

## Outstanding performance across the board in Q2 20 - Digitalization of our ecosystem strongly accelerating, driving lasting, sustainable improvements

- ✓ **Consolidated sales: R\$ 17.6 billion** in Q2 20, **up 18.3%** yoy\* with LfL\* at 14.9% even without "Dia A"\*\*\*.
- ✓ **EBITDA: R\$1,424 billion**, +27.5% with 9% margin (+90bps), on strong sales and efficiency gains.
- ✓ **Net profit: R\$713 million**, +74.9% yoy with 4.5% margin.

### WE ARE DIGITAL:

- ✓ **Carrefour: Food GMV +377% yoy, non-food GMV +65% yoy, with profitability close to breakeven;** benefiting from the current context and supported by prior investments, our e-commerce growth in the quarter was the equivalent of 3 years. Around 60% of sales come from new clients and 70% of them are totally new to the ecosystem. Reflecting our high level of service, the repeat rate increased, leading the penetration of the digital channel to surge to 8% in food (14%-19% in most developed cities) and 39% in appliances.
- ✓ **Atacadão:** Launch of our digital food offer, including marketplace, with very promising results.
- ✓ **Banco Carrefour:** Digital sales of new cards up 85% yoy, digital wallet to be launched soon.

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q2 20	Q2 19	Δ%	Q2 20	Q2 19	Δ%	Q2 20	Q2 19	Δ%	Q2 20	Q2 19	Δ%
Gross sales	17,632	15,281	15.4%	11,785	10,379	13.5%	5,847	4,902	19.3%			
Gross sales ex petrol	17,258	14,588	18.3%	11,785	10,379	13.5%	5,473	4,209	30.0%			
<b>Net sales</b>	<b>15,906</b>	<b>13,873</b>	<b>14.7%</b>	<b>10,690</b>	<b>9,422</b>	<b>13.5%</b>	<b>5,216</b>	<b>4,451</b>	<b>17.2%</b>			
<b>Other revenues (1)</b>	<b>887</b>	<b>855</b>	<b>3.7%</b>	<b>32</b>	<b>33</b>	<b>-3.0%</b>	<b>100</b>	<b>112</b>	<b>-10.7%</b>	<b>762</b>	<b>717</b>	<b>6.3%</b>
<b>Total Revenues</b>	<b>16,793</b>	<b>14,728</b>	<b>14.0%</b>	<b>10,722</b>	<b>9,455</b>	<b>13.4%</b>	<b>5,316</b>	<b>4,563</b>	<b>16.5%</b>	<b>762</b>	<b>717</b>	<b>6.3%</b>
<b>Gross profit</b>	<b>3,419</b>	<b>3,011</b>	<b>13.6%</b>	<b>1,673</b>	<b>1,432</b>	<b>16.8%</b>	<b>1,318</b>	<b>1,098</b>	<b>20.0%</b>	<b>435</b>	<b>488</b>	<b>-10.9%</b>
Gross Margin	21.5%	21.7%	-20 bps	15.7%	15.2%	50 bps	25.3%	24.7%	60 bps			
<b>SG&amp;A Expenses (2)</b>	<b>(2,006)</b>	<b>(1,906)</b>	<b>5.2%</b>	<b>(813)</b>	<b>(763)</b>	<b>6.6%</b>	<b>(903)</b>	<b>(869)</b>	<b>3.9%</b>	<b>(251)</b>	<b>(236)</b>	<b>6.4%</b>
SG&A of Net Sales	12.6%	13.7%	-110 bps	7.6%	8.1%	-50 bps	17.3%	19.5%	-220 bps			
<b>Adj. EBITDA (1) (2)</b>	<b>1,424</b>	<b>1,117</b>	<b>27.5%</b>	<b>862</b>	<b>672</b>	<b>28.3%</b>	<b>424</b>	<b>238</b>	<b>78.2%</b>	<b>184</b>	<b>252</b>	<b>-27.0%</b>
Adj. EBITDA Margin	9.0%	8.1%	90 bps	8.1%	7.1%	100 bps	8.1%	5.3%	280 bps			
<b>Adj. Net Income, Group share</b>	<b>713</b>	<b>408</b>	<b>74.9%</b>									
Adj. Net Income Margin	4.5%	2.9%	160 bps									

(1) Includes intragroup elimination of R\$ -7 million between Bank and Retail (2) Includes global functions expenses of R\$ -38 million in 2019 and R\$ -39 million in 2020

- ✓ **Atacadão: Sales up 13.5%**, driven by 8.6% LfL even without "Dia A"\*\*\* in 2020, reflecting successful commercial initiatives, particularly in June. Adjusted **EBITDA up an impressive 28.3%** to R\$862 million, an 8.1% margin, as the "Best price" strategy proved again to be well adapted to the current environment, leading to strong dilution of expenses.
- ✓ **Carrefour Retail: LfL sales growth of 32.6%\*** incl. GMV in Q2 (30.3%\* ex-GMV) driven by (i) 240bps market share gain in Hypermarkets (vs. Q1 20); and (ii) high client satisfaction leading to record NPS and 30% increase in share of wallet. This remarkable performance led to a **78.2% increase in EBITDA** to R\$424 million with an 8.1% margin (+280bps yoy).
- ✓ **Banco Carrefour:** Credit portfolio up 22% yoy. Despite a challenging environment Q2 was marked by **+8% growth in on-us billings**, with signs of resumption of total growth in June (+12.7%). In the quarter, total billings were broadly stable. As expected, provisions increased and **EBITDA stood at R\$184 million** (-27% yoy). The investments in our longer-term strategy are in the same pace, and, as of June, we have become a full-fledged bank, enabling bank settlement and the launch of new products.

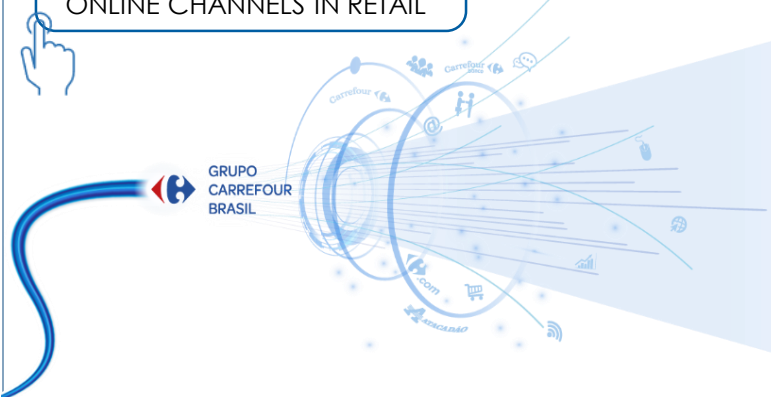
\* ex-petrol \*\* Atacadão's anniversary ("Dia A") campaign, usually held in April, was cancelled in 2020 due to COVID-19 pandemic.

**Noël Prioux, CEO of Grupo Carrefour Brasil, declared:** "Grupo Carrefour Brasil posted a remarkable performance both in the quarter and in the half despite the challenging environment posed by the continuing COVID-19 pandemic. Sales and profitability at both Carrefour Retail and Atacadão increased in strong double-digits and our e-commerce operations are posting impressive growth. Banco Carrefour's billings resumed growth in June, while adopting a cautious and selective credit stance in the current context. These results attest to the relevance of our omnichannel strategy and to the growing strength of our ecosystem, which is increasing our number of clients and share of wallet and leading to higher brand engagement and customer satisfaction."

# ACCELERATION IN THE ECOSYSTEM AND OMNICHANNEL STRATEGY, DRIVING SUSTAINABLE STRUCTURAL CHANGES

**39% OF APPLIANCES & 7.7% OF FOOD SALES COME FROM ONLINE CHANNELS IN RETAIL**

## DIGITAL ACCELERATION



### Structural changes:

- ✓ 3-year-growth in one quarter in e-commerce
- ✓ Equivalent of 1.5 years of expansion upon approval of Makro acquisition
- ✓ Proven omnichannel business model
- ✓ Strong brand perception and client engagement
- ✓ Higher share of wallet
- ✓ Higher NPS

### Retail: Best one-stop-shop offer

- ✓ Record NPS
- ✓ Best price perception among clients through simplified promotional dynamics
- ✓ 1 of each 2.5 clients that shops in our stores adds non-food item to the basket
- ✓ 30% LfL +R\$293 mn in EBITDA (+188%yoy)
- ✓ +30% share of wallet
- ✓ +25% improvement in productivity
- ✓ Sales grew 2x general market implying significant market share gains

### E-commerce:

- ✓ +377% in food/+65% in non-food
- ✓ 60% of sales to new clients
- ✓ 70% are new clients to our ecosystem
- ✓ 60% penetration of perishables
- ✓ +12 p.p. in repurchase rate for new and +11 p.p. for existing clients
- ✓ +39 p.p. growth vs. market in June – R\$918 million total GMV
- ✓ #7 in visits in July

### Atacadão: Best price well suited to crisis

- ✓ +8.6% LfL even without "Dia A" in 2020
- ✓ +28% EBITDA

### Banco Carrefour: Full –fledged bank as of June

- ✓ Adequate provisioning models
- ✓ +8% on-us billings yoy
- ✓ 12.7% billings growth in June

## INITIATIVES TO MAINTAIN A SAFE ENVIROMENT IN THE FACE OF COVID-19 HIGH LEVEL OF CLIENT ENGAGEMENT IN Q2 20

Initiatives to cope with the COVID-19 pandemic were enhanced in Q2, as the priority remains to ensure the health and safety of all. In addition to the implementation of strict protocols, including plexiglass panels at cash registers, the distribution of face masks and gloves to employees, steady supply of hand sanitizer gel and stores equipped with thermometers to take the temperature of both clients and employees, we have also implemented a disinfection cabin for food sanitizing, protocols for employee testing and thermal cameras for automatic temperature measurement.

