

Integrated omnichannel ecosystem drives 73.1% adjusted net income growth

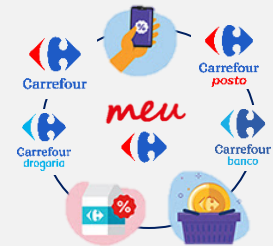
- ✓ **Gross sales: R\$19.3 billion**, up 29.9% (ex-petrol). **LFL growth of 26% (ex-petrol)**, a record in Grupo Carrefour Brasil's historical series, supported by a sales surge in an unprecedented environment and market share gains.
- ✓ **Atacadão Adj. EBITDA: R\$984 million**, **+51.4% y/y** with 8% margin (+107 bps) – among the most cost-efficient food retail players in Brazil.
- ✓ **Carrefour Adj. EBITDA : R\$410 million**, **+62.1% y/y** with 8% margin (+222 bps) – consistent performance translating into higher profitability.
- ✓ **Consolidated Adj. EBITDA: R\$1,339 billion**, +18.6% y/y with 7.7% margin, driven by strong performance in Retail and Cash & Carry, partly offset by exceptional provisions at the Bank.
- ✓ **Adjusted Net Income: R\$757 million**, **+73.1% y/y** with 4.3% margin (+117 bps).

In R\$million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q3 20	Q3 19	Δ%	Q3 20	Q3 19	Δ%	Q3 20	Q3 19	Δ%	Q3 20	Q3 19	Δ%
Gross sales	19,276	15,143	27.3%	13,545	10,316	31.3%	5,730	4,827	18.7%			
Gross sales ex petrol	18,758	14,442	29.9%	13,545	10,316	31.3%	5,213	4,126	26.4%			
Netsales	17,441	13,776	26.6%	12,301	9,378	31.2%	5,140	4,398	16.9%			
Other revenues (1)	777	907	-14.3%	38	33	15.2%	125	115	8.7%	620	765	-19.0%
Total Revenues	18,218	14,683	24.1%	12,339	9,411	31.1%	5,265	4,513	16.7%	620	765	-19.0%
Gross profit	3,438	3,064	12.2%	1,852	1,421	30.3%	1,344	1,136	18.3%	248	513	-51.7%
Gross Margin	19.7%	22.2%	-253 bps	15.1%	15.2%	-10 bps	26.1%	25.8%	32 bps			
SG&A Expenses (2)	(2,117)	(1,948)	8.7%	(872)	(774)	12.7%	(948)	(893)	6.2%	(252)	(245)	2.9%
SG&A of Net Sales	12.1%	14.1%	-200 bps	7.1%	8.3%	-116 bps	18.4%	20.3%	-186 bps			
Adj. EBITDA (1) (2)	1,339	1,129	18.6%	984	650	51.4%	410	253	62.1%	(4)	268	-101.5%
Adj. EBITDA Margin	7.7%	8.2%	-52 bps	8.0%	6.9%	107 bps	8.0%	5.8%	222 bps			
Adj. Net Income, Group share	757	437	73.1%									
Adj. Net Income Margin	4.3%	3.2%	117 bps									

(1) Includes intragroup elimination of R\$ -6 million between Bank and Retail (2) Includes global functions expenses of R\$ -36 million in 2019 and R\$ -45 million in 2020

AN OMNICHANNEL ECOSYSTEM, now INTEGRATED in a NEW CUSTOMER-CENTRIC APP:

- ✓ **Total GMV growth: +86.1%** including last-mile delivery, on growth of +202.4% in food e-commerce and +69.1% in non-food.
- ✓ **Atacadão:** Last-mile service now available in 23 stores in 11 states; 100% of clients are new to Atacadão. Promising marketplace launch with over 300 sellers.
- ✓ **Bank:** Average users that access online channels at 66% in September.
- ✓ **A new customer-centric app** with an innovative loyalty program, new functionalities and partnerships connecting all Carrefour formats. More than **20 million** clients from the former loyalty program.



Noël Prioux, CEO of Grupo Carrefour Brasil, declared: "Grupo Carrefour Brasil posted a remarkable performance in Q3, with record sales growth and impressive profitability, and this strong momentum has continued until today. Sales growth and Adjusted EBITDA at both Atacadão and Carrefour Retail were up in strong double-digits and Banco Carrefour is resuming growth with strong fundamentals after adjusting to the COVID-19 environment. This attests to the success of the measures we have taken to ensure a safe environment for our customers and employees amid the pandemic, as well as the strength of our increasingly integrated omnichannel ecosystem. Grupo Carrefour Brasil has strong momentum and has clearly entered a virtuous circle: higher traffic feeds stronger sales and market share gains, and, ultimately, a greater share of wallet."

COMMITTED TO OUR CLIENTS AND TO THE FUTURE

Grupo Carrefour Brasil was one of the few retailers to maintain all the initiatives taken since March to ensure a healthy and safe environment for our customers and employees although the contagion rate of the COVID-19 pandemic in Brazil improved. The Group's stores - Atacadão, Carrefour, drugstores and shopping centers - were part of a rigorous verification process conducted by a third-party company, DNV GL, to guarantee that all our protocols are in line with international best practices. Our initiatives and efforts were recognized, and we were the first Brazilian retail company to receive the International "My Care" label, which attests to the efficiency and safety of the Group's measures to protect our customers and employees.



The priority given to providing a safe and good shopping experience in our stores was once again recognized by our clients, as reflected by another high NPS level and a strong performance in Q3.

We are also committed to building a sustainable future, and this year we are moving forward with a new energy matrix in logistics to reduce CO2 emissions and neutralize 100% of emissions. Since 2019 we have carried out a series of initiatives to improve transportation efficiency, and this resulted in a reduction of 17% in carbon emissions in H1 20 (vs. H1 19). In October we made another important advance, establishing a partnership to neutralize 100% of CO2 emissions with Green Farm CO2 Free, the most complete sustainability and environmental preservation project in the world, which is committed to the United Nations' 17 Sustainable Development Goals.

Q3 2020 CONSOLIDATED FINANCIAL RESULTS

Sales & other revenues

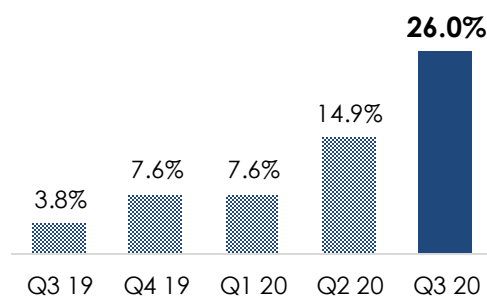
Grupo Carrefour Brasil's consolidated sales reached R\$19.3 billion in Q3 20, growing by 29.9% (excluding petrol) vs. the same quarter last year. Excluding petrol, LFL sales grew by 26.0%, driven by strong sales both at Atacadão and Carrefour Retail. Our expansion strategy in Cash & Carry and proximity formats over the last 12 months added another 3.9% of growth, with 3 Cash & Carry and 2 proximity format store openings in Q3 20. Grupo Carrefour Brasil's total store network reached 699 stores at the end of September 2020.

In Q3, Grupo Carrefour Brasil's sales grew 26.0% on a like-for-like basis (ex-petrol), a record rate in Grupo Carrefour Brasil's historical series. This was supported by remarkable growth of 25.8% at Atacadão, boosted by strategic decisions taken since June to further improve our competitiveness, as well as the reopening of bars and restaurants and continued strong B2C traffic, demonstrating the relevance of our Cash & Carry business model in a challenging environment. In addition, Carrefour Retail's strong momentum continued, growing by 26.6%.

