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

Year ended December 31, 2024
With Independent Auditor's Report

Summary

Management Report

Message from Management

2024: a year marked by overcoming, consistent deliveries and market gain

The fourth quarter of 2024 underscores the continuation of the second year of the Transformation Plan, resuming the Company's revenue growth and reaffirming its consistent deliveries. After an initial focus on reducing costs, expenses and enhancing operational efficiency, in addition to debt re-profiling, we began phase two with an emphasis on continuous growth in profitability, resulting in significant market gains and an excellent Black Friday.

We are aware of the global economic and geopolitical uncertainties of 2024 that continue to directly or indirectly impact Brazilian retail, especially with interest rates in Brazil at high levels. Despite these macroeconomic challenges, we are excited with our performance this quarter and with the increasing level of confidence with each P&L release.

As highlights, we had the best cash generation in the last 5 years, the fifth consecutive quarter of sequential improvement in operational profitability, revenue growth in both physical stores and e-commerce, greater penetration of services, record credit facility portfolio and increase in 1B liquidity compared to 3Q24.

2024 P&L

Gross profit totaled R$8,377, with a gross margin of 30.8%, a gain of 2.9 p.p. vs. 2023. The margin is explained by the better combination of product mix, quality of inventories, greater penetration of financial solutions and services in revenue, in addition to the 15.6% growth in marketplace revenue.

Selling, general, and administrative expenses in 2024 presented a reduction of (5.4%), equivalent to R$383 p.a., a decrease of 0.1 p.p. stability in relation to net revenue (24.6%).

Adjusted EBITDA reached R$1,970 in 2024 and a margin of 7.2%, higher by 2.9 p.p. vs. 2023. The adjusted EBITDA margin of 2024 is the highest in 21 months.

In 2024, net finance income (costs) was R$(2,187), 28.1% lower vs. 2023 and 2.5 p.p. lower as a percentage of Net Revenue (8.0%). Worth mentioning that despite accounting for interest on financial debts in P&L, the cash impact of these items was R$133 in 2024.

EBIT totaled R$(1,677) in the year, an improvement of 60.1% vs. 2023, resulting from the resumption of revenue growth and gradual improvement in the Company's profitability, despite the challenging market and high interest rates. Net loss amounted to R$(1,045) vs. R$(2,625) in 2023, a 60.2% improvement, with net margin of (3.8%) in the year, representing an increase of 5.3 p.p. vis-à-vis 2023.

The Company presented adjusted net debt of R$(360) and equity of R$2,477. In 2024, liquidity totaled R$3,709, increasing by R$130 compared to 2023. As a result, net debt reduced R$44 compared to 2023.

This quarter we broke a record in the Credit facility portfolio reaching R$6,178, growth of 15%.

Final considerations

We are extremely proud to be recognized as Folha de São Paulo's newspaper Top of Mind brand for the 19th consecutive year in the furniture and electronics category. This recognition reflects the trust and affection that Brazilians have for our brand. Furthermore, we were elected the most recognized brand in the southeast region among all sectors, further highlighting our commitment to quality and customer satisfaction. We also celebrate our recognition by Estadão's newspaper *"Marcas Mais"* award in the household appliance stores category, a testament to our continuous effort to offer the best products and services. Last but not least, we are honored to be certified by GPTW (Great Place to Work), reinforcing our commitment to providing an exceptional work environment for our employees.

With the structural adjustments of recent quarters and the start of revenue growth in 4Q24, we remain focused on executing our Transformation Plan to continue advancing profitability and cash flow generation. We are accelerating growth in physical stores, our most profitable channel, and prioritizing profitability online, improving the customer journey for solid growth in 2025. The expansion of our credit facility remains crucial to sustain this growth journey with great caution and attention to default-related numbers. We operationalized the credit rights investment fund (FIDC) to promote credit, strengthening our competitive advantage and diversifying the operation's funding. In addition to the credit sale installment plan, we continue to advance in the profitability of services without capital being used.

We ended year 2024 with significant progress, demonstrating our company's resilience and potential. We take this opportunity to thank all our customers, employees, suppliers, financial institutions, and other stakeholders. We are confident that we are on the right path to changing the Company's level, and entering a new cycle of sustainable growth. We will continue with *Total Dedication to You!* Thank you all very much.

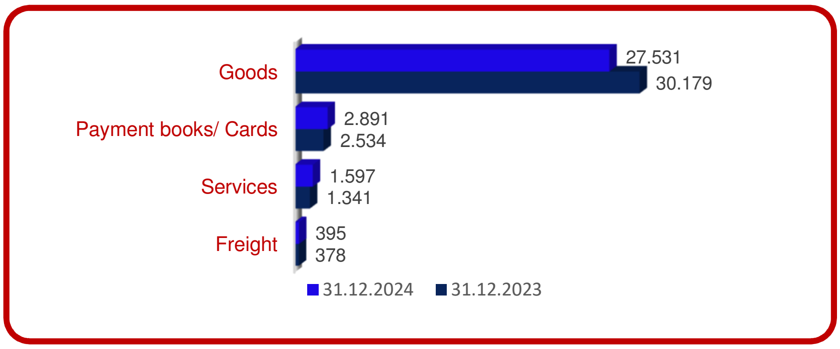
In millions of reais, unless otherwise stated

Financial and operational highlights

Gross revenue

In year 2024, consolidated gross revenue totaled R$32,414 (R$34,432 in 2023). Despite the marketplace revenue growth by 15.6%, revenues online sales decreased, resulting in a variation of (5.9%) in the gross revenue balance for the year.

Revenue from sale of goods recorded a variation of (8.8%) due to the fall in GMV from online 1P and physical stores. 3P GMV, however, grew 13.2% in the year.



The performance of brick-and-mortar stores is primarily explained by the recovery of revenue growth in these stores, along with the positive performance of marketplace revenue, driven by the pursuit of a balance between sales and profitability.

Service revenue grew 19.1% due to higher penetration of insurance sales, assembly services, marketplace commission and logistics as a service.

Our credit facility remains an important tool for customer loyalty and a competition differential, with penetration of 16.8% in consolidated gross revenue (an increase of 3.6 p.p. compared with 2023).

	12.31.2024	12.31.2023
Brick-and-mortar stores	**22,296**	21,796
Online	**10,118**	12,636
1P	**9,294**	11,924
3P	**824**	712
Gross sales revenue, net of returns and cancellations by channel	**32,414**	34,432

Throughout year 2024, in line with the Transformation Plan, 15 stores were closed given their performance below expectations, ending 2024 with 1,064 stores.

Gross profit

	12.31.2024	12.31.2023
Operating revenue, net	**27,206**	28,847
Cost of sales and services	**(18,829)**	(20,792)
Gross profit	**8,377**	8,055
Gross margin	**30.8%**	27.9%

Despite the decline in net operating revenue, the healthy gross margin is explained by the better combination of product mix, quality of inventories, the greater penetration of financial solutions and services, in addition to the growth in marketplace revenue by 15.6%.

In millions of reais, unless otherwise stated

Selling, general and administrative expenses

	12.31.2024	12.31.2023
Selling expenses	**(5,486)**	(5,883)
General and administrative expenses	**(1,195)**	(1,181)
Selling, general and administrative expenses	**(6,681)**	(7,064)

Selling, general and administrative expenses in 2024 decreased by (5.4%) and increased in relation to ROL (24.6%). The lower expense is explained by a (6.7%) reduction in selling expenses, reduction in third-party service expenses (7.6%), reduction by (23.9%) in labor claims expenses, and improvement in the containment of expenses in the year.

Net income (loss)

	12.31.2024	12.31.2023
Loss before income and social contribution taxes (EBIT)	**(1,677)**	(4,202)
Net revenue %	**-6.2%**	-14.6%
Income and social contribution taxes (IRPJ and CSLL)	**632**	1,577
Net loss	**(1,045)**	(2,625)
Net margin %	**-3.8%**	-9.1%

In the year ended December 31, 2024, EBIT was R$(1,677), given the recovery of revenue growth and the gradual improvement in the Company's profitability, despite the challenging market conditions and rising interest rates.

Financial cycle

	12.31.2024	12.31.2023
(+/-) Inventories	**4,695**	4,353
Inventory days[1]	**91**	76
(+/-) Suppliers of goods and portal	**7,452**	6,379
Trade accounts payable – agreement	**2,446**	1,765
Service providers	**637**	823
Total days of trade accounts payable	**144**	112
Financial cycle variation	**53**	36

([1]) Days in COGS

With respect to inventories, the Company reached the level of R$4,695, and in comparison with 2023 presented an increase of R$342, so as to capture the growth observed in recent months and the increase in flow in 1Q25. Additionally, there was an increase in days payable outstanding (DPO), which more than offset the increase in inventories.

In millions of reais, unless otherwise stated

Capital structure

	12.31.2024	12.31.2023
(+) Casas Bahia credit facility	**6,178**	5,355
(-) Transfers to financial institutions ("CDCI")	**(5,834)**	(5,383)
(=) Credit sale installment plan balance - CDCI, net	**344**	(28)
(-) Loans and financing – Current (*)	**(358)**	(2,332)
(-) Loans and financing – Noncurrent (*)	**(3,711)**	(1,651)
(=) Gross debt	**(4,069)**	(3,983)
(+) Trade accounts payable - agreement	**(2,446)**	(1,765)
(=) CDCI net balance + gross debt + trade accounts payable agreement	**(6,171)**	(5,776)
(+) Cash and short-term investments	**2,131**	2,573
(+) Credit card companies	**532**	273
(+) Other accounts receivable and B2B accounts receivable	**1,046**	733
(=) Cash and cash equivalents (Management purposes)	**3,709**	3,579
Equity	**2,477**	3,454

(*) Transfer balances to financial institutions – CDCI are not considered.

The Company's gross debt for purposes of covenants and understanding of capital structure does not consider Trade accounts payable - agreement (Note 13) and Transfer to financial institutions – CDCI (Note 14).

Capex

	12.31.2024	12.31.2023
Logistics	**11**	14
New stores	**10**	9
Store renovation	**10**	31
Technology	**158**	329
Other	**2**	3
Total	**191**	386

Human resources

In the year ended December 31, 2024, the Company had a workforce of 31,739 employees and a turnover rate of 32% (30.3% in the year ended December 31, 2023). The increase in turnover was mainly due to the Transformation Plan, which is intended to streamline the Company's structures.

	12.31.2024	12.31.2023
Headcount at beginning of year	**37,958**	46,052
Hires	**8,543**	9,659
Terminations	**(14,762)**	(17,753)
Headcount at end of year	**31,739**	37,958

In the year period ended December 31, 2024, 636,277 hours of training were conducted, which represents an average of about 13 hours of development per employee.

ESG Highlights

Environment

Renewable Energy: Progress in the renewable energy target with acquisition of 84% of energy from clean and renewable sources. Commitment to reach 90% by the end of 2025.
REVIVA Recycling Program: Allocation of more than 2,800 tons of waste for recycling, benefitting 11 partner cooperatives. With 755 electronic waste collectors distributed across the Group's stores and operations, 6 tons of electronic waste was collected for proper disposal and recycling.

Social - Diversity

People with Disability: *Jornada Sem Barreiras* employee empowerment program trained 352 employees and expanded its operations with an exclusive track for leadership and career mentoring for 20 employees, starting in the 2nd quarter of 2025.
Race and Ethnicity | #DedicaçãoNaLutaAntirracista: Currently, 46.7% of employees are black. Representation in leadership grew from 34% to 37% in one year, reinforcing our commitment to racial equity. In July, we began phase three of racial self-declaration to strengthen the visibility of internal diversity.
Gender Equity: Female Empowerment Dialogues: literacy and anti-discrimination initiative, impacting more than 1,350 women in 20 days.
***Dona de Si* –Female Mentoring:** program that promoted 400 women into management positions and above, strengthening their trajectories and leadership.
LGBTQIAPN+: The "I am, because we are diverse and inclusive" campaign impacted 100% of the internal public via institutional channels. In June, we held a webinar on the mental health of the LGBTQIAPN+ population, with more than 200 live views. Prisma Visita continues to promote strategic dialogues to strengthen inclusion and combat discrimination.

Social - Casas Bahia Foundation

Youth Protagonism: More than 7 thousand young people were trained by Instituto PROA in 2024, representing a significant increase compared to the 5.5 thousand undergraduates in the previous year. We are currently their institutional supporters, being among the 5 largest investors and, in partnership with the Grupo Casas Bahia, among the 10 companies that most employ young people. In 2024, we increased the hiring of young people by our sponsoring entity by around 60%, compared to the previous year, strengthening our commitment to generating job and income opportunities for young people.
Fostering Entrepreneurship: we have supported the Instituto Dona de Si since 2021, contributing to the training of women interested in leveraging the businesses they develop in their communities, through *Jornada Dona de Si* female mentoring program. In 2024, we expanded the project to the cities of São Paulo and Salvador, adding more than 500 vacancies compared to the previous year, consolidating our commitment to promoting the qualification and empowerment of women in different regions of Brazil. In total, we have provided 800 vacancies in entrepreneurship for women in the communities of São Paulo, Rio de Janeiro, Porto Alegre and Salvador.
Social Engagement: The highlight for year 2024 was the SOS Rio Grande do Sul campaign: investment of more than R$230 thousand in the purchase and donation of 4.5 thousand items, +150 volunteers involved in the sorting of more than 20 thousand items donated by employees and customers - around 35 tons of donations collected at HUBs, DCs, Bartira and Stores, 4 partner NGOs in the distribution of donations to more than 6.4 thousand beneficiaries.

Governance

Reelection of administrative bodies in 2024: Board of Directors; Supervisory Board; Audit, Risk and Compliance, Personnel, Finance, and Ethics Committees.
2nd Edition of the Compliance Week: With themes focused on the culture of integrity and prevention of harassment and discrimination, this edition featured activities and participation from top leadership, raising awareness in 100% of internal areas.
Integrity Program: We renewed our adherence to the Business Pact for Integrity and Against Corruption of the Ethos Institute, with a continuous increase in the indicators of the Company's Integrity Program.
External Auditor's Assessment of internal controls: No material weaknesses or significant deficiencies have been reported since 2020, reinforcing the priority of this agenda for the Company.
Robust Corporate Governance practices:

- Listing in the Novo Mercado segment;
- Capital dispersed with more than 99% free float;
- Independent Board members in the committees;
- CEO and Chairman of the Board of Directors are distinct officers;
- Statutory Audit, Risk and Compliance committee;
- Independent outsourced hotline, available 24/7.

Investments in associates and subsidiaries

The Company is part of an economic group in which seventeen 15 (fifteen) subsidiaries (direct and indirect interest) and three (3) associates participate.

In the year ended December 31, 2024, the Company did not invest in the acquisition of equity interests.

Dividend distribution policy

The Company's bylaws provide for dividends of no less than 25% of annual net income, adjusted by 5% representing the setup of a legal reserve until this reserve is equivalent to 20% of the paid-in capital.

Ownership structure

	Number of shares (in thousands)	
	12.31.2024	12.31.2023
Goldentree Equity Investment Fund	**7,462**	7,462
Twinsf Multimarket Investment Fund ST	**6,604**	6,604
EK-VV Limited	**3,279**	3,279
Michael Klein	**1,603**	1,603
BlackRock	**41**	246
Other	**76,083**	75,669
Treasury shares	**15**	220
	95,087	95,083

Relationship with independent auditors

In accordance with CVM Ruling No. 162/22, we inform that the independent auditors - Ernst & Young Auditores Independentes S/S Ltda. - did not provide any services other than those related to external audit for the Company and its subsidiaries in 2024. The Company’s policy on engaging independent auditors ensures that there is no conflict of interest, loss of independence, or objectivity.

Executive Board's Representation on the financial statements

In compliance with article 31, paragraph 1, item II, combined with article 27, paragraph 1, item VI, both of Brazil's Securities and Exchange Commission (CVM) Resolution No. 80/2022, 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, 2024, authorizing their completion on that date.

São Paulo (SP), March 12, 2025.

Renato Horta Franklin
Chief Executive Officer

Frédéric Paul Bernard Gauthier
Vice-President, Operations

Andréia Fernandes Nunes
Chief People, Management and ESG Officer

Elcio Mitsuhiro Ito
Financial Vice-President and Investor Relations Officer

Fábio Eduardo de Pieri Spina
Vice-President, Legal

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

In compliance with article 31, paragraph 1, item II, combined with article 27, paragraph 1, item VI, both of CVM Resolution No. 80/2022, 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, 2024, authorizing their disclosure on that date.

São Paulo (SP), March 12, 2025.

