789
Trade accounts payable – portal (i)	**-**	657	**-**	657
Trade accounts payable - reverse factoring (agreement) (ii)	**1,765**	2,463	**1,765**	2,463
	8,845	10,230	**8,967**	10,371
Trade accounts payable	**7,080**	7,110	**7,202**	7,251
Trade accounts payable – portal	**-**	657	**-**	657
Trade accounts payable – reverse factoring (agreement)	**1,765**	2,463	**1,765**	2,463

The Company has entered into agreements under the following terms and conditions:

(i) Trade accounts payable – portal: by means of adhesion agreements, the Company enables its suppliers to advance their receivables including a discount on face value. These transactions may be performed directly with the Company or may involve financial institutions. In these transactions, as agreed, the financial institutions advance a certain amount for the supplier and receive, at maturity date, the amount due by the Company. The supplier is solely and exclusively responsible for deciding whether or not to adhere to this type of transaction. These transactions do not change the characteristics of the commercial conditions, terms and prices previously established between the Company and its supplier. Financial gains from these transactions are recorded in finance income (loss) on an accrual basis and are presented in Note 25. As at December 31, 2023, the Company recorded commissions amounting to R$5 (R$22 at December 30, 2022).

In millions of reais, unless otherwise stated

(ii) Trade accounts payable – reverse factoring (agreement): refers to recurring commercial transactions between Casas Bahia Group and its suppliers of products and services. The agreements executed meet the parties' mutual interests regarding liquidity and working capital, and are entered into due to possible changes in the context of demand and supply of products and services. Due to the characteristics of the commercial negotiation of deadlines between the suppliers and the Company, these financial liabilities were included in funding programs through the Company's lines of credit with financial institutions. In these operations, the supplier transfers to the financial institution the right to receive funds from the notes and, in exchange, receives these amounts in advance from the financial institution, which becomes the operation's creditor. As at December 31, 2023, the average term of these operations was 90 days subject to finance costs of 16.96% p.a. (at December 31, 2022, the average term was of 118 days subject to finance costs of 18.95% p.a.). The respective finance costs are recorded in finance income (costs), on an accrual basis, and are presented in Note 25. The Company understands that this transaction has a specific nature and classifies it separately from "Trade accounts payable".

14. Loans and financing

a) Breakdown of balances

		Individual and Consolidated	
	Average rate	**12.31.2023**	**12.31.2022**
Transfers to financial institutions - CDCI (i)	18.31% p.a.	**4,976**	5,241
Loans in local currency (ii)	CDI + 4.00% p.a.	**398**	1,220
Debentures (iii)	CDI + 2.59% p.a.	**3,234**	2,128
Debentures (iii) – 8th issue (2nd and 3rd series)	IPCA + 8.79% p.a.	**351**	332
Commercial bills (iv)	CDI + 1.50% p.a.	**-**	457
		8,959	9,378
Current		**6,795**	6,373
Noncurrent		**2,164**	3,005

(i) Direct Consumer Credit with Seller Intervention ("Transfers to financial institutions - CDCI")

Direct Consumer Credit with Seller Intervention ("CDCI") operations correspond to the financing of time sales to customers, through financial institutions (see Note 6.1(a)). The rates are fixed for each contract entered into by the Company. At December 31, 2023, the weighted average of the rates adopted by financial institutions for CDCI transactions was 18.31% p.a. (16.86% p.a. at December 31, 2022). The balances are segregated into current and noncurrent as follows:

	Individual and Consolidated	
	12.31.2023	**12.31.2022**
Transfers to financial institutions – current	**4,844**	5,014
Transfers to financial institutions – noncurrent	**539**	651
	5,383	5,665
Unallocated interest	**(407)**	(424)
Transfers to financial institutions, net of unallocated interest	**4,976**	5,241

(ii) Loans in domestic currency

In 2023, the Company settled Bank Credit Bill (CCB) contracts in the amount of R$828.

Contract date	Fundraising	Term	Interest	Amortization
10.10.2023	R$400	1 year	CDI + 4.00%	Principal - monthly from February 2024 and interest - monthly from November 2023

(iii) Debentures

On May 10, 2021, the Company conducted the 6th issue of nonconvertible debentures in 2 (two) series. 771,959 (seven hundred and seventy-one thousand, nine hundred and fifty-nine) debentures at the par value of R$1,000.00 (one thousand reais) were issued for the 1st series, and 228,041 (two hundred and twenty-eight thousand and forty-one) debentures at the par value of R$1,000.00 (one thousand reais) for the 2nd series, at CDI + 1.90% p.a. and CDI + 2.10% p.a., respectively, with final amortization for the 1st series and at the end of the year before last and the last year for the 2nd series, subject to semi-annual interest for both series, amounting to R$1,000,000,000.00 (one billion reais), through public distribution with restricted distribution efforts, pursuant to CVM Ruling No. 476/2009. The term for the 1st series is of three (3) years and of the 2nd series is of five (5) years, from the date of issue. The funds raised were used to extend the Company's debt schedule. The 6th issue had ESG - Environmental, Social and Governance goals, under which the Company committed to renew its energy matrix using renewable sources.

On September 29, 2021, the Company conducted the 7th issue of nonconvertible junior 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 the 1st series, and 538,333 (five hundred and thirty-eight thousand three hundred and thirty-three) debentures at the par value of R$1,000.00 (one thousand reais) for the 2nd series, at CDI + 1.50% p.a. and CDI + 1.70% p.a., respectively, with final amortization for the 1st series on September 15, 2024 and amortization of 50% in the 4th year and 50% in the 5th year for the 2nd series, subject to semi-annual interest for both series, amounting to R$1,000,000,000.00 (one billion reais), through public distribution with restricted distribution efforts, pursuant to CVM Ruling No. 476/2009. The term for the 1st series is of three (3) years and of the 2nd series is of five (5) years, from the date of issue. The funds raised were used to extend the Company's debt schedule.