Food inflation (Q3 20 average of 12%) also contributed to top line growth in the period, as prices surged in Brazil, impacted by a weakened currency, as did demand for specific products during the peak of the crisis.

Gross billings at Banco Carrefour reached R\$9.7 billion, representing an increase of 16.0% y/y and confirming the recovery observed at the end of Q2 20. Customers primarily use their credit card to buy food, which allows Banco Carrefour to selectively relaunch credit while controlling risk.

Consolidated LfL (ex-petrol)



	Q3 19	Q3 20			Total Growth
	LFL	Gross Sales (R\$MM)	LFL ex. Calendar ⁽¹⁾	Expansion	
Atacadão	1.8%	13,545	25.8%	5.5%	31.3%
Carrefour (ex-petrol)	8.8%	5,213	26.6%	(0.1)%	26.4%
Petrol	(1.9)%	517	(27.4)%	1.2%	(26.2)%
Carrefour (inc petrol)	7.1%	5,731	18.7%	0.1%	18.7%
Consolidated (ex-petrol)	3.8%	18,758	26.0%	3.9%	29.9%
Consolidated (inc petrol)	3.5%	19,276	23.5%	3.8%	27.3%
Banco Carrefour Billings	n.a.	9,747	n.a.	n.a.	16.0%

(1) Calendar effect in Q3 w as -0.1% at Atacadão, -0.1% at Carrefour Retail and -0.1% in consolidated

	9M 19	9M 20			
	LFL	Gross Sales (R\$MM)	LFL ex. Calendar ⁽¹⁾	Expansion	Total Growth
Atacadão	5.3%	36,125	14.0%	5.9%	19.6%
Carrefour (ex-petrol)	7.7%	15,088	22.1%	0.1%	22.3%
Petrol	(3.5)%	1,575	(24.2)%	1.2%	(23.1)%
Carrefour (inc petrol)	5.9%	16,663	15.5%	0.2%	15.9%
Consolidated (ex-petrol)	6.0%	51,213	16.4%	4.2%	20.4%
Consolidated (inc petrol)	5.5%	52,789	14.5%	4.1%	18.4%
Banco Carrefour Billings	n.a.	26,628	n.a.	n.a.	13.9%

(1) Calendar effect in Q3 w as +0.1% at Atacadão in 9M, +0.1% at Carrefour Retail in 9M and +0.1% in consolidated in 9M

The partial reopening of galleries and resumption of rent payments led other revenues in Retail and Cash & Carry to return to double-digit growth in Q3. On a consolidated basis, however, other revenues decreased 14.3% y/y, mainly impacted by the Bank's revenue, which decreased by 19% as a more conservative credit approach at the beginning of the crisis led to lower customer propensity to finance outstanding balance. Additionally, liquidity related to the emergency program launched by the government accelerated the amortization of the accrual outstanding, slowing revenue from interest. This was an expected outcome of the current environment, and we expect revenues to resume growth as we selectively resume granting of credit.

Consolidated Gross Margin and SG&A

Gross profit reached R\$3.4 billion, a 12.2% increase in Q3 20. Consolidated gross margin stood at 19.7%, impacted by the increase in provisions at Banco Carrefour. This was largely offset by the strong momentum at Carrefour Retail and Cash & Carry, generating significant efficiency gains. Petrol and galleries also had a positive contribution on a sequential basis.

SG&A expenses represented 12.1% of net sales in Q3, 200 bps lower y/y, reflecting the successful initiatives implemented in our operations. SG&A expenses in Q3 were up 8.7%, mainly impacted by COVID-19 expenses. Grupo Carrefour Brasil was able to more than offset this increase with greater absorption of fixed costs from higher sales, as well as productivity gains in operations.

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q3 20	Q3 19	Δ%	Q3 20	Q3 19	Δ%	Q3 20	Q3 19	Δ%	Q3 20	Q3 19	Δ%
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Gross Margin	19.7%	22.2%	-253 bps	15.1%	15.2%	-10 bps	26.1%	25.8%	32 bps			
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Adj. EBITDA (1) (2)	1,339	1,129	18.6%	984	650	51.4%	410	253	62.1%	(4)	268	-101.5%
Adj. EBITDA Margin	7.7%	8.2%	-52 bps	8.0%	6.9%	107 bps	8.0%	5.8%	222 bps			
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In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	9M 20	9M 19	Δ%	9M 20	9M 19	Δ%	9M 20	9M 19	Δ%	9M 20	9M 19	Δ%
Gross sales	52,789	44,582	18.4%	36,125	30,200	19.6%	16,663	14,382	15.9%			
Gross sales ex petrol	51,213	42,534	20.4%	36,125	30,200	19.6%	15,088	12,334	22.3%			
Net sales	47,767	40,505	17.9%	32,782	27,430	19.5%	14,985	13,075	14.6%			
Other revenues (1)	2,625	2,548	3.0%	107	100	7.0%	325	330	-1.5%	2,211	2,136	3.5%
Total Revenues	50,392	43,053	17.0%	32,889	27,530	19.5%	15,310	13,405	14.2%	2,211	2,136	3.5%
Gross profit	9,978	8,944	11.6%	5,028	4,226	19.0%	3,767	3,259	15.6%	1,201	1,477	-18.7%
Gross Margin	20.9%	22.1%	-119 bps	15.3%	15.4%	-7 bps	25.1%	24.9%	21 bps			
SG&A Expenses (2)	(6,139)	(5,693)	7.8%	(2,497)	(2,278)	9.6%	(2,750)	(2,594)	6.0%	(769)	(712)	8.0%
SG&A of Net Sales	12.9%	14.1%	-120 bps	7.6%	8.3%	-70 bps	18.4%	19.8%	-140 bps			
Adj. EBITDA (1) (2)	3,878	3,289	17.9%	2,540	1,957	29.8%	1,047	694	50.9%	432	765	-43.5%
Adj. EBITDA Margin	8.1%	8.1%	0 bps	7.7%	7.1%	61 bps	7.0%	5.3%	168 bps			
Adj. Net Income, Group	1,872	1,251	49.6%									
Adj. Net Income Margin	3.9%	3.1%	83 bps									

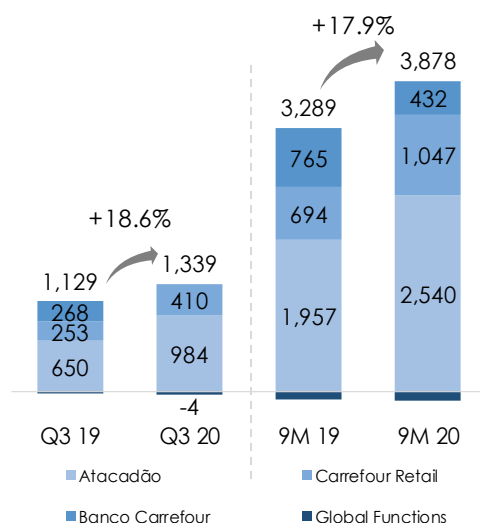
(1) Includes intragroup elimination of R\$ -18 million between Bank and Retail (2) Includes global functions expenses of R\$ -109 million in 2019 and R\$ -123 million in 2020

Adjusted EBITDA

Consolidated adjusted EBITDA reached R\$1.3 billion in Q3, an increase of 18.6% y/y, with a significant contribution from Atacadão and Retail. Adjusted EBITDA margin was 7.7% (-52 bps y/y) mainly due to the exceptional increase in provisions at Banco Carrefour. In the 9M, adjusted EBITDA reached R\$3.9 billion (+17.9% y/y) with 8.1% margin.

