

## Strong fourth quarter caps another year of profitable growth

**Q4 LFL : 7.6%\***

**Gross Sales\*:**  
**Q4: +11.4%**  
**FY 19: +11%**

**Adj. EBITDA\*\*:**  
**Q4: +11%**  
**FY 19: +7.4%**

**Adj. Net  
Income\*\*:**  
**Q4: 6.3%**  
**FY 19: 5.1%**

\*ex-petrol \*\*Pre-IFRS 16

**Strengthening our Omnichannel capacities** and taking advantage of synergies between formats including the bank, e-commerce and our physical stores, resulting in a strong top line growth of 13.3%\* LfL in retail (9.6% Multi-format and 40.1% in GMV), 10.8% total growth at Atacadão and 29% in total billings at the bank.

**Adjusted EBITDA growth of 11% yoy to R\$1.4 billion** pre IFRS 16 in Q4; solid 8.7% margin on significant cost dilution and efficiency gains; full year growth of 7.4% to R\$4.5 billion (7.9% margin)

- ✓ **Atacadão:** Strong 12.6% EBITDA growth in Q4 driven by top line growth and dilution of fixed costs
- ✓ **Carrefour Retail:** Outstanding Lfl in Q4; significant cost dilution, combined with efficiency gains, led to 17.3% EBITDA growth in Multi-format, enabling continued investments in e-commerce, notably an acceleration in food
- ✓ **Banco Carrefour maintains robust performance,** with billings up 28.9% and EBITDA up 22.8% in Q4

**Adjusted Net income growth of 6.3%** at R\$695 million pre IFRS in Q4 19 (4.3% margin) and full-year growth of 5.1% to R\$1.98 billion in 2019.

**Net Cash at R\$253 million,** representing a healthy 0.1x of EBITDA

**Dividends of R\$482 million** in 2019, representing 25% of adjusted net income

### ECOSYSTEM HIGHLIGHTS

- ✓ NPS improved across all formats, notably hypermarkets, which reached a historical high
- ✓ Record number of website visits, which doubled in December versus last year
- ✓ Healthy food aisles rolled out in 82 hypermarkets: ~3.100 organic and healthy products SKUs and 2,600+ private label SKUs, representing 13% of total food net sales in Q4 (+240 bps y/y).
- ✓ 20 new Atacadão stores in the year (+8 openings in Q4), in line with annual target
- ✓ New customer touch points in e-commerce: Last Mile Delivery now available in 138 points of sale in 34 cities; Non-food: 110 Click & Collect; 54 Drives and Click & Collect (vs. 28 in Q3) for food

### ACQUISITION OF 30 MAKRO STORES

- ✓ 30 prime locations with strong complementarity with our existing stores, adding the equivalent of 1.5 years of expansion
- ✓ Strong synergies expected, with potential to expand sales by at least 60%, reaching profitability levels close to those of Atacadão

### Q4 19 FINANCIAL RESULTS PRE-IFRS 16

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q4 19	Q4 18*	Δ%	Q4 19	Q4 18*	Δ%	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%
Gross sales	17,638	15,821	11.5%	11,855	10,698	10.8%	5,783	5,123	12.9%			
Gross sales ex petrol	16,842	15,118	11.4%	11,855	10,698	10.8%	4,987	4,421	12.8%			
<b>Net sales</b>	<b>16,014</b>	<b>14,375</b>	<b>11.4%</b>	<b>10,790</b>	<b>9,745</b>	<b>10.7%</b>	<b>5,224</b>	<b>4,630</b>	<b>12.8%</b>			
Other revenues	997	803	24.2%	40	40	0.0%	130	114	14.0%	827	649	27.4%
<b>Total revenues</b>	<b>17,011</b>	<b>15,178</b>	<b>12.1%</b>	<b>10,830</b>	<b>9,785</b>	<b>10.7%</b>	<b>5,354</b>	<b>4,744</b>	<b>12.9%</b>	<b>827</b>	<b>649</b>	<b>27.4%</b>
<b>Gross profit</b>	<b>3,505</b>	<b>3,232</b>	<b>8.4%</b>	<b>1,669</b>	<b>1,517</b>	<b>10.0%</b>	<b>1,248</b>	<b>1,194</b>	<b>4.5%</b>	<b>588</b>	<b>521</b>	<b>12.9%</b>
Gross margin	21.9%	22.5%	-60 bps	15.5%	15.6%	-10 bps	23.9%	25.8%	-190 bps			
<b>SG&amp;A expenses**</b>	<b>(2,116)</b>	<b>(1,980)</b>	<b>6.9%</b>	<b>(845)</b>	<b>(786)</b>	<b>7.5%</b>	<b>(982)</b>	<b>(903)</b>	<b>8.7%</b>	<b>(254)</b>	<b>(247)</b>	<b>2.8%</b>
Global Functions expenses	(35)	(44)	-20.5%									
SG&A of net sales	13.2%	13.8%	-56 bps	7.8%	8.1%	-23 bps	18.8%	19.5%	-71 bps			
<b>Adj. EBITDA**</b>	<b>1,395</b>	<b>1,258</b>	<b>10.9%</b>	<b>825</b>	<b>733</b>	<b>12.6%</b>	<b>271</b>	<b>295</b>	<b>-8.1%</b>	<b>334</b>	<b>274</b>	<b>21.9%</b>
Adj. EBITDA margin	8.7%	8.8%	-4 bps	7.6%	7.5%	12 bps	5.2%	6.4%	-118 bps			
<b>Adj. Net Income, group share</b>	<b>695</b>	<b>654</b>	<b>6.3%</b>									
Adj. Net Income margin	4.3%	4.5%	-21 bps									

\* In order to make both years comparable, Q4 18 Gross Profit and EBITDA have been adjusted downwards for 9M months of ICMS-ST tax credits booked in Q4 and related to 9M 18. For Atacadão the adjustment of such tax credit was a decrease of R\$ 158 million in gross profit and EBITDA.

\*\*Includes global functions expenses of R\$ -35 million

## Noël Prioux, CEO of Grupo Carrefour Brasil declared:

"With a double-digit increase in sales and robust Adjusted EBITDA, Grupo Carrefour Brasil turned in another year of profitable growth in 2019 and a particularly strong showing in the fourth quarter, driven by an excellent Black Friday, successful commercial initiatives and efficiency gains. All our divisions contributed to this solid performance: Atacadão returned to double-digit growth in Q4 and achieved its target of 20 store openings in the year; Carrefour Retail posted its highest quarterly increase in five years in the fourth quarter, with double-digit growth in sales, market share gains in hypermarkets and a growing contribution from e-commerce; Banco Carrefour's billings continued their strong growth momentum. The recently-announced acquisition of 30 Makro stores further strengthens the Carrefour Brasil ecosystem and positions us to consolidate our leading position in Brazilian retail."

## CONSOLIDATED Q4 19 FINANCIAL RESULTS PRE-IFRS 16

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q4 19	Q4 18*	Δ%	Q4 19	Q4 18*	Δ%	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%
Gross sales	17,638	15,821	11.5%	11,855	10,698	10.8%	5,783	5,123	12.9%			
Gross sales ex petrol	16,842	15,118	11.4%	11,855	10,698	10.8%	4,987	4,421	12.8%			
<b>Net sales</b>	<b>16,014</b>	<b>14,375</b>	<b>11.4%</b>	<b>10,790</b>	<b>9,745</b>	<b>10.7%</b>	<b>5,224</b>	<b>4,630</b>	<b>12.8%</b>			
Other revenues	997	803	24.2%	40	40	0.0%	130	114	14.0%	827	649	27.4%
<b>Total revenues</b>	<b>17,011</b>	<b>15,178</b>	<b>12.1%</b>	<b>10,830</b>	<b>9,785</b>	<b>10.7%</b>	<b>5,354</b>	<b>4,744</b>	<b>12.9%</b>	<b>827</b>	<b>649</b>	<b>27.4%</b>
<b>Gross profit</b>	<b>3,505</b>	<b>3,232</b>	<b>8.4%</b>	<b>1,669</b>	<b>1,517</b>	<b>10.0%</b>	<b>1,248</b>	<b>1,194</b>	<b>4.5%</b>	<b>588</b>	<b>521</b>	<b>12.9%</b>
Gross margin	21.9%	22.5%	-60 bps	15.5%	15.6%	-10 bps	23.9%	25.8%	-190 bps			
<b>SG&amp;A expenses**</b>	<b>(2,116)</b>	<b>(1,980)</b>	<b>6.9%</b>	<b>(845)</b>	<b>(786)</b>	<b>7.5%</b>	<b>(982)</b>	<b>(903)</b>	<b>8.7%</b>	<b>(254)</b>	<b>(247)</b>	<b>2.8%</b>
Global Functions expenses	(35)	(44)	-20.5%									
SG&A of net sales	13.2%	13.8%	-56 bps	7.8%	8.1%	-23 bps	18.8%	19.5%	-71 bps			
<b>Adj. EBITDA**</b>	<b>1,395</b>	<b>1,258</b>	<b>10.9%</b>	<b>825</b>	<b>733</b>	<b>12.6%</b>	<b>271</b>	<b>295</b>	<b>-8.1%</b>	<b>334</b>	<b>274</b>	<b>21.9%</b>
Adj. EBITDA margin	8.7%	8.8%	-4 bps	7.6%	7.5%	12 bps	5.2%	6.4%	-118 bps			
<b>Adj. Net Income, group share</b>	<b>695</b>	<b>654</b>	<b>6.3%</b>									
Adj. Net Income margin	4.3%	4.5%	-21 bps									

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## CONSOLIDATED 2019 FINANCIAL RESULTS PRE-IFRS 16