Renato Horta Franklin
Chief Executive Officer

Frédéric Paul Bernard Gauthier
Vice-President, Operations

Andréia Fernandes Nunes
Chief People, Management and ESG Officer

Elcio Mitsuhiro Ito
Financial Vice-President and Investor Relations Officer

Fábio Eduardo de Pieri Spina
Vice-President, Legal

GRUPO CASASBAHIA

Supervisory Board's Opinion on the financial statements

Pursuant to the Articles of Incorporation and legal provisions, the Supervisory Board of Grupo Casas Bahia S.A. ("Company") examined the Management Report and the Financial Statements for the year ended December 31, 2024. Based on the examinations conducted and the clarifications provided by management, and considering the opinion of the independent auditors - Ernst & Young Auditores Independentes S.S. - dated March 12, 2025, the Supervisory Board expresses a favorable opinion that the referred to documents, in all material respects, are in a condition to be considered at the Company's Annual Shareholders Meeting to be convened in accordance with Law No. 6404/76.

São Paulo (SP), March 12, 2025.

Magali Rogéria de Moura Leite
Chairperson

Olavo Fortes Campos Rodrigues Junior
Member

Susana Hanna Stiphan Jabra
Member

GRUPO CASASBAHIA

Summary of the Annual Audit, Risk and Compliance Committee Report

To the Members of the Board of Directors of Grupo Casas Bahia S.A. ("Company")

1. PRESENTATION

The Company's Audit, Risk and Compliance Committee ("Committee") is a statutory advisory body that reports directly to the Board of Directors. It is a permanent committee governed by applicable legislation and regulations, primarily by Brazilian Securities and Exchange Commission ("CVM") Ruling No. 23/2021, as amended, and by the provisions contained in the Company's Articles of Incorporation, Bylaws and its Internal Regulations.

The Committee was established at the Board of Directors' meeting held on October 24, 2018, during the Company's migration to the special listing segment of B3 S.A. – Brasil, Bolsa, Balcão, known as the *Novo Mercado*. It is currently composed of three members.

On April 30, 2024, Mr. Luiz Carlos Nannini, a member of the Committee, submitted a communication regarding his resignation from the position for personal reasons.

On June 5, 2024, Mr. Luiz Carlos Passetti was appointed as an independent member of the Company's Audit, Risk and Compliance Committee, with recognized experience in corporate accounting matters, in accordance with CVM rules.

Thus, the new Audit, Risk, and Compliance Committee structure was approved, with Mr. Rogério Paulo Calderón Peres continuing in the role of coordinator and Mr. André Coji remaining as a member of the Committee. These members' terms of office will be effective until the 2026 Annual General Meeting.

The Committee reports to the Board of Directors and operates independently from the Executive Board. Its competencies and responsibilities are performed in accordance with applicable legal and statutory obligations, as well as those defined in its Internal Regulations.

2. ACTIVITIES PERFORMED

According to the Committee's Internal Regulations, ordinary meetings must be held at least bimonthly. The Committee met 15 times from January 2024 to March 2025.

All matters, guidance, discussions, recommendations, and opinions of the Committee were recorded in meeting minutes, which are signed by the present Committee members and are kept on file at the Company's headquarters, and on the platform used by the Company's Corporate Governance department.

The main activities carried out by the Committee from January 2024 to March 2025 were:

(a) Analysis and recommendation regarding the Company's Management Report and Financial Statements for the year ended December 31, 2023 ("FS 2023");
(b) Evaluation and recommendation regarding the renewal of the agreement with the Company's Independent Auditor (EY) for fiscal year 2024;
(c) Analysis and recommendation regarding the Company's financial information for the March, June, and September 2024 quarterly reviews;
(d) Analysis and recommendation regarding the Company's financial information for the period ended December 31, 2024 (4Q24);
(e) Monitoring of the Company's External Audit work plan for fiscal year 2024;
(f) Monitoring of the Internal Audit annual plan and work in fiscal year 2024;
(g) Analysis and recommendation regarding the update of the Company's Corporate Internal Audit Policy by the Internal Audit department;
(h) Definition of the engagement of Internal Audit for banQi Instituição de Pagamento Ltda.;
(i) Analysis and approval of the annual Internal Audit Work Plan for 2025;
(j) Monitoring of the actions conducted by the Technology department related to Information Security and Cybersecurity of the Company;
(k) Review of the Reference Form for fiscal year 2024;
(l) Monitoring of the work conducted by the Internal Controls, Risks and Compliance department in 2024, including, but not limited to, the results of the Hotline and Risk Maps;
(m) Monitoring of the Hotline indicators: main volumes, themes, outcomes, and management information regarding the allegations (business unit, region etc.);
(n) Comment Letter from the Independent Auditor (EY) – observations, recurrence of issues, and action plans;
(o) Monitoring of the Integrity Program, including the work plan, data on preventive actions, and relevant metrics;
(p) General information about the monitoring applied to the Marketplace Platform;
(q) Analysis and recommendation regarding the Company's Management Report and Financial Statements for the year ended December 31, 2024 ("FS 2024").

3. CONCLUSIONS

Committee members, in exercising their duties, reviewed and analyzed the Company's Financial Statements, accompanied by the Independent Auditor's Report and the Annual Management Report, for the year ended December 31, 2024. Considering all analyses, studies, and discussions held during the meetings and the monitoring and oversight work carried out by the Committee regarding the Financial Statements closure, particularly based on the information provided by the Company, its Independent Auditor, the members of the Committee express that they found no objections to submitting these documents for due consideration by the Company's Board of Directors, with a subsequent recommendation for approval to the Shareholders at the General Meeting.

São Paulo (SP), March 12, 2025.

Rogério Paulo Calderón Peres
Coordinator

Luiz Carlos Passetti
Member

André Coji
Member

São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1.909
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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 the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)

Independent auditors' report on individual and consolidated financial statements

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

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, 2024, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2024, 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) (currently referred by the IFRS Foundation as "IFRS Accounting Standards").

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 opinion.

Emphasis of matter

Recoverability of deferred income and social contribution tax assets

We draw attention to Note 17.d to the individual and consolidated financial statements, which describes the projected realization of deferred income and social contribution tax assets recognized through December 31, 2024, based on income and social contribution tax losses and temporary differences, in the total amount of R$6,140 million and R$6,550 million in the individual and consolidated financial statements, respectively. The realization of these deferred tax assets depends on the future generation of sufficient taxable profits against which income and social contribution tax losses and temporary differences can be utilized. There is uncertainty over the timing of future taxable profit realization and, consequently, over the timing of realization of this asset.

Restatement of corresponding figures

As mentioned in Note 3.1, due to the elimination of non-cash transactions in “Trade accounts payable – reverse factoring (agreement)”, in financing activities of the individual and consolidated statements of cash flows for the year ended December 31, 2024, the corresponding figures of the prior year, presented for comparison purposes, have been adjusted and are being restated as provided for in CPC 03 (R2) – Statement of Cash Flows.

Our opinion is not qualified in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the 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.

Recoverability of deferred income and social contribution tax assets

As disclosed in Note 17, the Company accounted for deferred income and social contribution tax assets and liabilities in the net amount of R$5,395 million and R$5,747 million in the individual and consolidated financial statements, respectively, at December 31, 2024, 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. We considered this matter is 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 base that gives rise to deferred income and social contribution tax assets and liabilities; (ii) comparing the assertiveness of the 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 executive board, particularly those related to projections of future taxable profits, including revenue growth rate and annual margin, reasonableness of changes in other accounts included in the projected profit or loss, as well as the estimated timing of realization of this credit balance; (iv) with the assistance of our specialists in financial projections, we also analyzed the 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, 2024.

As a result of these procedures, we have included a paragraph of emphasis in our report, without modifying our opinion on the matter.

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

Debt restructuring with debentures – Out-of-court reorganization

As mentioned in Note No. 2.6, on April 28, 2024, the Company filed for an Out-of-Court Reorganization Plan, through the restructuring of debts amounting to R$4,080 million, arising from its 6th, 7th, 8th and 9th issuances of debentures and Bank Credit Bills (“CCB”), which was approved on June 19, 2024. As part of the reorganization plan, on July 26, 2024, the Company conducted the 10th issue of nonconvertible debentures (“10th issue”), replacing the financial debts subject to the plan, as detailed in Note 14, in the amount of R$4,080 million, in three series, with the 1st and 3rd nonconvertible into shares, and the 2nd series being convertible into shares. The reorganization plan contemplates the extension of the original debt amortization schedule, including a grace period of 24 months (2 years) for payment of interest and of 30 months (2.5 years) for payment of principal, and total amortization term of 78 months (6.5 years) at CDI + 1.0% to 1.5%. The plan also contemplates the possibility of creditors converting part of the credit into equity interest during the period between 18 and 26 months from the date of approval of the plan. As at December 31, 2024, the total balance of debentures is R$4,069 million (refer to Note 14).

The Company assessed the out-of-court reorganization process and, due to the significant changes in the nature of the debt, especially the option to convert part of the debt into shares of the Company, decided to classify it as a “substantial modification” in the debt, and reversed the amounts of the original obligation, recognizing a new obligation on substantially different terms and conditions, initially at fair value through profit or loss for the year, generating a net gain on borrowing costs of R$637 million before taxes. The Company designated the 1st and 3rd series debentures as financial instruments at amortized cost and the 2nd series debentures as hybrid financial instruments, by including the option to convert this debt into shares of the Company at fair value through profit or loss (“fair value option”).

The designation of financial instruments, recognition of the debt restructuring (“debt modification”), identification of derivatives, initial and subsequent measurement, and the disclosures relating to financial instruments require the Company’s executive board and internal and external advisors to make judgments and estimates. Changes in the assumptions used by the Company to make such judgments and estimates, as well as designating and accounting for trading arising from the debt modification, could significantly impact the amounts recognized in the individual and consolidated financial statements.

How our audit addressed this matter

Our audit procedures included, among others: (i) evaluating the accounting policies applied by the Company and its subsidiaries to classify financial instruments arising from the debt restructuring, including the designations of these instruments for initial and subsequent measurement to be recorded, and their appropriate and consistent application throughout the year and thereafter; (ii) reading and analyzing documents related to the out-of-court reorganization process and the 10^{th} issue of debentures; (iii) involving specialists in financial instruments and derivatives to support the audit team in analyzing the executive board's assessment of the substantial modification in the debt restructuring, and to support the analysis of the initial designation of financial instruments and derivatives and the initial and subsequent measurement of the financial instruments presented by the Company's executive board; (iv) confirming the existence of the financial instruments through confirmation letters sent to the trustee at the reporting date; (v) involving our tax specialists in the analysis of potential tax impacts presented by the Company's executive board, and supported by tax consultants; and (vi) assessing the appropriateness of the Company's disclosures in the notes to the financial statements as regards this matter.

Based on the results of the audit procedures performed on the debenture restructuring process, which are consistent with the executive board's assessment, we considered the criteria, assumptions and policies relating to debentures and adopted by the executive board acceptable in the context of the individual and consolidated financial statements as a whole. We have also assessed the appropriateness of the disclosures made by the Company on the debenture restructuring process and the policies related to these financial instruments in Notes 2.6 and 14 to the financial statements.

Measurement of the provision for labor, civil and tax contingencies

At December 31, 2024, the provision for labor, civil and tax contingencies totaled R$2,349 million and R$2,483 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 various courts and government agencies arising in 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 to R$8,855 million in the individual and consolidated financial statements as at December 31, 2024, for which no provision was recognized. According to an assessment made by the Company's executive board and supported by its external and internal legal advisors, the likelihood of loss of these proceedings is rated as possible. The measurement and recognition of the provision and the disclosures relating to these lawsuits and administrative proceedings require judgment of the Company's and its internal and external legal advisors. Changes in the assumptions used by the Company to exercise this judgment, or changes in external conditions, could 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, among others: (i) evaluating the accounting policies used by the Company and its subsidiaries to classify losses in lawsuits and administrative proceedings, as well as assessing the judgment used to measure the amounts to be recorded as provision and the appropriate and consistent application of the judgment throughout the years presented; (ii) analyzing the sufficiency of the provisions recognized and the contingency amounts disclosed that took into consideration the evaluations prepared by the Company's internal and external legal advisors; (iii) obtaining confirmations letter replies from the from the Company's internal and external legal advisors about the current stage and risk classification of lawsuits and administrative proceedings; (iv) involving 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 recognize provisions; and (v) assessing the appropriateness of the Company's disclosures in the explanatory notes as regards this matter. As a result of these procedures, we identified audit adjustments that indicated the need to supplement this provision, and this adjustment was not recorded by the Company in view of its immateriality to the financial statements as a whole.

Based on the results of the audit procedures performed on the provisions for labor, civil and tax contingencies, which are consistent with the executive board's assessment, we considered the Company's provision recognition policies derived from the assessment of the likelihood of loss in lawsuits and administrative proceedings to support the judgments and estimates adopted by the executive board, as well as the respective disclosures in Note 18, acceptable in the context of the individual and consolidated financial statements as a whole.

Going concern considerations

The individual and consolidated financial statements were prepared using the going-concern assumption, considering that the Company and its subsidiaries 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 the assumption that the executive board neither intends to liquidate the entity nor cease operations, or has no realistic alternative but to do so. Note No. 1 to the individual and consolidated financial statements details how the Company's executive board concluded that there are expectations 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, 2024, 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, and current liabilities higher than current assets by R$5,718 million and R$5,122 million, in the individual and consolidated financial statements, respectively. Additionally, the Company presented other indicators of impairment, such as equity value above the Company's market value, by market capitalization.

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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 going concern assessment, and, consequently, on the individual and consolidated financial statements, we considered this matter a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others: (i) obtaining and analyzing the financial valuation prepared by the Company and the evaluation of the cash flow projections prepared by the Company for the next 12 months as of the reporting date; (ii) assessing the assumptions used in determining the cash flow projections, considering realized results, external data and market conditions, as well as the consistency of the 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 on the covenants, as well as the minutes of meetings of shareholders, those charged with governance and relevant committees; (iv) analyzing the out-of-court reorganization, the 10th issue of debentures, and related agreements on extensions of existing onerous debts in 2024; and (v) reviewing the Company's disclosures in Note 1 to the individual and consolidated financial statements.

Based on the results of the audit procedures performed, which are consistent with the executive board's assessment, we considered the going-concern assumptions used by the executive board, as well as the respective disclosures in Note 1, acceptable in the context of the individual and consolidated financial statements as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's executive board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by the accounting pronouncement CPC 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement and are consistent in relation to the individual and consolidated financial statements as a whole.

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

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

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

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

Responsibilities of 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 accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as “IFRS Accounting Standards”), 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.

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

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

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

- Identified and assessed the risks of material misstatement 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 the executive board’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.

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- 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 units within the Group as a basis for forming an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our 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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicate 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 determine those matters that were of most significance in the audit of the financial statements of the current period 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 12, 2025.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-034519/O

Marcos Alexandre S. Pupo
Accountant CRC SP-221749/O

GRUPO CASASBAHIA

Statement of financial position
December 31, 2024
In millions of reais

	Notes	Individual 12.31.2024	Individual 12.31.2023	Consolidated 12.31.2024	Consolidated 12.31.2023
Assets					
Current assets					
Cash and cash equivalents	5	**2,082**	2,525	**2,131**	2,573
Marketable securities	5	**461**	-	**283**	-
Trade accounts receivable	6	**4,435**	3,351	**4,616**	3,588
Inventories	7	**4,661**	4,325	**4,695**	4,353
Taxes recoverable	8	**1,304**	1,629	**1,352**	1,663
Related parties	9	**501**	500	**295**	268
Prepaid expenses		**261**	237	**269**	247
Other assets		**444**	569	**499**	658
Total current assets		**14,149**	13,136	**14,140**	13,350
Noncurrent assets					
Trade accounts receivable	6	**440**	432	**440**	432
Taxes recoverable	8	**4,473**	4,044	**4,630**	4,189
Deferred taxes	17 (c)	**5,395**	4,764	**5,767**	5,125
Related parties	9	**75**	126	**122**	170
Judicial deposits	18 (e)	**1,612**	1,150	**1,646**	1,167
Financial instruments	15 (b)	**-**	-	**11**	11
Other assets		**484**	459	**484**	460
Investments	10	**2,155**	2,024	**263**	298
Property and equipment	11	**1,222**	1,400	**1,295**	1,478
Intangible assets	12	**1,635**	1,715	**2,674**	2,755
Right-of-use asset	19	**2,391**	2,536	**2,417**	2,561
Total noncurrent assets		**19,882**	18,650	**19,749**	18,646
Total assets		**34,031**	31,786	**33,889**	31,996

See accompanying notes.