The gains in profitability came despite the extra expenses related to COVID-19, underlining our success in implementing measures to sustain a strong top line and maintain operating efficiency while keeping in place comprehensive safety measures for our customers and employees.

Adjusted EBITDA breakdown



OPERATING PERFORMANCE BY SEGMENT

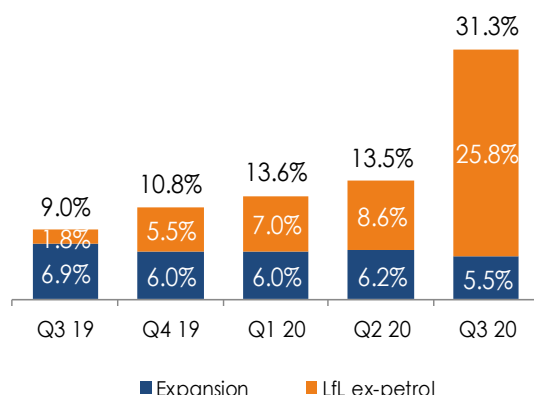
Atacadão: Strong LfL growth maintaining high profitability

Gross revenues at Atacadão surged to R\$13.5 billion, driven by 25.8% LfL growth – by far the highest level in a quarter in its recent history - and 5.5% expansion.

In Q3, the Cash & Carry business strongly accelerated trends observed in H1. The strategic decisions taken since June to improve competitiveness created positive commercial momentum, translating into a very high sales trend, significantly above food inflation. In addition, B2B sales resumed growth as lockdown measures in Brazil were eased and bars and restaurants reopened. At the same time, B2C sales maintained their momentum on the back of Atacadão's best-in-class price competitiveness and a continued trend towards eating at home as offices and schools have not fully reopened.

In Q3 the highlight was volumes, which reached impressive double-digit growth as B2B business resumed. We also gained 130 bps in market share versus last year (source: Nielsen), reflecting the measures taken in stores to keep clients safe and assertive commercial initiatives, demonstrating the relevance of our Cash & Carry business model in a challenging environment, especially for B2B clients. This very strong momentum has continued ever since.

Atacadão sales performance



Atacadão stores with last mile delivery



Atacadão launched its ecommerce business in partnership with last-mile delivery operators. Following a soft launch in four stores six months ago, the service is now available in 23 stores in 11 states and 100% of the clients are new to Atacadão, reinforcing our strategy to provide a better purchasing experience with the best price.

Atacadão also launched its food marketplace focused on B2B clients, which already has more than 300 sellers.

The e-commerce operation was designed to be a profitable model from day 1 and is already achieving better-than-expected results, with revenues growing around 4-fold sequentially.

Once again, results reflect the strong positioning of Atacadão across the whole country, as well as its expansion plan. We ended the quarter with 222 stores (including 29 wholesale) after 3 openings in the period, 1 in the South and 2 in the North of the country, and Atacadão now attends 4,900 cities in Brazil (88% of the total cities), strengthening its leadership position.

In September we also received approval (with no restrictions) from Brazil's anti-trust body CADE for the acquisition of 30 Makro stores, as announced in February this year. This represents an important step towards the closing of the transaction, which is expected soon. All stores are in premium locations and will further boost our growth and extend our reach to thousands of new clients.

Gross profit increased by 30.3% to R\$1.9 billion. Gross margin was broadly stable y/y at 15.1%, reflecting the already mentioned strategic decisions taken to improve competitiveness and the resumption of B2B sales as lockdown measures in Brazil were eased and bars and restaurants reopened. This brought the mix of sales closer to pre-pandemic levels, which explains the softer gross margin versus 2Q20.

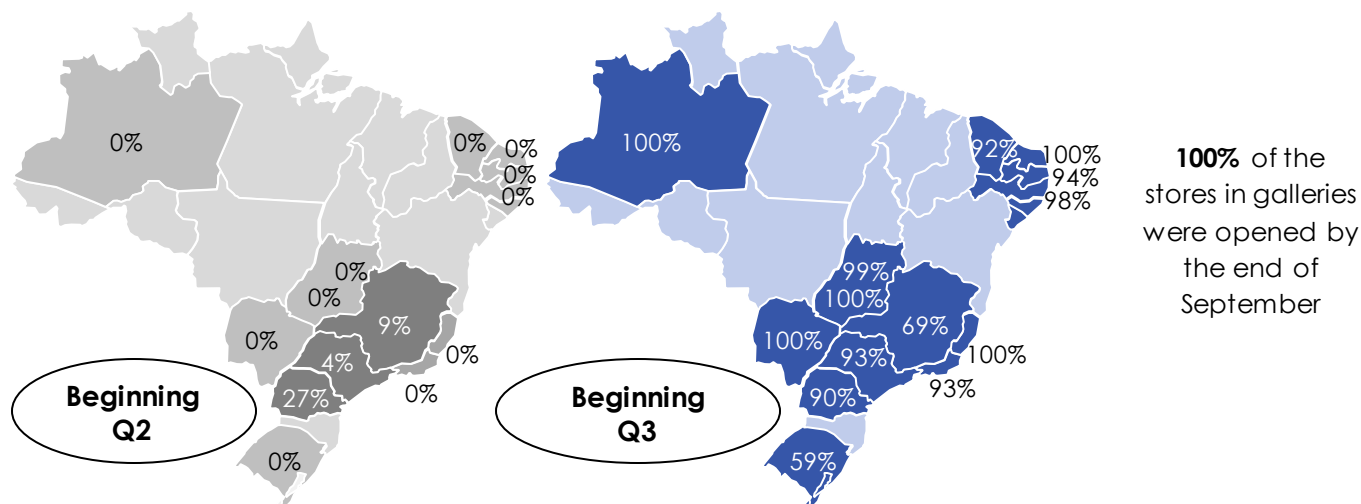
In R\$ million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Gross sales	13,545	10,316	31.3%	36,125	30,200	19.6%
Netsales	12,301	9,378	31.2%	32,782	27,430	19.5%
Other revenues	38	33	15.2%	107	100	7.0%
Total revenues	12,339	9,411	31.1%	32,889	27,530	19.5%
Gross profit	1,852	1,421	30.3%	5,028	4,226	19.0%
Gross margin	15.1%	15.2%	-10 bps	15.3%	15.4%	-7 bps
SG&A expenses	(872)	(774)	12.7%	(2,497)	(2,278)	9.6%
SG&A of net sales	7.1%	8.3%	-116 bps	7.6%	8.3%	-70 bps
Adj. EBITDA	984	650	51.4%	2,540	1,957	29.8%
Adj. EBITDA margin	8.0%	6.9%	107 bps	7.7%	7.1%	61 bps

Atacadão was again able to offset extra costs associated with COVID-19 and absorb fixed costs, reaching another 116 bps of SG&A efficiency gains in Q3 to 7.1% of revenues. This remarkable achievement makes Atacadão one of the most efficient food retail players in Brazil. As a result, Adjusted EBITDA reached R\$984 million in the quarter, 51.4% higher than in Q3 19, with 107 bps of margin expansion to 8.0%.

Carrefour Retail: It's all about increasing share of wallet ...