On July 15, 2022, the Company conducted the 8th issue of unsecured nonconvertible debentures in 3 (three) series. 400,000 (four hundred thousand) debentures were issued at the par value of R$1,000.00 (one thousand reais), of which: 67,435 (sixty-seven thousand four hundred and thirty-five) of the 1st series at CDI + 1.85% p.a., quarterly interest and amortization of 50% on July 14, 2026 and 50% in July 2027; 291,029 (two hundred ninety-one thousand and twenty-nine) of the 2nd series at IPCA (Extended Consumer Price Index) + 8.2243% p.a., quarterly interest and amortization on July 14, 2027; and 41,536 (forty-one thousand five hundred and thirty-six) of the 3rd series at IPCA + 8.3348% p.a., quarterly interest and amortization on July 14, 2028 and June 13, 2029. The debentures were subject to private distribution and backed the Mortgage-backed Securities (CRI), issued by means of the 20th Securitization Agreement referring to Real Estate Receivables Certificates of Opea Securitizadora S.A. under the terms of CVM Ruling No. 400. On October 3, 2023, the Company elected to not declare early maturity of the 8th issue of debentures and CRIs. In return, a supplementary spread of 0.55% was approved. Thus, remuneration of the series of the 8th issue of debentures after the meeting date was as follows: 1st series - CDI + 2.40%; 2nd series - IPCA + 8.7743 and 3rd series - IPCA + 8.8848.

On June 15, 2023, the Company carried out the 9th issue of unsecured nonconvertible debentures. 1,119,000 (one million, one hundred and nineteen thousand) unsecured nonconvertible debentures were issued, with a par value of R$1,000.00 (one thousand reais), at CDI + 4.10% p.a., a total issue amount of R$1,119,000,000.00 (one billion, one hundred and nineteen million). The term is of two (2) years from the date of issue, with quarterly amortization from January 2024 and quarterly interest. The debentures were subject to public distribution, recorded under automatic procedures of distribution, under the terms of CVM Ruling No. 16.

(iv) Commercial bills

On December 23, 2021, the Company conducted the 1st issue of book-entry commercial bills, in a single series. 400,000 (four hundred thousand) book-entry commercial bills at the par value of R$1,000.00 (one thousand reais) were issued, at CDI + 1.50% p.a. and amortization of principal and interest upon maturity. The bills were issued through public distribution with restricted distribution efforts, pursuant to CVM Ruling No. 476/14195. The term for the book-entry commercial bills is 1 (one) year and 6 (six) months from the date of issue. The funds raised were used to pay part of the balance relating to the 4th issue of debentures. In the six-month period ended June 30, 2023, the Company settled the balance of loans with commercial bills.

In millions of reais, unless otherwise stated

b) Changes

The table below shows the changes in financing activities presented in the statement of cash flows.

	Individual	Consolidated
Balance at December 31, 2021	9,406	9,422
Cash flows from financing activities		
Funds raised (i)	7,803	7,803
Amortization (i)	(8,147)	(8,164)
Payment of interest (i)	(912)	(912)
Non-cash changes		
Interest incurred (i)	1,228	1,229
Balance at December 31, 2022	9,378	9,378
Cash flows from financing activities		
Funds raised (i)	**8,790**	**8,790**
Amortization (i)	**(9,169)**	**(9,169)**
Payment of interest (i)	**(1,426)**	**(1,426)**
Non-cash changes		
Interest incurred (i)	**1,386**	**1,386**
Balance at December 31, 2023	**8,959**	**8,959**

(i) At December 31, 2023, transfers to financial institutions amounted to R$6,971 referring to funds raised, R$7,280 to amortization, R$775 to payment of interest and R$819 to interest incurred (R$7,403, R$7,177, R$439 and R$626 respectively at December 31, 2022).

c) Maturity of loans and financing recognized in noncurrent liabilities

Year	Individual and Consolidated
2025	**1,365**
2026	**415**
2027	**341**
2028	**23**
2029	**20**
	2,164

d) Covenants

The Company constantly monitors indicators considered significant by management, 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 book-entry commercial bills

The maintenance of the contractual maturity of debentures and book-entry commercial bills at their original maturities is subject to covenants provided for in their respective agreements, which are being regularly complied with. The main covenant/indicator is as follows:

Covenants on net debt:
- Consolidated net debt (*) not to exceed Equity; and
- Ratio between adjusted net debt and consolidated adjusted EBITDA (**) lower than or equal to 3.25.

Additionally, specifically relating to the 6th issue of debentures (SLB debentures - sustainability linked bonds), the Company is subject to specific clauses concerning Environmental, Social and Governance (ESG) requirements, in which it undertook to achieve the renewable energy percentage equal to or higher than 90% in December 2025.

In millions of reais, unless otherwise stated

In the year ended December 31, 2023, 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 CDCI transaction balances, excluding lease contract balances), less cash equivalents and accounts receivable, with a discount of 1.15%, arising from sales with credit cards, food cards and multi-benefit cards, including credit facility balances within accounts receivable.

(**) **Adjusted consolidated EBITDA**: gross profit, less general, administrative and selling expenses, excluding depreciation and amortization, plus the balance of Other operating income for the last four (4) quarters.

15. 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 information for these models is obtained, whenever possible, from observable markets or information from comparable market operations and transactions. The judgments include an examination of the information, such as liquidity risk, credit risk and volatility. Any changes in assumptions related to these factors may affect the fair value of financial instruments.

The fair value of financial instruments actively traded on organized markets is determined based on market prices and on the statement of financial position dates. In the case of financial instruments not actively traded, the fair value is based on valuation techniques defined by the Company and 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 flow, or other valuation models.

b) Breakdown of financial instruments

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

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Financial assets				
Amortized cost				
Cash and cash equivalents	**2,525**	1,717	**2,573**	2,019
Trade accounts receivable (except credit card companies)	**3,538**	3,895	**3,747**	3,933
Related parties	**626**	657	**438**	483
Financial instruments	**-**	-	**11**	10
Fair value through other comprehensive income				
Credit card companies	**245**	3,406	**273**	3,426
Financial liabilities				
Amortized cost				
Trade accounts payable	**(7,080)**	(7,110)	**(7,202)**	(7,251)
Trade accounts payable – portal	**-**	(657)	**-**	(657)
Trade accounts payable – reverse factoring (agreement)	**(1,765)**	(2,463)	**(1,765)**	(2,463)
Loans and financing (except CDCI)	**(3,983)**	(4,137)	**(3,983)**	(4,137)
Transfers to financial institutions	**(4,976)**	(5,241)	**(4,976)**	(5,241)
Lease liabilities	**(3,443)**	(3,657)	**(3,483)**	(3,699)
Related parties	**(412)**	(334)	**(3)**	(20)
Transfers to third parties	**(566)**	(560)	**(637)**	(648)

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.

In millions of reais, unless otherwise stated

c) Market risk

To calculate sensitivity, the interest rate risk for asset and liability balances presented by the Company at December 31, 2023 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 considered an estimate of the net effect on profit or loss for the next 12 months. Therefore, 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 operations, limited to 12 months, at the rate of 10.04% p.a. Scenarios II and III considered interest rate increases of 25% and 50%, respectively.