GRUPO CASASBAHIA

Statement of financial position
December 31, 2024
In millions of reais

Liabilities	Notes	Individual 12.31.2024	Individual 12.31.2023	Consolidated 12.31.2024	Consolidated 12.31.2023
Current liabilities					
Trade accounts payable	13	**7,841**	7,057	**7,964**	7,179
Trade accounts payable – portal	13	**125**	23	**125**	23
Trade accounts payable – reverse factoring (agreement)	13	**2,446**	1,765	**2,446**	1,765
Loans and financing	14	**5,224**	6,795	**5,224**	6,795
Taxes payable	16	**522**	496	**551**	517
Social and labor obligations		**460**	371	**575**	448
Deferred revenues	20	**208**	229	**209**	244
Related parties	9	**998**	410	**9**	3
Transfers to third parties	15 (b)	**711**	566	**764**	637
Lease liabilities	19	**614**	601	**621**	606
Other liabilities		**718**	560	**774**	612
Total current liabilities		**19,867**	18,873	**19,262**	18,829
Noncurrent liabilities					
Loans and financing	14	**4,222**	2,164	**4,222**	2,164
Deferred revenues	20	**1,724**	2,083	**1,725**	2,150
Provision for contingencies	18	**2,349**	2,342	**2,483**	2,464
Taxes payable	16	**28**	25	**28**	26
Deferred taxes	17 (c)	**-**	-	**20**	20
Related parties	9	**-**	2	**-**	-
Lease liabilities	19	**2,696**	2,842	**2,729**	2,877
Other liabilities	8(b)(ii)	**668**	1	**943**	12
Total noncurrent liabilities		**11,687**	9,459	**12,150**	9,713
Total liabilities		**31,554**	28,332	**31,412**	28,542
Equity	21				
Capital		**5,340**	5,340	**5,340**	5,340
Capital transactions		**(1,232)**	(1,232)	**(1,232)**	(1,232)
Capital reserves		**2,662**	2,640	**2,662**	2,640
Treasury shares		**(21)**	(22)	**(21)**	(22)
Accumulated losses		**(4,309)**	(3,264)	**(4,309)**	(3,264)
Other comprehensive income (loss)		**37**	(8)	**37**	(8)
Total equity		**2,477**	3,454	**2,477**	3,454
Total liabilities and equity		**34,031**	31,786	**33,889**	31,996

See accompanying notes.

Statement of profit or loss
for the year ended December 31, 2024
In millions of reais, unless otherwise stated

	Notes	Individual		Consolidated	
		12.31.2024	**12.31.2023**	**12.31.2024**	**12.31.2023**
Sales and service revenue	22	**27,129**	28,702	**27,206**	28,847
Cost of sales and services	23	**(18,405)**	(20,154)	**(18,829)**	(20,792)
Gross profit		**8,724**	8,548	**8,377**	8,055
Selling expenses	23	**(5,736)**	(6,018)	**(5,486)**	(5,883)
General and administrative expenses	23	**(1,282)**	(1,302)	**(1,195)**	(1,181)
Depreciation and amortization	11, 12 and 19	**(838)**	(911)	**(864)**	(940)
Other operating income (expenses), net	24	**(372)**	(1,150)	**(388)**	(1,262)
Income (loss) before finance income (costs) and equity pickup		**496**	(833)	**444**	(1,211)
Finance income (costs), net	25	**(2,199)**	(3,053)	**(2,187)**	(3,041)
Equity pickup	10	**16**	(259)	**66**	50
Loss before income and social contribution taxes		**(1,687)**	(4,145)	**(1,677)**	(4,202)
Income and social contribution taxes (IRPJ and CSLL)	17	**642**	1,520	**632**	1,577
Loss for the year		**(1,045)**	(2,625)	**(1,045)**	(2,625)
Earnings (loss) per share (in R$)	26				
Basic		**(10.99687)**	(36.09253)	**(10.99687)**	(36.09253)
Diluted		**(10.99687)**	(36.09253)	**(10.99687)**	(36.09253)

See accompanying notes.

Statement of comprehensive income (loss)
for the year ended December 31, 2024
In millions of reais

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Loss for the year	**(1,045)**	(2,625)	**(1,045)**	(2,625)
Other comprehensive income (loss)				
Items that may be reclassified to P&L				
MtM - receivables	**(26)**	255	**(26)**	255
MtM – convertible instruments	**95**	-	**95**	-
Taxes on fair value of financial instruments	**(24)**	(87)	**(24)**	(87)
Comprehensive income (loss) for the year	**(1,000)**	(2,457)	**(1,000)**	(2,457)

See accompanying notes.

Statement of changes in equity
for the year ended December 31, 2024
In millions of reais

	Notes	Attributable to Company shareholders									
				Capital reserves							
	Notes	Capital	Capital transactions	Special goodwill	Premium on subscription of shares	Tax incentives	Options granted	Treasury shares	Accumulated losses	Other comprehensive income (loss)	Total
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		311	-	-	-	-	-	-	-	-	311
Premium on subscription of shares		-	-	-	311	-	-	-	-	-	311
Share issue cost		(15)	-	-	-	-	-	-	-	-	(15)
Shares delivered under option plans		-	-	-	-	-	(52)	52	-	-	-
Recognized options granted	21.4 (c)	-	-	-	-	-	20	-	-	-	20
MtM - receivables		-	-	-	-	-	-	-	-	255	255
Taxes on financial instruments MtM		-	-	-	-	-	-	-	-	(87)	(87)
Balances at December 31, 2023		5,340	(1,232)	279	2,122	8	231	(22)	(3,264)	(8)	3,454
Loss for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,045)**	**-**	**(1,045)**
Shares delivered under option plans		**-**	**-**	**-**	**-**	**-**	**(1)**	**1**	**-**	**-**	**-**
Recognized options granted	21.4 (c)	**-**	**-**	**-**	**-**	**-**	**23**	**-**	**-**	**-**	**23**
MtM – receivables (*)		**-**	**-**	**-**	**-**	**-**	**-**		**-**	**(26)**	**(26)**
MtM – convertible instruments	14 (b) (iii)	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**95**	**95**
Taxes on financial instruments MtM		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(24)**	**(24)**
Balances at December 31, 2024		**5,340**	**(1,232)**	**279**	**2,122**	**8**	**253**	**(21)**	**(4,309)**	**37**	**2,477**

(*) Receivables measured at fair value as mentioned in Note 4.2 (a).

See accompanying notes.

GRUPO CASASBAHIA

Statement of cash flows
for the year ended December 31, 2024
In millions of reais

	Notes	Individual 12.31.2024	Individual 12.31.2023 restated	Consolidated 12.31.2024	Consolidated 12.31.2023 restated
Loss for the year		(1,045)	(2,625)	(1,045)	(2,625)
Adjustments:					
Depreciation and amortization	11, 12 and 19	1,038	1,102	1,072	1,139
Equity pickup	10	(16)	259	(66)	(50)
Income and social contribution taxes - deferred	17	(655)	(1,523)	(665)	(1,583)
Interest, monetary variation and debt modification, net		1,112	1,921	1,132	1,937
Provision for labor contingencies, net of reversals		751	1,101	784	1,150
Provision for other contingencies, net of reversals		(14)	256	(16)	255
Expected credit losses	6 (c)	1,009	1,132	1,037	1,180
Estimated impairment loss of inventories	7	36	136	39	140
Loss on disposal of property and equipment	24	(2)	38	(2)	129
Write-off of right of use and lease liabilities	19	(23)	(9)	(23)	(9)
Deferred revenue recognized in profit or loss		(233)	(161)	(232)	(160)
Share-based payment	21.4 (c)	21	17	23	20
Other		7	255	7	258
Adjusted net income for the period		1,986	1,899	2,045	1,781
Changes in working capital					
Trade accounts receivable		(2,128)	2,675	(2,100)	2,448
Inventories		(372)	1,072	(381)	1,088
Taxes recoverable		868	1,054	843	1,026
Judicial deposits		(420)	(156)	(436)	(156)
Prepaid expenses		(24)	(20)	(22)	(16)
Other assets		(299)	(14)	(100)	(48)
Related parties		630	18	24	(61)
Trade accounts payable	13	11,213	6,531	11,208	6,513
Trade accounts payable – portal	13	-	(657)	-	(657)
Taxes payable		29	273	36	272
Social and labor obligations		89	14	127	8
Deferred revenue		(300)	(97)	(381)	(97)
Transfers to third parties		145	(247)	127	(264)
Labor claims	18	(759)	(1,124)	(785)	(1,148)
Other claims	18	(72)	(74)	(72)	(80)
Other liabilities		142	(184)	409	(156)
Income and social contribution taxes paid		-	-	-	(3)
Dividends received from investees	10	-	15	101	17
Changes in operating assets and liabilities		8,742	9,079	8,598	8,686
Net cash from operating activities		10,728	10,978	10,643	10,467
Cash flow from investing activities					
Acquisition of property and equipment and intangible assets	11 and 12	(213)	(479)	(233)	(505)
Disposal of property and equipment	11	9	3	9	-
Future capital contribution at subsidiary	10	(114)	(296)	-	-
Net cash used in investing activities		(318)	(772)	(224)	(505)
Cash flow from financing activities					
Funds raised	14	9,024	8,790	9,024	8,790
Repayment of principal – loans and financing	14	(8,277)	(9,169)	(8,277)	(9,169)
Payment of interest – loans and financing	14	(969)	(1,426)	(969)	(1,426)
Repayment of principal –lease	19	(588)	(601)	(591)	(605)
Payment of interest – lease	19	(445)	(454)	(450)	(459)
Funds from issue of shares		-	622	-	622
Payment of share issue expenses		-	(20)	-	(20)
Trade accounts payable – reverse factoring (agreement)	13	(9,598)	(7,140)	(9,598)	(7,141)
Net cash used in financing activities		(10,853)	(9,398)	(10,861)	(9,408)
Net increase (decrease) in cash and cash equivalents		(443)	808	(442)	554
Opening balance of cash and cash equivalents	5	2,525	1,717	2,573	2,019
Closing balance of cash and cash equivalents	5	2,082	2,525	2,131	2,573
Net increase (decrease) in cash and cash equivalents		(443)	808	(442)	554
Additional information on non-cash items					
Acquisition of property and equipment and intangible assets through financing	11 and 12	37	81	43	81

See accompanying notes.

Statement of value added
for the year ended December 31, 2024
In millions of reais, unless otherwise stated

	Notes	Individual 12.31.2024	Individual 12.31.2023	Consolidated 12.31.2024	Consolidated 12.31.2023
Revenue		**31,253**	33,077	**31,390**	33,255
Sale of goods and services	22	**32,249**	34,207	**32,414**	34,432
Expected credit losses	6 (c)	**(1,009)**	(1,132)	**(1,037)**	(1,180)
Other revenues		**13**	2	**13**	3
Materials acquired from third parties		**(25,870)**	(28,308)	**(25,296)**	(28,003)
Cost of sales and services		**(21,306)**	(22,985)	**(20,976)**	(22,715)
Materials, energy, third-party services and other		**(4,422)**	(5,216)	**(4,173)**	(5,158)
Recovery (loss) of receivables		**(49)**	(155)	**(52)**	(177)
Other		**(93)**	48	**(95)**	47
Gross value added		**5,383**	4,769	**6,094**	5,252
Depreciation and amortization	11, 12 and 19	**(1,038)**	(1,102)	**(1,072)**	(1,139)
Net value added produced by the Company		**4,345**	3,667	**5,022**	4,113
Value added received in transfer		**477**	80	**537**	426
Equity pickup	10	**16**	(259)	**66**	50
Finance income	25	**461**	339	**471**	376
Total value added to be distributed		**4,822**	3,747	**5,559**	4,539
Value added distributed		**4,822**	3,747	**5,559**	4,539
Personnel		**2,858**	3,245	**3,470**	3,946
Salaries		**1,631**	1,604	**2,123**	2,149
Benefits		**206**	236	**248**	282
Unemployment Compensation Fund (FGTS)		**165**	186	**209**	237
Labor claims		**812**	1,201	**824**	1,234
Other personnel expenses		**44**	18	**66**	44
Taxes and contributions		**291**	(360)	**422**	(300)
Federal taxes		**(286)**	(1,089)	**(176)**	(1,045)
State taxes		**460**	627	**456**	625
Local taxes		**117**	102	**142**	120
Debt remuneration		**2,718**	3,487	**2,712**	3,518
Interest	25	**2,660**	3,392	**2,658**	3,417
Rents		**65**	84	**66**	86
Other		**(7)**	11	**(12)**	15
Equity remuneration		**(1,045)**	(2,625)	**(1,045)**	(2,625)
Loss for the year		**(1,045)**	(2,625)	**(1,045)**	(2,625)
Total value added distributed		**4,822**	3,747	**5,559**	4,539

See accompanying notes.

1. Operations

Grupo Casas Bahia S.A., either directly or through its subsidiaries (the “Company” or “Grupo Casas Bahia”), is listed on the special segment Novo Mercado of B3 S.A. - Brasil, Bolsa, Balcão (“B3”), the Brazilian stock exchange, under ticker BHIA3, and is headquartered in São Paulo, State of São Paulo, Brazil.

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 credit facility model (buy now, pay later), its marketplace with over 171 thousand partners (sellers) and over 80 million SKUs, offering solutions and services such as fulfillment, and using the Company’s logistics network for operations throughout Brazil.

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 have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and also with the accounting practices adopted in Brazil, issued by Brazil’s Financial Accounting Standards Board (CPC), and approved by the Brazilian Securities and Exchange Commission (CVM), and disclose all significant information inherent in the individual and consolidated financial statements, and only such information, 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 are stated in millions of Brazilian reais. This information has been prepared on a historical cost basis, except for certain financial instruments and share-based payment, measured at fair value.

2.3. Statement of compliance

Authorization to issue the individual and consolidated financial statements for the year ended December 31, 2024 was granted by the Company's Board of Directors on March 12, 2025.

2.4. Going concern considerations

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.

2.5. Statement of relevance

Company management applied accounting guidance OCPC 7, meeting the minimum requirements and, at the same time, disclosing only relevant information that assists readers in decision making.

2.6. Material 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 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.

2.7. Extension of debt schedule

On April 28, 2024, the Company announced to its shareholders and the market in general that a request for Out-of-Court Reorganization (“OCR”) was filed with a view to implementing, in a safe, effective and transparent manner, the restructuring of unsecured financial debts in the amount of R$4,080 ("Affected Credits"), resulting from the 6th, 7th, 8th, and 9th debenture issues and Bank Credit Bills (CCB) issued with Financial Institutions.

On June 19, 2024, the Company announced that the Out-of-Court Reorganization Plan (“OCR”) was approved. Accordingly, on July 26, 2024, the Company carried out the 10th debenture issue, replacing the unsecured financial debts subject to the OCR, as stated in Note 14.

The OCR includes the extension of the repayment schedule for the Affected Credits, including a grace period of 24 months (2 years) for interest payments and 30 months (2.5 years) for principal payments, and a total repayment term of 78 months (6.5 years), subject to interest based on the Interbank Deposit Certificate (CDI) + 1.0% to 1.5%. The OCR also provides for the possibility of the Affected Credit Supporters (as defined in the Plan) converting part of the Affected Credits into an equity stake in the Company, during a period of time between 18 and 36 months from approval of the OCR.

2.8. FIDC IBCB

The Company began the operations of FIDC IBCB with the objective of acquiring credit rights originating from transactions conducted between the Company and its suppliers.

The Fund was incorporated in the form of a closed condominium, with a validity period of 2 years (this term may be extended at the discretion of the Fund’s shareholders) and its shares will be subject to amortization during its effective term.

The Company owns all subordinated shares of the Fund, making it substantially exposed to the risks and benefits related to the Fund. As such, its financial information is consolidated into the financial information of Grupo Casas Bahia.

In millions of reais, unless otherwise stated

3. Revised pronouncements and interpretations issued but not yet adopted

Management evaluates the IFRS issued and/or amended by the IASB and their respective impacts on the Company's Financial Statements.

3.1 Standards or amendments applicable for the year ended December 31, 2024:

Amendments to CPC3 (R2) (IAS 7) – Statement of cash flows

The amendments added a disclosure objective in CPC3 (R2) (IAS 7), stating that an entity must disclose information about its supplier finance arrangements that enable financial statements users to assess the effects of these arrangements on the entity's liabilities and cash flows. Note 13 (b) contains the disclosures related to these amendments.