Carrefour Retail sales (ex-petrol) reached R\$5.2 billion in Q3, continuing the Q2 trend and recording another impressive 26.6% LfL increase (or R\$5.4 billion and 27.4% including the marketplace), driven by strong growth in both food (15.4%) and non-food (43.6%). The performance is particularly impressive considering that Q3 20 was marked by the reopening of general retailers' stores and growth came over a strong comparable base of 8.8% growth in Q3 19. This demonstrates our competitiveness and relevant presence both in online and offline channels, allowing us to maintain revenues at the same high level as in Q2 and achieve 38% growth over a 2-year period.

Stores opened in galleries as a proxy of Brazil's level of lockdown



Once again, the initiatives that were implemented in our stores proved their relevance, as our Retail operations posted further market share gains with satisfactory NPS levels. We continued implementing the measures mentioned in Q2, especially the new promotional dynamics, which continue to show solid results, including higher client engagement and productivity gains.

The easing of some lockdown measures in Brazil and signs of a softening of the COVID-19 pandemic led to some normalization in customer behavior.

Overall, the level of engagement of customers keeps increasing and this is reflected in our customers' share of wallet, which grew 32% in September vs. the previous year.

	Q3 20 (R\$ MM)	LFL	Q3 19 (R\$ MM)	Total Growth	9M 20 (R\$ MM)	LFL	9M 19 (R\$ MM)	Total Growth
Multi-format⁽¹⁾	4,606	22.1%	3,780	21.8%	13,496	19.5%	11,271	19.7%
Food	2,808	14.2%	2,465	13.9%	8,396	12.8%	7,426	13.1%
Non-food ⁽²⁾	1,798	36.9%	1,316	36.7%	5,100	32.5%	3,845	32.6%
Carrefour (ex-petrol): Multiformat + E-comm	5,213	26.6%	4,126	26.4%	15,088	22.1%	12,334	22.3%
Food	2,873	15.4%	2,494	15.2%	8,590	14.4%	7,494	14.6%
Non-food ⁽²⁾	2,340	43.6%	1,632	43.4%	6,498	34.0%	4,842	34.2%
Carrefour + GMV (ex petrol)	5,380	27.4%	4,229	27.2%	15,575	23.2%	12,617	23.4%

(1) Includes last-mile delivery. (2) Includes drugstores

... by engaging and integrating more clients into our ecosystem

Following the new promotional dynamics started in Q2 20 in our retail stores, we launched our new loyalty program on November 3. With the launch of the new "Meu Carrefour" app, we aim to further integrate the Carrefour Brasil ecosystem.

With more than 20 million clients from the former loyalty program, the main change is the new "My Rewards" functionality, which is connected to all Carrefour banner formats (hypermarkets, supermarkets, convenience, gas stations, drugstores), e-commerce (food and non-food) and the bank. From now on, our customers will be able to accumulate virtual coins and exchange them for numerous benefits, either in discount vouchers for purchases or to be used with our partners, in order to generate savings in the overall basket.

The new app also includes product sampling. Based on the customer's consumption habits at Carrefour, the application's AI will make suggestions for our private label products with discounts of up to 100%, a way to make customers experience our products. Another new feature of Meu Carrefour is the connectivity with CyberCook. Whenever the consumer searches for an ingredient, the application will automatically connect with the recipe platform and the customer will be able to access suggestions for quick and easy dishes and tips on reusing food. By the end of the year the app will also integrate Scan&Go, enabling clients to pay their account using the app, and Banco Carrefour, enabling customer access to features that are already used in the Bank's existing app.

The new "Meu Carrefour" app reflects our customer-centric vision and crowns the innovation efforts made in the past two years, creating an ecosystem that connects all of our formats, encourages a higher share of wallet and facilitates the daily lives of our consumers at the same time as it optimizes our operation.

A new customer-centric app

+ 20 million
registered clients



...with an innovative loyalty program, new functionalities and partnerships



...connecting all of our formats and facilitating the daily lives of our customers



(i) Multi-format: The virtuous circle of a successful omnichannel strategy

Our multi-format operation registered another quarter of strong performance, achieving impressive 22.1% LfL growth in Q3 (21.8% total growth), which is a particularly strong performance considering that it comes on top of a strong comparable base, with 7.2% growth in Q3 19, and that the Carrefour anniversary in September this year was postponed. Food growth continued the trend observed in Q2, with recurring market share gains, reaching LfL growth of 14.2% (13.9% total growth), above food inflation in the period. Average ticket increased 47.1% y/y while the number of tickets was still down by 16.5% y/y. Despite lower traffic year-on-year due to restrictions on movement, on a sequential basis traffic increased 3.7%, pointing to some normalization in customer behavior as lockdown measures ease.

Once again, favored by its one-stop-shop format combined with high-quality execution in operations, the highlight of the quarter was hypermarkets, which grew by 25.3%, twice the market rate for the second consecutive quarter (+12.7% according to Nielsen), leading to market share gains of 190 bps y/y. We also registered an increase of 14% in the number of SKUs in the average basket of our hypermarket clients, +25% in supermarkets and +33% in proximity stores. This demonstrates the competitiveness of our multi-format operations and the power of the ecosystem strategy, resulting in a greater concentration of purchases within our channels.

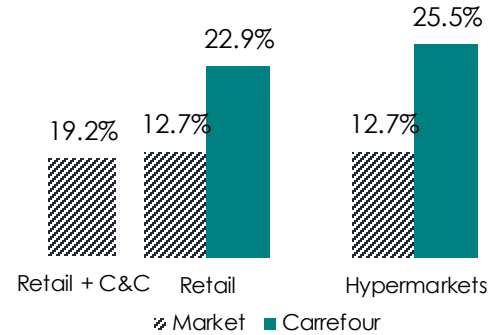
In addition, more efficient promotional dynamics enabled our Retail operations to reduce related costs, offer even more competitive prices and ultimately achieve higher NPS levels and share of wallet, with emphasis on the most loyal customers.

We also had an impressive increase of +22% y/y in total private label volume, notably in FMCG, which grew 35% y/y. The number of baskets with private label FMCG products increased around 10 p.p. vs the historical average, to 30%. The good acceptance of private label products proves that they are designed to meet high quality standards, while offering a well-balanced cost-benefit equation - especially in a more inflationary environment - which helps clients keep their spending within budget with the same convenience. Private label customers' share of wallet is 50% higher than the average.

Healthy food aisles were implemented in 89 hypermarkets, offering ~3,400 SKUs of organic and healthy products, and approximately 2,500 SKUs of private label products, which were a highlight this quarter, representing 14.7% of total net food sales in Q3, a record (170 bps higher y/y).

Food's outstanding performance clearly shows that customers are concentrating shopping with us, which naturally brings traffic to our non-food business (1 out of 2 customers who buy food also buy non-food items). Non-food benefited from the many initiatives launched both in stores and online, bringing strong growth of 36.7%, despite the reopening of other retailers and the strong comparable base (+17.5% in Q3 19). This demonstrates our competitiveness in this segment and the importance of a synergistic omnichannel operation. All categories performed well: Bazaar and Textile surpassed 30% LfL growth and Appliances posted LfL growth of 47.6%, with an increase of 20% in the number of clients shopping with us.