The table below shows the basic interest rate risk sensitivity analysis, and the possible net impact on profit or loss for each scenario:

		Consolidated	Sensitivity analysis		
Operations	**Risk**	**Balance at 12.31.2023**	**Scenario I**	**Scenario II**	**Scenario III**
Financial investments	CDI decrease	**2,429**	**226**	**282**	**339**
Bank loans (*)	CDI increase	**(3,983)**	**(328)**	**(387)**	**(447)**
Impact on profit or loss - expense			**(102)**	**(105)**	**(108)**

(*) Does not include agreements referring to transfers to financial institutions 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 financial assets and liabilities. In addition, the Company maintains sufficient lines of credit to meet the expected working capital needs; therefore, sensitivity analyses are regularly performed to assess the possible impacts on the Company's liquidity position, in case the existing lines of credit are not renewed.

Management continuously analyzes its liquidity based on its projected cash flows considering current obligations falling due and debts, and concluded that there are no liquidity risks for the 12-month period after December 31, 2023.

Undiscounted cash flows of financial liabilities

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

	Individual			Consolidated		
	Within one year	**1 to 5 years**	**Total**	**Within one year**	**1 to 5 years**	**Total**
Trade accounts payable	**7,080**	**-**	**7,080**	**7,202**	**-**	**7,202**
Trade accounts payable – reverse factoring (agreement)	**1,788**	**-**	**1,788**	**1,788**	**-**	**1,788**
Loans and financing	**2,818**	**2,308**	**5,126**	**2,818**	**2,308**	**5,126**
Transfers to financial institutions	**4,463**	**513**	**4,976**	**4,463**	**513**	**4,976**
Related parties	**410**	**2**	**412**	**3**	**-**	**3**
Transfers to third parties	**566**	**-**	**566**	**637**	**-**	**637**
	17,125	**2,823**	**19,948**	**16,911**	**2,821**	**19,732**

In millions of reais, unless otherwise stated

e) Credit risk

The Company is exposed to credit risk before financial institutions, in relation to cash and cash equivalents, trade accounts receivable, as well as to non-recurring transactions, such as disposal of nonfinancial 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.

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 and/or banks. Sales financed through transfers to financial institutions have lines of credit with banks Bradesco, Safra, Banco do Brasil, Daycoval and BTG, that are intended to finance customers through the Company. Under this method, the Company is subject to credit risk, thus adopts careful procedures when granting the credit. However, the balance receivable from customers is dispersed, with no substantial individual amounts.

Estimated losses on doubtful accounts are calculated according to the Company's accounting policy. Balances of these estimates at December 31, 2023 and December 31, 2022, 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			
	12.31.2023		12.31.2022	
	With CDCI	Without CDCI	With CDCI	Without CDCI
Cash and cash equivalents	**2,573**	**2,573**	2,019	2,019
Credit card receivables	**273**	**273**	3,426	3,426
Total cash and cash equivalents and credit card receivables	**2,846**	**2,846**	5,445	5,445
Trade accounts receivable – Casas Bahia Credit Facility	**3,699**	**-**	3,873	-
Other receivables	**733**	**733**	708	708
Allowance for doubtful accounts - ADA	**(685)**	**(90)**	(648)	(21)
Total cash and cash equivalents, and receivables	**6,593**	**3,489**	9,378	6,132
Loans and financing	**(3,983)**	**(3,983)**	(4,137)	(4,137)
Transfers to financial institutions	**(4,976)**	**-**	(5,241)	-
Total loans and financing and CDCI	**(8,959)**	**(3,983)**	(9,378)	(4,137)
Net cash (Net debt)	**(2,366)**	**(494)**	-	1,995
Equity	**3,454**	**3,454**	5,284	5,284
Net cash ratio (Net debt)	**(0.69)**	**(0.14)**	-	0.38

In millions of reais, unless otherwise stated

g) Fair value measurement

At December 31, 2023, the Company maintained certain financial assets and liabilities, for which the disclosure of fair value measurement is required under CPC 40 (IFRS 7), as shown in the table below:

	Individual		Consolidated	
	Carrying amount	Fair value	Carrying amount	Fair value
Amortized cost				
Casas Bahia Credit Facility (i)	**3,699**	**4,208**	**3,699**	**4,208**
Transfers to financial institutions (ii)	**(4,976)**	**(4,670)**	**(4,976)**	**(4,670)**
Fair value through other comprehensive income				
Credit card companies (ii)	**245**	**245**	**273**	**273**

(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 expected credit losses, as well as the average market discount rate for 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 most of its financial assets and liabilities are equivalent to their carrying amounts, except for those in the table above, 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.

16. 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.

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
ICMS payable	**444**	133	**445**	136
Special Tax Settlement Program (PERT)	**31**	22	**32**	23
Withholding Income Tax (IRRF) payable	**23**	39	**35**	57
Other	**23**	52	**31**	59
	521	246	**543**	275
Current	**496**	227	**517**	255
Noncurrent	**25**	19	**26**	20

In millions of reais, unless otherwise stated

17. Current and deferred income and social contribution taxes

a) Accounting policy

Current income and social contribution taxes

Current and deferred income and social contribution taxes for the year are calculated at 15%, plus 10% surtax on taxable income exceeding R$240 thousand for income tax and 9% on taxable income 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.

Income and social contribution taxes - deferred

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 income, 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.

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

	Individual		Consolidated	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Loss before taxes	**(4,145)**	(942)	**(4,202)**	(1,083)
Income and social contribution taxes at the statutory rate of 34%	**1,409**	320	**1,429**	368
Investment grant (i)	**186**	233	**191**	235
Exclusion of the Selic rate on taxes (ii)	**48**	128	**53**	135
Equity pickup	**(88)**	(51)	**17**	14
Effect of differences in tax rates of foreign entities	**-**	-	**-**	5
Recognized tax loss	**-**	-	**-**	9
Unrecognized tax loss (iii)	**-**	-	**(37)**	(6)
Other permanent differences	**(35)**	(30)	**(76)**	(19)
Effective income and social contribution taxes	**1,520**	600	**1,577**	741
Current tax recognized through profit or loss	**(3)**	-	**(6)**	(13)
Deferred tax recognized through profit or loss	**1,523**	600	**1,583**	754
Income and social contribution tax income (expenses), net	**1,520**	600	**1,577**	741

(i) Investment grant

The Company has tax benefits that reduce the ICMS (State Value-Added Tax) expense, such as matching credit, reduced tax base and reduced rate. These benefits are distributed in 21 states, resulting in a considerable amount excluded from the Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) bases. To use this benefit, the Company complies with legal requirements. As at December 31, 2023, the excluded amount represented 2% of sales revenues, net of taxes (3% as at December 31, 2022).