These initiatives have been recognized by clients, as demonstrated by increased engagement with our brands, market share gains and improved NPS levels across all formats, and acknowledged by health authorities, which regularly audit our stores.

Regarding sustainability and social responsibility in the current pandemic context, we have sponsored several solidarity actions. All in, 2.5 million Brazilians were assisted through these initiatives and associated investments surpassed R\$ 22 million, including donation by our clients, suppliers as well as Grupo Carrefour Brasil. The proceeds raised were used to assist the most vulnerable to cope with the pandemic and its consequences.

### Q1 2020 – First measures implemented

- Monitoring worldwide cases
- Internal communication to all units about COVID-19 and prevention
- Crisis Committee implementation
- Preventive actions for hygiene and employee protection
- Actions to supply stores
- Purchase of masks and hand sanitizer
- Protection for operational employees (PPE, masks, plexiglass panels)

### Q2 2020 – Reinforcing sanitary practices

- Support to external inspections in stores
- Define social restrictions in stores
- Monitor implementation in all operations
- Disinfection cabin (UV-rays)
- Thermal camera for automatic temperature measurement

In June, Carrefour Brasil launched its Annual Sustainability Report, in which we highlight our commitment to: (i) supporting more sustainable production models in the context of our Act for Food campaign, which seeks to deliver quality food at prices accessible to all; (ii) making our operations zero carbon - in 2019, we reduced CO2 emissions by 1,300 tons; (iii) reformulating packaging to reduce use of plastic - 5.5 million packages were replaced in 2019 and the goal is to have 100% made from sustainable materials by 2025; and (iv) reducing food waste at Carrefour and Atacadão by 50%. We also renew our commitment to zero deforestation and continue to support local producers and social projects, in line with our adherence to the Global Compact, of which the Group is a signatory.

## Q2 2020 CONSOLIDATED FINANCIAL RESULTS

### Sales & other revenues

Grupo Carrefour Brasil's consolidated sales reached R\$17.6 billion in Q2 20, growing by 18.3% (excluding petrol) versus the same quarter last year. Excluding petrol, LfL sales grew by 14.9% even without "Dia A"\* in 2020, favored by Cash & Carry, Hypermarkets and E-commerce formats, which offer a one-stop-shop option. Retail continued to outgrow the market, posting impressive market share gains in Q2 and strong improvement in productivity. Our expansion strategy in the Cash & Carry format over the last 12 months added another 4.4% of growth, with the opening of one Atacadão store in Q2 20. Grupo Carrefour Brasil's total store network reached 700 stores at the end of June 2020.

In Q2, Grupo Carrefour Brasil's sales grew 14.9% on a like-for-like basis (ex-petrol), boosted by 30.3% growth in Retail (around twice market growth) and 8.6% growth at Atacadão, strongly supported by food and non-food, which saw robust demand in the new context of lockdown measures. LfL growth is particularly strong given that last year Atacadão held its traditional Anniversary ("Dia A") in April. The event was cancelled this year due to the pandemic.

Gross billings at Banco Carrefour reached R\$7.9 billion, broadly stable versus last year, reflecting our more restrictive credit policy to limit delinquency risks from the impact of lockdown measures linked to COVID-19. This was partly offset by strong momentum for food, which drove 8% growth in on-us billings in the quarter. In June we saw a resumption of growth, notably driven by the reopening of certain retailers and our strategy to grant credit to clients with better credit scoring.

	Q2 19	Q2 20			
	LFL	Gross Sales (R\$MM)	LFL ex. Calendar**	Expansion	Total Growth
Atacadão	7.6%	11,785	8.6%	6.2%	13.5%
Carrefour (ex-petrol)	8.0%	5,473	30.3%	0.0%	30.0%
Carrefour (inc petrol)	6.9%	5,846	19.3%	0.2%	19.3%
<b>Consolidated (ex-petrol)</b>	<b>7.7%</b>	<b>17,258</b>	<b>14.9%</b>	<b>4.4%</b>	<b>18.3%</b>
<b>Consolidated (inc petrol)</b>	<b>7.3%</b>	<b>17,632</b>	<b>12.1%</b>	<b>4.3%</b>	<b>15.4%</b>
<b>Banco Carrefour Billings</b>	<b>n.a.</b>	<b>7,862</b>	<b>n.a.</b>	<b>n.a.</b>	<b>0.3%</b>

	H1 19	H1 20			
	LFL	Gross Sales (R\$MM)	LFL ex. Calendar**	Expansion	Total Growth
Atacadão	7.2%	22,580	7.9%	6.1%	13.6%
Carrefour (ex-petrol)	7.1%	9,875	19.8%	0.1%	20.3%
Carrefour (inc petrol)	5.3%	10,933	13.9%	0.3%	14.4%
<b>Consolidated (ex-petrol)</b>	<b>7.2%</b>	<b>32,455</b>	<b>11.4%</b>	<b>4.4%</b>	<b>15.5%</b>
<b>Consolidated (inc petrol)</b>	<b>6.6%</b>	<b>33,513</b>	<b>9.8%</b>	<b>4.2%</b>	<b>13.8%</b>
<b>Banco Carrefour Billings</b>	<b>n.a.</b>	<b>16,881</b>	<b>n.a.</b>	<b>n.a.</b>	<b>12.8%</b>

\*Atacadão's anniversary ("Dia A") campaign, usually held in April, was cancelled in 2020 due to COVID-19 pandemic.

\*\*LFL figures were reviewed by our external auditors in a limited assurance report, which is available in the Company's website

Other revenues grew by 3.7% in Q2, as a result of the 6.3% expansion in the Bank's revenues, which accounted for 85.9% of the total (83.9% in Q2 19). This was partly offset by the decrease observed in other revenues in the Retail segment, reflecting the impact of the economic environment on the collection of rent in galleries and shopping centers. This led the company to once again adopt a conservative approach for revenue accounting by setting aside provisions for potential losses. Gallery rent represents approximately 30% of Retail's other revenues in a regular quarter. In Q2 20, Retail's other revenues represented 11.3% of the total (13.1% in Q2 19).

## Consolidated Financial Results

Gross profit reached R\$3.4 billion, a 13.6% increase in Q2 20. Consolidated gross margin stood at 21.5%, driven by strong gross sales both at Atacadão and Carrefour Retail and efficiency gains, which more than offset the lower contribution from petrol and rent from galleries, as well as an increase in provisions at Banco Carrefour, which were already expected in today's deteriorated credit environment.

Regarding SG&A expenses, Grupo Carrefour Brasil was able to accelerate its gains with dilution of fixed costs, as well as productivity gains in operations, compensating for the extra costs related to COVID-19. As a result, SG&A expenses represented 12.6% of net sales in Q2, 110 bps lower than in the same period of 2019. Excluding COVID-19 related expenses, our SG&A would be even lower, a reflection of the successful initiatives implemented to simplify operations.