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	2019	2018	Δ%	2019	2018	Δ%	2019	2018	Δ%	2019	2018	Δ%
Gross sales	62,220	56,343	10.4%	42,055	37,579	11.9%	20,165	18,764	7.5%			
Gross sales ex petrol	59,376	53,512	11.0%	42,055	37,579	11.9%	17,321	15,933	8.7%			
<b>Net sales</b>	<b>56,519</b>	<b>51,276</b>	<b>10.2%</b>	<b>38,220</b>	<b>34,169</b>	<b>11.9%</b>	<b>18,299</b>	<b>17,107</b>	<b>7.0%</b>			
Other revenues	3,545	2,991	18.5%	140	141	-0.7%	460	394	16.8%	2,945	2,456	19.9%
<b>Total Revenues</b>	<b>60,064</b>	<b>54,267</b>	<b>10.7%</b>	<b>38,360</b>	<b>34,310</b>	<b>11.8%</b>	<b>18,759</b>	<b>17,501</b>	<b>7.2%</b>	<b>2,945</b>	<b>2,456</b>	<b>19.9%</b>
<b>Gross profit</b>	<b>12,434</b>	<b>11,381</b>	<b>9.3%</b>	<b>5,893</b>	<b>5,391</b>	<b>9.3%</b>	<b>4,494</b>	<b>4,247</b>	<b>5.8%</b>	<b>2,047</b>	<b>1,743</b>	<b>17.4%</b>
Gross Margin	22.0%	22.2%	-20 bps	15.4%	15.8%	-36 bps	24.6%	24.8%	-27 bps			
<b>SG&amp;A Expenses*</b>	<b>(7,966)</b>	<b>(7,223)</b>	<b>10.3%</b>	<b>(3,167)</b>	<b>(2,803)</b>	<b>13.0%</b>	<b>(3,705)</b>	<b>(3,439)</b>	<b>7.7%</b>	<b>(950)</b>	<b>(847)</b>	<b>12.2%</b>
Global Functions expenses	(144)	(134)	7.5%									
SG&A of Net Sales	14.1%	14.1%	1 bps	8.3%	8.2%	+8 bps	20.2%	20.1%	+14 bps			
<b>Adj. EBITDA*</b>	<b>4,492</b>	<b>4,183</b>	<b>7.4%</b>	<b>2,733</b>	<b>2,596</b>	<b>5.3%</b>	<b>806</b>	<b>825</b>	<b>-2.3%</b>	<b>1,097</b>	<b>895</b>	<b>22.6%</b>
Adj. EBITDA Margin	7.9%	8.2%	-21 bps	7.2%	7.6%	-45 bps	4.4%	4.8%	-42 bps			
<b>Adj. Net Income, Group share</b>	<b>1,975</b>	<b>1,879</b>	<b>5.1%</b>									
Adj. Net Income Margin	3.5%	3.7%	-17 bps									

\*Includes global functions expenses of R\$ -144 million

**Grupo Carrefour Brasil's consolidated sales reached R\$17.6 billion in Q4 19.** Excluding petrol, they **grew by a strong 11.4%**, driven mainly by the highest like-for-like growth in Q4 in five years, of 7.6%. Our strategy of continued expansion in Cash and Carry (20 Atacadão openings in 2019, of which 8 in Q4) and convenience (8 openings in the full year) contributed another 4.2% to growth. Grupo Carrefour Brasil's total store network reached 692 stores at the end of the year.

Like-for-Like ex-calendar	Q1 18	Q2 18	Q3 18	Q4 18	2018	Q1 19	Q2 19	Q3 19	Q4 19	2019
Atacadão	0.5%	4.5%	6.2%	7.4%	4.8%	6.8%	7.6%	1.8%	5.5%	5.4%
Carrefour ex-petrol	0.1%	0.8%	2.5%	3.5%	1.8%	6.1%	8.0%	8.8%	12.7%	9.1%
Carrefour (inc petrol)	0.1%	2.1%	3.0%	2.8%	2.1%	4.2%	6.4%	7.2%	12.7%	7.8%
<b>Consolidated ex-petrol</b>	<b>0.4%</b>	<b>3.4%</b>	<b>5.1%</b>	<b>6.2%</b>	<b>3.9%</b>	<b>6.6%</b>	<b>7.7%</b>	<b>3.8%</b>	<b>7.6%</b>	<b>6.5%</b>
<b>Consolidated inc petrol</b>	<b>0.5%</b>	<b>3.6%</b>	<b>5.1%</b>	<b>5.8%</b>	<b>3.9%</b>	<b>5.8%</b>	<b>7.3%</b>	<b>3.5%</b>	<b>7.8%</b>	<b>6.2%</b>

In Q4, Grupo Carrefour Brasil's sales growth of 7.6% on a like-for-like basis (ex-petrol) was largely driven by very strong 12.7% growth in the Retail division, the highest quarterly increase in the last five years. At Atacadão, like-for-like growth reached 5.5%, reflecting the strength of the business model, which was able to offer the best price option for our clients amid a volatile inflation trend in several categories, notably meat, combined with a very successful Black Friday.

For the **full year, gross sales reached R\$62.2 billion.** Excluding petrol **growth was 11% higher**, on a combination of 6.5% like-for-like growth and an additional 4.7% from expansion. Atacadão's growth reached a strong 11.9%, as it achieved its expansion target of 20 openings, while Carrefour Retail grew 8.7% (ex-petrol) on the back of 9.1% LfL growth.

Like-for-Like ex-calendar	Q4 19				2019			
	Gross Sales (R\$MM)	LFL	Expansion	Total Growth	Gross Sales (R\$MM)	LFL	Expansion	Total Growth
Atacadão	11,855	5.5%	6.0%	10.8%	42,055	5.4%	6.8%	11.9%
Carrefour (ex-petrol)	4,987	12.7%	0.1%	12.8%	17,321	9.1%	-0.3%	8.7%
Carrefour (inc petrol)	5,783	12.7%	0.2%	12.9%	20,165	7.8%	-0.3%	7.5%
<b>Gross sales (ex-petrol)</b>	<b>16,842</b>	<b>7.6%</b>	<b>4.2%</b>	<b>11.4%</b>	<b>59,376</b>	<b>6.5%</b>	<b>4.7%</b>	<b>11.0%</b>
<b>Gross sales (inc petrol)</b>	<b>17,638</b>	<b>7.8%</b>	<b>4.1%</b>	<b>11.5%</b>	<b>62,220</b>	<b>6.2%</b>	<b>4.5%</b>	<b>10.4%</b>

Other revenues grew by 24.2% in Q4 and 18.5% in 2019, reflecting the acceleration of billings at Banco Carrefour, increasing by 28.9% in Q4. The strong performance in all divisions led to gross profit of R\$3.5 billion, +8.4% in Q4, and gross margin of 21.9%, 60bps lower yoy on mix effect, as non-food sales and e-commerce have been increasing at a fast rate and gaining share. In 2019, gross profit increased 9.3% to R\$12.4 billion for 22% gross margin, broadly stable.

In R\$ million	Q4 19	Q4 18	Δ%	2019	2018	Δ%
<b>Gross sales</b>	<b>17,638</b>	<b>15,821</b>	<b>11.5%</b>	<b>62,220</b>	<b>56,343</b>	<b>10.4%</b>
Net sales	16,014	14,375	11.4%	56,519	51,276	10.2%
Other revenues	997	803	24.2%	3,545	2,991	18.5%
<b>Total revenues</b>	<b>17,011</b>	<b>15,178</b>	<b>12.1%</b>	<b>60,064</b>	<b>54,267</b>	<b>10.7%</b>
<b>Gross profit</b>	<b>3,505</b>	<b>3,232</b>	<b>8.4%</b>	<b>12,434</b>	<b>11,381</b>	<b>9.3%</b>
Gross margin	21.9%	22.5%	-60 bps	22.0%	22.2%	-20 bps
<b>SG&amp;A expenses</b>	<b>(2,116)</b>	<b>(1,980)</b>	<b>6.9%</b>	<b>(7,966)</b>	<b>(7,223)</b>	<b>10.3%</b>
Global Functions expenses	(35)	(44)	-20.5%	(144)	(134)	7.5%
SG&A of net sales	13.2%	13.8%	-56 bps	14.1%	14.1%	1 bps
<b>Adj. EBITDA</b>	<b>1,395</b>	<b>1,258</b>	<b>10.9%</b>	<b>4,492</b>	<b>4,183</b>	<b>7.4%</b>
Adj. EBITDA margin	8.7%	8.8%	-4 bps	7.9%	8.2%	-21 bps
<b>Adj. Net Income, group share</b>	<b>695</b>	<b>654</b>	<b>6.3%</b>	<b>1,975</b>	<b>1,879</b>	<b>5.1%</b>
Adj. Net Income margin	4.3%	4.5%	-21 bps	3.5%	3.7%	-17 bps

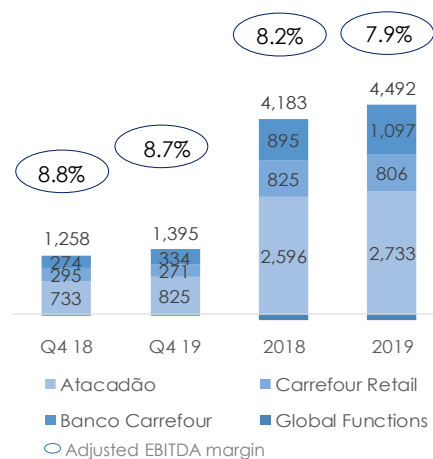
SG&A expenses in Q4 were up 6.9%. As a percentage of net sales, they improved by 56bps across all divisions, on the back of (i) significant dilution of fixed costs thanks to strong top line growth; (ii) continued efforts in the Retail division to improve supply chain; (iii) further improvements in Cash & Carry operations, especially in smaller format stores; and (iv) scale gains at Banco Carrefour.

For 2019, SG&A increased 10.3%, virtually in line with revenue growth while investing heavily in expansion in Cash & Carry and in omnichannel initiatives, reflecting our ability to improve efficiency to offset investments in our long-term strategy.

## Adjusted EBITDA – Pre-IFRS16

The combination of : (i) Assertive actions to sustain strong top line growth; (ii) SG&A dilution and efficiency gains across all divisions generating Ebitda growth both at Atacadão and Multi-format; and (iii) Banco Carrefour's strong performance allowed us to invest in our e-commerce strategy and resulted in an 11% increase in consolidated adjusted EBITDA in Q4 to R\$1.4 billion for 8.7% margin, broadly stable year-on-year. This underscores our commitment to delivering consistent improvement in profitability while investing in new businesses, which sustained margins at high levels. In 2019, adjusted consolidated EBITDA was 7.4% higher at R\$4.5 billion for 7.9% EBITDA margin.

Adjusted EBITDA breakdown



## Net Income and Adjusted Net Income, Group Share (pre-IFRS16)

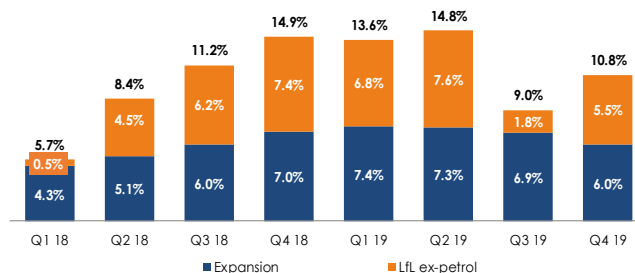
In Q4 19 adjusted net income pre-IFRS 16 reached R\$695 million or 4.3% of net sales, up 6.3% year-on-year excluding other income and expenses and the one-off tax impact in Q4 18. In 2019 adjusted net income increased by 5.1% to R\$1.98 billion pre-IFRS 16.