In millions of reais, unless otherwise stated

(ii) Exclusion of the Selic rate on taxes

It refers to the effects from the exclusion of the Central Bank benchmark rate (Selic) from the income and social contribution tax bases due to the recent decision of the Federal Supreme Court (STF). That court unanimously dismissed the appeal to the Supreme Court, and interpreted article 3, paragraph 1, 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 (CNT) (Law No. 5172/66) under the Brazilian Constitution, thus excluding from the scope of these provisions the IRPJ and CSLL levied on the Selic rate received by taxpayers on taxes unduly collected.

(iii) Unrecognized tax loss

Deferred tax assets arising from tax losses were not recognized since there was no sufficient taxable profit to realize referred to tax credits or expected generation of future taxable profits. At December 31, 2023, the main unrecognized deferred income and social contribution taxes in the statement of financial position relating to tax loss carryforwards amounted to R$ 528 belongs to the subsidiary Cnova (R$ 528 at December 31, 2022).

At the end of each financial statement reporting period, the Company reassesses whether future taxable profits are likely to be available to recover deferred tax assets. If such amounts become available, the Company recognizes the deferred tax assets not previously recognized.

c) Breakdown of deferred income and social contribution taxes

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Provision for contingencies	**735**	644	**760**	659
Allowance for doubtful accounts	**219**	219	**221**	220
Income and social contribution tax losses	**3,601**	2,215	**3,965**	2,530
Provision for current expenses	**70**	57	**73**	62
Estimated loss on property and equipment and inventories	**115**	28	**115**	29
Lease	**275**	258	**280**	263
Other	**93**	201	**93**	202
Total deferred tax assets	**5,108**	3,622	**5,507**	3,965
Depreciation and amortization of property and equipment and intangible assets	**(223)**	(173)	**(234)**	(184)
PPA Bartira	**-**	-	**(20)**	(21)
ICMS - selectivity	**(116)**	(116)	**(116)**	(116)
Other	**(5)**	(14)	**(32)**	(43)
Total deferred tax liabilities	**(344)**	(303)	**(402)**	(364)
	4,764	3,319	**5,105**	3,601

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

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Deferred tax assets	**4,764**	3,319	**5,125**	3,635
Deferred tax liabilities	**-**	-	**(20)**	(34)

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 to realize these amounts in full, in addition to the expected realization of deductible temporary differences, as follows:

At December 31, 2023	Individual	Consolidated
2024	**704**	**719**
2025	**203**	**219**
2026	**218**	**244**
2027	**339**	**372**
2028	**322**	**357**
Above 5 years	**3,322**	**3,596**
	5,108	**5,507**

18. Provision for contingencies

a) Accounting policy

So that the provisions for contingencies 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 part of 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 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 are handed down 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, which are classified according to the risk of loss as probable, possible or remote. The analysis regarding the likelihood of loss is carried out by management supported by external legal advisors and 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 law, most recent court decisions and their relevance in the legal system.

Provisions for tax proceedings are recognized for all lawsuits whose likelihood of loss is assessed as probable. Accordingly, the Company set up provisions deemed sufficient to cover losses, if any, on 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 positions or type of proceeding.

In addition, regarding collective proceedings and those that have characteristics that differentiate them from the proceedings contained in the mass, the Company analyzes the individual risk (of each proceeding). An independent firm is engaged for each proceeding, which analyzes and calculates the risks to which the Company is exposed. This amount is provisioned according to the procedural moment and considering the likelihood of loss, and, when there are decisions in the records, the amount provisioned is calculated based on the proceedings' settlement amount.

In millions of reais, unless otherwise stated

c) Balances and changes

	Individual			
	Tax	Labor	Civil and other	Total
Balance at December 31, 2021	15	2,227	267	2,509
Additions of new proceedings and other additions	3	1,866	64	1,933
Write-off of provision due to settlement	-	(1,152)	(69)	(1,221)
Write off of provision due to success and other write-offs	-	(1,306)	(11)	(1,317)
Monetary restatement	9	167	27	203
Balance at December 31, 2022	27	1,802	278	2,107
Additions of new proceedings and other additions	**190**	**2,641**	**92**	**2,923**
Write-off of provision due to settlement	**-**	**(1,124)**	**(74)**	**(1,198)**
Write off of provision due to success and other write-offs	**(3)**	**(1,552)**	**(27)**	**(1,582)**
Monetary restatement	**23**	**45**	**24**	**92**
Balance at December 31, 2023	**237**	**1,812**	**293**	**2,342**

	Consolidated			
	Tax (i)	Labor (ii)	Civil and other (iii)	Total
Balance at December 31, 2021	60	2,265	268	2,593
Additions of new proceedings and other additions	3	1,908	69	1,980
Write-off of provision due to settlement	-	(1,176)	(69)	(1,245)
Write off of provision due to success and other write-offs	-	(1,336)	(12)	(1,348)
Monetary restatement	12	169	27	208
Balance at December 31, 2022	75	1,830	283	2,188
Additions of new proceedings and other additions	**190**	**2,729**	**93**	**3,012**
Write-off of provision due to settlement	**-**	**(1,148)**	**(80)**	**(1,228)**
Write off of provision due to success and other write-offs	**(5)**	**(1,591)**	**(27)**	**(1,623)**
Business combinations	**13**	**2**	**-**	**15**
Monetary restatement	**26**	**50**	**24**	**100**
Balance at December 31, 2023	**299**	**1,872**	**293**	**2,464**

(i) Tax

Tax proceedings are subject, by law, to monthly restatement, calculated based on indices 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, 2023, mainly tax proceedings provisioned refer to PIS/COFINS credits not approved for offsetting, amounting to R$ 51 (R$ 50 at December 31, 2022) and DIFAL (tax rate differences), amounting to R$ 236 (R$ 14 at December 31, 2022). The provision was recorded based on an assessment made by external legal advisors, which was corroborated by management.

On November 29, 2023, the Brazilian Federal Supreme Court (STF) resumed judgment of whether the principle whereby the enactment of tax laws shall precede their application by one year or ninety days is applicable to DIFAL, as per Direct Actions for the Declaration of Unconstitutionality (ADI) No. 7066, No. 7078 and No. 7070. In view of the judgment result, not yet finalized, the Company recognized a R$220 provision at December 31, 2023.