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q2 20	Q2 19	Δ%	Q2 20	Q2 19	Δ%	Q2 20	Q2 19	Δ%	Q2 20	Q2 19	Δ%
Gross sales	17,632	15,281	15.4%	11,785	10,379	13.5%	5,847	4,902	19.3%			
Gross sales ex petrol	17,258	14,588	18.3%	11,785	10,379	13.5%	5,473	4,209	30.0%			
<b>Net sales</b>	<b>15,906</b>	<b>13,873</b>	<b>14.7%</b>	<b>10,690</b>	<b>9,422</b>	<b>13.5%</b>	<b>5,216</b>	<b>4,451</b>	<b>17.2%</b>			
Other revenues (1)	887	855	3.7%	32	33	-3.0%	100	112	-10.7%	762	717	6.3%
<b>Total Revenues</b>	<b>16,793</b>	<b>14,728</b>	<b>14.0%</b>	<b>10,722</b>	<b>9,455</b>	<b>13.4%</b>	<b>5,316</b>	<b>4,563</b>	<b>16.5%</b>	<b>762</b>	<b>717</b>	<b>6.3%</b>
Gross profit	3,419	3,011	13.6%	1,673	1,432	16.8%	1,318	1,098	20.0%	435	488	-10.9%
Gross Margin	21.5%	21.7%	-20 bps	15.7%	15.2%	50 bps	25.3%	24.7%	60 bps			
<b>SG&amp;A Expenses (2)</b>	<b>(2,006)</b>	<b>(1,906)</b>	<b>5.2%</b>	<b>(813)</b>	<b>(763)</b>	<b>6.6%</b>	<b>(903)</b>	<b>(869)</b>	<b>3.9%</b>	<b>(251)</b>	<b>(236)</b>	<b>6.4%</b>
SG&A of Net Sales	12.6%	13.7%	-110 bps	7.6%	8.1%	-50 bps	17.3%	19.5%	-220 bps			
<b>Adj. EBITDA (1) (2)</b>	<b>1,424</b>	<b>1,117</b>	<b>27.5%</b>	<b>862</b>	<b>672</b>	<b>28.3%</b>	<b>424</b>	<b>238</b>	<b>78.2%</b>	<b>184</b>	<b>252</b>	<b>-27.0%</b>
Adj. EBITDA Margin	9.0%	8.1%	90 bps	8.1%	7.1%	100 bps	8.1%	5.3%	280 bps			
<b>Adj. Net Income, Group share</b>	<b>713</b>	<b>408</b>	<b>74.9%</b>									
Adj. Net Income Margin	4.5%	2.9%	160 bps									

(1) Includes intragroup elimination of R\$ -7 million between Bank and Retail (2) Includes global functions expenses of R\$ -38 million in 2019 and R\$ -39 million in 2020

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	H1 20	H1 19	Δ%	H1 20	H1 19	Δ%	H1 20	H1 19	Δ%	H1 20	H1 19	Δ%
Gross sales	33,513	29,440	13.8%	22,580	19,885	13.6%	10,933	9,555	14.4%			
Gross sales ex petrol	32,455	28,093	15.5%	22,580	19,885	13.6%	9,875	8,208	20.3%			
<b>Net sales</b>	<b>30,326</b>	<b>26,729</b>	<b>13.5%</b>	<b>20,481</b>	<b>18,052</b>	<b>13.5%</b>	<b>9,845</b>	<b>8,677</b>	<b>13.5%</b>			
Other revenues (1)	1,848	1,641	12.6%	69	67	3.0%	200	215	-7.0%	1,591	1,371	16.0%
<b>Total Revenues</b>	<b>32,174</b>	<b>28,370</b>	<b>13.4%</b>	<b>20,550</b>	<b>18,119</b>	<b>13.4%</b>	<b>10,045</b>	<b>8,892</b>	<b>13.0%</b>	<b>1,591</b>	<b>1,371</b>	<b>16.0%</b>
Gross profit	6,540	5,880	11.2%	3,176	2,805	13.2%	2,423	2,123	14.1%	953	964	-1.1%
Gross Margin	21.6%	22.0%	-40 bps	15.5%	15.5%	0 bps	24.6%	24.5%	10 bps			
<b>SG&amp;A Expenses (2)</b>	<b>(4,022)</b>	<b>(3,745)</b>	<b>7.4%</b>	<b>(1,625)</b>	<b>(1,504)</b>	<b>8.0%</b>	<b>(1,802)</b>	<b>(1,701)</b>	<b>5.9%</b>	<b>(517)</b>	<b>(467)</b>	<b>10.7%</b>
SG&A of Net Sales	13.3%	14.0%	-70 bps	7.9%	8.3%	-40 bps	18.3%	19.6%	-130 bps			
<b>Adj. EBITDA (1) (2)</b>	<b>2,539</b>	<b>2,160</b>	<b>17.5%</b>	<b>1,556</b>	<b>1,307</b>	<b>19.1%</b>	<b>637</b>	<b>441</b>	<b>44.4%</b>	<b>436</b>	<b>497</b>	<b>-12.3%</b>
Adj. EBITDA Margin	8.4%	8.1%	30 bps	7.6%	7.2%	40 bps	6.5%	5.1%	140 bps			
<b>Adj. Net Income, Group share</b>	<b>1,114</b>	<b>814</b>	<b>36.9%</b>									
Adj. Net Income Margin	3.7%	3.0%	70 bps									

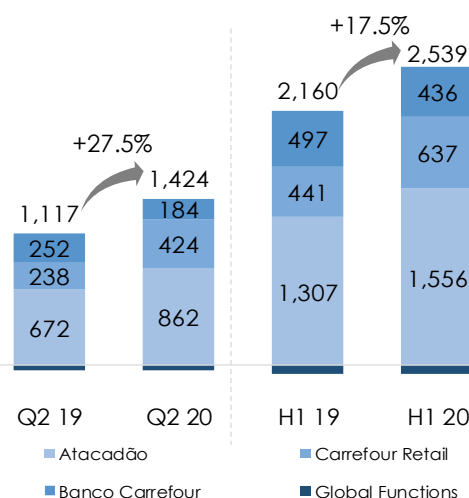
(1) Includes intragroup elimination of R\$ -12 million between Bank and Retail (2) Includes global functions expenses of R\$ -73 million in 2019 and R\$ -78 million in 2020

## Adjusted EBITDA

As a combination of the aforementioned factors, consolidated adjusted EBITDA grew 27.5% compared to Q2 19. Margin improved by 90 bps to 9.0%, with an important contribution from all segments of the Group's ecosystem, which accelerated its gains in Q2. In the first half, margin expanded by 30 bps and adjusted EBITDA reached R\$2.5 billion.

The gains in profitability come despite the challenging scenario due to COVID-19, as we remained focused on preserving the safety of our employees and customers, strengthening the measures adopted to fight the pandemic.

## Adjusted EBITDA breakdown



## OPERATING PERFORMANCE BY SEGMENT

### Atacadão

Gross sales reached R\$11.8 billion in Q2 20, 13.5% higher than the same period last year. Thanks to successful commercial initiatives, and in particular the “Merchant Week” in June, LfL growth was 8.6%, the highest quarterly level since the IPO in 2017, and expansion contributed another 6.2%. The results demonstrated again the relevance of Atacadão's business model. Its cost-effective model positions Atacadão ideally to capture the higher demand for large volumes of basic products in both B2B and B2C. LfL growth is particularly significant considering that last year Atacadão held its traditional Anniversary (“Dia A”) in April, which represented sales of around R\$1.0 billion in a single day. The event was canceled this year due to the pandemic.

Calendar effect was a negative 0.8% in Q2. Atacadão also opened 1 store in the Northeast of the country, ending the quarter with 191 stores (5 openings in H1 20), despite the uncertainty in the period.

Some of the trends observed at the end of March, when the COVID-19 crisis spread, continued during Q2. For example, the product mix remained concentrated in staple goods, such as rice, beans and oil. The number of tickets was still lower than average with higher value, as people are still shopping to stockpile or on behalf of others.

Restaurants and bars continued to be impacted by the sanitary crisis, but with an improving trend in June, as lockdown measures started to be relaxed in some Brazilian cities.

Overall, the impact continued to be more than offset by the B2C and B2B sales to retail chains, as Atacadão launched some tailor-made initiatives focusing on small chains, supporting strong sales in June and July.

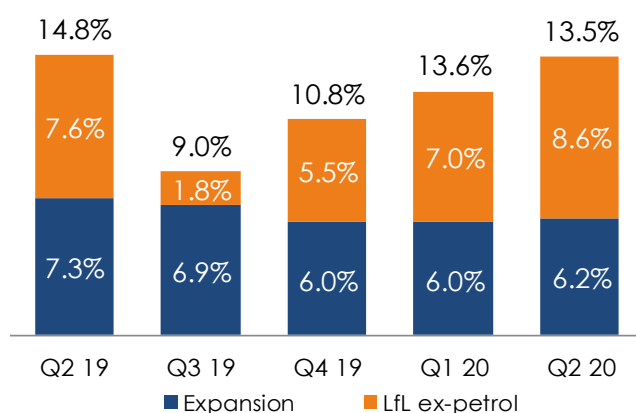
The priority remains the health of employees and customers and the supply of food for Brazilians, as Atacadão continued to take sanitary measures in its stores and also managed to maintain the lowest prices in the market, which allowed to improve its NPS ratios.

Atacadão's business model proved once again its ability to cope with a tougher economic context. As announced in February, the acquisition of 30 stores from Makro Atacadista, all in premium locations, will further boost our growth and extend our reach to thousands of new customers. We continue to expect the transaction, currently under anti-trust authority review, to close in H2 20.

Gross profit increased by 16.8% to R\$1.7 billion. The gross margin gain of 50 bps, was mainly driven by the evolution in the mix of products and by the reduction in shrinkage.