## OPERATING PERFORMANCE BY SEGMENT

### Atacadão

Atacadão's gross revenues reached R\$11.9 billion in Q4, representing total growth of 10.8%. This reflects its expansion strategy and its ability to take advantage of volatile inflation trends in different categories, notably meat. It also reflects a very successful Black Friday, with sales up 63.4% over the previous year and with more than 58% y/y growth in Atacadão credit card billings in a single day.

Atacadão Sales Performance



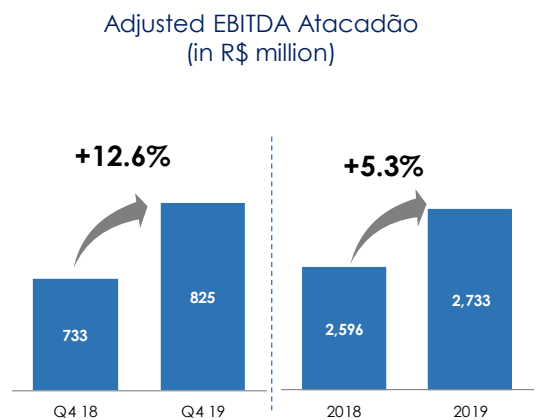
Atacadão's LfL sales grew by 5.5% in the quarter and 5.4% in the full year (vs 4.8% in full-year 2018), while expansion contributed an additional 6.0% growth to total sales in the quarter. With 8 new openings across different Brazilian regions in Q4, Atacadão reached its target of 20 openings in 2019. This brings the total store network to 186 at year-end. The concentration of store openings in the last quarter of the year should have a positive impact on our LfL in the future as those stores mature.

In Q4 19, gross profit was 10% higher pre-IFRS 16 at R\$1.7 billion, for a gross margin of 15.5%, broadly stable year-on-year. This reflects successful commercial initiatives, which translated into favorable sales trends without impacting profitability despite a more competitive environment. In 2019, gross profit pre-IFRS 16 was up 9.3% to R\$ 5.9 billion, with gross margin at 15.4% (down 36 bps), a strong result as we benefited in 2018 from the truckers' strike.

Our SG&A expenses increased 7.5% in Q4, generating efficiency gains of 23 bps as a percentage of net sales. Adjusted EBITDA rose a strong 12.6% to R\$825 million and margin grew 12bps to 7.6%, one of the best quarters of the year, as cost dilution and efficiency gains offset the costs associated with the opening of 8 stores during the quarter. This reflects Atacadão's consistent efforts to improve the efficiency of its business model, particularly concentrated this quarter on its smaller format stores, as well as the scalability of the model, which allows significant cost dilution when posting strong growth.

Full-year EBITDA increased 5.3%, reaching R\$2.7 billion for a 7.2% margin (vs. 7.6% in 2018), mainly linked to expansion-related expenses and our continuous attention to price competitiveness, with a strategic decision to maintain our price leadership.

In R\$ million	ATACADÃO			ATACADÃO		
	Q4 19	Q4 18	Δ%	2019	2018	Δ%
Gross sales	11,855	10,698	10.8%	42,055	37,579	11.9%
Gross sales ex petrol	11,855	10,698	10.8%	42,055	37,579	11.9%
<b>Net sales</b>	<b>10,790</b>	<b>9,745</b>	<b>10.7%</b>	<b>38,220</b>	<b>34,169</b>	<b>11.9%</b>
Other revenues	40	40	0.0%	140	141	-0.7%
<b>Total revenues</b>	<b>10,830</b>	<b>9,785</b>	<b>10.7%</b>	<b>38,360</b>	<b>34,310</b>	<b>11.8%</b>
<b>Gross profit</b>	<b>1,669</b>	<b>1,517</b>	<b>10.0%</b>	<b>5,893</b>	<b>5,391</b>	<b>9.3%</b>
Gross margin	15.5%	15.6%	-10 bps	15.4%	15.8%	-36 bps
<b>SG&amp;A expenses</b>	<b>(845)</b>	<b>(786)</b>	<b>7.5%</b>	<b>(3,167)</b>	<b>(2,803)</b>	<b>13.0%</b>
SG&A of net sales	7.8%	8.1%	-23 bps	8.3%	8.2%	+8 bps
<b>Adj. EBITDA</b>	<b>825</b>	<b>733</b>	<b>12.6%</b>	<b>2,733</b>	<b>2,596</b>	<b>5.3%</b>
<b>Adj. EBITDA margin</b>	<b>7.6%</b>	<b>7.5%</b>	<b>12 bps</b>	<b>7.2%</b>	<b>7.6%</b>	<b>-45 bps</b>



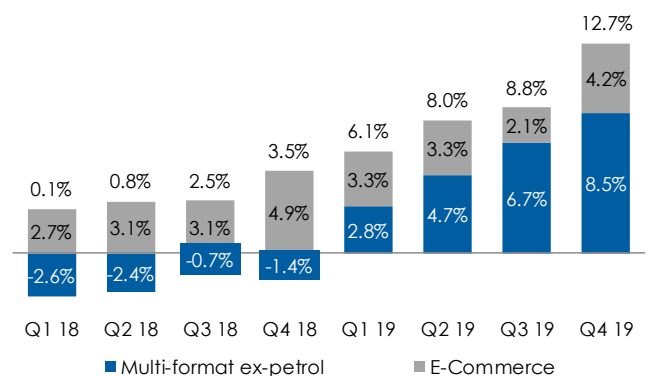
## Carrefour Retail

Carrefour Retail's sales continued to accelerate in Q4 by a very strong 12.8% (ex-petrol): Carrefour LfL sales ex-petrol were up 12.7% (or 13.3 % including the marketplace), compared to 8.8% in Q3 and 3.5% in the year-ago quarter. This was the highest quarterly increase in the last five years, with total sales of R\$5.8 billion, including petrol. For the full year, total sales reached R\$20.2 billion including petrol, growing by 7.5%. Excluding petrol, total sales grew 8.7%, on the back of strong 9.1% LfL growth, a sharp improvement compared to the 1.8% LfL growth in 2018.

The outperformance of our Multi-format business continues to reflect the many actions taken since 2018 related to prices and assortment repositioning, combined with commercial and food transition initiatives.

This has translated into a better customer experience, with NPS reaching a historical high, and out-of-stock levels decreasing. This resulted in a much more favorable sales trend in food categories and a sharp acceleration in non-food categories, supported by the contribution of e-commerce and Black Friday this quarter.

Carrefour Retail Sales Performance and contribution analysis



## (i) Multi-format

Our multi-format division registered its best level of LfL since 2014 in Q4, up 9.6%, with volumes up by 5.4% and tickets increasing 6.8%, representing +3 million additional transactions. Another strong non-food performance, which grew 16.4% in physical stores, as well as food's best performance in the last 5 years, with an increase of 6.1% in sales and 4% in volumes, led to a remarkable performance across our different retail channels.

This quarter saw consistent market share gains in hypermarkets (+220 bps according to Nielsen) and in multi-format retail supported by: (i) better logistics execution, generating a better service level (increase in NPS) and reducing the out-of-stock level; (ii) the successful Act for Food campaign, which contributed with a 30% growth of private label products in FMCG; (iii) a very strong Black Friday, with 40% annual growth in sales and 26% growth in Carrefour credit card billings.

Convenience formats, notably Express, continue to record strong growth, enjoying 24.2% LfL sales growth (double-digit growth for the fifth consecutive quarter), while Omnichannel initiatives such as Click & Collect, Drive and our Last-mile delivery partnership maintain their fast rate of expansion, supporting growth and contributing 100bps to our in-store LfL.

We continued to develop our commercial offer of healthy and organic products, in line with the strategy to be a leader in the food transition for all. Healthy food aisles were implemented in 82 hypermarkets, offering ~3,100 SKUs of organic and healthy products (+22% y/y), and more than 2,600 SKUs of private label products, representing 13% of total food net sales in Q4, 240 bps higher y/y.

## (ii) E-commerce and Digital initiatives

Positive e-commerce momentum continued, with GMV total growth of 40.1%, representing 16.1% of Carrefour Retail's total sales excluding petrol (versus 12.9% in Q4 18). The marketplace accounted for ~19% of total GMV (virtually in line with Q4 18) or 21% of non-food GMV.

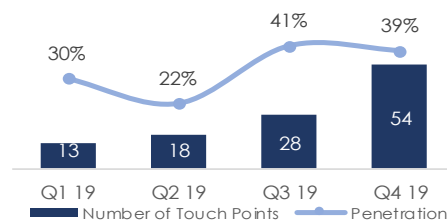
The number of visitors and orders continued to grow strongly (over 90%), reaching a record rate during the quarter. In Q4 our marketplace had 3,756 sellers and ~4 million SKUs.

Our food e-commerce kept gaining market share, with GMV growing 405%\*. Expansion of last-mile delivery, Drives and Click & Collect remains on track. In Q4, drive and Click & Collect were already responsible for 39% of food delivery. We ended the year with 12 side stores, which absorbed 25% of total e-commerce food sales in Q4, allowing us to sustain a complete order index of over 98%, significantly reducing the out-of-stock and churn rates. Average delivery time improved in Q4 and we currently deliver 97% of orders on time.

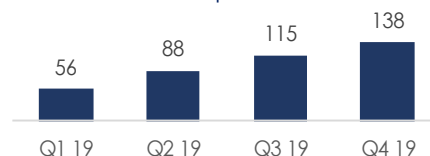
Our non-food e-commerce business surpassed R\$2 billion in sales in 2019 and R\$700 million in Q4 three years after its launch, already accounting for 34% of non-food total retail sales, and significantly contributing to our competitive advantages.