In compliance with CVM/SNC/SEP Memorandum Circular No. 1 of February 13, 2023, management analyzed the Company's proceedings under way and, based on the opinion of Company legal advisors, informs that as at December 31, 2023, no cases were identified which could represent impacts on Company financial statements in connection with the decision handed down by Brazil's Federal Supreme Court (STF) in the final unappealable decision (the so-called res judicata) on a tax matter on February 08, 2023. The Company will continue monitoring the evolution of this topic especially any impacts from the limitation of the effects of the decision in time and any motions for clarification.

(ii) Labor

The Company is a party to labor claims relating mostly to employee severance, as result of the ordinary turnover of its business, and to the restructuring measures taken in recent years.

At December 31, 2023, the Company maintained a provision in the amount of R$1,872 (R$1,830 at December 31, 2022).

(iii) Civil and other

The Company is a party to civil claims, mainly related to:

- 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, 2023, this provision totaled R$28 (R$41 at December 31, 2022);

- Proceedings involving consumer relations law: The provision is calculated based on historical losses, per claim type and timing, applied to the total ongoing proceedings, as well as on individual risk assessment for certain proceedings with unique characteristics. At December 31, 2023, this provision totaled R$265 (R$242 at December 31, 2022).

d) Contingent liabilities

The Company is a party to other claims that were analyzed by the legal advisors and assessed as possible loss, for which no provision was recognized. Those claims total R$9,044 at December 31, 2023 (R$4,737 at December 31, 2022) and are mainly related to:

Tax

- The Company is a party to claims addressing COFINS, PIS, IRPJ, IRRF, CSLL and INSS: (i) administrative and legal proceedings related to offset requests not recognized by the taxation authorities, and differences in amounts paid; (ii) discussions about PIS and COFINS levied on certain transactions, such as bonuses received from suppliers; (iii) use of PIS and COFINS credits relating to advertising expenses and card administration fees; (iv) discussion on alleged insufficient offset tax loss balance; (v) exclude ICMS-ST from the PIS and COFINS base; and (vi) other less material discussions. The amount involved in referred to proceedings at December 31, 2023 is approximately R$4,963 (R$1,500 at December 31, 2022).

- ICMS-ST (Tax Substitution taxation regime) on purchases of goods: discussion about allocation of PIS and COFINS credits on ICMS-ST recorded on purchases of goods for resale in calendar year 2016. The amount of the tax assessment notice corresponds to R$318 at December 31, 2023 (R$291 at December 31, 2022).

- ICMS, ISS and Real Estate Tax (“IPTU”): (i) administrative and legal proceedings resulting from Service Tax (ISS) not levied on amounts deemed by the municipal tax authorities as service revenue; (ii) discussions about alleged differences upon crosschecking the information filed with the state departments of finance, and ICMS not levied on extended warranty services; (iii) discussions referring to allocation of ICMS credits on acquisition of goods from suppliers with irregular state registration and fine for noncompliance with accessory obligations; and (iv) other less material discussions. The amount involved in referred to proceedings at December 31, 2023 is approximately R$2,164 (R$1,442 at December 31, 2022);

- Mandala goodwill: tax delinquency notice due to the deduction of amortization charges in 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$212 at December 31, 2023 (R$193 at December 31, 2022).

Civil and other

At December 31, 2023, the Company is a party to civil contingencies totaling R$133 (R$198 at December 31, 2022) that were analyzed by legal advisors and assessed as a possible loss. Therefore, no provision was recognized.

In millions of reais, unless otherwise stated

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 it supplied appeal bonds (restricted) in amounts equivalent to those pending decisions. This amount is recorded in the Company's assets, as follows:

	Individual		Consolidated	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Social security and labor	**262**	278	**276**	292
Tax (i)	**860**	606	**863**	608
Civil and other	**28**	24	**28**	25
	1,150	908	**1,167**	925

(i) With the enactment of the Amendment to the Constitution No. 87/2015 and the Brazilian Board for Fiscal Policy (CONFAZ) Agreement No. 93/2005, the states and the Federal District, through state laws, have been requiring the ICMS Tax Rate Difference ("DIFAL") in interstate operations involving non-ICMS-paying end consumers.

However, due to the unconstitutionality of this requirement under the state laws, without a prior supplementary law, the Company filed lawsuits challenging the collection of DIFAL.

On February 24, 2021, the plenary session of the Federal Supreme Court (STF), in judging Appeal No. 1.287.019, under general resonance, determined the following: "The collection of the ICMS rate difference, as provided for by the Amendment to the Constitution No. 87/2015, implies the enactment of a supplementary law that determines the general rules".

The effects of the decision were limited as from the financial year following the end of the judgment, i.e. from 2022. However, such limitation does not affect the Company, since the lawsuits were filed before the date of publication of the minutes of the judgment.

Upon publication of Supplementary Law No. 190/22, a new legal relationship was established, since taxpayers began to pay ICMS to the state of destination, where the non-taxpaying final consumer is located. This ICMS corresponds to the difference between the interstate rates and the intrastate rate of the state of destination (DIFAL).

The institution of this new legal relationship (collection of DIFAL for the destination state) is conditioned to the precedence principles (principles whereby the enactment of tax laws shall precede their application and 90-day grace period for taxation). As a result, considering that Supplementary Law No. 190/22 was published on January 5, 2022, the Company filed lawsuits challenging that the obligation to collect DIFAL for the states can only be applied to operations in the fiscal year subsequent to its publication, that is, operations carried out from January 1, 2023 onwards.

Despite the Judgment by the STF in November 2023, which determined that the tax effects shall take place 90 days after the date of enactment of Supplementary Law No. 190/22, the Company's specific proceedings will be closed and the amounts deposited with the state tax authorities will be reversed only after a final and unappealable decision unfavorable to taxpayers in ADIs No. 7066, No. 7078 and No. 7070 has been handed down. This is because (i) the decision has not yet been published; (ii) omissions and inaccuracies raised through motions for clarification are still pending judgment, and (iii) there may be a decision limiting the effects of the STF decision in time.

f) Collaterals and bank guarantees

At December 31, 2023, the Company offered guarantees in connection with social security, labor, tax and civil proceedings, as follows:

Proceedings	12.31.2023
Social security and labor	**2,619**
Tax	**2,045**
Civil and other	**356**
	5,020

At December 31, 2023, the Company presents bank guarantees and surety bonds involving commercial agreements on financial services (deferred revenue) and administrative agreements totaling R$2,737.

The corporate guarantees granted by CBD at December 31, 2023 total R$216.