Atacadão was again able to offset extra costs associated with COVID-19 and achieved another 50 bps of SG&A efficiency gains in Q2. As a result, Adjusted EBITDA reached R\$862 million in the quarter, 28.3% higher than Q2 19, with 100 bps of margin expansion to 8.1%.

### Atacadão sales performance



In R\$ million	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
Gross sales	11,785	10,379	13.5%	22,580	19,885	13.6%
<b>Net sales</b>	<b>10,690</b>	<b>9,422</b>	<b>13.5%</b>	<b>20,481</b>	<b>18,052</b>	<b>13.5%</b>
Other revenues	32	33	-3.0%	69	67	3.0%
<b>Total revenues</b>	<b>10,722</b>	<b>9,455</b>	<b>13.4%</b>	<b>20,550</b>	<b>18,119</b>	<b>13.4%</b>
<b>Gross profit</b>	<b>1,673</b>	<b>1,432</b>	<b>16.8%</b>	<b>3,176</b>	<b>2,805</b>	<b>13.2%</b>
Gross margin	15.7%	15.2%	50 bps	15.5%	15.5%	0 bps
<b>SG&amp;A expenses</b>	<b>(813)</b>	<b>(763)</b>	<b>6.6%</b>	<b>(1,625)</b>	<b>(1,504)</b>	<b>8.0%</b>
SG&A of net sales	7.6%	8.1%	-50 bps	7.9%	8.3%	-40 bps
<b>Adj. EBITDA</b>	<b>862</b>	<b>672</b>	<b>28.3%</b>	<b>1,556</b>	<b>1,307</b>	<b>19.1%</b>
Adj. EBITDA margin	8.1%	7.1%	100 bps	7.6%	7.2%	40 bps



## Carrefour Retail

Carrefour Retail sales (ex-petrol) reached R\$5.5 billion in Q2, recording an impressive 30.0% increase (or R\$5.7 billion and 32.4% including the marketplace), driven by strong growth in both food and non-food.

The new context, which favored one-stop-shop formats, combined with the continuation of several initiatives to streamline processes and increase client engagement, including a simplification of our promotional strategy, has led to impressive market share gains in our Retail division (+240 bps vs. Q1 in hypermarkets).

Food LfL reached 16.2% as a result of (i) a successful promotional campaign; (ii) investment in a price freeze on private label products and; (iii) continued strong performance of food e-commerce, which saw 60% of sales coming from new clients between March and June.

Non-food saw very strong 52.3% LfL growth, supported by both the physical and online channels, which were favored by well-located one-stop-shop hypermarkets amid lockdown measures. Categories such as textiles and appliances increased over 60% during the quarter.

We continue to see a sharp increase in average ticket and a reduction in the number of tickets, reflecting new customer behavior in the face of COVID-19 pandemic.

The many actions taken to guarantee the health and safety of our clients and employees, combined with new initiatives to increase efficiency of our promotional activities has led Carrefour to grow at twice the pace of the market, implying market share gains and, more importantly, reaching an estimated 30% increase in our clients' share of wallet. This indicates a high level of client engagement, illustrated by an NPS improvement and superior execution capacity.

	Q2 20 (R\$ MM)	LFL	Q2 19 (R\$ MM)	Total Growth	H1 20 (R\$ MM)	LFL	H1 19 (R\$ MM)	Total Growth
<b>Multi-format*</b>	<b>4,881</b>	<b>27.5%</b>	<b>3,835</b>	<b>27.3%</b>	<b>8,890</b>	<b>18.2%</b>	<b>7,490</b>	<b>18.7%</b>
Food	2,899	14.0%	2,548	13.8%	5,588	12.1%	4,961	12.6%
Non-food	1,982	54.2%	1,288	53.9%	3,302	30.2%	2,529	30.6%
<b>Carrefour (ex-petrol): Multiformat + E-comm</b>	<b>5,473</b>	<b>30.3%</b>	<b>4,209</b>	<b>30.0%</b>	<b>9,875</b>	<b>19.8%</b>	<b>8,209</b>	<b>20.3%</b>
Food	2,981	16.2%	2,569	16.1%	5,715	13.8%	4,998	14.3%
Non-food	2,491	52.3%	1,640	51.9%	4,160	29.2%	3,211	29.6%
<b>Carrefour + GMV (ex petrol)</b>	<b>5,674</b>	<b>32.6%</b>	<b>4,286</b>	<b>32.4%</b>	<b>10,195</b>	<b>21.1%</b>	<b>8,388</b>	<b>21.6%</b>

\* Includes last mile delivery.

### (i) Multi-format

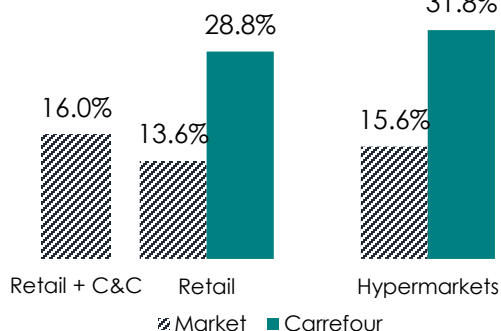
Our multi-format registered impressive 27.5% LfL growth in Q2 (27.3% total growth), accelerating our H1 LfL growth to 18.2% (18.7% total growth). Food growth continued the trend observed in Q1 as a result of recurring market share gains and the new context, reaching LfL growth of 14.0% (13.8% total growth). Our volumes were up by 5.8% and average ticket rose 61.5%, more than offsetting the reduction in traffic as consumers reduced the frequency of their visits. All formats performed well, but the highlight was hypermarkets, which grew by 31.7%, twice the pace of the market (+15.6% according to Nielsen).

During this quarter we simplified several processes by adjusting our promotional strategy. The longer-term promotional campaigns, which consisted in reducing the number of promotional products while maintaining the campaign live for a longer period of time (instead of one day), allowed us to: (i) distribute sales over a longer period, which helps to reduce number of people in stores and maintain a safe environment; (ii) gain efficiency in supply, as greater predictability and lower volatility of sales allow better logistics management at our CDs; (iii) increase LFL productivity by 25% (#products sold / working hours); (iv) optimize marketing investments; and (v) still maintain 75% sales penetration.

Non-food also performed well, reaching a strong growth rate of 54.2%. One out of every 2.5 clients that shops in our stores adds non-food items to the basket – indicating our business model has a powerful synergy potential that feeds the ecosystem.

Healthy food aisles were implemented in 89 hypermarkets, offering ~3,300 SKUs of organic and healthy products (+3% yoy), and more than 2,500 SKUs of private label products, representing 13.6% of total food net sales in Q2, 80 bps higher yoy. We also had an impressive increase of 30% yoy in volumes of FMCG private label products and +18% yoy in total volume.

## Carrefour growing twice total market



Source: Nielsen – the methodology used shows a slightly different growth for Carrefour Retail.

## Retail P&L

(incl. e-commerce, ex-petrol and galleries)

In R\$ million	Q2 20	Q2 19	Δ%
Gross sales	5,473	4,209	30.0%
<b>Net sales</b>	<b>4,843</b>	<b>3,760</b>	<b>28.8%</b>
Other revenues	100	65	53.1%
<b>Total revenues</b>	<b>4,943</b>	<b>3,825</b>	<b>29.2%</b>
<b>Gross profit</b>	<b>1,297</b>	<b>961</b>	<b>34.9%</b>
Gross margin	26.8%	25.6%	122 bps
<b>SG&amp;A expenses</b>	<b>(857)</b>	<b>(814)</b>	<b>5.3%</b>
SG&A of net sales	17.7%	21.7%	-396 bps
<b>Adj. EBITDA</b>	<b>449</b>	<b>156</b>	<b>187.5%</b>
Adj. EBITDA margin	9.3%	4.2%	512bps

Carrefour Retail (including e-commerce, ex-petrol and galleries) posted meaningful gross margin expansion of 122 bps driven by: (i) 93 bps from reduction in shrinkage favored by higher recurrence and engagement; and (ii) 29 bps from other improvements, especially supply efficiency gains. On SG&A, the dilution of our fixed structure combined with marketing expenses reduction on the back of a more simplified promotional program contributed for another 396bps. All in, EBITDA reached R\$449 million at 9.3% margin, a remarkable improvement of 512bps, reflecting pre-existing positive trends accelerated by the new context.

## (ii) Digital initiatives: Surge in Digitalization rates - a lasting trend

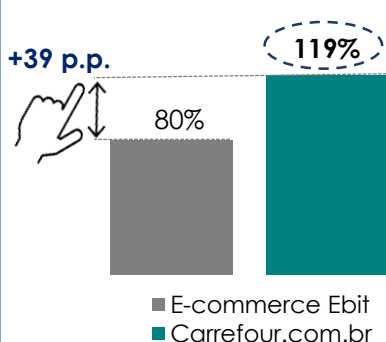
E-commerce continued to outperform and growth rates reached impressive levels across the board. Food, non-food and the marketplace remained popular in the face of the lockdown measures and continued to post strong growth in June. According to the E-commerce Brasil ranking, Carrefour was already the 7th player in website visits in July, which is a huge rise from 46th place when the operation began in 2016. This significant improvement drove the company to grow 39 p.p. above the general market in June (E-bit Consultancy methodology – which excludes companies that are exclusively marketplace), proving our relevance in the digital environment.