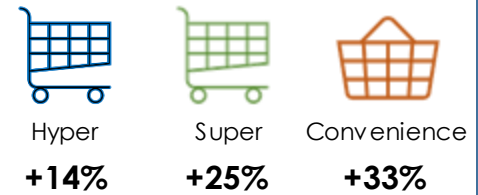
Carrefour growing twice total market



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

... Increasing Share of Wallet

of SKU per basket (growth in 3Q20)



... helping clients to save money and eat better

Growth in Private Label volume (%)

Total Private Label

+22%

Private label FMCG

+35%



and generating traffic for our non-food business

+37% growth in non-food in Q3 20



Carrefour Retail (including e-commerce, ex-petrol and galleries) posted another quarter of meaningful margin expansion, reinforcing the assertiveness of our new promotional dynamics and impressive dilution of our fixed cost structure. Adjusted EBITDA for Retail, including e-commerce and excluding petrol and galleries reached 8.6% margin, an improvement of 397 bps.

(ii) Digital initiatives:

An important pillar to drive traffic and high-quality user experience

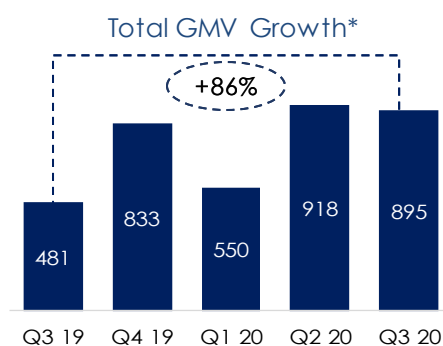
E-commerce continued to be a popular channel even with the reopening of physical stores. In September our website again ranked 7th in number of visits (according to the E-commerce Brasil ranking), matching the level at the peak of the pandemic, demonstrating a new trend in customer purchasing habits.

In order to offer a better experience to our clients, on October 1st we launched our new platform, developed in 6 months with an agile methodology based on a new architecture concept, which is more user-friendly and totally customized to meet the needs of both food and non-food e-commerce. We have already seen some improved trends in the NPS ratio compared to the former website. The new platform also enables Banco Carrefour to further expand its cardholder base.

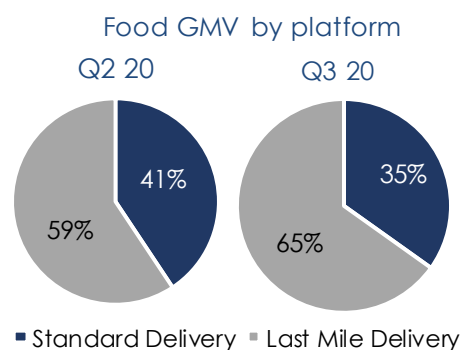
Total GMV growth was 72.5% (or 86.1% including last-mile delivery), largely driven by strong food e-commerce sales (+202.4% including last-mile delivery), and the resilience of non-food sales, which continued to grow (+69.1%), even as physical stores reopened. Total GMV was virtually at the same level as Q2 20, the peak of the COVID-19 pandemic, and higher than the Black Friday period in Q2 19 (Q4). Marketplace sales grew +61.7% and represented 21.6% of total GMV in Q3 despite the challenges that the platform migration posed to the business.

We are constantly working to offer a high level of service to our customers and, in September, 98.2% of our food orders were delivered on time, with an average delivery time of 1.6 days. Our initiatives have also translated into new clients for both online and offline channels, since 70% of food e-commerce clients in September were new or inactive in our ecosystem.

Our e-commerce business continues to accelerate, maintaining its good momentum and improving results, which drives our business model closer to breakeven. If we were to include the profits that e-commerce brings to our financial services, it would already be profitable. We continue to be committed to building a strong, profitable and sustainable online business.



* Includes last-mile delivery



■ Standard Delivery ■ Last Mile Delivery

	Q3 20 (R\$MM)	Total Growth	Q3 19 (R\$MM)
Last mile delivery*	121	279.2%	32
1P Food	65	119.4%	29
GMV Food	186	202.4%	61
1P Non Food	542	71.5%	316
GMV 1P (incl. last mile)	728	92.8%	378
3P	167	61.7%	103
GMV Non Food	709	69.1%	419
Total GMV	774	72.5%	449
Total GMV (incl. last mile)	895	86.1%	481

	9M 20 (R\$MM)	Total Growth	9M 19 (R\$MM)
Last mile delivery*	283	351.3%	63
1P Food	194	186.6%	68
GMV Food	477	266.0%	130
1P Non Food	1,398	40.3%	997
GMV 1P (incl. last mile)	1,876	66.4%	1,127
3P	488	72.7%	282
GMV Non Food	1,886	47.4%	1,279
Total GMV	2,080	54.4%	1,347
Total GMV (incl. last mile)	2,363	67.7%	1,410

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

(iii) Consolidated Carrefour Retail Results

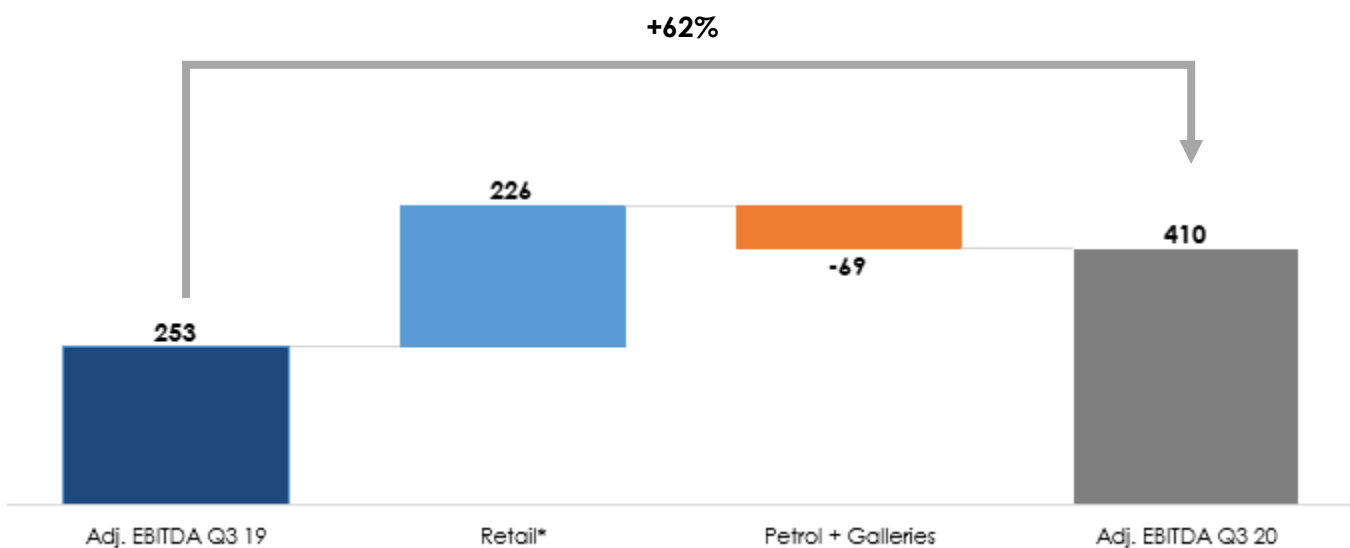
Carrefour Retail's consolidated gross profit was R\$1.3 billion, 18.3% higher than Q3 19, while gross margin stood at 26.1%, 32 bps higher than the same period in 2019, thanks to our more assertive promotional dynamics in multi-format, efficiency gains and the favorable evolution of e-commerce, partially offset by petrol and galleries, which are resuming growth sequentially but are still down year-on-year.