In millions of reais, unless otherwise stated

19. Leases

a) Accounting policy

CPC 06 – Leases introduced a single model for the accounting of leases in the statement of financial position for lessees. This standard requires that all leases and their corresponding contractual rights and obligations are recognized in the statement of financial position. According to such standard, leases with contractual terms of less than 12 months and whose underlying asset is of low value are exempted from recognition. Lease agreements with an indefinite term and those in which the consideration is based on variable amounts are also not included in the scope of this standard. Exempted leases or those not included in the scope of the standard were recognized by the Company as an expense in profit and loss for the year, as incurred. As at December 31, 2023, the Company recognized variable lease expenses amounting to R$20 – Individual and Consolidated (R$17 – Individual and Consolidated at December 31, 2022).

The Company acts as a lessee in contracts mainly related to real estate (lease of commercial spaces, distribution centers and other administrative units). For each lease agreement, 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. 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 by the straight-line method, according to the remaining term of agreements.

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

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

b) Breakdown of balances and changes

Right-of-use asset

	Individual	Consolidated
Balance at December 31, 2021	3,273	3,307
Additions and remeasurements	322	325
Write-offs / reversals	(63)	(69)
Depreciation	(743)	(747)
Balance at December 31, 2022	2,789	2,816
Additions and remeasurements	**418**	**420**
Write-offs / reversals	**(22)**	**(22)**
Depreciation	**(649)**	**(653)**
Balance at December 31, 2023	**2,536**	**2,561**

Classification of depreciation of right-of-use assets in profit and loss for the year

In the years ended December 31, 2023 and December 31, 2022, the Company recognized the following depreciation amounts referring to right-of-use assets in cost of goods and services sold:

	Individual		Consolidated	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Depreciation	**135**	165	**137**	169

In millions of reais, unless otherwise stated

Lease liabilities

	Individual	Consolidated
Balance at December 31, 2021	4,152	4,202
Additions and remeasurement	323	326
Write-offs / reversals	(120)	(127)
Payment of principal	(698)	(702)
Interest payment	(430)	(435)
Interest incurred	430	435
Balance at December 31, 2022	3,657	3,699
Additions and remeasurement	**418**	**420**
Write-offs / reversals	**(31)**	**(31)**
Payment of principal	**(601)**	**(605)**
Interest payment	**(454)**	**(459)**
Interest incurred	**454**	**459**
Balance at December 31, 2023	**3,443**	**3,483**
Current	**601**	**606**
Noncurrent	**2,842**	**2,877**

c) Maturity of the lease liabilities recognized in noncurrent liabilities

Year	Individual			Consolidated		
	Gross flow	Embedded interest	Lease liabilities	Gross flow	Embedded interest	Lease liabilities
2025	**906**	**(323)**	**583**	**915**	**(327)**	**588**
2026	**813**	**(250)**	**563**	**822**	**(253)**	**569**
2027	**684**	**(182)**	**502**	**693**	**(185)**	**508**
2028	**556**	**(122)**	**434**	**565**	**(124)**	**441**
2029	**425**	**(74)**	**351**	**433**	**(75)**	**358**
Above 5 years	**490**	**(81)**	**409**	**494**	**(81)**	**413**
Total	**3,874**	**(1,032)**	**2,842**	**3,922**	**(1,045)**	**2,877**

d) Potential right for PIS and COFINS recoverable

For purposes of complying with the requirements of CVM/SNC/SEP Memorandum Circular No. 02/2019, the Company reports that as at December 31, 2023, payments of lease liabilities, which generate a potential right for PIS and COFINS on the gross contractual flow, amount to R$400 – Individual and R$405 – Consolidated (R$433 - Individual and R$439 - Consolidated at December 31, 2022).

The Company has potential right for PIS and COFINS recoverable embedded in the lease consideration amounts. In measuring cash flows from leases, tax credits relating to potential impacts of PIS and COFINS were not recorded.

e) Agreements per term and discount rate

Agreement term	(%) Annual average rate	
	12.31.2023	12.31.2022
Within 5 years	**13.19%**	12.31%
From 6 to 10 years	**13.63%**	13.78%
From 11 to 15 years	**14.44%**	11.15%
From 16 to 20 years	**14.34%**	19.52%

In millions of reais, unless otherwise stated

f) Additional information

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

The payment flows of the Company's lease agreements are substantially indexed to inflation. To safeguard reliable representation and comply with the Brazilian SEC ("CVM") guidelines in Memorandum Circular No. 2/2019, liability balances without inflation are provided, which were effectively accounted for and the estimated inflated balances.

	Individual		Consolidated	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Actual Flow				
Lease liabilities	**4,871**	5,276	**4,928**	5,340
Embedded interest	**(1,428)**	(1,619)	**(1,445)**	(1,641)
	3,443	3,657	**3,483**	3,699
Inflated Flow				
Lease liabilities	**6,157**	6,712	**6,230**	6,795
Embedded interest	**(1,998)**	(2,288)	**(2,022)**	(2,319)
	4,159	4,424	**4,208**	4,476

The inflated flow was measured at the present value of the lease payments expected until the end of each agreement, incorporating projected future inflation and discounted by IBR, that is, the nominal interest rate.

In preparing future contractual cash flows and incorporating 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 agreements (Extended Consumer Price Index - IPCA). The inflation curves were obtained on the first-time adoption date of 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 provided 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 indexes observed in the market.

20. Deferred revenues

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.

In millions of reais, unless otherwise stated

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Additional or extended guarantees (i)	**933**	980	**933**	980
Card operations and correspondent bank (ii)	**1,307**	1,285	**1,307**	1,285
Insurance and services (iii)	**71**	85	**71**	85
Other	**1**	5	**83**	79
	2,312	2,355	**2,394**	2,429
Current	**229**	190	**244**	201
Noncurrent	**2,083**	2,165	**2,150**	2,228

(i) Additional or extended warranties

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 prepayment received was R$837 and is recognized in profit and loss to the extent that the goals contractually set are achieved. On February 23, 2022, the Company entered into a second amendment and new goals were established, this amendment will be in effect until December 2038.

(ii) Card operations and correspondent banks

On November 10, 2022, the Company entered into an amendment referring to renewal of the period of partnership for offer of credit cards and other financial products ("Amendment") with Banco Bradesco S.A and Banco Bradescard S.A ("Bradesco"), in the network of stores and *websites* operated under the Casas Bahia brand. The agreement in effect until then would end in 2029. This Amendment is mainly aimed at: (i) defining a new term of effectiveness of the partnership and exclusivity for the offer of co-branded credit cards until November 10, 2032 in the stores and websites operated under the Casas Bahia brand; (ii) establishing new payments to be made by virtue of the new term agreed upon for offering exclusive financial products, and setting out joint goals for the partnership to be successful; and (iii) updating and establishing certain terms and conditions that will regulate future relationships in the sphere of the partnership initially entered into. The amounts involved in this transaction total R$1,750 and are represented by prepaid commissions amounting to R$1,400, and a signing bonus amounting to R$350. The amount received is recorded in profit and loss to the extent that the contractual goals are met.