\*includes last-mile-delivery

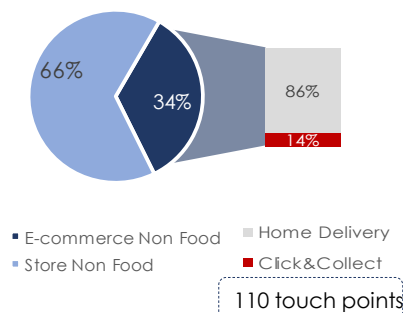
Drive and Click & Collect Food



Last mile delivery touchpoints



Non Food Sales in Q4 19



	Q4 19 (R\$MM)	LFL	Q4 18 (R\$MM)	Total Growth	2019 (R\$MM)	LFL	2018 (R\$MM)	Total Growth
1P	650	39.7%	462	40.6%	1,713	43.7%	1,187	44.3%
3P	152	37.9%	110	37.9%	434	92.2%	226	92.2%
<b>E-commerce</b>	<b>802</b>	<b>39.1%</b>	<b>572</b>	<b>40.1%</b>	<b>2,148</b>	<b>51.4%</b>	<b>1,413</b>	<b>51.9%</b>
Multi-format	4,337	9.6%	3,959	9.6%	15,608	6.3%	14,746	5.8%
<b>Carrefour + GMV (ex-petrol)</b>	<b>5,139</b>	<b>13.3%</b>	<b>4,531</b>	<b>13.4%</b>	<b>17,756</b>	<b>10.2%</b>	<b>16,159</b>	<b>9.9%</b>

### (iii) Results

Carrefour Retail's consolidated gross profit reached R\$1.25 billion, 4.5% higher year-on-year. Margin in Q4, pre-IFRS 16, stood at 23.9% versus 25.8% in Q4 18. The quarter's 190 bps decrease comes from our e-business, where we accelerated investments and, to a lesser extent, from our Multi-format. In full-year 2019, gross profit was \$4.5 billion (+5.8% yoy), with margin of 24.6% (vs. 24.8% in 2018).

Our brick & mortar business experienced year-on-year gross margin contraction of 70 bps in Q4 19 due to: (i) the double-digit increase of our consumer electronics sales, which carry below-average margin, resulting in dilution; (ii) the strong and expected inflation in several fresh categories, which generated temporary pressure on gross margin due to a delay in drop-through.

In e-commerce, additional investments in both food and non-food during Q4 19 resulted in strong GMV growth, and pushed gross margins down by 200bps, compared with 90bps in Q4 18, given: (i) investments to win new clients during the Black Friday campaign in non-food; (ii) the launch of the food e-business with side store openings concentrated in Q4; and (iii) non-food distribution center migration, adding incremental costs during the quarter. For the full year, e-commerce had a 120bps impact on gross margin versus 70bps in 2018, given its increasing importance on a relative basis.

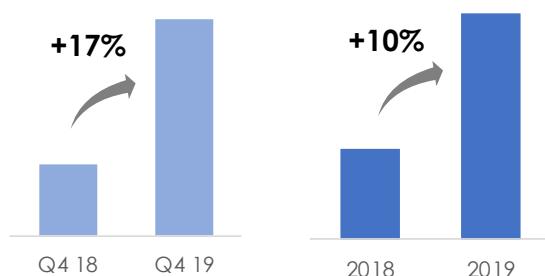
The investments during the quarter, which supported strong growth in non-food and e-commerce, led to a greater profitability at Banco Carrefour. The diversification of our sales strengthens our ecosystem and provides significant opportunities to increase share of wallet.

In Q4, pre-IFRS 16 **distribution costs (SG&A) generated 71 bps of efficiency gains**, partially compensating the mix effect and reflecting (i) natural dilution of fixed costs due to strong Lfl; (ii) productivity gains in our stores and supply chain linked to the improvement of processes and optimization of merchandise flow, which more than offset investments linked to the roll-out of Carrefour Retail's omnichannel strategy.

In R\$ million	CARREFOUR RETAIL			CARREFOUR RETAIL		
	Q4 19	Q4 18	Δ%	2019	2018	Δ%
Gross sales	5,783	5,123	12.9%	20,165	18,764	7.5%
Gross sales ex petrol	4,987	4,421	12.8%	17,321	15,933	8.7%
<b>Net sales</b>	<b>5,224</b>	<b>4,630</b>	<b>12.8%</b>	<b>18,299</b>	<b>17,107</b>	<b>7.0%</b>
Other revenues	130	114	14.0%	460	394	16.8%
Total revenues	5,354	4,744	12.9%	18,759	17,501	7.2%
<b>Gross profit</b>	<b>1,248</b>	<b>1,194</b>	<b>4.5%</b>	<b>4,494</b>	<b>4,247</b>	<b>5.8%</b>
Gross margin	23.9%	25.8%	-190 bps	24.6%	24.8%	-27 bps
<b>SG&amp;A expenses</b>	<b>(982)</b>	<b>(903)</b>	<b>8.7%</b>	<b>(3,705)</b>	<b>(3,439)</b>	<b>7.7%</b>
SG&A of net sales	18.8%	19.5%	-71 bps	20.2%	20.1%	+14 bps
Adj. EBITDA	271	295	-8.1%	806	825	-2.3%
Adj. EBITDA margin	5.2%	6.4%	-118 bps	4.4%	4.8%	-42 bps

### MULTI-FORMAT

Adjusted EBITDA



The efficiency gains in SG&A led **EBITDA pre-IFRS 16 in Multi-format division to grow by 17%**, more than compensating the impacts on gross margin and enabling investments in new initiatives, especially food e-commerce. This resulted in adjusted EBITDA pre-IFRS 16 of R\$271 million, at 5.2% margin (vs. 6.4% in 4Q 18). In 2019, adjusted EBITDA pre-IFRS 16 was R\$806 million, at 4.4% margin.

## Banco Carrefour

In Q4, Banco Carrefour posted another strong performance in billings and portfolio growth: Total billings rose by 28.9% year-on-year to R\$9.7 billion, and +15.7% sequentially. Carrefour credit card billings were up 21.8% to R\$6.9 billion (+15.9% sequentially), while Atacadão credit card billings reached R\$2.7 billion, up 51.2% in Q4 and 15.9% sequentially, already representing 28% of total billings. The credit portfolio rose by a robust 38% to R\$11.6 billion, continuing its solid performance and reflecting the credit market's positive momentum in Brazil.

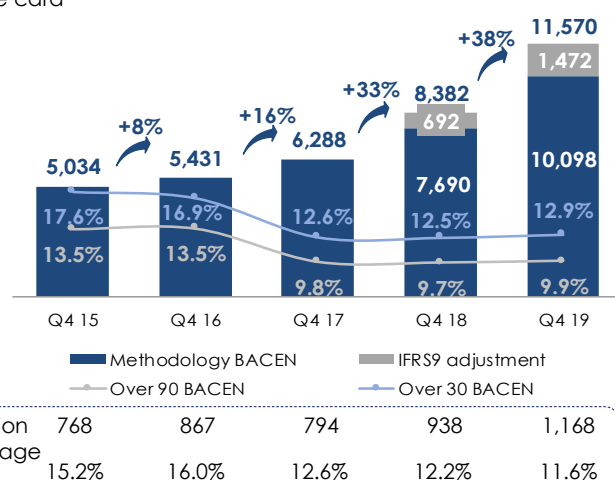
Black Friday gross billings (on-us and off-us) reached over R\$380 million in one single day, the number of transactions was up 20% and average ticket was up +25% versus 2018.

In R\$ million	4Q19	4Q18	Δ	2019	2018	Δ
Billings Carrefour credit card	6,879	5,649	21.8%	23,650	19,676	20.2%
Billings Atacadão credit card	2,721	1,799	51.2%	8,966	5,813	54.2%
Other products*	122	94	29.5%	482	363	32.5%
<b>Total billings</b>	<b>9,722</b>	<b>7,543</b>	<b>28.9%</b>	<b>33,097</b>	<b>25,852</b>	<b>28.0%</b>
Total Credit portfolio	11,570	8,382	38.0%	11,570	8,382	38.0%

\*Other products include personal loans and payment of bills using the card

The health of our credit portfolio remains solid. On a comparable basis, loans overdue by more than 90 days ("over 90") reached 9.9% of the total portfolio in Q4, broadly stable year-on-year considering the increase in terms of share of the Atacadão loan portfolio. Loans overdue by more than 30 days ("over 30") stood at 12.9% of the total portfolio in Q4.

On a comparable basis, credit risk provision is at R\$1.2 billion, up 24.5% year-on-year, as a result of strong growth in Atacadão's portfolio. The coverage ratio represented 11.6% of the total portfolio in Q4.



In Q4, net operating revenues increased 27.4% and 19.9% in the full year. We moved forward in our diversification strategy with insurance product sales increasing by 31.4%. Adjusted EBITDA stood at R\$334 million, 21.9% higher year-on-year. This reflects a strong top line combined with an improving efficiency ratio of 34.8% in the year, one of the lowest ratios compared to peers. Net income increased 74% to R\$223 million in Q4 19 and 55% in 2019 to R\$643 million, driven by topline growth and a lower income tax rate.

Banco Carrefour keeps moving to improve user experience. In Q4, it recorded a 264% y-o-y increase in accounts sold through digital channels and a 15-point improvement in Carrefour credit card NPS.

In R\$ million	Q4 19	Q4 18	Δ	2019	2018	Δ
<b>Net operating revenues</b>	<b>827</b>	<b>649</b>	<b>27.4%</b>	<b>2,945</b>	<b>2,456</b>	<b>19.9%</b>
Risk Charges	(239)	(127)	87.6%	(898)	(713)	26.0%
<b>Gross profit</b>	<b>588</b>	<b>521</b>	<b>12.9%</b>	<b>2,047</b>	<b>1,743</b>	<b>17.4%</b>
SG&A expenses	(254)	(247)	2.8%	(950)	(847)	12.2%
<b>Adjusted EBITDA</b>	<b>334</b>	<b>274</b>	<b>21.9%</b>	<b>1,097</b>	<b>895</b>	<b>22.6%</b>
Depreciation and amortization expense	(9)	(6)	51.4%	(34)	(22)	56.4%
<b>Adjusted EBIT</b>	<b>325</b>	<b>268</b>	<b>22.0%</b>	<b>1,067</b>	<b>874</b>	<b>22.1%</b>
Other revenues (expenses)	(13)	(20)	-33.6%	(54)	(63)	-14.4%
Net Financial results	(6)	(7)	-13.9%	(26)	(27)	-3.6%
Income tax	(84)	(113)	-25.8%	(344)	(370)	-7.1%
<b>Net income (100%)</b>	<b>223</b>	<b>128</b>	<b>74.1%</b>	<b>643</b>	<b>414</b>	<b>55.5%</b>