In R\$ million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Gross sales	5,730	4,827	18.7%	16,663	14,382	15.9%
Gross sales ex-petrol	5,213	4,126	26.4%	15,088	12,334	22.3%
Net sales	5,140	4,398	16.9%	14,985	13,075	14.6%
Other revenues	125	115	8.7%	325	330	-1.5%
Total revenues	5,265	4,513	16.7%	15,310	13,405	14.2%
Gross profit	1,344	1,136	18.3%	3,767	3,259	15.6%
Gross margin	26.1%	25.8%	32 bps	25.1%	24.9%	21 bps
SG&A expenses	(948)	(893)	6.2%	(2,750)	(2,594)	6.0%
SG&A of net sales	18.4%	20.3%	-186 bps	18.4%	19.8%	-140 bps
Adj. EBITDA	410	253	62.1%	1,047	694	50.9%
Adj. EBITDA margin	8.0%	5.8%	222 bps	7.0%	5.3%	168 bps

Distribution costs (SG&A) totaled R\$948 million and improved 186 bps to 18.4% of net sales in Q3, thanks to greater absorption of fixed costs, productivity gains and e-commerce expansion.

Carrefour's adjusted EBITDA improved by 62.1% to R\$410 million, with strong margin expansion of 222 bps to 8.0% in Q3 20 (vs. 5.8% in Q3 19). In the 9M, adjusted EBITDA grew by 50.9% and margin improved by 168 bps to 7.0%.

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



* Excludes Petrol and Galleries

Banco Carrefour: Initiating a new growth cycle

Banco Carrefour confirmed the recovery trend observed at the end of Q2 20, as total billings grew by 16.0% y/y in Q3 to R\$9.7 billion. In September, we saw billings growing around 20%. The Carrefour credit card posted a 12.1% increase in Q3 and the Atacadão credit card accelerated, with 29.6% growth. Performance was driven by both on-us (+12.9%) and off-us (+18.8%) billings, which were partly offset by the contraction in other products, mainly personal loans, as expected in the current environment.

In R\$ million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Billings Carrefour credit card	6,657	5,936	12.1%	18,117	16,771	8.0%
Billings Atacadão credit card	3,044	2,349	29.6%	8,292	6,244	32.8%
Other products*	46	119	-61.6%	219	360	-39.1%
Total Billings	9,747	8,404	16.0%	26,628	23,375	13.9%
Total Credit portfolio	12,325	10,287	19.8%	12,325	10,287	19.8%

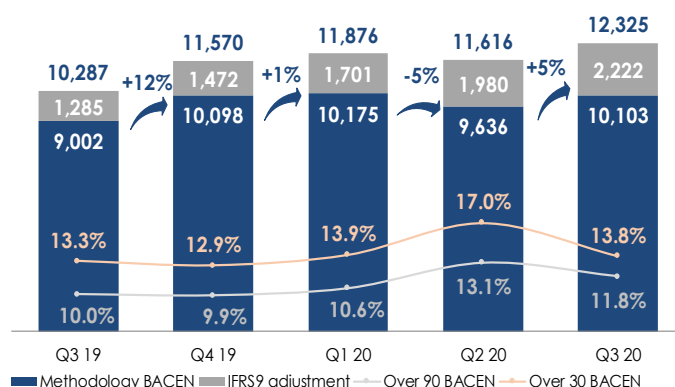
*Other products include personal loans and payment of bills using the card.

Total credit portfolio stood at R\$12.3 billion, +19.8% y/y (IFRS9). Under Brazilian accounting standards, Banco Carrefour became the 5th largest bank in Brazil in total credit card portfolio. The monthly average users of online channels reached 66% of the active accounts in September and the digital channels represented over 32% of total new customer acquisition.

The overall quality of our portfolio and Non-Performing Loan levels significantly improved in Q3 and we continue to see better-than-expected delinquency ratios, attesting to the efficiency of the measures taken at the very beginning of the COVID-19 crisis.

Loans due over 90 days ("Over 90") were down 130bps, to 11.8% in Q3 vs. 13.1% in Q2 and "Over 30" was down an even more impressive 320bps, to 13.8% from 17.0%, returning to the Q1 level.

Credit Portfolio Evolution (R\$ million)



This pick-up in billings is clear evidence of the resilience of our consumer finance activities and Banco Carrefour's impressive capacity, particularly in the current crisis, to initiate a new growth cycle, leveraging the assets of our unique ecosystem. However, this promising evolution for the coming quarters generated additional short-term pressure on provisions, as the IFRS9 model requires booking the expected potential loss as soon as the receivable appears, and thus before it starts generating revenue.

Additionally, as Banco Carrefour adopted a more conservative credit approach at the beginning of the crisis, customer propensity to finance outstanding balance dropped, affecting revenues. On top of that, the liquidity related to the COVID-19 emergency program accelerated the amortization of the accrual outstanding, slowing revenues from interest. We saw an 19.0% decline in our Q3 20 revenues to R\$620 million. In 9M, revenue growth remained in positive territory (+3.5%).

Risk charges reached R\$372 million in the quarter, a 47.6% increase vs. Q3 2019. In the current volatile and uncertain environment, we decided to conservatively adjust our IFRS9 provisioning model in a more conservative way, in particular with respect to the less-recent part of our portfolio (receivables due for more than 360 days). This approach resulted in an exceptional provision of R\$180 million in the quarter. Consequently our provisions now total R\$ 3.8 billion and represent 30.6% of our total portfolio (IFRS9 methodology).

SG&A expenses remained virtually flat compared to Q3 19, an important achievement considering that we've been implementing new services and structures in order to provide a wider range of products as a fully-fledged bank. Some of these initiatives are already being tested and should be officially launched soon, such as acquiring services and our digital account. At the end of Q3, all bank invoice services were fully internalized, an important step to increase the bank's efficiency, which reduces collections cost by 20% (6 million invoices issued per month).

In R\$ million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Net operating revenues	620	765	-19.0%	2,211	2,136	3.5%
Risk Charges	(372)	(252)	47.6%	(1,010)	(659)	53.3%
Gross profit	248	513	-51.7%	1,201	1,477	-18.7%
SG&A expenses	(252)	(245)	2.9%	(769)	(712)	8.0%
Adjusted EBITDA	(4)	268	-101.5%	432	765	-43.5%
Depreciation and amortization expenses	(9)	(9)	0.0%	(27)	(25)	8.0%
Adjusted EBIT	(13)	259	-105.0%	405	740	-45.3%
Other revenues (expenses)	(15)	(14)	7.1%	(45)	(41)	9.8%
Net Financial results	(2)	(7)	-71.4%	(9)	(19)	-52.6%
Income tax	26	(86)	-130.2%	(140)	(260)	-46.2%
Net income (100%)	(4)	152	-102.6%	211	420	-49.8%

All in, Banco Carrefour's Adjusted EBITDA in Q3 20 totaled -R\$4 million, or +R\$176 million before the exceptional credit provision. In 9M the operation continues to be largely profitable and accretive to results, with Adjusted EBITDA of R\$432 million and Net Income of R\$211 million.

Q3 2020 CONSOLIDATED FINANCIAL RESULTS (BELOW ADJ. EBITDA)

Other Income (Expenses)

In R\$ million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Restructuring costs	(11)	(16)	-31.3%	(22)	(62)	-64.5%
Net gains or losses on asset sale	(22)	-	n.m.	(86)	(5)	n.m.
Income and expenses related to litigations	(25)	21	-219.0%	70	(778)	-109.0%
M&A transaction fees and others	10	-	n.m.	(24)	-	n.m.
Other income (expenses)	(48)	5	n.m.	(62)	(845)	-92.7%

Other income and expenses were an expense of R\$48 million in the quarter, mainly due to expenses related to litigation and the write-off of assets, principally related to some Express store closures.