For balance comparison purposes, as of December 31, 2024, the Company adopted the changes described above in the individual and consolidated Statements of cash flows for the year ended December 31, 2023, in accordance with CPC 23 (IAS 8) - Accounting Policies, Changes in Accounting Estimates, and Errors. The effects of excluding the non-cash amounts when contracting the transactions involving Trade accounts payable - Agreement (Reverse Factoring), originally presented as operating and financing activities, are presented below:

	Individual		
	As originally stated	**Elimination of non-cash effects**	**Restated**
Net cash from operating activities	4,536	6,443	**10,979**
Net cash used in investing activities	(772)	-	**(772)**
Net cash used in financing activities	(2,956)	(6,443)	**(9,399)**
Net increase in cash and cash equivalents	808	-	**808**

	Consolidated		
	As originally stated	**Elimination of non-cash effects**	**Restated**
Net cash from operating activities	4,024	6,443	**10,467**
Net cash used in investing activities	(505)	-	**(505)**
Net cash used in financing activities	(2,965)	(6,443)	**(9,408)**
Net increase in cash and cash equivalents	554	-	**554**

Amendments to IAS 1 – Presentation of Financial Statements (classification of liabilities as either current or noncurrent)

The amendments specify that liabilities should be classified as current or noncurrent based on the rights existing at the end of the reporting period, clarify that the classification is not affected by expectations regarding whether an entity will exercise its right to defer the settlement of the liability, explain that rights exist if the restrictive covenants are met at the end of the reporting period, and introduce the definition of 'settlement' to clarify that it refers to the transfer to a counterparty of cash, equity instruments, other assets, or services. The Company assessed the impacts of the standard, and the current classification of its liabilities reflects the contractual conditions.

Amendments to IFRS 16 – Leases

The amendments to IFRS 16 add subsequent measurement requirements for "sale and leaseback" transactions that meet the requirements of IFRS 15 (CPC 47) – Revenue Recognition as sale for accounting purposes. This amendment determines how a lessee measures property sale transactions to meet the accounting requirements set forth in IFRS 15. The Company assessed the impacts of the standard, and the amendment did not result in any impacts on its accounting balances.

3.2 New standards or amendments issued and not yet applicable

The Company intends to adopt the standards, if applicable, when they become effective. The impacts of adopting the standards listed below are being assessed, unless indicated otherwise:

Amendments to IAS 21 – The effects of changes in foreign exchange rates

It establishes that consistent approaches should be used to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The amendments will come into effect as of January 1, 2025, and the Company does not anticipate any impacts on its accounting balances.

Amendments to IFRS 9 and IFRS 7 - Changes in the classification and measurement of financial instruments.

It clarifies aspects related to the classification and measurement of financial instruments. The amendments will come into effect as of January 1, 2026.

Amendments to IFRS 18 – Presentation and Disclosure in Financial Statements

It establishes new requirements for the presentation of specific categories in the statement of profit or loss, the presentation of performance measures defined by management, and improvements related to the requirements for aggregation and disaggregation of information. The amendments will come into effect as of January 1, 2026.

Issue of IFRS S1 – General requirements for disclosure

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 the International Sustainability Standards Board (ISSB). This standard will come into effect as of January 1, 2026.

Issue of IFRS S2 – Climate-related disclosures

Establishes the general requirements for a company to disclose information about climate-related risks and opportunities. This standard provides for the preparation and disclosure of financial information reports related to sustainability, based on ISSB standards. This standard will come into effect as of January 1, 2026.

Issue of IFRS 18 – Presentation and disclosure in financial statements

Introduces requirements for presentation and disclosure of the general purpose of financial statements to ensure that relevant information is provided that faithfully represents assets, liabilities, equity, revenues, and expenses. This standard will come into effect as of January 1, 2027.

Issue of IFRS 19 – Subsidiaries without public accountability disclosures

This standard establishes simplified disclosure requirements for individual or consolidated financial statements of eligible entities. This standard will come into effect as of January 1, 2027.

4. Main accounting policies

The financial statements have been prepared using information of Grupo Casas Bahia and its subsidiaries as of the same reporting date, as well as consistent accounting policies and practices. The accounting policies have been equally applied to all consolidated companies, and are consistent with those used by the parent company.

In millions of reais, unless otherwise stated

4.1 Consolidation

The consolidated financial statements consider investments in: Equity interest classified in Investments (Note 10) and investment funds classified in “Marketable securities” (Note 5).

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. Accordingly, associates and subsidiaries that present their financial statements in accordance with accounting practices different from those of the Parent Company make adjustments whenever necessary to adapt to the Company's accounting policies. The companies included in the Company's consolidation are as follows:

	12.31.2024		12.31.2023	
	Equity interest		Equity interest	
	Direct	Indirect	Direct	Indirect
Subsidiaries				
Asap Log - Logística e Soluções Ltda. (“Asap Logística”)	100.00%	-	100.00%	-
Asap Log Ltda. (“Asap Log”)	-	100.00%	-	100.00%
BanQi Cartões Instituição de Pagamento Ltda. (“BanQi Adm”)	-	100.00%	-	100.00%
BanQi Instituição de Pagamento Ltda. (“BanQi”)	-	100.00%	-	100.00%
BanQi Sociedade de Crédito Financiamento e Investimento S.A (“BNQI”)	-	100.00%	-	100.00%
Casas Bahia Tecnologia Ltda. ("CB Tecnologia")	16.19%	83.81%	16.19%	83.81%
Celer Processamento Comércio e Serviço Ltda. (“BanQi Pagamentos”)	-	100.00%	-	100.00%
Cnova Comércio Eletrônico S.A. (“Cnova”)	100.00%	-	100.00%	-
CNT Soluções em Negócios Digitais e Logística Ltda. (“CNT Soluções”)	-	100.00%	-	100.00%
CNTLog Express Logística e Transporte Ltda. (“CNT Express”)	-	100.00%	-	100.00%
Globex Administração e Serviços Ltda. (“GAS”)	99.99%	0.01%	99.99%	0.01%
Globex Administradora de Consórcios Ltda. (“GAC”)	99.99%	0.01%	99.99%	0.01%
Indústria de Móveis Bartira Ltda. (“Bartira”)	99.99%	0.01%	99.99%	0.01%
Íntegra Soluções para Varejo Digital Ltda. (“Íntegra”)	-	100.00%	-	100.00%
Lake Niassa Empreendimentos e Participações Ltda. (“Lake”)	99.99%	0.01%	99.99%	0.01%
Associates				
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento (“FIC”)	-	14.24%	-	14.24%
Banco Investcred Unibanco S.A. (“BINV”)	-	50.00%	-	50.00%
Distrito Tecnologia e Serviços S.A. ("Distrito")	-	16.67%	-	16.67%
Fundos de investimentos em direitos creditórios (“FIDC’s”)				
BanQi Fundo de Investimento em Direitos Creditórios ("FIDC NP")	-	100.00%	-	100.00%
BanQi EP Fundo de Investimento em Direitos Creditórios ("FIDC EP")	-	100.00%	-	100.00%
IBCB-AF01 Fundo de Investimento em Direitos Creditórios (“FIDC IBCB”) (i)	39.83%	-	-	-

(i) The Company owns all subordinated shares of the Fund, making it substantially exposed to the risks and benefits related to the Fund. As such, its financial information is consolidated into the financial information of Grupo Casas Bahia.

<u>Description of main subsidiaries</u>

Bartira
Bartira is a company founded on May 11, 1962, whose business purpose is the manufacture and sale of furniture in general, predominantly wooden.

Lake
Lake is a holding company engaged in concentrating the interests of the Company in the following financial entities: FIC, BINV, BanQi, BNQI and “BanQi Adm”.

Asap Logística and Asap Log
The main purpose of Asap Logística and Asap Log is to optimize the logistics operations of Grupo Casas Bahia, their main focus being logistics management between the Company’s stores and distribution centers.

CNT Soluções and CNT Express
The CNT’s are logtechs specialized in complete offers for e-commerce operations, multi-marketplace and platforms in the plug & play model, working in (i) fulfillment; and (ii) fullcommerce (white label) through personalized solutions based on proprietary technologies.

BanQi
BanQi acts as a 100% digital wallet; through the BanQi application, Grupo Casas Bahia customers have access to the Casas Bahia installment payment plan digitally and can make inquiries, payments and control installments without the need to go to one of the stores. The application also provides access to several banking services.

4.2 Financial instruments

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

a) Initial recognition and measurement

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

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

A financial asset needs to generate cash flows that are solely payments of principal and interest (SPPI) on the outstanding principal amount, so that it is classified and measured at amortized cost or at fair value through other comprehensive income. This assessment is performed 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.

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

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

Subsequent measurement of financial assets

<u>Measured at amortized cost.</u>

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

The financial assets of the Company at amortized cost include cash and cash equivalents, Marketable securities, Accounts receivable (except for Receivables from Credit card companies) Related parties and Financial instruments.

<u>Debt instruments measured at fair value through other comprehensive income (FVOCI)</u>

Debt instruments at fair value through other comprehensive income, interest income, foreign exchange differences and impairment losses or reversals are recorded in the statement of profit or loss and calculated in the same manner as for financial assets measured at amortized cost. Changes in fair value are recorded under other comprehensive income. Upon derecognition, accumulated changes in fair value recorded under other comprehensive income are reclassified to P&L.

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

<u>Measured at fair value through profit or loss</u>

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 P&L. This category includes derivative instruments, which the Company has not irrevocably classified at fair value through other comprehensive income. The Company does not have any financial assets with these characteristics.

b) Impairment of financial assets

The Company applies the simplified approach of CPC 48 – Financial Instruments, for measuring expected credit losses and considers an allowance 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.

c) Subsequent measurement of financial liabilities

Measured at amortized cost

After initial recognition, interest-bearing financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recorded in P&L 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 method. Amortization by the effective interest method is included as finance costs in the statement of profit or loss.

The Company's financial liabilities measured at amortized cost include Trade accounts payable, Trade accounts payable – portal, Trade accounts payable – risk factoring (agreements), Loans and financing (except for the Company's 2nd series of the 10th issue of debentures), Lease liabilities, Transactions with related parties and Transfers to third parties.

Measured 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 (IFRS 9) – Financial Instruments. Separate embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments.

The Company has a hybrid financial instrument, and the Company's corresponding financial liability has been measured at fair value through profit or loss, which includes the Company's 2nd series of the 10th issue of debentures, as mentioned in the following item.

Embedded derivative

A derivative embedded in a hybrid contract with a financial liability is separated from the liability and accounted for as a separate derivative if: (i) the economic characteristics and risks are not strictly related to the economic characteristics and risks of the host contract; (ii) the separate instrument, with the same terms as the embedded derivative, meets the definition of a derivative; and (iii) the hybrid contract is not measured at fair value, with changes recognized in P&L.

Embedded derivatives are measured at fair value, and changes in fair value are recognized in P&L. 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.

The Company's embedded derivative comprises the Company's debentures and the option to convert the 2nd series of the 10th issue of Debentures into shares.

d) 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 (IFRS 9) criteria are met. The Company's financial liability classified as at fair value through profit or loss refer to the Company's 2nd series of the 10th issue of debentures.

e) Derecognition of financial instruments

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).

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.

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.

f) Offsetting financial instruments

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.

In millions of reais, unless otherwise stated

4.3 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 virtually certain.

4.4 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 statement of value added 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 (SVA). 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.

5. Cash and cash equivalents and marketable securities

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

Cash and cash equivalents

		Individual		Consolidated	
	Weighted average rate (p.a.)	**12.31.2024**	**12.31.2023**	**12.31.2024**	**12.31.2023**
Cash and checking accounts		**144**	133	**150**	144
Short-term investments - repurchase agreements	87.49% of CDI	**1,899**	2,375	**1,938**	2,409
Sweep accounts (i)	5.27% of CDI	**39**	17	**43**	20
Cash and cash equivalents		**2,082**	2,525	**2,131**	2,573

(i) These refer to investment of funds available in checking accounts 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).

In millions of reais, unless otherwise stated

Marketable securities

	Weighted average rate (p.a.)	Individual		Consolidated	
		12.31.2024	12.31.2023	12.31.2024	12.31.2023
FIDC's (i)	NA	203	-	-	-
Government securities	100.00% of Selic benchmark rate	258	-	283	-
Marketable securities		**461**	-	**283**	-

(i) This refers to the Company's participation in FIDC IBCB. See details in Note 2.8.

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 P&L, 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 BNLP, Credit card companies, B2B, and other portfolios;

- To calculate the expected loss of Casas Bahia BNLP, 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. Furthermore, trade receivables overdue for more than 180 days are written off when the Company has no expectation of recovering those receivables;

- 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	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Credit card companies	**527**	245	**532**	273
Casas Bahia Credit Facility	**6,178**	5,355	**6,178**	5,355
Unallocated interest	**(1,980)**	(1,656)	**(1,980)**	(1,656)
Accounts receivable – B2B (i)	**313**	370	**313**	370
Other accounts receivable	**531**	114	**733**	363
Expected credit losses (ECL or ADA)	**(694)**	(645)	**(720)**	(685)
	4,875	3,783	**5,056**	4,020
Current	**4,435**	3,351	**4,616**	3,588
Noncurrent	**440**	432	**440**	432

(i) The acronym B2B (*business-to-business*) 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 expected credit losses

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Balance at beginning of year	**(645)**	(646)	**(685)**	(648)
Business combinations	**-**	-	**-**	(11)
Expected losses recorded in the year	**(1,009)**	(1,132)	**(1,037)**	(1,180)
Write-off of accounts receivable, net of recovery	**960**	1,133	**1,002**	1,154
Balance at end of year	**(694)**	(645)	**(720)**	(685)
Current	**(629)**	(580)	**(655)**	(620)
Noncurrent	**(65)**	(65)	**(65)**	(65)

d) Breakdown of expected credit losses by type of receivable

In view of the state of public calamity declared in the state of Rio Grande do Sul, the Company conducted an analysis of the possible impacts on its expected credit losses on receivables whose debtors are located in or have significant operations in Rio Grande do Sul, or who could otherwise clearly be impacted by the events that took place in that state, and concluded that there are no relevant impacts.

	Individual					
	12.31.2024			12.31.2023		
	Gross	ECL (ADA)	Net	Gross	ECL (ADA)	Net
Credit card companies	**527**	**-**	**527**	245	-	245
Casas Bahia Credit Facility	**6,178**	**(626)**	**5,552**	5,355	(595)	4,760
Accounts receivable - B2B (i)	**313**	**(37)**	**276**	370	(8)	362
Other accounts receivable	**531**	**(31)**	**500**	114	(42)	72
	7,549	**(694)**	**6,855**	6,084	(645)	5,439

	Consolidated					
	12.31.2024			12.31.2023		
	Gross	ECL (ADA)	Net	Gross	ECL (ADA)	Net
Credit card companies	**532**	**-**	**532**	273	-	273
Casas Bahia Credit Facility	**6,178**	**(626)**	**5,552**	5,355	(595)	4,760
Accounts receivable - B2B (i)	**313**	**(37)**	**276**	370	(8)	362
Other accounts receivable	**733**	**(57)**	**676**	363	(82)	281
	7,756	**(720)**	**7,036**	6,361	(685)	5,676

(i) The acronym B2B (*business-to-business*) 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 expected credit losses and unallocated interest

	Individual											
	12.31.2024						12.31.2023					
	Falling due	Past due				Total	Falling due	Past due				Total
		Up to 30 days	31 – 60 days	61 – 90 days	Above 90 days			Up to 30 days	31 – 60 days	61 – 90 days	Above 90 days	
Credit card companies	525	-	-	-	2	527	244	-	-	-	1	245
Casas Bahia Credit Facility	5,743	181	93	68	93	6,178	4,941	167	90	66	91	5,355
Accounts receivable - B2B (i)	245	36	3	1	28	313	223	23	16	22	86	370
Other accounts receivable	375	105	10	8	33	531	65	15	5	4	25	114
	6,888	322	106	77	156	7,549	5,473	205	111	92	203	6,084

	Consolidated											
	12.31.2024						12.31.2023					
	Falling due	Past due				Total	Falling due	Past due				Total
		Up to 30 days	31 – 60 days	61 – 90 days	Above 90 days			Up to 30 days	31 – 60 days	61 – 90 days	Above 90 days	
Credit card companies	530	-	-	-	2	532	271	-	-	-	2	273
Casas Bahia Credit Facility	5,743	181	93	68	93	6,178	4,941	167	90	66	91	5,355
Accounts receivable - B2B (i)	245	36	3	1	28	313	223	23	16	22	86	370
Other accounts receivable	535	118	14	10	56	733	230	42	12	8	71	363
	7,053	335	110	79	179	7,756	5,665	232	118	96	250	6,361

(i) The acronym B2B (*business-to-business*) 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

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

a) Breakdown of balances

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 14 months subject to interest rate of 171.34% p.a. Below are the gross balances of the credit sale installment plan and the interest to be incurred over the agreed terms.