## CONSOLIDATED FINANCIAL RESULTS POST-IFRS 16

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q4 19	Q4 18*	Δ%	Q4 19	Q4 18*	Δ%	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%
Gross sales	17,638	15,821	11.5%	11,855	10,698	10.8%	5,783	5,123	12.9%			
Gross sales ex petrol	16,842	15,118	11.4%	11,855	10,698	10.8%	4,987	4,421	12.8%			
<b>Net sales</b>	<b>16,014</b>	<b>14,375</b>	<b>11.4%</b>	<b>10,790</b>	<b>9,745</b>	<b>10.7%</b>	<b>5,224</b>	<b>4,630</b>	<b>12.8%</b>			
Other revenues	997	803	24.2%	40	40	0.0%	130	114	14.0%	827	649	27.4%
<b>Total Revenues</b>	<b>17,011</b>	<b>15,178</b>	<b>12.1%</b>	<b>10,830</b>	<b>9,785</b>	<b>10.7%</b>	<b>5,354</b>	<b>4,744</b>	<b>12.9%</b>	<b>827</b>	<b>649</b>	<b>27.4%</b>
<b>Gross profit</b>	<b>3,505</b>	<b>3,232</b>	<b>8.4%</b>	<b>1,669</b>	<b>1,517</b>	<b>10.0%</b>	<b>1,248</b>	<b>1,194</b>	<b>4.5%</b>	<b>588</b>	<b>521</b>	<b>12.9%</b>
Gross Margin	21.9%	22.5%	-60 bps	15.5%	15.6%	-10 bps	23.9%	25.8%	-190 bps			
<b>SG&amp;A Expenses**</b>	<b>(2,051)</b>	<b>(1,980)</b>	<b>3.6%</b>	<b>(823)</b>	<b>(786)</b>	<b>4.7%</b>	<b>(940)</b>	<b>(903)</b>	<b>4.1%</b>	<b>(253)</b>	<b>(247)</b>	<b>2.4%</b>
Global Functions expenses	(35)	(44)	-20.5%									
SG&A of Net Sales	12.8%	13.8%	-97 bps	7.6%	8.1%	-44 bps	18.0%	19.5%	-151 bps			
<b>Adj. EBITDA**</b>	<b>1,465</b>	<b>1,258</b>	<b>16.5%</b>	<b>847</b>	<b>733</b>	<b>15.6%</b>	<b>318</b>	<b>295</b>	<b>7.8%</b>	<b>335</b>	<b>274</b>	<b>22.3%</b>
Adj. EBITDA Margin	9.1%	8.8%	40 bps	7.8%	7.5%	33 bps	6.1%	6.4%	-28 bps			
<b>Adj. Net Income, Group share</b>	<b>676</b>	<b>654</b>	<b>3.4%</b>									
Adj. Net Income Margin	4.2%	4.5%	-33 bps									

\* In order to make both years comparable, Q4 18 Gross Profit and EBITDA have been adjusted downwards for 9M months of ICMS-ST tax credits booked in Q4 and related to 9M 18. For Atacadão the adjustment of such tax credit was a decrease of R\$ 158 million in gross profit and EBITDA.

\*\*Includes global functions expenses of R\$ -35 million

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	2019	2018	Δ%	2019	2018	Δ%	2019	2018	Δ%	2019	2018	Δ%
Gross sales	62,220	56,343	10.4%	42,055	37,579	11.9%	20,165	18,764	7.5%			
Gross sales ex petrol	59,376	53,512	11.0%	42,055	37,579	11.9%	17,321	15,933	8.7%			
<b>Net sales</b>	<b>56,519</b>	<b>51,276</b>	<b>10.2%</b>	<b>38,220</b>	<b>34,169</b>	<b>11.9%</b>	<b>18,299</b>	<b>17,107</b>	<b>7.0%</b>			
Other revenues	3,545	2,991	18.5%	140	141	-0.7%	460	394	16.8%	2,945	2,456	19.9%
<b>Total Revenues</b>	<b>60,064</b>	<b>54,267</b>	<b>10.7%</b>	<b>38,360</b>	<b>34,310</b>	<b>11.8%</b>	<b>18,759</b>	<b>17,501</b>	<b>7.2%</b>	<b>2,945</b>	<b>2,456</b>	<b>19.9%</b>
<b>Gross profit</b>	<b>12,449</b>	<b>11,381</b>	<b>9.4%</b>	<b>5,895</b>	<b>5,391</b>	<b>9.3%</b>	<b>4,507</b>	<b>4,247</b>	<b>6.1%</b>	<b>2,047</b>	<b>1,743</b>	<b>17.4%</b>
Gross Margin	22.0%	22.2%	-17 bps	15.4%	15.8%	-35 bps	24.6%	24.8%	-20 bps			
<b>SG&amp;A Expenses*</b>	<b>(7,744)</b>	<b>(7,223)</b>	<b>7.2%</b>	<b>(3,101)</b>	<b>(2,803)</b>	<b>10.6%</b>	<b>(3,552)</b>	<b>(3,439)</b>	<b>3.3%</b>	<b>(947)</b>	<b>(847)</b>	<b>11.8%</b>
Global Functions expenses	(144)	(134)	7.5%									
SG&A of Net Sales	13.7%	14.1%	-39 bps	8.1%	8.2%	-9 bps	19.4%	20.1%	-69 bps			
<b>Adj. EBITDA*</b>	<b>4,754</b>	<b>4,183</b>	<b>13.7%</b>	<b>2,804</b>	<b>2,596</b>	<b>8.0%</b>	<b>994</b>	<b>825</b>	<b>20.5%</b>	<b>1,100</b>	<b>895</b>	<b>22.9%</b>
Adj. EBITDA Margin	8.4%	8.2%	25 bps	7.3%	7.6%	-26 bps	5.4%	4.8%	+61 bps			
<b>Adj. Net Income, Group share</b>	<b>1,927</b>	<b>1,879</b>	<b>2.6%</b>									
Adj. Net Income Margin	3.4%	3.7%	-26 bps									

\*Includes global functions expenses of R\$ -144 million

In R\$ million	Q4 19	Q4 18	Δ	2019	2018	Δ
<b>Net income</b>	<b>745</b>	<b>595</b>	<b>25.3%</b>	<b>1,328</b>	<b>1,863</b>	<b>-28.7%</b>
(+) Income tax and social contribution	249	219	13.6%	951	893	6.5%
(+) Net financial results	125	104	20.2%	502	361	39.1%
(+) Depreciation and amortization	279	195	43.0%	1,022	747	36.8%
(+) Supply chain depreciation and amortization	11	6	76.0%	50	26	93.8%
<b>(=) EBITDA</b>	<b>1,409</b>	<b>1,119</b>	<b>25.9%</b>	<b>3,853</b>	<b>3,891</b>	<b>-1.0%</b>
(+/-) Other (income) expenses	56	138	-59.4%	901	292	208.6%
<b>(=) Adjusted EBITDA</b>	<b>1,465</b>	<b>1,258</b>	<b>16.5%</b>	<b>4,754</b>	<b>4,183</b>	<b>13.7%</b>

## Other Income (Expenses)

In R\$ million	Q4 19	Q4 18	Δ	2019	2018	Δ
Restructuring costs	(19)	(20)	-5.0%	(70)	(69)	1.4%
Impairment, write-off of assets (including IFRS 16)	(27)	(37)	27%	(32)	(92)	-62.2%
Income and expenses related to litigations	4	(81)	-104.9%	(774)	(131)	490.8%
M&A transaction fees and others	(14)	0	n.a.	(25)	0	n.a.
<b>Other income (expenses)</b>	<b>(56)</b>	<b>(138)</b>	<b>-59.4%</b>	<b>(901)</b>	<b>(292)</b>	<b>208.6%</b>

Other income and expenses reached R\$56 million in Q4 mostly related to (i) M&A transaction fees; (ii) restructuring costs; and (iii) impairments of assets and expenses related to distribution center migration. In 2019, they were a negative R\$901 million. The vast majority of the impact is related to the ICMS tax credits on basic products (Cesta Básica) provision as per the Material fact issued on May 12, 2019. The unfavorable ruling against the Company is still subject to appeal. There has been no significant cash impact to date and the final cash impact will depend on the final legal outcome and timetable of the legal proceedings.

## Net Debt Profile and Net Financial Result

Loans amounted to R\$2.9 billion at end-December, up from R\$1.9 billion in December 2018. The first application of IFRS 16 resulted in an additional lease debt of R\$1.6 billion, classified within our gross debt. Including discounted receivables, our gross debt was R\$7 billion and net debt was R\$1.4 billion (or R\$ 253 million net cash excluding the Lease Debt, which compares with R\$831 million net cash in 2018). The annual increase reflects: (i) the continuation of our deliberate strategy to increase consumer electronics inventories, which drove high growth; (ii) opportunities in the commodities markets aiming at competitive inventory build-up in Cash & Carry, in line with Atacadão's winning Every Day Low Price strategy.

In R\$ million	Dec. 19	Dec. 18 Reported	Δ
Loans	(2,856)	(1,913)	49.3%
Cash and cash equivalents	5,619	4,942	13.7%
<b>(Net Debt) Net Cash</b>	<b>2,763</b>	<b>3,029</b>	<b>-8.8%</b>
Discounted receivables	(2,510)	(2,198)	14.2%
<b>Gross Debt (w/ discounted receivables)</b>	<b>(5,366)</b>	<b>(4,111)</b>	<b>30.5%</b>
<b>(Net Debt) Net Cash (w/ discounted receivables)</b>	<b>253</b>	<b>831</b>	<b>-69.6%</b>
Lease debt	(1,628)	-	n.m.
<b>(Net Debt) Net Cash (w/ discounted receivables) Post-IFRS 16</b>	<b>(1,375)</b>	<b>831</b>	<b>n.m.</b>
<i>(Net Debt) Net Cash/Adj. EBITDA LTM</i>	<i>0.58x</i>	<i>0.72x</i>	<i>n.m.</i>
<i>(Net Debt) Net Cash (w/ discounted receivables)/Adj. EBITDA LTM</i>	<i>0.05x</i>	<i>0.20x</i>	<i>n.m.</i>

We maintained a very solid performance, with extremely low (net debt) net cash/EBITDA ratios at 0.58 (net cash) excluding discounted receivables and 0.05x net cash including them. Grupo Carrefour Brasil loans are not subject to financial covenant clauses. Our Standard & Poor's credit rating remains "brAAA" (stable outlook) for both Atacadão S.A and Banco CSF.