Income tax

Income and social contribution tax expenses in Q3 20 were 8.5% lower than Q3 19 and the tax rate stood at 23% (or 20% if adjusted for non-recurring items), 769 bps lower than the previous year. The lower expense in the quarter (R\$205 million) was driven by the reduced contribution from our financial services activity to pre-tax our earnings, as it has the highest tax rate in the Group (45%) and by tax exemptions. The effective tax rate in 9M 19 was impacted by the provision effect related to basic items in Q2 19. Excluding the impacts of non-recurring items, the effective tax rate would have been 26% in 9M 19, a very similar level to the rate in 9M 20 (28%).

In R\$ million	Q3 20	Q3 19	Δ%	9M20	9M19	Δ%
Income Before Taxes	890	729	22.1%	2,556	1,285	98.9%
Income and Social Contribution Tax	(205)	(224)	-8.5%	(717)	(702)	2.1%
Effective Tax Rate	23.0%	30.7%	-769 bps	28.1%	54.6%	-2,658 bps

In R\$ million	Q3 20	Income Adjustments	Net income, Group, adj.	9M20	Income Adjustments	Net income, Group, adj.
Income before income tax and social contribution	890	55	945	2,556	127	2,683
Income and Social Contribution Tax	(205)	15	(190)	(717)	9	(708)
Effective Tax Rate	23%		20%	28%		26%
Net income	685	70	755	1,839	136	1,975
Net Income - Non-controlling interests (NCI)	(2)		(2)	103		103
Net income, Group share, adjusted	687	70	757	1,736	136	1,872

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 Q3 20, adjusted net income reached R\$757 million or 4.3% of net sales, an impressive 73.1% increase compared to Q3 19, once again reflecting the company's omnichannel strategy and strong execution. In 9M 20, adjusted net income totaled R\$1.9 billion, +49.6% compared to the same period of 2019.

In R\$ million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Net income, Group share	687	430	59.8%	1,736	377	360.5%
(+/-) Other income (expenses)	48	(5)	n.m.	62	845	-92.7%
(+/-) Financial results (nonrecurring)	7	0	n.m.	65	29	124.1%
(+/-) Tax income on other income (expenses) items	15	12	25.0%	9	0	n.m.
Net income, Group share, adjusted	757	437	73.1%	1,872	1,251	49.6%
Net margin	4.3%	3.2%	117 bps	3.9%	3.1%	83 bps

Operating Working Capital

Our working capital before receivables represented at the end of Q3 20 a net resource of R\$923 million (7 days) vs. R\$226 million (2 days) in Q3 19, as a result of our capacity to maintain, or improve, our capital structure, even in the current scenario: Year-on-year, we increased our inventory level by 29%, in line with our sales trend and projected sales for the coming months, but this was more than offset by an even bigger increase in our payables with suppliers.

In Reais Million	Q3 20	Days	Q2 20	Days	Q1 20	Days	Q4 19	Days	Q3 19	Days
(+) Inventories	7,783	54	6,451	47	6,423	49	5,949	46	6,029	49
(-) Suppliers (**)	(8,706)	(61)	(8,712)	(63)	(7,128)	(54)	(11,490)	(90)	(6,255)	(51)
(=) Working Capital before receivables	(923)	(7)	(2,261)	(16)	(705)	(5)	(5,541)	(44)	(226)	(2)
(+) Accounts Receivable (*)	1,905	13	1,267	9	622	5	782	6	575	5
(=) Working Capital	982	7	(994)	(7)	(82)	(1)	(4,759)	(37)	350	3

(*) 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

The strong cash generation in the last two quarters enabled us to reduce the use of discounted receivables to finance operations, consequently reducing financial interest and improving our financial efficiency. Accounts receivable show a significant increase from R\$575 million (5 days) in Q3 2019 to R\$1,905 (13 days), on the back of our decision to not sell those receivables as we did previously

Net Debt Profile and Net Financial Result

Loans, net of derivatives for coverage, totaled R\$5.5 billion at end-September, the same level as Q2 and above year-end 2019 due to two funding operations: (i) a €250 million (R\$1,162 million) loan in Q1 20 through a credit line signed with Carrefour Finance; and (ii) a R\$1.5 billion loan from international banks in April 2020. Both operations aim at strengthening the company's cash position.

Net debt reached R\$2.7 billion, affected by the reduction in Cash and Cash equivalents in Q3 20, which is seasonal and also reflects the lower use of discounted receivables in the period as part of the forementioned strategy to improve capital structure. As a result, net debt (incl. lease and discounted receivables) was R\$5.4 billion.

In R\$ million	Sep. 2020	Dec. 2019	Sep. 2019
Loans and derivatives for coverage	(5,523)	(2,856)	(2,941)
Cash and cash equivalents	2,456	5,322	697
Marketable securities - Banco Carrefour	357	297	290
(Net Debt) Net Cash	(2,710)	2,763	(1,954)
Lease debt (IFRS 16)	(1,665)	(1,628)	(920)
(Net Debt) Net Cash (incl. lease debt)	(4,375)	1,135	(2,874)
Discounted receivables	(980)	(2,510)	(2,158)
(Net Debt) Net Cash (incl. lease and discounted receivables)	(5,355)	(1,375)	(5,032)
<i>(Net Debt) Net Cash (incl. lease debt)/Adj. EBITDA LTM</i>	- 0.82x	0.24 x	- 0.61x
<i>(Net Debt) Net Cash (incl. discounted receivables)/Adj. EBITDA LTM</i>	- 1.00x	- 0.29x	- 1.07x

Net financial result totaled -R\$121 million, boosted by the above-mentioned lower volume of discounted receivables in the quarter, which reduced the amount spent in discounted credit card receivables (R\$20 million savings), as well as a higher cash position leading to higher financial revenue.

In R\$ million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Cost of bank debt, gross	(46)	(43)	7.0%	(147)	(130)	13.1%
Interest expenses on leases (IFRS 16)	(45)	(26)	73.1%	(134)	(78)	71.8%
Cost of discounted credit card receivables	(13)	(33)	-60.6%	(75)	(95)	-21.1%
Financial Revenue	13	2	550.0%	37	12	208.3%
Cost of Debt, Net (incl. Lease debt and discounted receivables)	(91)	(101)	-10.0%	(319)	(291)	9.6%
Net interests on provisions and judicial deposits	(14)	(22)	-36.4%	(52)	(38)	36.8%
FX gains or losses	(3)	8	n.m.	(25)	0	n.m.
Others	(13)	(21)	-38.1%	(43)	(48)	-10.4%
Net financial result	(121)	(135)	-10.4%	(439)	(377)	16.4%

CAPEX

Total Capex in Q3 20 was R\$305 million, 20.8% lower than Q3 19, as the pace of expansion was temporarily reduced due to COVID-19.

We opened 3 new Atacadão stores (including Wholesale), totaling 8 through September. In 9M 20, total CAPEX reached R\$1.4 billion, -5.9% vs. 9M 19.

In R\$ million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Expansion	158	187	-15.5%	789	778	1.4%
Maintenance	75	83	-9.4%	199	190	5.0%
Remodeling	9	41	-77.0%	46	96	-52.4%
IT and other	62	74	-15.8%	154	181	-14.9%
Total Capex	305	385	-20.8%	1,188	1,245	-4.5%
Right-of-use assets	110	75	46.7%	188	218	-13.8%
Total fixed assets addition	415	460	-9.8%	1,376	1,463	-5.9%

STORE NETWORK – Q3 2020

In Q3, we opened 5 new stores of which: 2 Cash & Carry (Criciúma, in Santa Catarina state and Macapá in the state of Amapá), 1 Wholesale (Macapá) and 2 Express (São Paulo). We also closed one Market store and five Express. We now operate 699 stores for total sales area of 2,039,097 m².