	Individual and Consolidated	
	12.31.2024	**12.31.2023**
Current	**5,539**	4,770
Noncurrent	**639**	585
Total (a)	**6,178**	5,355
Unallocated interest	**(1,980)**	(1,656)
Casas Bahia credit facility, net of unallocated interest	**4,198**	3,699
ECL (ADA) (b)	**(626)**	(595)
(%) ECL (ADA) on Casas Bahia credit facility (b) / (a)	**10.1%**	11.1%

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

	Individual and Consolidated	
	12.31.2024	**12.31.2023**
Balance at beginning of year	**(595)**	(627)
Expected losses recorded in the year	**(1,009)**	(990)
Write-off of accounts receivable, net of recovery	**978**	1,022
Balance at end of year	**(626)**	(595)
Current	**(561)**	(530)
Noncurrent	**(65)**	(65)

As at December 31, 2024, the Company sold portfolios of customers in default for more than 180 days for the amount of R$192 (R$83 at December 31, 2023).

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, nonrecoverable taxes, among other costs incurred in bringing them to their present location and condition.

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

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

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 cost.

c) Breakdown of balances

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Stores	**2,164**	2,051	**2,164**	2,051
Distribution centers	**2,573**	2,352	**2,607**	2,380
Supplies	**15**	21	**16**	22
Estimated impairment loss, net	**(91)**	(99)	**(92)**	(100)
	4,661	4,325	**4,695**	4,353

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

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Balance at beginning of year	**(99)**	(39)	**(100)**	(39)
Reversals (additions)	**(36)**	(136)	**(39)**	(140)
Realized losses	**44**	76	**47**	79
Balance at end of year	**(91)**	(99)	**(92)**	(100)

8. Taxes recoverable

a) Accounting policy

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

Expected realization of 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, 2024 and 2023, 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	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
State VAT (ICMS) recoverable (i)	**1,995**	2,650	**2,009**	2,653
Contribution Taxes on Gross Revenue for Social Integration Program and for Social Security Financing (PIS and COFINS) recoverable (ii)	**3,368**	2,511	**3,526**	2,656
Income and social contribution taxes (IRPJ and CSLL)	**232**	241	**260**	265
Other	**182**	271	**187**	278
	5,777	5,673	**5,982**	5,852
Current	**1,304**	1,629	**1,352**	1,663
Noncurrent	**4,473**	4,044	**4,630**	4,189

(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 financial statements for the year ended December 31, 2024, Company management believes that the established assumptions have been complied with and reflect the best expectation for referred to credit realization.

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

The Company entered into contracts for the sale of ICMS credits amounting to R$890 in prior years and completed the transfers of these credits in 2024.

(ii) Recognition of PIS and COFINS tax credits – Third parties

In the year ended December 31, 2024, the Company recognized third-party PIS and COFINS credits amounting to R$683, related to the ICMS exclusion from the PIS/COFINS tax bases. Once the referred to tax credit is offset by the Company and definitively approved by the Brazilian IRS (RFB), it should be fully transferred, net of taxes, to third parties. Therefore, the Company also recorded an equivalent amount in noncurrent liabilities, under the "Other Liabilities" group.

c) Expected realization of taxes recoverable

	Individual				
	ICMS	PIS and COFINS	IRPJ and CSLL	Other	Total
2025	423	796	71	14	1,304
2026	1,087	968	-	114	2,169
2027	293	806	-	54	1,153
2028	129	476	-	-	605
2029	63	322	-	-	385
Above 5 years	-	-	161	-	161
	1,995	3,368	232	182	5,777

	Consolidated				
	ICMS	PIS and COFINS	IRPJ and CSLL	Other	Total
2025	437	806	91	18	1,352
2026	1,087	968	-	114	2,169
2027	293	806	-	55	1,154
2028	129	476	-	-	605
2029	63	470	-	-	533
Above 5 years	-	-	169	-	169
	2,009	3,526	260	187	5,982

In millions of reais, unless otherwise stated

9. Related parties

	Statement of financial position				Statement of profit or loss			
	Individual		Consolidated		Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Bartira (a)	**124**	141	**-**	-	**(415)**	(323)	**-**	-
Purchase of goods	(25)	(41)	-	-	(415)	(323)	-	-
Advances	149	182	-	-	-	-	-	-
Asap Logística (b)	**(185)**	(210)	**-**	-	**(305)**	(282)	-	-
Services contracted – Freight	(159)	(187)	-	-	(305)	(282)	-	-
Other	(26)	(23)	-	-	-	-	-	-
Asap Log (b)	**1**	1	**-**	-	**(59)**	(55)	-	-
Services contracted – Freight	(3)	(3)	-	-	(59)	(55)	-	-
Other	4	4	-	-	-	-	-	-
CB Tecnologia (c)	**(132)**	(130)	**-**	-	**(336)**	(367)	-	-
Services contracted - IT	(132)	(130)	-	-	(336)	(367)	-	-
Íntegra	**8**	1	**-**	-	**17**	-	-	-
Sale of goods	8	1	-	-	17	-	-	-
BanQi IP (f)	**3**	17	**-**	-	**(20)**	(13)	-	-
Commissions	(12)	(5)	-	-	(20)	(13)	-	-
Advances	17	16	-	-	-	-	-	-
Other	**(2)**	6	-	-	**-**	-	-	-
FIDC IBCB (e)	**(444)**	-	**-**	-	**(13)**	-	-	-
Trade accounts payable – portal	(241)	-	-	-	-	-	-	-
Trade accounts payable – agreement	(203)	-	-	-	(13)	-	-	-
Celer	**-**	3	**-**	-	**-**	-	-	-
Transfer of administrative expenses	-	3	-	-	-	-	-	-
GAS (h)	**(16)**	-	**-**	-	**(1)**	-	-	-
Loan agreement	(16)	-	-	-	(1)	-	-	-
GAC (h)	**(36)**	-	**-**	-	**(1)**	-	-	-
Loan agreement	(36)	-	-	-	(1)	-	-	-
Lake (h)	**(106)**	-	**-**	-	**(6)**	-	-	-
Loan agreement	(106)	-	-	-	(6)	-	-	-
Subsidiaries – Net balance	**(783)**	(177)	**-**	-	**(1,139)**	(1,040)	-	-

In millions of reais, unless otherwise stated

	Statement of financial position				Statement of profit or loss			
	Individual		Consolidated		Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023	12.31.2024	12.31.2023	12.31.2024	12.31.2023
CBEP (g) (i)	**363**	393	**410**	437	**26**	(14)	**27**	(7)
Lawsuits	363	393	410	437	26	(8)	27	(1)
Rent	-	-	-	-	-	(6)	-	(6)
FIC (d)	**(1)**	(2)	**(1)**	(2)	**(8)**	(19)	**(8)**	(19)
Transfer - Corban	(1)	(1)	(1)	(2)	-	-	-	-
Accounts payable– Advances	-	(1)	-	-	(1)	(12)	(1)	(12)
Fees	-	-	-	-	(7)	(7)	(7)	(7)
BINV (d)	**(1)**	-	**(1)**	-	**(16)**	(42)	**(16)**	(42)
Transfer - Corban	(1)	(1)	(1)	(1)	-	-	-	-
Accounts payable– Advances	-	-	-	-	(19)	(47)	(19)	(47)
Commissions - Corban	-	1	-	1	3	5	3	5
Other – Net balance	**361**	391	**408**	435	**2**	(75)	**3**	(68)
Related parties – Net balance	**(422)**	214	**408**	435	**(1,137)**	(1,115)	**3**	(68)
Current assets	501	500	295	268				
Noncurrent assets	75	126	122	170				
Current liabilities	(998)	(410)	(9)	(3)				
Noncurrent liabilities	-	(2)	-	-				

In millions of reais, unless otherwise stated

The transactions with related parties refer to transactions that the Company conducts with 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. Goods' sale transactions: Bartira sells furniture to the Company.

b. Freight operations: Asap Logística and Asap Log carry out freight operations to the Company.

c. Systems development: CB Tecnologia is engaged in systems development activities in the Company's behalf.

d. Credit transactions: The Company acts as a banking correspondent for services operated by FIC and BINV.

FIC and BINV are also engaged as credit card operators, issuing cards and financing customer purchases. These balances are recorded under the heading "Accounts receivable" in "Credit card companies" (see Note 6). In the year ended December 31, 2024, the balance of credit cards receivable from FIC and BINV was R$20 (R$23 as of December 31, 2023).

e. Reverse factoring transactions: FIDC IBCB operates in "Trade accounts payable - portal" and "Trade accounts payable (agreement)" - (see details of the transactions in Note 13(a)). All credit rights acquired by the Fund are settled by the Company.

f. BanQi Application: The Company pays commissions for digital account transactions carried out through the BanQi IP application.

g. Rentals: The Company and its subsidiary Bartira have rental contracts for 161 real properties with CBEP. These balances are recorded under the headings "Right of use" and "Lease liabilities", as shown in Note 19.

	Assets (Liabilities)			
	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Right-of-use asset	**482**	684	**507**	709
Lease liabilities	**(796)**	(1,072)	**(835)**	(1,111)
	(314)	(388)	**(328)**	(402)

	Depreciation and allocated interest			
	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Depreciation	**(86)**	(103)	**(90)**	(107)
Unallocated interest	**(107)**	(145)	**(112)**	(150)
	(193)	(248)	**(202)**	(257)

In millions of reais, unless otherwise stated

h. Intercompany loans with subsidiaries: In the year ended December 31, 2024, the Company raised R$147 through intercompany loan agreements with a term of 1 year and remuneration of 100% of the CDI.

Loan agreement		
Companies	**Fundraising date**	**12.31.2024**
GAC	08/20/2024	(36)
GAS	04/29/2024	(16)
Lake	04/29/2024	(82)
Lake	10/03/2024	(24)

i. Association Agreement: In 2010, an "Association Agreement" was executed by and between the Company, CBD, CBEP and CBEP shareholders which, among other aspects, assured the Company the right to be compensated by CBD, CBEP and CBEP shareholders for any losses and/or damage generated by lawsuits and/or reimbursement of expenses whose triggering event has occurred during the management period of the Company's former controlling interests and the companies mentioned in the aforementioned Association Agreement. The Company has maintained the contractual terms of the Association Agreement until the date of approval of these individual and consolidated financial statements.

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.

j. Management compensation: Expenses relating 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, 2024 and 2023 are as follows:

	12.31.2024					12.31.2023		
	Short-term benefits	**Long-term benefits**	**Share-based payment**	**Pos-employment benefits and severance pay**	**Total**	**Short-term benefits**	**Share-based payment (i)**	**Total**
Executive Board	**37**	**4**	**2**	**2**	**45**	30	(2)	28
Board of Directors	**9**	**-**	**-**	**-**	**9**	6	-	6
Supervisory Board	**1**	**-**	**-**	**-**	**1**	1	-	1
	47	**4**	**2**	**2**	**55**	37	(2)	35

On March 30, 2024, the Company set the annual global compensation for the Company management members for 2024 at R$53 (excluding provisions for share-based compensation).

(i) The share-based payment was impacted by unexercised purchase shares.

In millions of reais, unless otherwise stated

10. Investments

a) Accounting policy

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

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

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

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

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								
Subsidiaries	**12.31.2022**	**Merger**	**Capital increase**	**Unearned income - inventories**	**Payment of dividends**	**Equity pickup**	**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

Individual						
Subsidiaries	**12.31.2023**	**Capital increase**	**Unearned income - inventories**	**Equity pickup**	**Share-based payment**	**12.31.2024**
Lake	791	**107**	**-**	**59**	**-**	**957**
Bartira	772	**-**	**2**	**22**	**-**	**796**
Asap Logística	289	**-**	**-**	**(36)**	**-**	**253**
Cnova	129	**6**	**-**	**(30)**	**1**	**106**
CB Tecnologia	18	**-**	**-**	**(3)**	**-**	**15**
Other	25	**1**	**-**	**2**	**-**	**28**
Total	2,024	**114**	**2**	**14**	**1**	**2,155**

In millions of reais, unless otherwise stated

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

Consolidated				
Associates	**12.31.2023**	**Equity pickup**	**Payment of dividends**	**12.31.2024**
FIC	226	**50**	**(99)**	**177**
BINV	56	**16**	**(2)**	**70**
Distrito	16	**-**	**-**	**16**
Total	298	**66**	**(101)**	**263**

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 Grupo Casas Bahia. 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. At December 31, 2024, 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, Distrito connects large companies, startups, investors and academics to create 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, 2024, 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	**12.31.2024**	**12.31.2023**	**12.31.2024**	**12.31.2023**
Current assets	**9,674**	9,649	**909**	984
Noncurrent assets	**1**	1	**-**	-
Total assets	**9,675**	9,650	**909**	984
Current liabilities	**8,263**	7,892	**773**	876
Equity (i)	**1,412**	1,758	**136**	108
Total liabilities and equity	**9,675**	9,650	**909**	984
Statement of profit or loss	**12.31.2024**	**12.31.2023**	**12.31.2024**	**12.31.2023**
Net income	**349**	293	**32**	16

(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.

In millions of reais, unless otherwise stated

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 category	Estimated weighted average useful life in years - 12.31.2024
Buildings	**60**
Leasehold improvements	**24**
Machinery and equipment	**14**
IT equipment	**9**
Facilities	**15**
Furniture and fixtures	**13**
Vehicles	**12**
Other	**5**

Useful life review

In accordance with Accounting Pronouncement CPC 23 (IAS 8) - Accounting Policies, Changes in Estimates and Errors, the Company reviewed the estimates related to the useful life of its property and equipment items in the year ended December 31, 2024.

In year 2024, a detailed technical analysis of fixed assets was carried out, considering operational performance, the maintenance plan and current economic and technological conditions. As a result of this analysis, the Company identified the need to change the estimated useful life of certain assets, in order to more faithfully reflect their expected future use.

The change in accounting estimates mainly impacted the following groups of assets:

Asset category	Current useful life	Previous useful life
Buildings	**60**	40
Leasehold improvements	**24**	15
Machinery and equipment	**14**	10
IT equipment	**9**	6
Facilities	**15**	13
Furniture and fixtures	**13**	10
Vehicles	**12**	4
Other	**5**	5

As required by CPC 23 (IAS 8) - Accounting Policies, Changes in Estimates and Errors, this change was applied prospectively from January 1, 2024. The impact of this change on the financial statements for the year ended December 31, 2024 was a reduction in depreciation of R$ 32.

This change does not represent an error in previous estimates, but rather a review based on new data and conditions identified during the year. The Company will continue to periodically monitor the adequacy of the useful lives of fixed assets.

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 P&L for the year.

Any gains from or losses on write-off of assets are posted to P&L for the year, under Other operating income (expenses), net.