In R\$ million	Q4 19 post-IFRS 16	Q4 18	Δ	Q4 19 pre-IFRS 16	Δ
Cost of bank debt, gross	(39)	(39)	0.0%	(39)	0.0%
Interest expenses on leases (IFRS 16)	(31)	-	n.m.	-	n.m.
Cost of discounted credit card receivables	(32)	(32)	0.0%	(32)	0.0%
Financial Revenue	9	14	-35.7%	9	-35.7%
<b>Cost of Debt, Net</b>	<b>(92)</b>	<b>(57)</b>	<b>61.4%</b>	<b>(62)</b>	<b>8.8%</b>
Net interests on provisions and judicial deposits	(38)	(33)	15.2%	(38)	15.2%
Others	5	(15)	-133.3%	5	-100.0%
<b>Net financial result</b>	<b>(125)</b>	<b>(105)</b>	<b>19.0%</b>	<b>(95)</b>	<b>-9.5%</b>

In R\$ million	2019 post-IFRS 16	2018	Δ	2019 pre-IFRS 16	Δ
Cost of bank debt, gross	(169)	(160)	5.6%	(169)	5.6%
Interest expenses on leases (IFRS 16)	(109)	-	n.m.	-	n.m.
Cost of discounted credit card receivables	(126)	(106)	18.9%	(126)	19.8%
Financial Revenue	21	48	-56.3%	21	-56.3%
<b>Cost of Debt, Net</b>	<b>(383)</b>	<b>(218)</b>	<b>75.7%</b>	<b>(275)</b>	<b>26.1%</b>
Net interests on provisions and judicial deposits	(76)	(72)	5.6%	(76)	5.6%
Others	(43)	(71)	-39.4%	(43)	-100.0%
<b>Net financial result</b>	<b>(502)</b>	<b>(361)</b>	<b>39.1%</b>	<b>(394)</b>	<b>9.1%</b>

Net financial result in Q4 19 reached R\$126 million post IFRS on a higher net debt position combined with an increase in interest on provisions related to basic products booked in Q2 19 and the application of IFRS 16, which resulted in additional lease expense of R\$31 million. For 2019, Net financial result totaled R\$502 million.

## Income tax

In R\$ million	Q4 19	Q4 18	Δ	2019	2018	Δ
Income Before Taxes	994	972	2.3%	2,279	2,756	-17.3%
Income and Social Contribution Tax	(249)	(273)	-8.8%	(951)	(893)	6.5%
Effective Tax Rate	25.1%	28.1%	-3 bps	41.7%	32.4%	9 bps

Income and social contribution tax expenses were down 8.8% in Q4 19 at R\$249 million and up 6.5% to R\$951 million in 2019. The tax rate in Q4 reached 25.1% and 41.7% in 2019, impacted by the provision effect related to pending litigation regarding tax credits on basic items. Excluding the impact of non-recurring items, the effective tax rate would be 33% in 2019.

In R\$ million	Q4 2019 (post IFRS 16)	Other income (expenses)	Net income, Group share, adjusted
<b>Income before income tax and social contribution</b>	<b>994</b>	<b>(56)</b>	<b>938</b>
Income and Social Contribution Tax	(249)	11	(238)
Effective Tax Rate	25%		25%
<b>Net income</b>	<b>745</b>	<b>(45)</b>	<b>700</b>
Net Income - Non-controlling interests (NCI)	109		109
<b>Net income, Group share, adjusted</b>	<b>676</b>	<b>(45)</b>	<b>631</b>

In R\$ million	2019 (post IFRS 16)	Other income (expenses)	Net income, Group share, adjusted
<b>Income before income tax and social contribution</b>	<b>2,279</b>	<b>901</b>	<b>3,180</b>
Income and Social Contribution Tax	(951)	(113)	(1,064)
Effective Tax Rate	42%		33%
<b>Net income</b>	<b>1,328</b>	<b>788</b>	<b>2,116</b>
Net Income - Non-controlling interests (NCI)	315		315
<b>Net income, Group share, adjusted</b>	<b>1,927</b>	<b>788</b>	<b>2,715</b>

## Net Income and Adjusted Net Income, Group Share (post-IFRS16)

Adjusted net income provides a better view of the recurring net income performance. It is calculated as Net Income less Other income and expenses and the corresponding financial and income tax effect.

In R\$ million	Q4 19	Q4 18	Δ	2019	2018	Δ
<b>Net income, Group share</b>	<b>636</b>	<b>532</b>	<b>19.6%</b>	<b>1,013</b>	<b>1,660</b>	<b>-39.0%</b>
(+/-) DTA exceptional recognition	(30)	0	n.m.	(30)	0	n.m.
(+/-) Other income (expenses)	56	138	-59.4%	901	292	208.6%
(+/-) Financial results (non recurring)	0	47	-100.0%	0	40	-100.0%
(+/-) Tax income on other income (expenses) items	14	(63)	-122.2%	43	(113)	-138.1%
<b>Net income, Group share, adjusted</b>	<b>676</b>	<b>654</b>	<b>3.4%</b>	<b>1,927</b>	<b>1,879</b>	<b>2.6%</b>
Net margin	<b>4.7%</b>	<b>4.5%</b>	<b>15 bps</b>	<b>3.4%</b>	<b>3.7%</b>	<b>-26 bps</b>

In Q4 19 adjusted net income post-IFRS 16 reached R\$676 million or 4.2% of net sales, up 3.3% year-on-year excluding other income and expenses. In 2019 adjusted net income increased by 2.5% to R\$1.9 billion post-IFRS 16.

## Operating Working Capital

In 2019, our operating working capital requirements were -R\$4.8 billion vs -R\$4.2 billion in 2018. Working capital variation was concentrated in inventories and accounts receivable, which were more than offset by a 5 day rise in suppliers.

In Reais Million	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18
(+) Accounts Receivable (*)	782	575	552	673	552
(+) Inventories	5,949	6,029	5,419	6,217	5,132
(-) Suppliers (**)	(11,494)	(6,259)	(6,590)	(7,183)	(9,804)
<b>(=) Working Capital - WC Merchandise</b>	<b>(4,763)</b>	<b>346</b>	<b>(618)</b>	<b>(293)</b>	<b>(4,120)</b>

(\*) Commercial receivables excluding receivables from property and from suppliers, that were classified net from suppliers debt

(\*\*) Suppliers related to business, excluding suppliers of tangible and intangible assets, and net from discounts to be received from suppliers

In days	Q4 19	Q3 19	Q2 19	Q1 19	Q4 18
(+) Accounts Receivable	6	5	5	6	5
(+) Inventories	46	49	44	53	44
(-) Suppliers	(90)	(51)	(54)	(61)	(85)
<b>(=) Working Capital - WC Merchandise</b>	<b>(37)</b>	<b>3</b>	<b>(5)</b>	<b>(2)</b>	<b>(36)</b>

Working capital ratios above are calculated using Cost of Goods Sold

## CAPEX

In R\$ million	Q4 19	Q4 18	Δ	2019	2018	Δ
Expansion	282	411	-31.4%	1,065	1,235	-13.8%
Maintenance	91	142	-35.8%	281	286	-1.7%
Remodeling	32	19	67.3%	127	59	114.5%
IT and other	115	93	24.0%	296	213	39.1%
<b>Total Capex (ex IFRS 16)</b>	<b>520</b>	<b>665</b>	<b>-21.8%</b>	<b>1,769</b>	<b>1,793</b>	<b>-1.3%</b>
Right-of-use assets (IFRS 16 cash transaction)	22	-	n.m.	43	-	n.m.
Right-of-use assets (IFRS 16 non-cash transaction)	791	-	n.m.	988	-	n.m.
<b>Total Capex Post-IFRS 16</b>	<b>1,333</b>	<b>665</b>	<b>100.6%</b>	<b>2,800</b>	<b>1,793</b>	<b>56.2%</b>

In 2019, we invested a total of R\$1.8 billion, of which expansion-related capex accounted for about 60% of the total, mainly for investments in new Atacadão stores.

## STORE NETWORK – Q4 2019

In Q4, we opened eight Cash & Carry stores, one wholesale facility, one Market store and one gas station. We now operate 692 stores for total sales area of 2,006,324 m<sup>2</sup>.

N° of stores	Dec.18	Openings	Dec.19
Cash & Carry	166	20	186
Hypermarkets	100	0	100
Supermarkets	50	3	53
Convenience Stores	120	5	125
Wholesale	27	1	28
Drugstores	124	0	124
Gas Stations	74	2	76
<b>Group</b>	<b>661</b>	<b>31</b>	<b>692</b>

Sales area	Dec.18	Dec.19	Δ Change Dec.19 vs Dec.18
Cash & Carry	1,056,539	1,170,350	10.8%
Hypermarkets	704,876	704,876	0.0%
Supermarkets	68,008	69,056	1.5%
Convenience Stores	22,009	22,732	3.3%
Drugstores	7,921	7,921	0.0%
Gas Stations	30,485	31,389	3.0%
<b>Total sales area (m<sup>2</sup>)</b>	<b>1,889,839</b>	<b>2,006,324</b>	<b>6.2%</b>

## Q4 RESULTS CONFERENCE CALL INFORMATION

Portuguese/English  
(simultaneous translation)

**February 21, 2020** (Friday)

10:00 am – Brasília  
08:00 am – New York  
01:00 pm – London  
02:00 pm – Paris

**Brazil dial-in:** +55 (11) 3137-8052

[Portuguese Webcast](#)

**International dial-in:**

USA: +1 786 837-9597

UK: +44 20 3318-3776

France: +33 9 8009-3462

**Access code:** Carrefour Brasil

[English Webcast](#)

**Replay** (available for 7 days):

+1 888 959 5986

**Replay Access:**

Code: 8011

Password: #191

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## APPENDIX I – Consolidated Income Statement post-IFRS 16

<i>In R\$ Million</i>	Q4 19 post IFRS 16	Q4 18 pre IFRS 16	IFRS 16 Impact	2019 post IFRS 16	2018 pre IFRS 16	IFRS 16 Impact
<b>Gross sales</b>	<b>17,638</b>	<b>15,821</b>	-	<b>62,220</b>	<b>56,343</b>	-
<b>Net sales</b>	<b>16,014</b>	<b>14,375</b>	-	<b>56,519</b>	<b>51,276</b>	-
Other revenue	997	803	-	3,545	2,991	-
<b>Net operating revenue</b>	<b>17,011</b>	<b>15,178</b>	-	<b>60,064</b>	<b>54,267</b>	-
Cost of goods sold, service and financial operations	(13,506)	(11,788)	-	(47,615)	(42,886)	-
<b>Gross Profit*</b>	<b>3,505</b>	<b>3,232</b>	-	<b>12,449</b>	<b>11,381</b>	<b>15</b>
Gross Margin	21.9%	22.5%	-	22.0%	22.2%	-
SG&A expenses	(2,051)	(1,980)	65	(7,744)	(7,223)	222
<b>Adjusted EBITDA*</b>	<b>1,465</b>	<b>1,258</b>	<b>70</b>	<b>4,754</b>	<b>4,183</b>	<b>262</b>
Adjusted EBITDA Margin	9.1%	8.8%	-	8.4%	8.2%	-
Depreciation and amortization	(279)	(195)	(60)	(1,022)	(747)	(183)
Net income from equity accounted company	-	-	-	(1)	(1)	-
Other income (expenses)	(56)	(139)	-	(901)	(292)	-
<b>EBIT</b>	<b>1,119</b>	<b>1,076</b>	<b>5</b>	<b>2,781</b>	<b>3,118</b>	<b>54</b>
Net financial expenses	(135)	(120)	(31)	(502)	(361)	(109)
<b>Income before income tax and social contribution</b>	<b>984</b>	<b>956</b>	<b>(26)</b>	<b>2,279</b>	<b>2,757</b>	<b>(55)</b>
Income Tax	(249)	(273)	-	(951)	(893)	-
<b>Net income</b>	<b>735</b>	<b>683</b>	-	<b>1,328</b>	<b>1,864</b>	-
<b>Net income, Group share</b>	<b>636</b>	<b>532</b>	<b>(19)</b>	<b>1,013</b>	<b>1,660</b>	<b>(48)</b>
Net Income - Non-controlling interests (NCI)	<b>109</b>	<b>63</b>	-	<b>315</b>	<b>203</b>	-

\* In order to make both years comparable, Q4 18 Gross Profit and EBITDA have been adjusted downwards for 9M months of ICMS-ST tax credits booked in Q4 and related to 9M 18. For Atacadão the adjustment of such tax credit was a decrease of R\$ 158 million in gross profit and EBITDA.