(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 prepayment received by the Company was R$100, which is recognized in profit and loss to the extent that the goals contractually set are achieved. On December 18, 2020, the Company and CDF entered into an amendment and renegotiated the agreement previously entered into between the parties. This amendment is valid until December 2029.

On November 10, 2020, the Company, USS and MMS entered into an amendment to the partnership agreement for intermediation of services and other covenants, and renegotiated the agreements previously executed between the parties. This amendment is valid until October 2025.

c) Management's estimate for realization of deferred revenue balances classified as "Noncurrent"

Year	Individual	Consolidated
2025	**227**	**242**
2026	**219**	**234**
2027	**219**	**234**
2028	**219**	**234**
2029	**220**	**227**
Above 10 years	**979**	**979**
Total	**2,083**	**2,150**

21. Equity

21.1 Capital

On September 12, 2023, the Board of Directors approved the increase in the Company's authorized capital. The increase may be made through resolution by the Board of Directors, which will set the issue price and other issue conditions. At December 31, 2023, the Company's authorized capital was represented by 3,000,000 (1,794,000 at December 31, 2022).

On November 27, 2023, the reverse stock split of common shares issued by the Company subject to no change in Company capital was approved. The reverse stock split was conducted so as not to change the proportion of interest held by the shareholders in Company capital; it will not affect the equity and political rights linked to the shares issued by the Company. The Company carried out a 25-to-1 reverse stock split, and shares have been traded as such since December 15, 2023.

At December 31, 2023, the Company's capital amounted to R$5,340 (R$5,044 at December 31, 2022) and was represented by 95,083 common registered no-par-value shares with voting rights.

	12.31.2023	12.31.2022
Paid-in capital (i)	**5,450**	5,138
Share issue costs (ii)	**(110)**	(94)
Company's capital	**5,340**	5,044

(i) Paid-in capital refers to the investments made in the Company by its shareholders.
(ii) Share issue costs are amounts directly attributable to the activities necessary for the issue of shares.

21.2 Treasury shares

The Company has treasury shares to cover long-term incentive programs and retention of its key executive officers. As at December 31, 2023, breakdown of treasury shares is as follows:

	Numbers of share (in millions) (*)	Amounts (in millions) (R$)	Average stock price (in reais) (R$)
Balance at December 31, 2021	92	11	4.62
Acquisition	640	62	3.95
Disposal	(8)	1	2.99
Balance at December 31, 2022	724	74	4.03
Acquisition	**(504)**	**(52)**	**4.03**
Balance at December 31, 2023	**220**	**22**	**4.03**

(*) Due to the reverse stock split that occurred in the year ended December 31, 2023, for better comparability, the previous balances of the number of shares were grouped in the ratio of 25:1. For more details, see Note 21.1.

21.3 Capital transactions

Capital transactions relate to changes in the equity interest of subsidiaries or joint ventures.

In millions of reais, unless otherwise stated

21.4 Capital reserves

a) Goodwill reserve

The amount recorded in “Special goodwill reserve” derives from the merger of Mandala Empreendimentos e Participações S.A. into the Company on December 22, 2009, this company’s goodwill had been generated upon acquisition of Casas Bahia Group 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 relating to Nova 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, i.e. benefiting all shareholders of Casas Bahia Group.

b) 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.

Date of issuance of shares	Premium on subscription of shares
06.15.2020	2,227
09.13.2023	311
Total	**2,538**

c) 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.

<u>Accounting policy</u>

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

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 satisfied (“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 or 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.

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.

- Balances of share-based payment plans (in millions)

Series granted	Grant date	Strike price (in reais) (i)	Balance at 12.31.2023	Available to be exercised	Grace period to be fulfilled			
					2024	2025	2026	2027
E	09.12.2019	R$ 4.97	665	333	182	50	50	50
Stock options	04.27.2021	R$ 10.01	41	-	17	12	12	-
Restricted shares	04.27.2021	-	41	-	17	12	12	-
Restricted shares	05.10.2022	-	215	-	53	54	54	54
Special shares	05.10.2022	-	140	-	35	35	35	35
Equity settlement plans			**1,102**	**333**	**304**	**163**	**163**	**139**
Phantom shares	09.12.2019	-	5	-	2	3	-	-
Cash settlement plans			**5**	**-**	**2**	**3**	**-**	**-**

(i) Amounts according to contracts on the grant date.

- Changes in share-based payment plans (in millions)

	12.31.2022	Granted	Exercised	Cancelled	12.31.2023
Shares (*)	3,302	**20**	**(579)**	**(1,636)**	**1,107**

(*) For better comparability, the previous balances of the number of shares have been grouped in a ratio of 25:1. For more details, see Note 21.1.

The expense, including taxes and social charges withheld, relating to the stock option programs and recognized in the year ended December 31, 2023 totaled R$20 (R$60 in the year ended December 31, 2022).

22. Sales and service revenue

a) Accounting policy

The Company sells consumer electronics, home appliances, 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 Asap Logística 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 profit and loss 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.

In millions of reais, unless otherwise stated

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	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Goods	**30,127**	31,996	**30,179**	32,037
Operating financial services (c)	**2,527**	2,343	**2,534**	2,359
Services	**1,239**	1,636	**1,341**	1,707
Freight	**314**	265	**378**	315
Gross revenue from net sales of returns and cancellations	**34,207**	36,240	**34,432**	36,418
Taxes on goods	**(5,168)**	(5,089)	**(5,181)**	(5,099)
Taxes on operational finance transactions (c)	**(97)**	(92)	**(97)**	(93)
Taxes on services	**(177)**	(223)	**(212)**	(250)
Taxes on freight	**(63)**	(56)	**(95)**	(78)
Taxes on revenue	**(5,505)**	(5,460)	**(5,585)**	(5,520)
Operating revenue, net	**28,702**	30,780	**28,847**	30,898

c) Operating finance income

	Individual		Consolidated	
	12.31.2023	**12.31.2022**	**12.31.2023**	**12.31.2022**
Casas Bahia Credit Facility (i)	**2,598**	2,194	**2,598**	2,194
Other	**(71)**	149	**(64)**	165
Gross operating finance income from returns and cancellations	**2,527**	2,343	**2,534**	2,359
Casas Bahia Credit Facility	**(75)**	(74)	**(75)**	(74)
Other	**(22)**	(18)	**(22)**	(19)
Taxes on operating financial services	**(97)**	(92)	**(97)**	(93)
Operating finance income – Casas Bahia Credit Facility	**2,523**	2,120	**2,523**	2,120
Operating finance income (Other)	**(93)**	131	**(86)**	146