In Q2, LfL growth in e-commerce reached 75.8% (94.1% including last mile delivery), driven by 270.2% growth in food (or 377% including last mile delivery), 45.4% in non-food and 158.6% in the marketplace, thanks to strong investments in these channels over the last 12 months. This allowed us to maintain quality and level of service at high levels even at the most critical moments. Our average delivery time varied between 1-3 days, at most, and in June we kept our recurring D+1 delivery time. As a result, an average of 97% of food clients received their order on time during Q2 20, a considerable improvement of 1,033 bps versus the previous quarter.

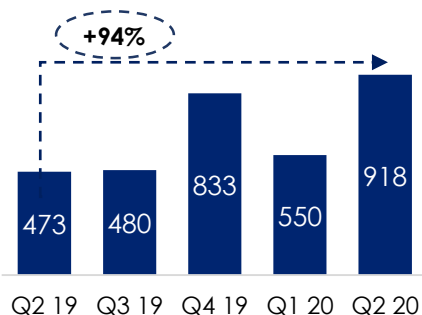
	Q2 20 (R\$MM)	LFL	Q2 19 (R\$MM)	H1 20 (R\$MM)	LFL	H1 19 (R\$MM)
GMV 1P (incl. last mile delivery*)	718	81.4%	396	1,148	53.1%	750
GMV 3P	201	158.6%	78	320	78.8%	179
<b>GMV Total (incl. last mile delivery*)</b>	<b>918</b>	<b>94.1%</b>	<b>473</b>	<b>1,468</b>	<b>58.0%</b>	<b>929</b>

\* Last mile delivery is already included in multi-format sales.

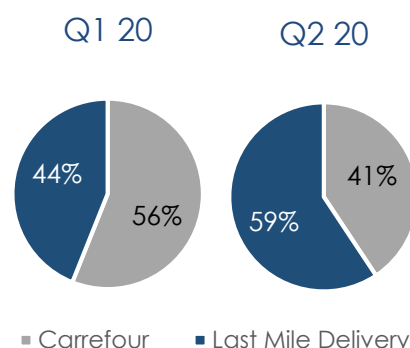
### E-commerce Sales (June)



### Total GMV Growth



### Food GMV by platform



We increased shifts in our side stores to cope with the additional demand and are currently running at 80% of installed capacity. Our 12 side stores still have capacity to double production in São Paulo and Rio de Janeiro and can increase 5x in other regions.

The number of orders in our food business continued to grow strongly, with penetration of perishable products reaching 60%. Between March and June, around 60% of sales came from new clients and of these, 70% are also new to the Hypermarkets, which shows that cannibalization is not an issue. Last, but not least, we saw an increase of 12 p.p. in the repeat purchase rate among new clients and +11 p.p. for existing clients, a key competitive advantage to bring new traffic to our ecosystem.

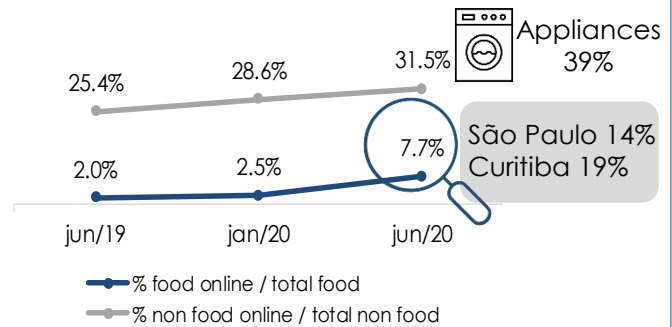
Food digital sales are gaining share across several regions in Brazil and already account for 7.7% of our total food sales in June (+570 bps yoy), with São Paulo and Curitiba running at impressive 14% and 19% penetration rates respectively in June.

Non-food online sales account for 31.5% of total non-food sales (+610 bps yoy), with the main category (appliances) representing 39% of the total group appliance sales (+440 bps yoy) in June.

These numbers shows the importance of our online business and its weight in our ecosystem, which is becoming a relevant player in e-commerce and is accelerating at a fast pace.

Our e-commerce business accelerated 3 years in a single quarter and the results are impressive. Our business model is close to breakeven. The marketplace has already achieved breakeven, 1P non-food is very close to it and 1P food also points to positive results in recent months, especially when adding last mile delivery profits (which are currently accounted for in Retail). If we were to also add the profits that e-commerce brings to our financial services, it would already be profitable. This shows our commitment to building a strong, profitable and sustainable online business.

## WE ARE DIGITAL... (Online representativeness)



## WE HAVE FRESH...



60% penetration of perishables in the basket

## NO CANIBALIZATION

60% of online sales comes from **NEW clients**, and 70% of them are totally new to the hypermarkets as well

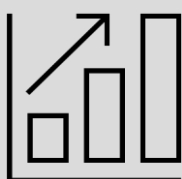


## RECURRENCE

Increase of **12 p.p.** in repurchase rate among new and **+11 p.p.** for existing clients

### GMV Food\*

+377%



\* Includes last mile delivery

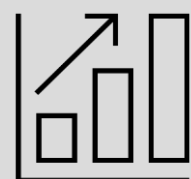


### EFFICIENCY

97% of food clients received on time

### GMV Non-food

+65%





### (iii) Consolidated Retail Results

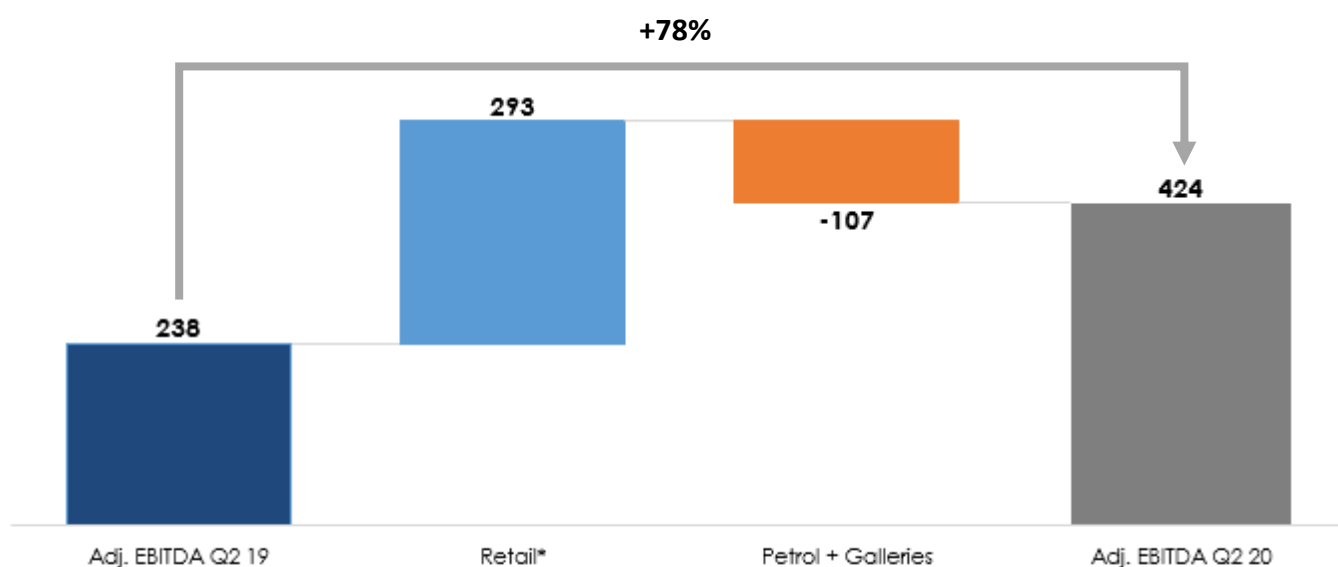
Carrefour Retail's consolidated gross profit was R\$1.3 billion, 20.0% higher than Q2 19, while gross margin stood at 25.3%, 60 bps higher than the same period in 2019, thanks to our more assertive promotional initiatives in multi-format, efficiency gains and the favorable evolution of e-commerce, partially offset by petrol, galleries and sales mix, which was more concentrated in basic products.