The Company tests its P&E items for impairment on an annual basis, assessing the existence of internal or external evidence that the assets are recognized at amounts that exceed their recoverable amount. This evidence is substantially defined by a recurring loss of profitability in cash-generating units and macroeconomic conditions reasonably different from the last impairment assessment 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 impairment testing. 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					
	12.31.2024			12.31.2023			12.31.2024			12.31.2023		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	9	-	9	9	-	9	11	-	11	11	-	11
Buildings	9	(7)	2	9	(7)	2	11	(9)	2	11	(9)	2
Leasehold improvements	1,396	(694)	702	1,381	(633)	748	1,403	(695)	708	1,388	(633)	755
Machinery and equipment	359	(238)	121	351	(219)	132	562	(396)	166	554	(373)	181
IT equipment	801	(666)	135	792	(612)	180	811	(674)	137	801	(618)	183
Facilities	177	(91)	86	177	(81)	96	197	(99)	98	196	(89)	107
Furniture and fixtures	442	(306)	136	436	(278)	158	447	(311)	136	442	(282)	160
Vehicles	6	(6)	-	6	(5)	1	10	(7)	3	10	(7)	3
Construction in progress	8	-	8	44	-	44	9	-	9	44	-	44
Other	88	(65)	23	88	(58)	30	92	(67)	25	92	(60)	32
	3,295	(2,073)	1,222	3,293	(1,893)	1,400	3,553	(2,258)	1,295	3,549	(2,071)	1,478

In millions of reais, unless otherwise stated

	Individual										
	12.31.2022	Additions	Write-offs	Accumulated	Transfers	12.31.2023	Additions	Write-offs	Depreciation	Transfers	12.31.2024
Land	9	-	-	-	-	9	-	-	-	-	9
Buildings	2	-	-	-	-	2	-	-	-	-	2
Leasehold improvements	616	15	(35)	(105)	257	748	5	(5)	(70)	24	702
Machinery and equipment	131	5	-	(26)	22	132	3	(1)	(21)	7	120
IT equipment	180	15	-	(85)	70	180	3	2	(55)	5	135
Facilities	108	3	(2)	(13)	-	96	-	1	(11)	-	86
Furniture and fixtures	163	3	-	(33)	25	158	3	(3)	(31)	8	135
Vehicles	1	-	-	-	-	1	-	-	-	-	1
Construction in progress	414	17	(2)	-	(385)	44	10	-	-	(46)	8
Other	26	6	(2)	(11)	11	30	1	-	(9)	2	24
	1,650	64	(41)	(273)	-	1,400	25	(6)	(197)	-	1,222

	Consolidated										
	12.31.2022	Additions	Write-offs	Depreciation	Transfers	12.31.2023	Additions	Write-offs	Depreciation	Transfers	12.31.2024
Land	11	-	-	-	-	11	-	-	-	-	11
Buildings	2	-	-	-	-	2	-	-	-	-	2
Leasehold improvements	623	15	(35)	(105)	257	755	5	(5)	(71)	25	709
Machinery and equipment	183	5	-	(30)	23	181	4	(1)	(25)	7	166
IT equipment	184	15	-	(86)	70	183	3	2	(56)	5	137
Facilities	120	4	(2)	(15)	-	107	1	1	(12)	1	98
Furniture and fixtures	165	3	-	(33)	25	160	3	(3)	(30)	6	136
Vehicles	5	-	-	(2)	-	3	-	-	-	-	3
Construction in progress	415	17	(2)	-	(386)	44	10	-	-	(45)	9
Other	29	7	(3)	(13)	12	32	1	-	(10)	1	24
	1,737	66	(42)	(284)	1	1,478	27	(6)	(204)	-	1,295

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, 2024 and 2023, the Company recognized the following depreciation and amortization amounts in Cost of sales and services:

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Depreciation and amortization	**50**	56	**56**	62

e) Impairment tests of property and equipment

The recoverable amount of the CGUs was determined through a calculation based on the value in use considering cash projections for the next ten years. The assumptions used in that calculation were the following: (i) growth rate for the 2025-2034 ten-year period, in accordance with the Company's strategic planning; and (ii) discount rate representative of the Company's weighted average cost of capital of 17.25%. The inflation rate for all periods was considered to be 3.9% p.a.

As a result of this analysis, in the year ended December 31, 2024, the Company detected no need to recognize an impairment allowance for its property and equipment.

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 P&L 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	Estimated weighted average useful life in years - 12.31.2024
Software and licenses	**10**
Contractual rights	**13**
Favorable contract	**17**
Goodwill	**5**

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					
	12.31.2024			12.31.2023			12.31.2024			12.31.2023		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Goodwill (i)	-	-	-	-	-	-	884	-	884	884	-	884
Software under development (ii)	97	-	97	206	-	206	103	-	103	210	-	210
Software and licenses (iii)	2,430	(918)	1,512	2,182	(706)	1,476	2,580	(983)	1,597	2,312	(749)	1,563
Contractual rights (iv)	251	(226)	25	251	(221)	30	251	(226)	25	251	(221)	30
Trademarks and patents (v)	-	-	-	-	-	-	50	-	50	50	-	50
Favorable contract (vi)	-	-	-	-	-	-	38	(24)	14	38	(22)	16
Goodwill (vii)	63	(62)	1	64	(61)	3	63	(62)	1	64	(62)	2
	2,841	(1,206)	1,635	2,703	(988)	1,715	3,969	(1,295)	2,674	3,809	(1,054)	2,755

(i) **Goodwill:** The Company records goodwill arising from the acquisition of: (a) Bartira in 2013, in the amount of R$627; (b) Asap Log in 2020, in the amount of R$3; (c) Airfox in 2020, in the amount of R$226; (d) I9XP in 2020, in the amount of R$11; (e) CNT in 2022, in the amount of R$17.
(ii) **Software under development:** Refers to software developed by the Company for internal use;
(iii) **Software and licenses:** Refers to program or system licenses acquired from third parties;
(iv) **Contractual rights:** These 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.
(v) **Trademarks and patents:** As a result of the business combinations, values for the brands were recognized in the amount of R$50 based on the royalties relief methodology, which represents the remuneration that would be adopted in the market for the use of the brand had it not been acquired.
(vi) **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.
(vii) **Goodwill:** Refers to amounts paid to former owners of points of sale.

In millions of reais, unless otherwise stated

	Individual									
	12.31.2022	Additions	Amortization	Transfers	12.31.2023	Additions	Write-offs	Amortization	Transfers	12.31.2024
Software under development	880	279	-	(953)	206	**84**	**(1)**	**-**	**(192)**	**97**
Software and licenses	679	17	(173)	953	1,476	**56**	**-**	**(212)**	**192**	**1,512**
Contractual rights	35	-	(5)	-	30	**-**	**-**	**(5)**	**-**	**25**
Goodwill	5	-	(2)	-	3	**-**	**-**	**(2)**	**-**	**1**
	1,599	296	(180)	-	1,715	**140**	**(1)**	**(219)**	**-**	**1,635**

	Consolidated											
	12.31.2022	Additions	Amortization	Write-offs	Business combinations	Transfers	12.31.2023	Additions	Write-offs	Amortization	Transfers	12.31.2024
Goodwill	962	-	-	(75)	(3)	-	884	**-**	**-**	**-**	**-**	**884**
Software under development	893	298	-	(8)	-	(973)	210	**94**	**(1)**	**(1)**	**(199)**	**103**
Software and licenses	748	22	(191)	(7)	20	971	1,563	**70**	**-**	**(235)**	**199**	**1,597**
Contractual rights	35	-	(5)	-	-	-	30	**-**	**-**	**(5)**	**-**	**25**
Trademarks and patents	46	-	(1)	-	4	1	50	**-**	**-**	**-**	**-**	**50**
Favorable contract	17	-	(4)	-	3	-	16	**-**	**-**	**(2)**	**-**	**14**
Goodwill	3	-	(1)	-	-	-	2	**-**	**-**	**(1)**	**-**	**1**
	2,704	320	(202)	(90)	24	(1)	2,755	**164**	**(1)**	**(244)**	**-**	**2,674**

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. Those cases in which intangible assets were not likely to generate economic benefits and/or whose maintenance was not in line with the Company management's strategy were discontinued.

In the year ended December 31, 2024, 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 2025-2034, according to the Company's strategic planning; and (ii) discount rate representing the investees' weighted average cost of capital of 17.25%. Perpetuity was calculated considering the same assumptions as the previous period.

As a result of this analysis, in the year ended December 31, 2024, the Company detected no need to recognize an impairment allowance for its intangible assets.

In millions of reais, unless otherwise stated

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

a) Breakdown of balances

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Goods	**7,259**	6,317	**7,327**	6,356
Services	**582**	740	**637**	823
Trade accounts payable – portal (i)	**125**	23	**125**	23
Trade accounts payable – reverse factoring (agreement) (ii)	**2,446**	1,765	**2.446**	1,765
	10,412	8,845	**10,535**	8,967
Trade accounts payable	**7,841**	7,057	**7,964**	7,179
Trade accounts payable – portal	**125**	23	**125**	23
Trade accounts payable – reverse factoring (agreement)	**2,446**	1,765	**2,446**	1,765

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. This transaction can be carried out directly with the Company, and also through transactions of this nature involving financial institutions or FIDCs (e.g., the FIDC IBCB presented in Note 2.7). In these transactions, as agreed, financial institutions advance a certain amount to the supplier and receive, on the due date, the amount due to be paid 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 transactions are recorded in finance income (costs) on an accrual basis and are presented in Note 25.

(ii) Trade accounts payable – reverse factoring (agreement): refers to recurring commercial transactions between Grupo Casas Bahia and its suppliers of goods. 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 and FIDC's. 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. At December 31, 2024, the average term of these operations was 73 days, subject to finance costs of 25.72% p.a. (at December 31, 2023, the average term was of 90 days, subject to finance costs of 16.96% p.a.). The 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".

In millions of reais, unless otherwise stated

b) Changes

	Individual								
	12.31.2022	Additions	Payments	Transfers	12.31.2023	Additions	Payments	Transfers	12.31.2024
Goods for resale (i)	6,397	27,779	(21,646)	(6,213)	6,317	**24,534**	**(13,431)**	**(10,161)**	**7,259**
Materials and services (i)	715	4,587	(4,332)	(230)	740	**4,238**	**(4,176)**	**(220)**	**582**
Trade accounts payable – portal	655	310	(942)	-	23	**-**	**-**	**102**	**125**
Trade accounts payable – agreement	2,463	-	(7,141)	6,443	1,765	**-**	**(9,598)**	**10,279**	**2,446**
	10,230	32,676	(34,061)	-	8,845	**28,772**	**(27,205)**	**-**	**10,412**

	Consolidated								
	12.31.2022	Additions	Payments	Transfers	12.31.2023	Additions	Payments	Transfers	12.31.2024
Goods for resale (i)	6,464	28,207	(22,102)	(6,213)	6,356	**24,987**	**(13,856)**	**(10,160)**	**7,327**
Materials and services (i)	793	5,775	(5,515)	(230)	823	**4,686**	**(4,651)**	**(221)**	**637**
Trade accounts payable – portal	655	310	(942)	-	23	**-**	**-**	**102**	**125**
Trade accounts payable – agreement	2,463	-	(7,141)	6,443	1,765	**-**	**(9,598)**	**10,279**	**2,446**
	10,375	34,292	(35,700)	-	8,967	**29,673**	**(28,105)**	**-**	**10,535**

(i) The balance of additions and payments for intangible assets and property and equipment is presented under investing activities in the Statement of Cash Flows. For the year ended December 31, 2024, this balance was R$48 and R$42 in the individual and consolidated financial statements, respectively (R$119 and R$120 in the individual and consolidated financial statements at December 31, 2023).

In millions of reais, unless otherwise stated

14. Loans and financing

a) Breakdown of balances

	Average rate p.a.	Individual and Consolidated 12.31.2024	12.31.2023
Transfers to financial institutions ("CDCI") (i)	19.23%	**5,377**	4,976
Loans in local currency and debentures (ii)	CDI + 1.28%	**2,682**	3,983
Debentures – 10th issue (2nd series) (ii)	CDI + 1.00%	**1,387**	-
		9,446	8,959
Current		**5,224**	6,795
Noncurrent		**4,222**	2,164

(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, 2024, the weighted average rate adopted by financial institutions for these transactions was 19.23% p.a. (18.31% p.a. at December 31, 2023).

	Individual and Consolidated 12.31.2024	12.31.2023
Current	**5,297**	4,844
Noncurrent	**537**	539
	5,834	5,383
Unallocated interest	**(457)**	(407)
Transfers to financial institutions, net of unallocated interest	**5,377**	4,976

(ii) Loans in local currency and debentures

Loans and financing are initially recognized at fair value, net of any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method, except for the 2nd series of the 10th debenture issue, which, due to its potential convertibility, is being measured at fair value through profit or loss, together with the convertibility option ("fair value option").

On July 26, 2024, the Company carried out the 10th issue of simple debentures, replacing unsecured financial debts subject to the OCR, in the amount of R$4,080, with security interest, in three (3) series, the first (1st) and third (3rd) series of which are nonconvertible and the second (2nd) series is convertible into shares. A total of 4,079,970,063 (four billion, seventy-nine million, nine hundred seventy thousand and sixty-three) debentures were issued at a unit value of R$1 (one real), of which: 1,500,000,000 (one billion and five hundred million) in the 1st series; 1,406,873,551 (one billion, four hundred and six million, eight hundred and seventy-three thousand, five hundred and fifty-one) in the 2nd series; and 1,173,096,512 (one billion, one hundred and seventy-three million, ninety-six thousand, five hundred and twelve) in the 3rd series. See details on the OCR in Note 2.6.

The table below presents agreed data referring to the 10th issue of Company debentures:

Series	Remuneration	Issued debentures	Amortization
1st series	CDI + 1.50%	1,500	Two-year grace period for interest and half-yearly payments; 2.5-year grace period for amortization, with payments of 10% in November 2026, 10% in November 2027, 20% in November 2028, and 60% in November 2029
2nd series (1)	CDI + 1.00%	1,407	Conversion into equity interest from November 2025 to May 2027 (80% VWAP of the 90 days prior to conversion) or cash settlement of 100% in November 2030. The conversion period may be extended until the deadline if the Company does not set up a FIDC for credit facility by April 2026.
3rd series (1)	CDI + 1.00%	1,173	100% in November 2030

(1) The 2nd series was made an option for creditors that (i) maintain the current conditions of any lines not subject to OCR and/or (ii) provide new resources, under conditions to be defined. The 3rd series was made available for creditors that did not accept the conditions of the 2nd series.

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 and consolidated		
	CDCI	Local currency and debentures	Total
Balance at December 31, 2022	5,241	4,137	9,378
Cash flows from financing activities			
Funds raised	6,971	1,819	8,790
Amortization	(7,280)	(1,889)	(9,169)
Payment of interest (i)	(775)	(651)	(1,426)
Noncash changes			
Interest and charges incurred	819	567	1,386
Balance at December 31, 2023	4,976	3,983	8,959
Cash flows from financing activities			
Funds raised	**7,716**	**1,308**	**9,024**
Amortization	**(7,328)**	**(949)**	**(8,277)**
Payment of interest (i)	**(836)**	**(133)**	**(969)**
Noncash changes			
Debt modification (ii)	**-**	**(651)**	**(651)**
MtM – convertible instruments (iii)	**-**	**(359)**	**(359)**
Convertible debentures (right to convert) (iv)	**-**	**335**	**335**
Fundraising costs	**-**	**5**	**5**
Interest incurred	**849**	**530**	**1,379**
Balance at December 31, 2024	**5,377**	**4,069**	**9,446**

(i) Interest payment: In the statement of cash flows, interest payments are classified as “Financing activities”, since the Company considers that these amounts are a component of financing costs.

(ii) Debt modification: The Company assessed the 10th issue of debentures, which occurred through the debt restructuring (PRE), and classified it as a “substantial modification.” In accordance with CPC 48 (IFRS 9) - Financial Instruments, the Company conducted two analyses: a quantitative analysis to apply the 10% variation assumption between the discounted cash flows, and a qualitative assessment to evaluate other factors that may not have been captured in the cash flow variability analysis. The Company concluded that a substantial modification occurred and, consequently, derecognized the original liabilities and recognized the new ones with substantially different terms and conditions.

The difference between the original and the new obligations resulted in a net gain of R$637, before tax effects, upon initial recognition of this difference. These gain at issue reflected a temporary accounting effect, with no cash disbursement or inflow, nor a reduction or increase in any other Company asset. With the recognition of this balance, the debt reflects the fair value at the time of recognition and will be updated based on the contractual cash flow. Furthermore, due to extinguishment of the previous obligations, the Company recognized the costs and fees paid and/or received between the Company and the creditors, including fees paid or received by the Company or by the creditors on behalf of the other as part of the gain from the extinguishment. This balance is presented in Note 25 (ii).

(iii) MtM – convertible instruments: This refers to the fair value of the option to convert the debt into shares, as per the 2nd series of the 10th issue of the Company’s debentures. For the year ended December 31, 2024, the fair value of this financial instrument was R$359, of which R$264 was recorded in the statement of profit or loss under “Finance income (costs), net,” as detailed in Note 25 (iii) (this amount reflects market risk), and R$95 was recorded in “Other comprehensive income” (this amount reflects the Company’s credit risk).

(iv) Convertible debentures (right to convert): This refers to the fair value of the conversion right present in the 2nd series of the 10th issue of debentures. This right is characterized as a derivative financial instrument and, in accordance with CPC 48 (IFRS 9) – Financial Instruments, it is considered an embedded derivative that can be measured at fair value through profit or loss. For more details, see Note 15(d). This balance is presented in Note 25 (iv).

In millions of reais, unless otherwise stated

c) Maturity of loans and financing recognized in noncurrent liabilities

	Individual and Consolidated		
Year	**CDCI**	**Local currency and debentures**	**Total**
2026	**511**	**101**	**612**
2027	**-**	**101**	**101**
2028	**-**	**263**	**263**
2029	**-**	**913**	**913**
2030	**-**	**2,333**	**2,333**
	511	**3,711**	**4,222**

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

The maintenance of the contractual maturity of the 10th issue of debentures at the original maturity is subject to covenants provided for in the respective agreements, beginning March 31, 2025. As a result, the Company has no covenants at December 31, 2024.

The main covenant/indicator of the Company's debentures is the ratio of adjusted net debt(1) to adjusted consolidated EBITDA(2), which must be less than or equal to 3.00.