(i) These correspond to time sales financed through Direct Consumer Credit with Seller Intervention (Casas Bahia Credit Facility), generally payable in installments within up to 24 months.

d) Interest of Casas Bahia Credit Facility

	Individual and Consolidated	
	12.31.2023	**12.31.2022**
Casas Bahia Credit Facility	**2,598**	2,194
Interest to incur on Casas Bahia Credit Facility (Nota 6.1)	**1,656**	1,650
Total interest of Casas Bahia Credit Facility	**4,254**	3,844

In millions of reais, unless otherwise stated

23. Expenses by nature

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022 (*)restated
Cost with inventories sold	**18,954**	19,762	**18,668**	19,653
Personnel expenses	**2,187**	2,465	**2,876**	3,014
Third-party service expenses	**3,104**	3,057	**2,870**	2,986
Freight expenses	**942**	1,048	**1,019**	1,100
Allowance for doubtful accounts - Casas Bahia Credit Facility, net of recovery (ADA)	**990**	1,029	**990**	1,029
Expected credit losses - Other (ADA)	**142**	15	**190**	56
Expenses with labor contingencies	**766**	449	**805**	439
Other	**389**	458	**438**	503
	27,474	28,283	**27,856**	28,780
Cost of sales and services	**20,154**	21,010	**20,792**	21,684
Selling expenses	**6,018**	6,216	**5,883**	6,160
General and administrative expenses	**1,302**	1,057	**1,181**	936
	27,474	28,283	**27,856**	28,780

(*) Balances restated given the reclassification of personnel expenses directly related to technology and logistics services. See Note 2.6

24. Other operating income (expenses), net

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Restructuring expenses (i)	**(577)**	(208)	**(581)**	(186)
Gain from (loss on) disposal of property and equipment and intangible assets	**(38)**	24	**(129)**	38
Other (ii)	**(535)**	55	**(552)**	46
	(1,150)	(129)	**(1,262)**	(102)

(i) This balance 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.

(ii) This balance mainly comprises amounts related to the provision for ICMS - DIFAL, expenses related to the derecognition of items considered obsolete and/or scrapped, and other expenses related to the Company's Transformation Plan.

In millions of reais, unless otherwise stated

25. Finance income (costs), net

a) Breakdown of balances

	Individual		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Finance costs				
Cost of debt	**(588)**	(556)	**(588)**	(557)
Transfers to financial institutions - CDCI (i)	**(819)**	(626)	**(819)**	(626)
Interest - trade accounts payable - agreement (Note 13) (ii)) (ii)	**(287)**	(246)	**(287)**	(246)
Costs of sales and discount on receivables	**(1,031)**	(751)	**(1,035)**	(763)
Losses on restatements	**(104)**	(213)	**(117)**	(219)
Interest on lease liabilities	**(454)**	(430)	**(459)**	(435)
Other finance costs	**(109)**	(25)	**(112)**	(32)
Total finance costs	**(3,392)**	(2,847)	**(3,417)**	(2,878)
Finance income				
Yield from cash and cash equivalents	**58**	38	**69**	83
Gains on restatements	**271**	496	**289**	518
Advances to suppliers (trade accounts payable – portal) (Note 13 (i))	**5**	22	**5**	22
Other finance income	**5**	5	**13**	11
Total finance income	**339**	561	**376**	634
Finance income (costs), net	**(3,053)**	(2,286)	**(3,041)**	(2,244)

(i) Transfers to financial institutions through the seller ("Casas Bahia Credit Facility") correspond to the financing of time sales for customers (Note 14). The rates are fixed for each contract entered into by the Company. The rates are fixed for each contract entered into by the Company. At December 31, 2023, the weighted average of the rates adopted by financial institutions for these transactions was 18.31% p.a. (at December 31, 2022 the rate adopted was 16.86% p.a.).

(ii) Due to commercial agreements entered into over the year ended December 31, 2022, expenses related to interest arising from Trade accounts payable - agreement were commercially offset.

26. 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 (loss). 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 (loss) takes 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 and/or preferred 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, excluding the shares repurchased by the Company and held as treasury shares.

	12.31.2023	12.31.2022 (*)
Basic numerator		
Basic earnings (loss) allocated and not distributed	**(2,625)**	(342)
Basic earnings (loss) allocated and not distributed	**(2,625)**	(342)
Basic denominator (in thousands of shares)		
Weighted average number of shares	**72,737**	63,213
Basic earnings (loss) per share (in R$)	**(36.09253)**	(5.40726)
Diluted denominator (in thousands of shares)		
Stock options	**-**	-
Weighted average number of shares	**72,737**	63,213
Diluted weighted average	**72,737**	63,213
Diluted earnings (loss) per share (in R$)	**(36.09253)**	(5.40726)

(*) Due to the reverse stock split that occurred in the year ended December 31, 2023, for better comparability, the previous balances of the number of shares were grouped in the ratio of 25:1. For more details, see Note 21.1.

27. Insurance coverage

The Company takes out insurance coverage to minimize the risks of property damage that may lead to losses for its business. The insurance policies cover stores, distribution centers, administrative buildings, including all property and equipment items and inventories. For any losses incurred by the Company by virtue of interruption of its activities or due to accidents covered by the insurance policy, the loss of profit insurance covers the losses incurred.

At December 31, 2023, the insurance coverage is deemed sufficient by management to cover claims, if any, and is summarized as follows:

Insured assets	Coverage	Insured amount
Property and equipment and inventories	Named perils	**13,727**
Profit	Loss of profits	**5,499**
Vehicles and other (*)	Losses and damages	**86**

(*) 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$405.

28. 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 concluded that it is appropriate to present the Company's financial statements in one single segment.

29. Events after the reporting period

Extension of debt schedule

According to the Material Fact Notice disclosed to the market on March 18, 2024, under the Transformation Plan, the Company signed a document with financial institutions containing terms and conditions for restructuring of maturities of its Bank Credit Bills (CCB) and the 9th issue of the Company's debentures.

The restructured debt amounts to R$1,519, and will mature in 3 years with a cost of CDI + 4% p.a. The principal amount will be paid quarterly after an 18-month grace period, and the remaining debt (70%) will be paid in the 36^{th} month.