In R\$ million	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
Gross sales	5,847	4,902	19.3%	10,933	9,555	14.4%
Gross sales ex-petrol	5,473	4,209	30.0%	9,875	8,208	20.3%
<b>Net sales</b>	<b>5,216</b>	<b>4,451</b>	<b>17.2%</b>	<b>9,845</b>	<b>8,677</b>	<b>13.5%</b>
Other revenues	100	112	-10.7%	200	215	-7.0%
<b>Total revenues</b>	<b>5,316</b>	<b>4,563</b>	<b>16.5%</b>	<b>10,045</b>	<b>8,892</b>	<b>13.0%</b>
<b>Gross profit</b>	<b>1,318</b>	<b>1,098</b>	<b>20.0%</b>	<b>2,423</b>	<b>2,123</b>	<b>14.1%</b>
Gross margin	25.3%	24.7%	60 bps	24.6%	24.5%	10 bps
<b>SG&amp;A expenses</b>	<b>(903)</b>	<b>(869)</b>	<b>3.9%</b>	<b>(1,802)</b>	<b>(1,701)</b>	<b>5.9%</b>
SG&A of net sales	17.3%	19.5%	-220 bps	18.3%	19.6%	-130 bps
<b>Adj. EBITDA</b>	<b>424</b>	<b>238</b>	<b>78.2%</b>	<b>637</b>	<b>441</b>	<b>44.4%</b>
Adj. EBITDA margin	8.1%	5.3%	280 bps	6.5%	5.1%	140 bps

Distribution costs (SG&A) totaled R\$903 million and improved 220 bps to 17.3% of net sales in Q2, as consequence of higher dilution of fixed costs, productivity gains and e-commerce expansion. Excluding extra costs associated with COVID-19 in the quarter, our retail SGA expenses would actually have decreased in Q2 20, attesting to the previously-mentioned efficiency gains.

Carrefour's adjusted EBITDA improved by 78.2% to R\$424 million, which represented a strong margin expansion of 280 bps to 8.1% in Q2 20, compared to 5.3% in the same period of 2019. In the first half, our adjusted EBITDA grew by 44.4% and margin improved by 140 bps to 6.5%.

Contribution in Carrefour EBITDA growth (in R\$ million)



\* Excludes Petrol and Galleries

## Banco Carrefour

Banco Carrefour continued to demonstrate the quality of its operations in the very challenging environment resulting from the COVID-19 pandemic. The bank started Q2 with a more conservative credit approach to prevent consumer over-indebtedness and to protect itself from higher delinquency rates. However, the bank's quick decision-making process combined with accumulated knowledge of client shopping behavior allowed the Bank to selectively resume credit approval during the quarter. June already showed improved trends with 12.7% expansion in billings yoy.

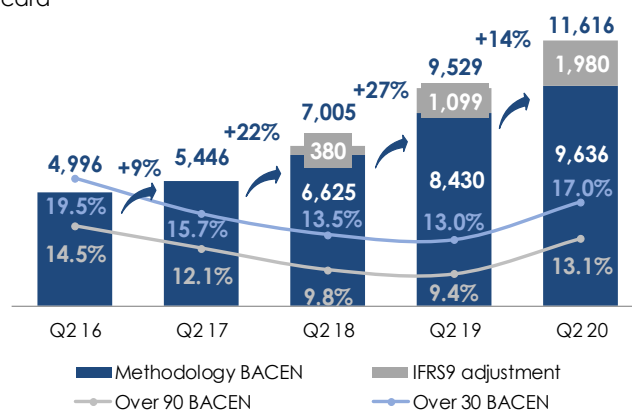
Total billings reached R\$7.9 billion, virtually in line with Q2 19. Considering our Carrefour and Atacadão credit card operations only, total billings grew by 1.6% in the quarter, driven by on-us sales expansion for both cards, which grew 8% yoy, proving the strong resilience of the business model. All in, revenues continued to rise in the period (6.3% yoy) and grew 16.0% in the first half.

In R\$ million	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
Billings Carrefour credit card	5,320	5,607	-5.1%	11,460	10,835	5.8%
Billings Atacadão credit card	2,511	2,100	19.6%	5,247	3,896	34.7%
Other products*	31	128	-76.1%	173	240	-27.9%
<b>Total billings</b>	<b>7,862</b>	<b>7,836</b>	<b>0.3%</b>	<b>16,881</b>	<b>14,971</b>	<b>12.8%</b>
Total Credit portfolio	11,616	9,529	21.9%	11,616	9,529	21.9%

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

As expected in the current crisis, credit risk provision rose to R\$1.36 billion (+ 44% yoy) and our coverage ratio reached 14.1% on a comparable basis (BACEN methodology), from 11.2% last year (+290 bps). The Over 90 BACEN portion of our portfolio ended Q2 at 13.1%.

Despite the significant impact in Risk Charges in Q2 (-R\$326 million according to IFRS9 methodology), Adjusted EBITDA was R\$184 million in Q2 (-27.0% yoy) and R\$436 million in H1 (-12.3% yoy), showing a strong resilience amid a much tougher context.



Provision	814	821	832	946	1,358
Coverage Ratio	16.3%	15.1%	12.6%	11.2%	14.1%

Adding the higher tax rate impact in 2020 (45% vs. 40% last year), the Bank's net income totaled R\$88 million in Q2 and R\$215 million in the first half of the year.

Banco Carrefour reiterates its conservative approach and adequate provisioning model in such a highly volatile environment in order to preserve its long-term strategy and profitability.

In June, Banco Carrefour became a fully-fledged bank, after receiving authorization from the Brazilian Central Bank. This step brings greater efficiency to operations, by enabling bank settlement for instance, and allows the implementation of new initiatives and product launches in order to further leverage our ecosystem.

In R\$ million	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
<b>Net operating revenues</b>	<b>762</b>	<b>717</b>	<b>6.3%</b>	<b>1,591</b>	<b>1,371</b>	<b>16.0%</b>
Risk Charges	(326)	(229)	42.7%	(638)	(407)	56.7%
<b>Gross profit</b>	<b>435</b>	<b>488</b>	<b>-10.9%</b>	<b>953</b>	<b>964</b>	<b>-1.1%</b>
SG&A expenses	(251)	(236)	6.4%	(517)	(467)	10.7%
<b>Adjusted EBITDA</b>	<b>184</b>	<b>252</b>	<b>-27.0%</b>	<b>436</b>	<b>497</b>	<b>-12.3%</b>
Depreciation and amortization expenses	(9)	(8)	8.8%	(18)	(15)	15.1%
<b>Adjusted EBIT</b>	<b>175</b>	<b>243</b>	<b>-28.2%</b>	<b>418</b>	<b>481</b>	<b>-13.2%</b>
Other revenues (expenses)	(16)	(12)	35.3%	(30)	(27)	12.3%
Net Financial results	(3)	(6)	-52.6%	(7)	(12)	-42.4%
Income tax	(67)	(89)	-24.6%	(166)	(174)	-5.0%
<b>Net income (100%)</b>	<b>88</b>	<b>136</b>	<b>-34.9%</b>	<b>215</b>	<b>268</b>	<b>-19.8%</b>

## Other Income (Expenses)

In R\$ million	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
Restructuring costs	(5)	(36)	-86.1%	(11)	(46)	-76.1%
Net gains or losses on asset sale	(62)	4	n.m.	(64)	(5)	n.m.
Income and expenses related to litigations	53	(870)	-106.1%	95	(799)	-111.9%
M&A transaction fees and others	(1)	-	n.m.	(34)	-	n.m.
<b>Other income (expenses)</b>	<b>(15)</b>	<b>(902)</b>	<b>-98.3%</b>	<b>(14)</b>	<b>(850)</b>	<b>-98.4%</b>

Other income and expenses represented a R\$15 million expense in Q2, mainly due to write-off of assets (-R\$62 million), partially compensated by a favorable decision on tax litigation regarding interests charged in excess, adding around R\$57 million. The strong contraction compared to the previous year is related to the significant provision related to ICMS (basic products credits) recognized in Q2 2019.

## Net Debt Profile and Net Financial Result

Loans, net of derivatives for coverage, totaled R\$5.5 billion at the end of Q2 20. The increase compared to June and December 2019 is mainly due to two funding operations in 2020: (i) a €250 million (R\$1,162 million) loan in Q1 through a credit line signed with Carrefour Finance; and (ii) a R\$1.5 billion loan from international banks in April. Both operations aim at strengthening the company's cash position. Net debt totaled R\$1.1 billion (or R\$2.7 billion including IFRS16 leases and R\$4.7 billion and adding also discounted receivables), below June 2019 position.

Grupo Carrefour Brasil has a sound financial structure, with a high cash position and an extremely low net debt/EBITDA ratio of 0.52x excluding discounted receivables and 0.92x including them. This is virtually in line with June 2019, reflecting the quarter's strong cash flow generation of the quarter.