(1) **Consolidated net debt:** the total debt of the Issuer (*) less cash equivalents, accounts receivable, arising from credit card sales at a discount of 1.15% (one and fifteen hundredths percent), food and multi-benefit cards, including balances of CDCI operations or instruments that may replace it, if applicable, existing within the Accounts receivable category, and the amount equivalent to the subordinated shares issued by FIDC and possibly subscribed by the Issuer. To avoid any doubts, trade accounts payable – reverse factoring transactions will not be considered as debt for purposes of this calculation of consolidated net debt.

(2) **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.

(*) **Total Issuer debt:** These refer to short-term and long-term loans and financing, including debentures, balances of CDCI operations or instruments that may replace them (including, without limitation, investment funds in credit rights and securitizations), excluding lease balances.

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.

In millions of reais, unless otherwise stated

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 balances

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

		Individual		Consolidated	
	Notes	**12.31.2024**	**12.31.2023**	**12.31.2024**	**12.31.2023**
Financial assets					
Amortized cost					
Cash and cash equivalents	5	**2,082**	2,525	**2,131**	2,573
Marketable securities	5	**461**	-	**283**	-
Trade accounts receivable (*)	6	**4,348**	3,538	**4,524**	3,747
Related parties	9	**576**	626	**417**	438
Financial instruments		**-**	-	**11**	11
Fair value through other comprehensive income					
Credit card companies	6	**527**	245	**532**	273
Financial liabilities					
Amortized cost					
Trade accounts payable	13	**(7,841)**	(7,057)	**(7,964)**	(7,179)
Trade accounts payable – portal	13	**(125)**	(23)	**(125)**	(23)
Trade accounts payable – reverse factoring (agreement)	13	**(2,446)**	(1,765)	**(2,446)**	(1,765)
Loans in local currency and debentures (**)	14	**(2,682)**	(3,983)	**(2,682)**	(3,983)
Transfers to financial institutions ("CDCI")	14	**(5,377)**	(4,976)	**(5,377)**	(4,976)
Lease liabilities	19	**(3,310)**	(3,443)	**(3,350)**	(3,483)
Related parties	9	**(998)**	(412)	**(9)**	(3)
Transfers to third parties		**(711)**	(566)	**(764)**	(637)
Fair value through other comprehensive income (loss)					
Debentures – 10th issue (2nd series)	14	**(1,387)**	-	**(1,387)**	-

(*) Trade accounts receivable except credit card companies.
(**) Loans in local currency and debentures except for the 2nd series of the 10th issue of debentures.

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.

c) Market risk

To calculate the sensitivity analysis, the interest rate risk for asset and liability balances presented by the Company at December 31, 2024 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.

In millions of reais, unless otherwise stated

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 14.53% 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 12.31.2024**	**Scenario I**	**Scenario II**	**Scenario III**
Financial investments	**Decrease of CDI**	**1,981**	**286**	**214**	**143**
Loans and financing (*)	**Increase of CDI**	**(2,682)**	**(371)**	**(457)**	**(542)**
Debentures – 10th issue (2nd series)	**Increase of CDI**	**(1,387)**	**(216)**	**(266)**	**(317)**
Net impact on profit or loss		**(2,088)**	**(301)**	**(509)**	**(716)**

(*)These do not include Transfers to financial institutions ("CDCI") since they have fixed interest rates and Debentures – 10th issue (2nd series).

d) Hybrid financial instrument

The 10th issue, 2nd series debentures has an option for conversion into common shares, exercisable at the debenture holder's discretion. Each debenture holder has the right to convert the balance of the debentures, either in whole or in part, into shares, and the number of shares is determined by the updated value of the debt divided by 80% of the VWAP (Volume Weighted Average Price) of the 90 days preceding the conversion. The conversion period is from November 2025 to May 2027, and can be extended until 2030, as defined in the debenture issue indenture.

According to CPC 39 (IAS 32) – Financial instruments (presentation), the conversion option does not meet the characteristics of an equity instrument, as the "fixed-for-fixed" criterion is not satisfied. As such, the conversion right is considered a derivative financial instrument and should be measured according to the CPC 48 (IFRS 9) – Financial instruments requirements. Consequently, the Company elected to designate the 2nd series debentures at fair value through profit or loss (fair value option), presented in the statement of financial position under Loans and financing.

In the year ended December 31, 2024, the amount of R$335 was recorded related to the fair value adjustment of the 10th issue, 2nd series debentures, accounted for as a finance costs.

e) 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, 2024.

In millions of reais, unless otherwise stated

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			
	Less than 1 year	1 to 5 years	Above 5 years	Total	Less than 1 year	1 to 5 years	Above 5 years	Total
Trade accounts payable	7,841	-	-	7,841	7,964	-	-	7,964
Trade accounts payable – portal	125	-	-	125	125	-	-	125
Trade accounts payable – agreement	2,773	-	-	2,773	2,773	-	-	2,773
Loans in local currency and debentures (*)	1,713	5,660	409	7,782	1,713	5,660	409	7,782
Debentures – 10th issue (2nd series) (**)	-	-	3,746	3,746	-	-	3,746	3,746
Transfers to financial institutions ("CDCI")	4,865	511	-	5,376	4,865	511	-	5,376
Related parties	1,007	-	-	1,007	9	-	-	9
Transfers from third parties	711	-	-	711	764	-	-	764
	19,035	6,171	4,155	29,361	18,213	6,171	4,155	28,539

(*) Loans in local currency and debentures except for the 2nd series of the 10th issue of debentures.
(**) The 10th issue, 2nd series debentures has an option for conversion into common shares, exercisable at the debenture holder's discretion. If the option is exercised, the settlement of the debt will not result in an outflow, as exercising the option converts the debt into a capital increase.

f) 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 ("CDCI"), have credit lines with banks aimed at financing customers; with the intervention of the Company. Under this method, the Company is subject to credit risk, thus adopts judicious 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, 2024 and 2023 were considered sufficient by management to cover possible losses on the receivables portfolio.

In millions of reais, unless otherwise stated

g) 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			
	12.31.2024		12.31.2023	
	With CDCI	Without CDCI	With CDCI	Without CDCI
Cash and cash equivalents	**2,131**	**2,131**	2,573	2,573
Credit card companies	**532**	**532**	273	273
Total cash and cash equivalents and credit card receivables	**2,663**	**2,663**	2,846	2,846
Casas Bahia Credit Facility, net of unallocated interest	**4,198**	**-**	3,699	-
Other receivables	**1,046**	**1,046**	733	733
Allowance for doubtful accounts	**(720)**	**(94)**	(685)	(90)
Total cash and cash equivalents, and receivables	**7,187**	**3,615**	6,593	3,489
Loans in local currency and debentures	**(2,682)**	**(2,682)**	(3,983)	(3,983)
Debentures – 10th issue (2nd series)	**(1,387)**	**(1,387)**	-	-
Transfers to financial institutions ("CDCI")	**(5,377)**	**-**	(4,976)	-
Total loans and financing and CDCI	**(9,446)**	**(4,069)**	(8,959)	(3,983)
Net debt	**(2,259)**	**(454)**	(2,366)	(494)
Equity	**2,477**	**2,477**	3,454	3,454
Net debt ratio	**(0.91)**	**(0.18)**	(0.69)	(0.14)

h) Fair value measurement

At December 31, 2024, the Company maintained certain financial assets and liabilities, for which the disclosure of fair value measurement is required under CPC 40 (IFRS 7) – Financial instruments (disclosure), as shown in the table below:

	Individual		Consolidated	
	Carrying amount	Fair value	Carrying amount	Fair value
Amortized cost				
Casas Bahia Credit Facility, net of unallocated interest (i)	**4,198**	**4,884**	**4,198**	**4,884**
Transfers to financial institutions ("CDCI") (ii)	**(5,377)**	**(5,344)**	**(5,377)**	**(5,344)**
Fair value through profit or loss				
Debentures – 10th issue (2nd series) (ii)	**(1,387)**	**(1,387)**	**(1,387)**	**(1,387)**
Fair value through other comprehensive income				
Credit card companies (ii)	**527**	**527**	**532**	**532**

(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.

In millions of reais, unless otherwise stated

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	
	12.31.2024	**12.31.2023**	**12.31.2024**	**12.31.2023**
ICMS payable	**456**	444	**458**	445
Special Tax Settlement Program (PERT)	**41**	31	**41**	32
Withholding Income Tax (IRRF) payable	**23**	23	**34**	35
Other	**30**	23	**46**	31
	550	521	**579**	543
Current	**522**	496	**551**	517
Noncurrent	**28**	25	**28**	26

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 profits exceeding R$240 thousand (two hundred and forty thousand reais) 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.

Deferred income and social contribution taxes

Deferred income and social contribution taxes are recognized on temporary differences between asset and liability balances stated in the financial statements and the corresponding tax bases used to calculate taxable 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.

In millions of reais, unless otherwise stated

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

	Individual		Consolidated	
	12.31.2024	**12.31.2023**	**12.31.2024**	**12.31.2023**
Loss before taxes	**(1,687)**	(4,145)	**(1,677)**	(4,202)
IR and CS at statutory rate (34%)	**574**	1,409	**570**	1,429
Investment grant (i)	**-**	186	**-**	191
Exclusion of the Selic rate on taxes (ii)	**99**	48	**102**	53
Equity pickup	**5**	(88)	**23**	17
Unrecognized tax loss (iii)	**-**	-	**(25)**	(37)
Other permanent differences	**(36)**	(35)	**(38)**	(76)
IR and CS at effective rate	**642**	1,520	**632**	1,577
Current	**(13)**	(3)	**(33)**	(6)
Deferred	**655**	1,523	**665**	1,583
IR and CS recognized in profit or loss	**642**	1,520	**632**	1,577

(i) Investment grant

Until the year ended December 31, 2023, the Company had tax benefits that reduce the ICMS expense, such as matching credit, reduced tax base, and reduced rate. These benefits were distributed in 21 states, resulting in a considerable amount excluded from the IRPJ and CSLL tax bases. To use this benefit, the Company complied with legal requirements.

(ii) Exclusion of the Selic rate on taxes

This 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 of subsidiary Cnova were not recognized since there was no sufficient taxable profit to realize referred to tax credits or expected generation of future taxable profits. Deferred income and social contribution taxes not recognized in the statement of financial position relate to income and social contribution tax loss carryforwards. In the year ended December 31, 2024, the main unrecognized tax loss balance was R$528 (R$528 at December 31, 2023).

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.

In millions of reais, unless otherwise stated

c) Breakdown of deferred income and social contribution taxes

	Individual		Consolidated	
	12.31.2024	**12.31.2023**	**12.31.2024**	**12.31.2023**
Provision for contingencies	**751**	735	**779**	760
Expected credit losses	**236**	219	**238**	221
Income and social contribution tax losses	**4,511**	3,601	**4,879**	3,965
Provision for current expenses	**101**	70	**107**	73
Estimated loss on property and equipment and inventories	**52**	115	**52**	115
Lease	**278**	275	**282**	280
Convertible debentures	**114**	-	**114**	-
Other	**97**	93	**99**	93
Total deferred tax assets	**6,140**	5,108	**6,550**	5,507
Depreciation and amortization of property and equipment and intangible assets	**(283)**	(223)	**(294)**	(234)
MtM – convertible instruments	**(122)**	-	**(122)**	-
Debt modification	**(221)**	-	**(221)**	-
PPA Bartira	**-**	-	**(20)**	(20)
ICMS - selectivity	**(116)**	(116)	**(116)**	(116)
Other	**(3)**	(5)	**(30)**	(32)
Total deferred tax liabilities	**(745)**	(344)	**(803)**	(402)
	5,395	4,764	**5,747**	5,105

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	
	12.31.2024	**12.31.2023**	**12.31.2024**	**12.31.2023**
Deferred tax assets	**5,395**	4,764	**5,767**	5,125
Deferred tax liabilities	**-**	-	**(20)**	(20)

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:

Balance at December 31, 2024	Individual	Consolidated
2025	**748**	**775**
2026	**279**	**309**
2027	**396**	**435**
2028	**337**	**372**
2029	**477**	**520**
Above 5 years	**3,903**	**4,139**
	6,140	**6,550**

18. Provision for contingencies

a) Accounting policy

In order for provisions for contingencies to reflect the best estimate of future disbursements, management assesses legal proceedings and estimates 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, 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
Additions of new proceedings and other additions	**5**	**1,323**	**64**	**1,392**
Write-off of provision due to settlement	**-**	**(759)**	**(72)**	**(831)**
Write-off of provision due to success and other write-offs	**-**	**(581)**	**(44)**	**(625)**
Monetary restatement	**33**	**24**	**14**	**71**
Balance at December 31, 2024	**275**	**1,819**	**255**	**2,349**

	Consolidated			
	Tax (i)	Labor (ii)	Civil and other (iii)	Total
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
Additions of new proceedings and other additions	**5**	**1,375**	**64**	**1,444**
Write-off of provision due to settlement	**-**	**(785)**	**(72)**	**(857)**
Write-off of provision due to success and other write-offs	**(2)**	**(600)**	**(44)**	**(646)**
Monetary restatement	**37**	**27**	**14**	**78**
Balance at December 31, 2024	**339**	**1,889**	**255**	**2,483**

(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, 2024, significant tax proceedings provisioned refer substantially to non-approval of offset of PIS/COFINS credits, amounting to R$70 (R$51 at December 31, 2023), and Rate Difference (DIFAL), amounting to R$258 (R$236 at December 31, 2023). The provision was recorded based on an assessment made by external legal advisors, which was corroborated by management.

Regarding DIFAL, on November 29, 2023, the STF resumed the judgment of the "DIFAL Precedence" matter, in Notices of Claims of Unconstitutionality (ADI) Nos. 7066, 7078, and 7070, and, given the outcome of the judgment, although not yet finalized, the Company recorded provision in the amount of R$220 as of December 31, 2023.

In compliance with CVM/SNC/SEP Memorandum Circular No. 1/2023 of February 13, 2023, management analyzed the Company's proceedings under way, and based on the opinion of internal and external legal advisors, informs that as at December 31, 2023, no cases were identified which could represent impacts on its financial statements in connection with the decision handed down by the STF in the final unappealable decision (the so-called *res judicata*) on tax matters on February 8, 2023. The Company will continue monitoring the developments 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, 2024, the Company maintained a provision in the amount of R$1,889 (R$1,872 at December 31, 2023).

(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, 2024, this provision totaled R$ 12 (R$28 at December 31, 2023);

- Proceedings involving consumer relationship rights; 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, 2024, this provision totaled R$ 243 (R$265 at December 31, 2023).

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$8,855 at December 31, 2024 (R$9,044 at December 31, 2023) and are mainly related to:

<u>Tax</u>

- 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) exclusion of ICMS-ST from the PIS and COFINS tax bases; and (v) other less material discussions. The amount involved in referred to proceedings at December 31, 2024 is approximately R$4,242 (R$4,963 at December 31, 2023);

- ICMS-ST (Tax Substitution taxation regime) on purchases of goods: discussion about allocation of PIS and COFINS credits on the ICMS-ST recorded on purchases of goods for resale in calendar year 2016. The amount of the tax assessment notice corresponds to R$341 at December 31, 2024 (R$318 at December 31, 2023).

- 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, 2024 is approximately R$2,426 (R$2,164 at December 31, 2023);

- 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$227 at December 31, 2024 (R$212 at December 31, 2023).

In millions of reais, unless otherwise stated

Civil and other

At December 31, 2024, the Company is a party to civil contingencies totaling R$276 (R$133 at December 31, 2023) that were analyzed by legal advisors and assessed as possible loss which, therefore, are not provisioned.

e) Judicial deposits

The Company is challenging the payment of certain taxes and contributions, as well as social security, labor and civil matters for which 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	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Social security and labor	**721**	262	**752**	276
Tax (i)	**864**	860	**866**	863
Civil and other	**27**	28	**28**	28
	1,612	1,150	**1,646**	1,167

(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 repercussion, 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.

The credit rights referring to legal proceedings prior to 2022 were partially granted to third parties.

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 STF's judgment in November 2023, whose decision determines the application of only the 90-day precedence principle from the date of publication of Supplementary Law No. 190/22, due to (i) absence of publication of the decision; (ii) pending judgment of omissions and inaccuracies through motions for clarification; and (iii) possibility of limiting of the effects of the decision in time, only after a final unfavorable decision is handed down to taxpayers in ADIs Nos. 7066, 7078, and 7070, will the specific Company processes be dismissed, with reversal of the amounts deposited to the state treasuries.