## Appendix II - Consolidated Balance Sheet post-IFRS 16

<i>In R\$ Million</i>	<b>December 2019</b>	<b>December 2018</b>
<b>Assets</b>		
Cash and cash equivalents	5,322	4,647
Marketable securities	287	286
Accounts receivable	1,206	901
Consumer credit granted by our financial solutions company	8,426	6,266
Inventories	5,949	5,132
Tax receivables	591	358
Income tax and social contribution recoverable	64	41
Derivative financial instruments	0	-
Prepaid expenses	83	60
Other accounts receivable	227	207
<b>Current assets</b>	<b>22,155</b>	<b>17,898</b>
Accounts receivable	5	6
Consumer credit granted by our financial solutions	440	317
Marketable securities	10	9
Tax receivables	3,612	2,434
Deferred tax assets	476	485
Prepaid expenses	28	20
Judicial deposits and collateral	2,382	2,231
Other accounts receivable	26	28
Investment properties	408	416
Investments in equity accounted companies	127	75
Property and equipment	12,915	10,472
Intangible assets and goodwill	2,328	2,286
<b>Non-current assets</b>	<b>22,757</b>	<b>18,779</b>
<b>Total assets</b>	<b>44,912</b>	<b>36,677</b>

## Appendix II - Consolidated Balance Sheet post-IFRS 16

<i>In R\$ Million</i>	<b>December 2019</b>	<b>December 2018</b>
<b>Liabilities</b>		
Suppliers	12,187	10,423
Borrowings	19	17
Lease debt	182	-
Consumer credit financing	5,941	4,637
Tax payable	282	273
Income tax and social contribution payables	239	252
Payroll, vacation and related charges	690	651
Dividends payable	90	58
Deferred income	10	12
Other accounts payable	414	421
Derivative financial instruments	5	2
<b>Current liabilities</b>	<b>20,059</b>	<b>16,746</b>
Borrowings	2,837	1,896
Lease debt	1,446	-
Consumer credit financing	986	433
Deferred tax liabilities	534	473
Provisions	3,847	3,047
Provisions (tax liabilities)	466	-
Deferred income	18	20
Other accounts payable	14	15
<b>Non-current liabilities</b>	<b>10,148</b>	<b>5,884</b>
Share capital	7,643	7,627
Capital reserve	2,178	2,174
Income reserve	3,966	3,513
Net effect of acquisition of minority interest	(282)	(282)
Equity evaluation adjustment	(1)	1
<b>Shareholders' equity, Group share</b>	<b>13,504</b>	<b>13,033</b>
<b>Non-controlling interests</b>	<b>1,201</b>	<b>1,014</b>
<b>Total liabilities and shareholders' equity</b>	<b>44,912</b>	<b>36,677</b>



## Appendix III – Comparison 4Q 19 Results as reported

Pre-IFRS 16 In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%
Gross sales	17,638	15,821	11.5%	11,855	10,698	10.8%	5,783	5,123	12.9%			
Gross sales ex petrol	16,842	15,118	11.4%	11,855	10,698	10.8%	4,987	4,421	12.8%			
<b>Net sales</b>	<b>16,014</b>	<b>14,375</b>	<b>11.4%</b>	<b>10,790</b>	<b>9,745</b>	<b>10.7%</b>	<b>5,224</b>	<b>4,630</b>	<b>12.8%</b>			
Other revenues	997	803	24.1%	40	40	0.0%	130	114	14.0%	827	649	27.4%
<b>Total revenues</b>	<b>17,011</b>	<b>15,178</b>	<b>12.1%</b>	<b>10,830</b>	<b>9,785</b>	<b>10.7%</b>	<b>5,354</b>	<b>4,744</b>	<b>12.9%</b>	<b>827</b>	<b>649</b>	<b>27.4%</b>
<b>Gross profit</b>	<b>3,505</b>	<b>3,390</b>	<b>3.4%</b>	<b>1,669</b>	<b>1,675</b>	<b>-0.4%</b>	<b>1,248</b>	<b>1,194</b>	<b>4.5%</b>	<b>588</b>	<b>521</b>	<b>12.9%</b>
Gross margin	21.9%	23.6%	-170 bps	15.5%	17.2%	-172 bps	23.9%	25.8%	-190 bps			
<b>SG&amp;A expenses*</b>	<b>(2,116)</b>	<b>(1,980)</b>	<b>6.9%</b>	<b>(845)</b>	<b>(786)</b>	<b>7.5%</b>	<b>(982)</b>	<b>(903)</b>	<b>8.7%</b>	<b>(254)</b>	<b>(247)</b>	<b>2.8%</b>
Global Functions expenses	(35)	(44)	-20.5%									
SG&A of Net sales	13.2%	13.8%	-56 bps	7.8%	8.1%	-23 bps	18.8%	19.5%	-71 bps			
<b>Adj. EBITDA*</b>	<b>1,395</b>	<b>1,415</b>	<b>-1.4%</b>	<b>825</b>	<b>891</b>	<b>-7.4%</b>	<b>271</b>	<b>295</b>	<b>-8.1%</b>	<b>334</b>	<b>274</b>	<b>21.9%</b>
Adj. EBITDA margin	8.7%	9.8%	-113 bps	7.6%	9.1%	-150 bps	5.2%	6.4%	-118 bps			
<b>Adj. Net Income, group share</b>	<b>695</b>	<b>758</b>	<b>-8.3%</b>									
Adj. Net Income margin	4.3%	5.3%	-93 bps									

Post-IFRS16 In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%	Q4 19	Q4 18	Δ%
Gross sales	17,638	15,821	11.5%	11,855	10,698	10.8%	5,783	5,123	12.9%			
Gross sales ex petrol	16,842	15,118	11.4%	11,855	10,698	10.8%	4,987	4,421	12.8%			
<b>Net sales</b>	<b>16,014</b>	<b>14,375</b>	<b>11.4%</b>	<b>10,790</b>	<b>9,745</b>	<b>10.7%</b>	<b>5,224</b>	<b>4,630</b>	<b>12.8%</b>			
Other revenues	997	803	24.1%	40	40	0.0%	130	114	14.0%	827	649	27.4%
<b>Total Revenues</b>	<b>17,011</b>	<b>15,178</b>	<b>12.1%</b>	<b>10,830</b>	<b>9,785</b>	<b>10.7%</b>	<b>5,354</b>	<b>4,744</b>	<b>12.9%</b>	<b>827</b>	<b>649</b>	<b>27.4%</b>
<b>Gross profit</b>	<b>3,505</b>	<b>3,390</b>	<b>3.4%</b>	<b>1,669</b>	<b>1,675</b>	<b>-0.4%</b>	<b>1,248</b>	<b>1,194</b>	<b>4.5%</b>	<b>588</b>	<b>521</b>	<b>12.9%</b>
Gross Margin	21.9%	23.6%	-170 bps	15.5%	17.2%	-172 bps	23.9%	25.8%	-190 bps			
<b>SG&amp;A Expenses*</b>	<b>(2,051)</b>	<b>(1,980)</b>	<b>3.6%</b>	<b>(823)</b>	<b>(786)</b>	<b>4.7%</b>	<b>(940)</b>	<b>(903)</b>	<b>4.1%</b>	<b>(253)</b>	<b>(247)</b>	<b>2.4%</b>
Global Functions expenses	(35)	(44)	-20.5%									
SG&A of Net Sales	12.8%	13.8%	-97 bps	7.6%	8.1%	-44 bps	18.0%	19.5%	-151 bps			
<b>Adj. EBITDA*</b>	<b>1,465</b>	<b>1,415</b>	<b>3.5%</b>	<b>847</b>	<b>891</b>	<b>-4.9%</b>	<b>318</b>	<b>295</b>	<b>7.8%</b>	<b>335</b>	<b>274</b>	<b>22.3%</b>
Adj. EBITDA Margin	9.1%	9.8%	-70 bps	7.8%	9.1%	-129 bps	6.1%	6.4%	-28 bps			
<b>Adj. Net Income, Group share</b>	<b>676</b>	<b>758</b>	<b>-10.8%</b>									
Adj. Net Income Margin	4.2%	5.3%	-105 bps									

## Appendix IV - Banco Carrefour

### Overdue Portfolio Analysis

#### BACEN Methodology

In R\$ million	December 19		September 19		June 19		March 19		December 18	
Total Portfolio	10,098	100.0%	9,002	100.0%	8,430	100.0%	7,947	100.0%	7,690	100.0%
On time payments	8,663	85.8%	7,633	84.8%	7,150	84.8%	6,767	85.2%	6,610	86.0%
Over 30 days	1,300	12.9%	1,198	13.3%	1,095	13.0%	1,039	13.1%	963	12.5%
Over 90 days	1,002	9.9%	903	10.0%	793	9.4%	756	9.5%	747	9.7%
Provisions for loan losses	1,168	11.6%	1,035	11.5%	946	11.2%	933	11.7%	938	12.2%
Provisions for loan losses / over 90 days		117%		115%		119%		123%		126%

#### IFRS 9

In R\$ million	December 19		September 19		June 19		March 19		December 18	
Total Portfolio	11,570	100.0%	10,287	100.0%	9,529	100.0%	8,836	100.0%	8,382	100.0%
On time payments	8,592	74.3%	7,560	73.5%	7,077	74.3%	6,711	76.0%	6,564	78.3%
Over 30 days	2,803	24.2%	2,510	24.4%	2,218	23.3%	1,942	22.0%	1,669	19.9%
Over 90 days	2,432	21.0%	2,147	20.9%	1,845	19.4%	1,596	18.1%	1,400	16.7%
Provisions for loan losses	2,819	24.4%	2,588	25.2%	2,339	24.5%	2,114	23.9%	1,931	23.0%
Provisions for loan losses / over 90 days		116%		121%		127%		132%		138%