In R\$ million	Jun. 2020	Dec. 2019	Jun. 2019
Loans and derivatives for coverage	(5,510)	(2,856)	(2,606)
Cash and cash equivalents	4,155	5,322	1,193
Marketable securities - Banco Carrefour	298	297	289
<b>(Net Debt) Net Cash</b>	<b>(1,057)</b>	<b>2,763</b>	<b>(1,124)</b>
Lease debt (IFRS 16)	(1,602)	(1,628)	(912)
<b>(Net Debt) Net Cash (incl. lease debt)</b>	<b>(2,659)</b>	<b>1,135</b>	<b>(2,036)</b>
Discounted receivables	(2,052)	(2,510)	(2,152)
<b>(Net Debt) Net Cash (incl. lease and discounted receivables)</b>	<b>(4,711)</b>	<b>(1,375)</b>	<b>(4,188)</b>
<i>(Net Debt) Net Cash (incl. lease debt)/Adj. EBITDA LTM</i>	- 0.52x	0.24 x	- 0.45x
<i>(Net Debt) Net Cash (incl. discounted receivables)/Adj. EBITDA LTM</i>	- 0.92x	- 0.29x	- 0.92x

Net financial result stands at - R\$142 million, an increase of 13.6%, mainly due to an interpretation by IFRIC to IFRS 16 (issued in December 2019) that led to an upwards revision of the expected duration of use of leased assets.

In R\$ million	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
Cost of bank debt, gross	(52)	(45)	15.6%	(101)	(87)	16.1%
Interest expenses on leases (IFRS 16)	(43)	(26)	65.4%	(89)	(52)	71.2%
Cost of discounted credit card receivables	(30)	(35)	-14.3%	(62)	(62)	0.0%
Financial Revenue	18	3	500.0%	24	10	140.0%
<b>Cost of Debt, Net (incl. Lease debt and discounted receivables)</b>	<b>(107)</b>	<b>(103)</b>	<b>3.9%</b>	<b>(228)</b>	<b>(191)</b>	<b>19.4%</b>
Net interests on provisions and judicial deposits	(15)	(9)	66.7%	(38)	(16)	137.5%
FX gains or losses	(3)	(8)	-62.5%	(22)	(8)	175.0%
Others	(17)	(5)	240.0%	(30)	(27)	11.1%
<b>Net financial result</b>	<b>(142)</b>	<b>(125)</b>	<b>13.6%</b>	<b>(318)</b>	<b>(242)</b>	<b>31.4%</b>

## Income tax

Income and social contribution tax expenses were up 3.8% in Q2 20 at R\$270 million. The tax rate in Q2 reached 27% (or 26% if adjusted for non-recurring items), impacted by an increase in financial institutions tax rate (from 40% in 2019 to 45% in 2020). The effective tax rate in Q2 19 was impacted by the provision effect related to basic items. Excluding the impacts of non-recurring items, the effective tax rate would have been 35% in Q2 19 (33% in H1 19). The reduction of the effective tax rate is related to a stronger contribution of the retail business profit which operates with a lower tax rate compared to the bank.

In R\$ million	Q2 20	Q2 19	Δ%	H120	H119	Δ%
Income Before Taxes	999	(167)	-698.2%	1,666	556	199.6%
Income and Social Contribution Tax	(270)	(260)	3.8%	(512)	(478)	7.1%
Effective Tax Rate	27.0%	155.7%	-129 bps	30.7%	86.0%	-55 bps

In R\$ million	Q2 20	Income Adjustments	Net income, Group, adj.	H1 20	Income Adjustments	Net income, Group, adj.
<b>Income before income tax and social contribution</b>	<b>999</b>	<b>30</b>	<b>1,029</b>	<b>1,666</b>	<b>72</b>	<b>1,738</b>
Income and Social Contribution Tax	(270)	(3)	(273)	(512)	(7)	(519)
Effective Tax Rate	27%		26%	31%		30%
<b>Net income</b>	<b>729</b>	<b>27</b>	<b>756</b>	<b>1,154</b>	<b>65</b>	<b>1,219</b>
Net Income - Non-controlling interests (NCI)	43		43	105		105
<b>Net income, Group share, adjusted</b>	<b>686</b>	<b>27</b>	<b>713</b>	<b>1,049</b>	<b>65</b>	<b>1,114</b>

## Net Income and Adjusted Net Income, Group Share

Adjusted net income provides a clearer view of the recurring net income. It is calculated as net income less other income and expenses and the corresponding financial and income tax effect. In Q2 20 adjusted net income reached R\$713 million (4.5% of net sales), up 74.9% yoy and reflecting the business's strong operating leverage. 2019 numbers were impacted by the provision effect related to basic items.

In R\$ million	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
<b>Net income, Group share</b>	<b>686</b>	<b>(494)</b>	<b>n.m.</b>	<b>1,049</b>	<b>(53)</b>	<b>n.m.</b>
(+/-) Other income (expenses)	15	902	-98.3%	14	850	-98.4%
(+/-) Financial results (non recurring)	15	0	n.m.	58	0	n.m.
(+/-) Tax income on other income (expenses) items	(3)	0	n.m.	(7)	18	-136.7%
<b>Net income, Group share, adjusted</b>	<b>713</b>	<b>408</b>	<b>74.9%</b>	<b>1,114</b>	<b>815</b>	<b>36.9%</b>
Net margin	4.5%	2.9%	160 bps	3.7%	3.0%	70 bps

## Payment of Interest on Shareholders' Equity (IOE)

As announced in a notice to shareholders published on this date, our Board of Directors approved the anticipated payment of part of the dividend related to 2020 results in the form of interest on shareholder's equity in a total amount of R\$482 million (or R\$0.242818828 per share). Payment will take place in two installments of R\$241 million each to be paid in September 25<sup>th</sup> and November 23<sup>rd</sup>.

The shareholders entitled to the payment will be those listed in the Company's equity position as of August 21, 2020. Shares will trade ex-loE after this date. The value per share may change until payment date as a result of the possible variation in the number of shares resulting from the issuance of shares or trading of the Company's own shares, including, among others, those arising from the exercise of stock options.

## Operating Working Capital

At the end of Q2 20, our operating working capital requirements were -R\$994 million vs -R\$613 million in Q2 19. Working capital variation occurred across all indicators due to the COVID-19 pandemic, which caused an environment of more flexible negotiation in both accounts receivable and with suppliers, while inventories increased in line with higher sales in Q2 20.

In Reais Million	Q2 20	Days	Q1 20	Days	Q4 19	Days	Q3 19	Days	Q2 19	Days
(+) Accounts Receivable (*)	1,267	9	622	5	782	6	575	5	552	5
(+) Inventories	6,451	47	6,423	49	5,949	46	6,029	49	5,419	44
(-) Suppliers (**)	(8,712)	(63)	(7,128)	(54)	(11,490)	(90)	(6,255)	(51)	(6,585)	(54)
<b>(=) Working Capital - WC Merchandise</b>	<b>(994)</b>	<b>(7)</b>	<b>(82)</b>	<b>(1)</b>	<b>(4,759)</b>	<b>(37)</b>	<b>350</b>	<b>3</b>	<b>(613)</b>	<b>(5)</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; Working capital ratios above are calculated using Cost of Goods Sold

## CAPEX

In Q2, we invested a total of R\$323 million, significantly below our Q2 2019 CAPEX. We opened one new store at Atacadão, on top of the four already opened in Q1. The pace of expansion was temporarily reduced due to COVID-19.

In H1 20, total CAPEX is virtually in line with H1 19.

In R\$ million	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
Expansion	156	285	-45.2%	631	591	6.8%
Maintenance	84	69	21.7%	124	107	16.2%
Remodeling	20	42	-51.7%	37	55	-32.3%
IT and other	62	79	-21.4%	91	107	-15.2%
<b>Total Capex</b>	<b>323</b>	<b>476</b>	<b>-32.1%</b>	<b>883</b>	<b>860</b>	<b>2.7%</b>
Right-of-use assets	15	89	n.m.	78	143	-45.5%
<b>Total fixed assets addition</b>	<b>338</b>	<b>565</b>	<b>-40.1%</b>	<b>961</b>	<b>1,006</b>	<b>-4.2%</b>

## STORE NETWORK – Q2 2020

In Q2, we opened one Cash & Carry store and one Express store, located inside the Albert Einstein Hospital in São Paulo. We now operate 700 stores for total sales area of 2,031,407 m<sup>2</sup>.