In millions of reais, unless otherwise stated

f) Collaterals and bank guarantees

At December 31, 2024, the Company offered guarantees in connection with social security, labor, tax and civil proceedings, as follows:

	Individual		Consolidated	
	12.31.2024	**12.31.2023**	**12.31.2024**	**12.31.2023**
Social security and labor	**2,260**	2,584	**2,293**	2,619
Tax	**2,240**	1,993	**2,309**	2,045
Civil and other	**350**	353	**350**	356
	4,850	4,930	**4,952**	5,020

At December 31, 2024, the Company presents bank guarantees and surety bonds involving commercial agreements on financial services (deferred revenue) and administrative services totaling R$2,811.

The corporate guarantees granted by CBD at December 31, 2024 total R$216.

19. Lease

a) Accounting policy

CPC 06 (IFRS 16) – Leases requires that all leases and their corresponding contractual rights and obligations be 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 P&L for the year, as incurred. The Company recognized variable lease expenses of R$23 in the Parent Company and Consolidated at December 31, 2024 (R$20 in the Parent Company and Consolidated at December 31, 2023).

The Company acts as a lessee in contracts mainly related to real properties (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.

In millions of reais, unless otherwise stated

b) Breakdown of balances and changes

Right-of-use asset

	Individual	Consolidated
Balance at December 31, 2022	2,789	2,816
Additions and remeasurements	418	420
Write-offs and reversals	(22)	(22)
Depreciation	(649)	(653)
Balance at December 31, 2023	2,536	2,561
Additions and remeasurements	**504**	**508**
Write-offs and reversals	**(27)**	**(27)**
Depreciation	**(622)**	**(625)**
Balance at December 31, 2024	**2,391**	**2,417**

Classification of depreciation of right-of-use assets in P&L for the year

In the years ended December 31, 2024 and 2023, the Company recognized the following depreciation of right-of-use asset amounts in Cost of sales and services:

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Depreciation	**150**	135	**152**	137

Lease liabilities

	Individual	Consolidated
Balance at December 31, 2022	3,657	3,699
Additions and remeasurements	418	420
Write-offs	(31)	(31)
Repayment of principal	(601)	(605)
Payment of interest (i)	(454)	(459)
Interest incurred	454	459
Balance at December 31, 2023	3,443	3,483
Additions and remeasurements	**504**	**508**
Write-offs	**(50)**	**(50)**
Repayment of principal	**(588)**	**(591)**
Payment of interest (i)	**(445)**	**(450)**
Interest incurred	**446**	**450**
Balance at December 31, 2024	**3,310**	**3,350**
Current	**614**	**621**
Noncurrent	**2,696**	**2,729**

(i) In the Statement of cash flows, interest payments are classified as "Financing activities," since the Company considers these to be part of borrowing costs.

c) Maturity of the lease liabilities recognized in noncurrent liabilities

	Individual			Consolidated		
Year	**Gross flow**	**Embedded interest**	**Lease liabilities**	**Gross flow**	**Embedded interest**	**Lease liabilities**
2026	**958**	**(310)**	**648**	**968**	**(313)**	**655**
2027	**831**	**(226)**	**605**	**841**	**(230)**	**611**
2028	**689**	**(150)**	**539**	**699**	**(152)**	**547**
2029	**531**	**(86)**	**445**	**540**	**(87)**	**453**
2030	**311**	**(36)**	**275**	**315**	**(36)**	**279**
Above 5 years	**239**	**(55)**	**184**	**239**	**(55)**	**184**
	3,559	**(863)**	**2,696**	**3,602**	**(873)**	**2,729**

In millions of reais, unless otherwise stated

d) Potential right for PIS and COFINS recoverable

Payments of lease liabilities generate a potential right to PIS and COFINS on the gross contractual flow. In measuring cash flows from leases, tax credits relating to potential impacts of PIS and COFINS were not recorded.

As of December 31, 2024, the balance of this potential right is R$370 in the Parent Company and R$374 in the Consolidated (R$400 in the Parent Company and R$405 in the Consolidated at December 31, 2023).

Agreements per term and discount rate

	Average rate % p.a.	
Contractual term	**12.31.2024**	**12.31.2023**
Up to 5 days	**13.58%**	13.19%
6 - 10 years	**13.82%**	13.63%
11 - 15 years	**15.07%**	14.44%
16 - 20 years	**13.83%**	14.34%

e) 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	
	12.31.2024	**12.31.2023**	**12.31.2024**	**12.31.2023**
Actual flow				
Lease liabilities	**4,567**	4,871	**4,622**	4,928
Embedded interest	**(1,257)**	(1,428)	**(1,272)**	(1,445)
	3,310	3,443	**3,350**	3,483
Inflated Flow				
Lease liabilities	**5,993**	6,157	**6,062**	6,230
Embedded interest	**(1,747)**	(1,998)	**(1,767)**	(2,022)
	4,246	4,159	**4,295**	4,208

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.

In millions of reais, unless otherwise stated

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.

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Additional or extended warranties (i)	**882**	933	**882**	933
Card operations and correspondent banks (ii)	**996**	1,307	**996**	1,307
Insurance and services (iii)	**53**	71	**53**	71
Other	**1**	1	**3**	83
	1,932	2,312	**1,934**	2,394
Current	**208**	229	**209**	244
Noncurrent	**1,724**	2,083	**1,725**	2,150

(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 P&L to the extent that the goals contractually set are achieved. On February 23, 2022, the Company entered into a second amendment with new goals established and effective term through 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 P&L 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 was R$100, which is recognized in P&L 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 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
2026	199	200
2027	199	199
2028	199	199
2029	199	199
2030	190	190
Above 10 years	738	738
	1,724	1,725

21. Equity

21.1 Capital

On November 27, 2023, the reverse split of common shares issued by the Company was approved, without changes in the capital stock. The reverse split was made in a way that did not change the proportional equity interest held by shareholders in the Company's capital and did not affect the equity and political rights of the shares issued by the Company. The shares were grouped at a ratio of 25:1 and were traded as such on December 15, 2023.

On June 6, 2024, 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. The Company's authorized capital as of December 31 amounted to R$9,250, and was represented by 3,000,000 thousand common shares with no par value.

At December 31, 2024, the Company's capital amounted to R$5,340 (R$5,340 at December 31, 2023) and was represented by 95,087 thousand common registered no-par-value shares with voting rights.

	12.31.2024	12.31.2023
Paid-in capital (i)	5,450	5,450
Share issue costs (ii)	(110)	(110)
Capital	**5,340**	5,340

(i) Paid-in capital refers to investments made by shareholders in the Company.
(ii) Share issue costs are amounts directly attributable to 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, broken down as follows as of December 31, 2024.

	Number of shares (in millions) (*)	Amount (in millions)	Average price (in reais)
Balance at December 31, 2022	724	74	4.03
Disposed of	(504)	(52)	4.03
Balance at December 31, 2023	220	22	4.03
Disposed of	**(205)**	**(1)**	**4.03**
Balance at December 31, 2024	**15**	**21**	**4.03**

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

In millions of reais, unless otherwise stated

21.3 Capital transactions

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

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 Grupo Casas Bahia 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 Grupo Casas Bahia.

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.

	Premium on subscription of shares	Absorption of accumulated losses	Total
06.15.2020	2,227	-	2,227
03.31.2021	-	(416)	(416)
09.13.2023	311	-	311
Premium on subscription of shares	**2,538**	**(416)**	**2,122**

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.

Accounting policy

In exchange for services rendered for a certain period of time, 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.

On May 9, 2024, the Company granted 96.869 restricted shares to the beneficiaries of the share-based compensation program. Of this total, 75,073 shares were delivered without a vesting period and the remaining number is subject to vesting. Once the service condition is fulfilled, i.e., to remain as a managing officer or employee of the Company or of a company under its control until the end of the vesting period, scheduled for May 2027, the beneficiary will have the right to receive the restricted shares in 3 installments of 33.33% per annum, from the first anniversary of the date of grant/award.

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

Series granted	Grant date	Strike price (in reais) (i)	Balance at 12.31.2024	Available to be exercised	Grace period to be fulfilled		
					2025	2026	2027
Stock options	04.27.2021	R$10.01	16	-	11	5	-
Restricted	04.27.2021	-	10	-	7	3	-
Restricted	05.10.2022	-	83	-	41	21	21
Special	05.10.2022	-	28	-	14	7	7
Restricted	05.09.2024	-	19	-	17	1	1
Equity-settled plans			**156**	**-**	**90**	**37**	**29**
Phantom	09.12.2019	-	1	-	1	-	-
Cash-settled plans			**1**	**-**	**1**	**-**	**-**

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

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

	12.31.2023	Granted	Exercised	Cancelled	12.31.2024
Shares	1,107	**97**	**(306)**	**(741)**	**157**

The expense, including taxes and social charges withheld, relating to the stock option programs recognized in the year ended December 31, 2024 totaled R$23 (R$20 in the year ended December 31, 2023).

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 P&L when the intermediation services are provided.

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

In millions of reais, unless otherwise stated

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

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

b) Breakdown of balances

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Goods	**27,499**	30,127	**27,531**	30,179
Operational finance transactions (c)	**2,886**	2,527	**2,891**	2,534
Services	**1,522**	1,239	**1,597**	1,341
Freight	**342**	314	**395**	378
Gross revenue from net sales of returns and cancellations	**32,249**	34,207	**32,414**	34,432
Taxes on goods	**(4,727)**	(5,168)	**(4,745)**	(5,181)
Taxes on operational finance transactions (c)	**(101)**	(97)	**(101)**	(97)
Taxes on services	**(219)**	(177)	**(257)**	(212)
Taxes on freight	**(73)**	(63)	**(105)**	(95)
Taxes on revenue	**(5,120)**	(5,505)	**(5,208)**	(5,585)
Operating revenue, net	**27,129**	28,702	**27,206**	28,847

c) Operating finance income

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Casas Bahia Credit Facility (i)	**2,842**	2,598	**2,842**	2,598
Other	**44**	(71)	**49**	(64)
Gross operating finance income, net of returns and cancellations	**2,886**	2,527	**2,891**	2,534
Casas Bahia Credit Facility	**(75)**	(75)	**(75)**	(75)
Other	**(26)**	(22)	**(26)**	(22)
Taxes on revenue	**(101)**	(97)	**(101)**	(97)
Casas Bahia Credit Facility	**2,767**	2,523	**2,767**	2,523
Other	**18**	(93)	**23**	(86)
Operating finance income, net	**2,785**	2,430	**2,790**	2,437

(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	
	12.31.2024	12.31.2023
Gross revenue for the year	**2,842**	2,598
Unallocated interest (i)	**1,980**	1,656
Interest of Casas Bahia Credit Facility	**4,822**	4,254

(i) This balance refers to interest that will be allocated in future periods. Refer to details in Note 6(b).

In millions of reais, unless otherwise stated

23. Expenses by nature

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Cost with inventories sold	**17,406**	18,954	**17,081**	18,668
Personnel expenses	**2,222**	2,187	**2,832**	2,876
Third-party service expenses	**3,019**	3,104	**2,651**	2,870
Freight expenses	**914**	942	**1,007**	1,019
ECL, net of recovery–Casas Bahia Credit Facility (i)	**1,009**	990	**1,009**	990
ECL – Other accounts receivable (i)	**(28)**	142	**-**	190
Expenses with labor contingencies	**604**	766	**613**	805
Other	**277**	389	**317**	438
	25,423	27,474	**25,510**	27,856
Cost of sales and services	**18,405**	20,154	**18,829**	20,792
Selling expenses	**5,736**	6,018	**5,486**	5,883
General and administrative expenses	**1,282**	1,302	**1,195**	1,181
	25,423	27,474	**25,510**	27,856

(i) The changes in allowance for expected credit losses (ECL) are presented in Note 6(c).

24. Other operating income (expenses), net

	Individual		Consolidated	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Restructuring expenses (i)	**(378)**	(577)	**(394)**	(581)
Gain from (loss on) disposal of property and equipment and intangible assets	**2**	(38)	**2**	(129)
Other (ii)	**4**	(535)	**4**	(552)
	(372)	(1,150)	**(388)**	(1,262)

(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) Year 2023 balance is mainly made up of amounts relating to the provision for ICMS – DIFAL, expenses relating to the write-off 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	
	12.31.2024	12.31.2023	12.31.2024	12.31.2023
Finance costs				
Cost of debt	**(631)**	(588)	**(625)**	(588)
Debt modification (ii)	**651**	-	**651**	-
MtM – convertible instruments (iii)	**264**	-	**264**	-
Convertible debentures (iv)	**(335)**	-	**(335)**	-
Interest on transfers to financial institutions (CDCI) (i)	**(849)**	(819)	**(849)**	(819)
Interest - Trade accounts payable (agreement)	**(316)**	(287)	**(303)**	(287)
Interest on lease liabilities	**(446)**	(454)	**(450)**	(459)
Costs of sales and discount on receivables	**(730)**	(1,031)	**(732)**	(1,035)
Losses on restatements	**(96)**	(104)	**(105)**	(117)
Other finance costs	**(172)**	(109)	**(174)**	(112)
Total finance costs	**(2,660)**	(3,392)	**(2,658)**	(3,417)
Finance income				
Yield from cash and cash equivalents	**95**	58	**66**	69
Gains on restatements	**360**	271	**373**	289
Advances to suppliers	**1**	5	**23**	5
Other finance income	**5**	5	**9**	13
Total finance income	**461**	339	**471**	376
Finance income (costs), net	**(2,199)**	(3,053)	**(2,187)**	(3,041)

(i) The transactions referring to Transfers to financial institutions ("CDCI") correspond to the financing of time sales to customers, and their rates are fixed at the time of each contract entered into by the Company (see Note 14). For the year ended December 31, 2024, the weighted average rate applied by financial institutions for this transaction was 19.23% p.a. (18.31% p.a. for the year ended December 31, 2023).

(ii) The Company recognized a temporary gain that reflects the difference between the original and the new obligations, as well as the costs and fees paid and/or received between the Company and the creditors, related to the 10th debenture issue proposed by the OCR. For more details, refer to Note 14 (b)(ii). In the Statement of Value Added, this balance is presented Interest, under Debt remuneration.

(iii) Fair value recognized through profit or loss for the conversion option of the 2nd series of the 10th issue of debentures; for more details, see Note 14 (b)(iii). In the Statement of Value Added, this balance is presented Interest, under Debt remuneration.

(iv) Fair value of the 2nd series of the 10th issue of debentures. For more details, see Note 14(b)(iv). In the Statement of Value Added, this balance is presented Interest, under Debt remuneration.

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. Loss is considered an anti-dilutive event, making the basic and diluted earnings (loss) equal.

	Individual and Consolidated	
	12.31.2024	12.31.2023
Basic numerator		
Basic earnings (loss) allocated and not distributed	**(1,045)**	(2,625)
Basic earnings (loss) allocated and not distributed	**(1,045)**	(2,625)
Basic denominator (in thousands of shares)		
Weighted average number of shares	**95,027**	72,737
Basic earnings (loss) per share (in R$)	**(10.99687)**	(36.09253)
Diluted denominator (in thousands of shares)		
Weighted average number of shares	**95,027**	72,737
Diluted weighted average	**95,027**	72,737
Diluted earnings (loss) per share (in R$)	**(10.99687)**	(36.09253)

The Company's 2nd series of the 10th issue of debentures can be converted into shares. The option to convert equivalent amounts into shares will be available from November 2025 to May 2027 (see Note 14(a)(ii)).

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 coverage encompasses protection of stores, distribution centers and administrative buildings, including all property and equipment 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, 2024, 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	**10,289**
Income	Loss of profits	**1,539**
Vehicles and other (*)	Losses and damages	**67**

(*) It 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$475.

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

As per the Material Fact Notice disclosed to the market on February 13, 2025, further to the Material Fact Notice disclosed on August 10, 2023 and the Material Fact Notice disclosed on November 8, 2023, and as well as the Transformation Plan, GCB is hereby publicly updating its shareholders and the market in general on the operational start-up of the credit rights investment fund ("FIDC") with the purpose of optimizing the Company's credit facility operation.

The FIDC, whose structuring was led by Polígono Capital Ltda. ("Polígono"), already has a firm commitment to third-party contributions and will have an initial capital of R$300, expected to reach R$500 in equity in the coming months. After this first stage, the FIDC called "Single Class of Limited Liability of Grupo Casas Bahia Credit Rights Investment Fund" (enrolled with the Brazilian Registry of Legal Entities - CNPJ/MF under No. 52.667.588/0001-35) can have additional contributions. The management of the FIDC is carried out by Polígono, whilst administration under the responsibility of BTG Pactual Serviços Financeiros S.A. DTVM, and custody is under bank BTG Pactual S.A.