## Appendix V - IFRS 16 – Income Statement

The standard IFRS16 – Leases is applicable as from January 1, 2019. Under IFRS 16, all leases are to be brought onto the statement of financial position by recognizing a right-of-use asset and a lease liability corresponding to the present value of the lease payments due over the reasonably certain term of the lease. IFRS 16 therefore affects the presentation of lease transactions in the income statement, with rental expense replaced by a depreciation expense and interest expense. **As provided by the standard, Grupo Carrefour Brasil decided to transition to IFRS 16 using the simplified retrospective approach, without restating the 2018 consolidated financial statements.** The effects in our 2019 P&L are detailed in the table below:

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL		
	Q4 19 Before IFRS 16	IFRS impact	Q4 19 post-IFRS 16	Q4 19 Before IFRS 16	IFRS impact	Q4 19 post-IFRS 16	Q4 19 Before IFRS 16	IFRS impact	Q4 19 post-IFRS 16
Gross sales	17,638		17,638	11,855		11,855	5,783		5,783
Gross sales ex petrol	16,842		16,842	11,855		11,855	4,987		4,987
<b>Net sales</b>	<b>16,014</b>		<b>16,014</b>	<b>10,790</b>		<b>10,790</b>	<b>5,224</b>		<b>5,224</b>
Other revenues	997		997	40		40	130		130
Total Revenues	17,011		17,011	10,830		10,830	5,354		5,354
<b>Gross profit</b>	<b>3,505</b>	<b>0</b>	<b>3,505</b>	<b>1,669</b>	<b>0</b>	<b>1,669</b>	<b>1,248</b>	<b>0</b>	<b>1,248</b>
Gross Margin	21.9%		21.9%	15.5%		15.5%	23.9%		23.9%
SG&A Expenses	(2,116)	65	(2,051)	(845)	22	(823)	(982)	42	(940)
SG&A of Net Sales	13.2%		12.8%	7.8%		7.6%	18.8%		18.0%
<b>Adj. EBITDA</b>	<b>1,395</b>	<b>70</b>	<b>1,465</b>	<b>825</b>	<b>22</b>	<b>847</b>	<b>271</b>	<b>47</b>	<b>318</b>
<b>Adj. EBITDA Margin</b>	<b>8.7%</b>		<b>9.1%</b>	<b>7.6%</b>		<b>7.8%</b>	<b>5.2%</b>		<b>6.1%</b>
D&A included in Gross Margin	(6)	(5)	(11)	(1)	0	(1)	(5)	(5)	(10)
D&A not included in SG&A Exp.	(219)	(60)	(279)	(101)	(17)	(118)	(109)	(43)	(152)
Financial result	(94)	(31)	(125)						
<b>Adj. Net Income, Group share</b>	<b>695</b>	<b>(19)</b>	<b>676</b>						
<b>Adj. Net Income Margin</b>	<b>4.3%</b>		<b>4.2%</b>						

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL		
	2019 Before IFRS 16	IFRS impact	2019 post-IFRS 16	2019 Before IFRS 16	IFRS impact	2019 post-IFRS 16	2019 Before IFRS 16	IFRS impact	2019 post-IFRS 16
Gross sales	62,220		62,220	42,055		42,055	20,165		20,165
Gross sales ex petrol	59,376		59,376	42,055		42,055	17,321		17,321
<b>Net sales</b>	<b>56,519</b>		<b>56,519</b>	<b>38,220</b>		<b>38,220</b>	<b>18,299</b>		<b>18,299</b>
Other revenues	3,545		3,545	140		140	460		460
Total Revenues	60,064		60,064	38,360		38,360	18,759		18,759
<b>Gross profit</b>	<b>12,434</b>	<b>15</b>	<b>12,449</b>	<b>5,893</b>	<b>2</b>	<b>5,895</b>	<b>4,494</b>	<b>13</b>	<b>4,507</b>
Gross Margin	22.0%		22.0%	15.4%		15.4%	24.6%		24.6%
SG&A Expenses	(7,966)	222	(7,744)	(3,167)	66	(3,101)	(3,705)	153	(3,552)
SG&A of Net Sales	14.1%		13.7%	8.3%		8.1%	20.2%		19.4%
<b>Adj. EBITDA</b>	<b>4,492</b>	<b>262</b>	<b>4,754</b>	<b>2,733</b>	<b>71</b>	<b>2,804</b>	<b>806</b>	<b>188</b>	<b>994</b>
<b>Adj. EBITDA Margin</b>	<b>7.9%</b>		<b>8.4%</b>	<b>7.2%</b>		<b>7.3%</b>	<b>4.4%</b>		<b>5.4%</b>
D&A included in Gross Margin	(25)	(25)	(50)	(7)	(3)	(10)	(18)	(22)	(40)
D&A not included in SG&A Exp.	(839)	(183)	(1,022)	(379)	(47)	(426)	(428)	(134)	(562)
Financial result	(393)	(109)	(502)						
<b>Adj. Net Income, Group share</b>	<b>1,975</b>	<b>(48)</b>	<b>1,927</b>						
<b>Adj. Net Income Margin</b>	<b>3.5%</b>		<b>3.4%</b>						

Lease commitments, related to rent, disclosed in note 33 of our Financial Statements (DF) to the individual and consolidated financial statements ending in December 2018 and in September, 2019 were determined based on non-cancellable leases and on the term of real estate assets that takes into account the existence of legal or contractual provisions for termination before the expiration of the contracts, and therefore, are not fully representative of the rental debt that will have to be recognized in the application of IFRS 16.

## Appendix V - IFRS 16 – Balance Sheet

<i>In R\$ Million</i>	<b>December 2019 Post - IFRS 16</b>	<i>Impacts IFRS 16</i>	<b>December 2019 Pre - IFRS 16</b>	<b>December 2018</b>
<b>Assets</b>				
Property and equipment	12,915	1,610	11,305	10,472
Intangible assets and goodwill	2,328	(27)	2,301	2,286
<b>Non-current assets</b>	<b>22,757</b>	<b>1,583</b>	<b>21,174</b>	<b>18,779</b>
<b>Total assets</b>	<b>44,912</b>	<b>1,583</b>	<b>43,329</b>	<b>36,677</b>

<i>In R\$ Million</i>	<b>December 2019 Post - IFRS 16</b>	<i>Impacts IFRS 16</i>	<b>December 2019 Pre - IFRS 16</b>	<b>December 2018</b>
<b>Liabilities</b>				
Lease debt	182	182	-	-
<b>Current liabilities</b>	<b>20,059</b>	<b>182</b>	<b>19,877</b>	<b>16,746</b>
Lease debt	1,446	1,446	-	-
<b>Non-current liabilities</b>	<b>10,148</b>	<b>1,446</b>	<b>8,702</b>	<b>5,884</b>
Retained earnings	1,013	(45)	1,058	-
<b>Shareholders' equity, Group share</b>	<b>13,504</b>	<b>(45)</b>	<b>13,549</b>	<b>13,033</b>
<b>Total liabilities and shareholders' equity</b>	<b>44,912</b>	<b>1,583</b>	<b>43,329</b>	<b>36,677</b>

**Adjusted EBITDA:** EBITDA adjusted for the income statement line item “other income and expenses” (comprising losses on disposals of assets, restructuring costs, income & expenses related to litigations, and tax credits recovered related to prior periods).

**Adjusted EBITDA Margin:** Adjusted EBITDA divided by net sales for the relevant period, expressed as a percentage.

**Adjusted Net income:** Net Income, excluding Other Income and Expenses and the corresponding financial and income tax effect.

**Billings:** Represents the total amount related to an operation transacted by credit card.

**EBITDA:** Net income (for the year or for the period) adjusted for “financial result, net”, “income tax and social contribution” and “depreciation and amortization”. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are not measures of financial performance under Brazilian GAAP or IFRS, and should not be considered as alternatives to net income or as measures of operating performance, operating cash flows or liquidity. EBITDA, Adjusted EBITDA and Adjusted EBITDA margin have no standardized meaning, and our definitions may not be comparable with those used by other companies.

**Free Cash Flow:** net cash provided by our operating activities, less interest received from short-term investments, plus cash used in changes in judicial deposits and judicial freeze of deposits (and opposite), and unrealized interest income from marketable securities, less cash provided from the disposal of non-operational assets, less cash used in additions to property and equipment, less cash used in additions to intangible assets.

**FMCG:** Fast-moving consumer goods

**Global Functions:** Central costs in relation to our central functions and headquarters. These comprise the activities of (i) the cost of our holding divisions, (ii) certain expenses incurred in relation to certain support functions of our parent company which are allocated to the various segments proportionately to their sales, and (iii) cost allocations from our parent company, which are not specific to any segment.

**GMV:** Gross Merchandise Volume refers to all online sales (own sales + marketplace sales) as well freight revenues. It excludes marketplace commissions, but includes sales taxes.

**Gross Profit Margin:** Gross profit divided by net sales for the relevant period, expressed as percentage.

**Gross Sales:** Total revenues from our customers at the Group's stores, gas stations, drugstores and on our e-commerce platform.

**Like for Like:** LFL sales compare gross sales in the relevant period with those in the immediately preceding period, based on gross sales provided by comparable stores, which are defined as stores that have been open and operating for a period of at least twelve consecutive months and that were not subject to closure or renovation within such period. As petrol sales are very sensitive to market prices, they are excluded from the LFL computation. Other retail companies may calculate LFL sales differently from us, and therefore, our historical and future LFL sales performance may not be comparable with other similar metrics used by other companies.

**Net Income Margin:** Net income for the year divided by net sales for the relevant period, expressed as a percentage.

**Net Promoter Score (NPS):** management tool used to gauge customers' satisfaction. Depending on their satisfaction level, customers are classified as “Promoters”, “Passives” or “Detractors”; NPS is calculated as the difference between Promoters and Detractors.

**Net Sales:** Gross sales adjusted for taxes levied on sales (in particular PIS/COFINS and ICMS).

**Other Revenue:** Comprises revenue from our Financial Solutions segment (including bank card fees and interest from consumer credit activities), shopping mall rents and commissions related to other services provided in the stores, fast cash and handling fees.

## Disclaimer

This document contains both historical and forward-looking statements on expectations and projections about operational and financial results of the Company. These forward-looking statements are based on Carrefour management's current views and assumptions. Such statements are not guarantees of future performance. Actual results or performances may differ materially from those in such forward-looking statements as a result of a number of risks and uncertainties, including but not limited to the risks described in the documents filed with the CVM (Brazilian Securities Commission) in particular the Reference Form. The Company does not assume any obligation to update or revise any of these forward-looking statements in the future.