Nº of stores	Dec.19	Openings	Closures	Jun.20
Cash & Carry	186	5		191
Hypermarkets	100			100
Supermarkets	53	1	1	53
Convenience Stores	125	1		126
Wholesale	28			28
Drugstores	124	1		125
Gas Stations	76	1		77
<b>Group</b>	<b>692</b>	<b>9</b>	<b>1</b>	<b>700</b>

Sales area	Dec.19	Jun.20	Δ Change Jun.20 vs Dec.19
Cash & Carry	1,170,350	1,195,053	2.1%
Hypermarkets	704,876	704,876	0.0%
Supermarkets	69,056	68,743	-0.5%
Convenience Stores	22,732	22,842	0.5%
Drugstores	7,921	8,035	1.4%
Gas Stations	31,389	31,858	1.5%
<b>Total sales area (m<sup>2</sup>)</b>	<b>2,006,324</b>	<b>2,031,407</b>	<b>1.3%</b>



## Q2 2020 RESULTS VIDEO CONFERENCE INFORMATION

Portuguese/English  
(simultaneous translation)

**July 28, 2020** (Tuesday)

10:00 am – Brasília  
09:00 am – New York  
02:00 pm – London  
03:00 pm – Paris

**The conference will be held via video streaming and phone available in the following links:**

[English](#)

[Portuguese](#)

**Brazil dial-in:**

+55 (11) 3127-4971 | +55 (11) 3728-5971

**International dial-in:**

USA: +1-929-3783440 | +1-516-3001066

France: +33-1-70918623 | 0800-91-8025

**Access code:** Carrefour

**Replay** (available for 7 days):  
+55 11 3127 4999

**Replay Access:**

Portuguese: 26210029

English: 5118950

## INVESTOR RELATIONS INFORMATION

**Sébastien Durchon**

Vice-President of Finance (CFO) and Director of Investor Relations

**Natália Lacava**

Investor Relations Director

**Ludimila Aiello**

**Victor Bento**

Investor Relations Specialist

**Telephone:** +55 11 3779-8500

**e-mail:** [ribrasil@carrefour.com](mailto:ribrasil@carrefour.com)

**website address:** [www.grupocarrefourbrasil.com.br](http://www.grupocarrefourbrasil.com.br)

## Appendix I - Consolidated Income Statement

<i>In R\$ Million</i>	Q2 20	Q2 19	Δ%	H1 20	H1 19	Δ%
<b>Gross sales</b>	<b>17,632</b>	<b>15,281</b>	<b>15.4%</b>	<b>33,513</b>	<b>29,440</b>	<b>13.8%</b>
<b>Net sales</b>	<b>15,906</b>	<b>13,873</b>	<b>14.7%</b>	<b>30,326</b>	<b>26,729</b>	<b>13.5%</b>
Other revenue	887	855	3.7%	1,848	1,641	12.6%
<b>Net operating revenue</b>	<b>16,793</b>	<b>14,728</b>	<b>14.0%</b>	<b>32,174</b>	<b>28,370</b>	<b>13.4%</b>
Cost of goods sold, service and financial operations	(13,374)	(11,717)	14.1%	(25,634)	(22,490)	14.0%
<b>Gross Profit</b>	<b>3,419</b>	<b>3,011</b>	<b>13.6%</b>	<b>6,540</b>	<b>5,880</b>	<b>11.2%</b>
Gross Margin	21.5%	21.7%	-20 bps	21.6%	22.0%	-40 bps
SG&A expenses	(2,006)	(1,906)	5.2%	(4,022)	(3,745)	7.4%
<b>Adjusted EBITDA</b>	<b>1,424</b>	<b>1,117</b>	<b>27.5%</b>	<b>2,539</b>	<b>2,160</b>	<b>17.5%</b>
Adjusted EBITDA Margin	9.0%	8.1%	+90 bps	8.4%	8.1%	+30 bps
Depreciation and amortization	(258)	(244)	5.7%	(518)	(486)	6.6%
Net income from equity accounted company	1	(1)	n.m.	(2)	(1)	n.m.
Other income (expenses)	(15)	(902)	-98.3%	(14)	(850)	-98.4%
<b>EBIT</b>	<b>1,141</b>	<b>(42)</b>	<b>n.m.</b>	<b>1,984</b>	<b>798</b>	<b>148.6%</b>
Net financial expenses	(142)	(125)	13.6%	(318)	(242)	31.4%
<b>Income before income tax and social contribution</b>	<b>999</b>	<b>(167)</b>	<b>n.m.</b>	<b>1,666</b>	<b>556</b>	<b>199.6%</b>
Income Tax	(270)	(260)	3.8%	(512)	(478)	7.1%
<b>Net income</b>	<b>729</b>	<b>(427)</b>	<b>n.m.</b>	<b>1,154</b>	<b>78</b>	<b>1379.5%</b>
<b>Net income, Group share</b>	<b>686</b>	<b>(494)</b>	<b>n.m.</b>	<b>1,049</b>	<b>(53)</b>	<b>n.m.</b>
Net Income - Non-controlling interests (NCI)	<b>43</b>	<b>67</b>	-35.8%	<b>105</b>	<b>131</b>	-19.8%

## Appendix II - Consolidated Balance Sheet

<i>In R\$ Million</i>	<b>June 2020</b>	<b>December 2019</b>
<b>Assets</b>		
Cash and cash equivalents	4,155	5,322
Marketable securities – Banco Carrefour	245	287
Accounts receivable	1,609	1,206
Consumer credit granted by our financial solutions company	7,896	8,426
Inventories	6,451	5,949
Tax receivables	703	591
Income tax and social contribution recoverable	54	64
Derivative financial instruments	369	-
Prepaid expenses	184	83
Other accounts receivable	163	227
<b>Current assets</b>	<b>21,829</b>	<b>22,155</b>
Accounts receivable	4	5
Consumer credit granted by our financial solutions	430	440
Derivative financial instruments	138	-
Marketable securities	53	10
Tax receivables	3,720	3,612
Deferred tax assets	479	476
Prepaid expenses	32	28
Judicial deposits and collateral	2,439	2,382
Other accounts receivable	83	26
Investment properties	403	408
Investments in equity accounted companies	125	127
Property and equipment	13,250	12,915
Intangible assets and goodwill	2,272	2,328
<b>Non-current assets</b>	<b>23,428</b>	<b>22,757</b>
<b>Total assets</b>	<b>45,257</b>	<b>44,912</b>

## Appendix II - Consolidated Balance Sheet

<i>In R\$ Million</i>	<b>June 2020</b>	<b>December 2019</b>
<b>Liabilities</b>		
Suppliers	9,076	12,187
Borrowings	2,635	19
Lease debt	122	182
Consumer credit financing	5,566	5,941
Tax payable	281	282
Income tax and social contribution payables	83	239
Payroll, vacation and related charges	823	690
Dividends payable	-	90
Deferred income	27	10
Other accounts payable	453	414
Derivative financial instruments	-	5
<b>Current liabilities</b>	<b>19,066</b>	<b>20,059</b>
Borrowings	3,356	2,837
Lease debt	1,480	1,446
Consumer credit financing	601	986
Deferred tax liabilities	531	534
Provisions	3,804	3,847
Provisions (tax liabilities)	496	466
Deferred income	21	18
Other accounts payable	23	14
<b>Non-current liabilities</b>	<b>10,312</b>	<b>10,148</b>
Share capital	7,647	7,643
Capital reserve	2,182	2,178
Income reserve	3,954	3,966
Net effect of acquisition of minority interest	(282)	(282)
Retained earnings	1,049	-
Equity evaluation adjustment	12	(1)
<b>Shareholders' equity, Group share</b>	<b>14,562</b>	<b>13,504</b>
<b>Non-controlling interests</b>	<b>1,317</b>	<b>1,201</b>
<b>Total liabilities and shareholders' equity</b>	<b>45,257</b>	<b>44,912</b>

## Appendix III - Banco Carrefour

### Overdue Portfolio Analysis

#### BACEN Methodology

In R\$ million	June 20		March 20		December 19		September 19		June 19	
Total Portfolio	9,636	100.0%	10,175	100.0%	10,098	100.0%	9,002	100.0%	8,430	100.0%
On time payments	7,848	81.4%	8,653	85.0%	8,663	85.8%	7,633	84.8%	7,150	84.8%
Over 30 days	1,641	17.0%	1,415	13.9%	1,300	12.9%	1,198	13.3%	1,095	13.0%
Over 90 days	1,266	13.1%	1,080	10.6%	1,002	9.9%	903	10.0%	793	9.4%
Provisions for loan losses	1,358	14.1%	1,251	12.3%	1,168	11.6%	1,035	11.5%	946	11.2%

#### IFRS 9

In R\$ million	June 20		March 20		December 19		September 19		June 19	
Total Portfolio	11,616	100.0%	11,876	100.0%	11,570	100.0%	10,287	100.0%	9,529	100.0%
On time payments	7,835	67.4%	8,359	70.4%	8,592	74.3%	7,560	73.5%	7,077	74.3%
Over 30 days	3,619	31.2%	3,233	27.2%	2,803	24.2%	2,510	24.4%	2,218	23.3%
Over 90 days	3,195	27.5%	2,734	23.0%	2,432	21.0%	2,147	20.9%	1,845	19.4%
Portfolio until 360 days										
Over 30 days	1,718	17.7%	1,599	15.6%	1,402	13.8%	1,291	14.2%	1,172	13.8%
Over 90 days	1,294	13.3%	1,099	10.7%	1,032	10.1%	928	10.2%	799	9.4%
Provisions for loan losses	3,424	29.5%	3,113	26.2%	2,819	24.4%	2,588	25.2%	2,339	24.5%



## GLOSSARY

**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.