N° of stores	Dec.19	Openings	Closures	Sep.20
Cash & Carry	186	7		193
Hypermarkets	100			100
Supermarkets	53	1	2	52
Convenience Stores	125	3	5	123
Wholesale	28	1		29
Drugstores	124	1		125
Gas Stations	76	1		77
Group	692	14	7	699

Sales area	Dec.19	Sep.20	Δ Change Sep.20 vs Dec.19
Cash & Carry	1,170,350	1,204,805	2.9%
Hypermarkets	704,876	704,876	0.0%
Supermarkets	69,056	67,342	-2.5%
Convenience Stores	22,732	22,182	-2.4%
Drugstores	7,921	8,035	1.4%
Gas Stations	31,389	31,858	1.5%
Total sales area (m²)	2,006,324	2,039,097	1.6%

Q3 2020 RESULTS VIDEO CONFERENCE INFORMATION

Portuguese/English
(simultaneous translation)

November 11, 2020
(Wednesday)

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

Video streaming:

[English](#)

[Portuguese](#)

Web Phone:

[English](#)

[Portuguese](#)

Brazil dial-in:

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Access code: Carrefour

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Appendix I - Consolidated Income Statement

In R\$ Million	Q3 20	Q3 19	Δ%	9M 20	9M 19	Δ%
Gross sales	19,276	15,143	27.3%	52,789	44,582	18.4%
Net sales	17,441	13,776	26.6%	47,767	40,505	17.9%
Other revenue	777	907	-14.3%	2,625	2,548	3.0%
Net operating revenue	18,218	14,683	24.1%	50,392	43,053	17.0%
Cost of goods sold, service and financial operations	(14,780)	(11,619)	27.2%	(40,414)	(34,109)	18.5%
Gross Profit	3,438	3,064	12.2%	9,978	8,944	11.6%
Gross Margin	19.7%	22.2%	-253 bps	20.9%	22.1%	-119 bps
SG&A expenses	(2,117)	(1,948)	8.7%	(6,139)	(5,693)	7.8%
Adjusted EBITDA	1,339	1,129	18.6%	3,878	3,289	17.9%
Adjusted EBITDA Margin	7.7%	8.2%	-52 bps	8.1%	8.1%	0 bps
Depreciation and amortization	(257)	(257)	0.0%	(775)	(743)	4.3%
Net income from equity accounted company	(5)	-	n.m.	(7)	(1)	n.m.
Other income (expenses)	(48)	5	n.m.	(62)	(845)	-92.7%
EBIT	1,011	864	17.0%	2,995	1,662	80.2%
Net financial expenses	(121)	(135)	-10.4%	(439)	(377)	16.4%
Income before income tax and social contribution	890	729	22.1%	2,556	1,285	98.9%
Income Tax	(205)	(224)	-8.5%	(717)	(702)	2.1%
Net income	685	505	35.6%	1,839	583	215.4%
Net income, Group share	687	430	59.8%	1,736	377	360.5%
Net Income - Non-controlling interests (NCI)	(2)	75	-102.7%	103	206	-50.0%

Appendix II - Consolidated Balance Sheet

<i>In R\$ Million</i>	September 2020	December 2019	September 2019
Assets			
Cash and cash equivalents	2,456	5,322	402
Marketable securities	-	287	290
Accounts receivable	2,129	1,206	946
Consumer credit granted by our financial solutions company	8,293	8,426	7,419
Inventories	7,783	5,949	6,029
Tax receivables	854	591	512
Income tax and social contribution recoverable	137	64	56
Derivative financial instruments	473	-	9
Prepaid expenses	158	83	108
Other accounts receivable	153	227	178
Current assets	22,436	22,155	15,949
Accounts receivable	3	5	5
Consumer credit granted by our financial solutions	412	440	395
Derivative financial instruments	252	-	-
Marketable securities	357	10	5
Tax receivables	3,847	3,612	3,423
Deferred tax assets	479	476	454
Prepaid expenses	33	28	29
Judicial deposits and collateral	2,440	2,382	2,364
Other accounts receivable	86	26	27
Investment properties	400	408	411
Investments in equity accounted companies	112	127	76
Property and equipment	13,346	12,915	11,977
Intangible assets and goodwill	2,278	2,328	2,291
Non-current assets	24,045	22,757	21,457
Total assets	46,481	44,912	37,406

Appendix II - Consolidated Balance Sheet

<i>In R\$ Million</i>	September 2020	December 2019	September 2019
Liabilities			
Suppliers	8,975	12,187	6,733
Borrowings	2,781	19	1,087
Lease debt	126	182	129
Consumer credit financing	6,141	5,941	5,838
Tax payable	334	282	264
Income tax and social contribution payables	78	239	118
Payroll, vacation and related charges	1,020	690	739
Dividends payable	209	90	203
Deferred income	41	10	15
Other accounts payable	425	414	399
Derivative financial instruments	-	5	-
Current liabilities	20,130	20,059	15,525
Borrowings	3,445	2,837	1,854
Lease debt	1,539	1,446	791
Consumer credit financing	449	986	217
Deferred tax liabilities	551	534	528
Provisions	3,733	3,847	3,963
Provisions (tax liabilities)	496	466	447
Deferred income	21	18	19
Other accounts payable	23	14	14
Non-current liabilities	10,257	10,148	7,833
Share capital	7,649	7,643	7,636
Capital reserve	2,189	2,178	2,177
Income reserve	3,472	3,966	2,953
Net effect of acquisition of minority interest	(282)	(282)	(282)
Retained earnings	1,736	-	377
Equity evaluation adjustment	16	(1)	5
Shareholders' equity, Group share	14,780	13,504	12,866
Non-controlling interests	1,314	1,201	1,182
Total liabilities and shareholders' equity	46,481	44,912	37,406

Appendix III - Banco Carrefour

Overdue Portfolio Analysis

BACEN Methodology

In R\$ million	September 20		June 20		March 20		December 19		September 19	
Total Portfolio	10,103	100.0%	9,636	100.0%	10,175	100.0%	10,098	100.0%	9,002	100.0%
On time payments	8,562	84.7%	7,848	81.4%	8,653	85.0%	8,663	85.8%	7,633	84.8%
Over 30 days	1,391	13.8%	1,641	17.0%	1,415	13.9%	1,300	12.9%	1,198	13.3%
Over 90 days	1,193	11.8%	1,266	13.1%	1,080	10.6%	1,002	9.9%	903	10.0%
Provisions for loan losses	1,447	14.3%	1,358	14.1%	1,251	12.3%	1,168	11.6%	1,035	11.5%
Provisions for loan losses / over 90 days	121.3%		107.3%		115.8%		116.6%		114.6%	

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In R\$ million	September 20		June 20		March 20		December 19		September 19	
Total Portfolio	12,325	100.0%	11,616	100.0%	11,876	100.0%	11,570	100.0%	10,287	100.0%
On time payments	8,544	69.3%	7,835	67.4%	8,359	70.4%	8,592	74.3%	7,560	73.5%
Over 30 days	3,608	29.3%	3,619	31.2%	3,233	27.2%	2,803	24.2%	2,510	24.4%
Over 90 days	3,372	27.4%	3,195	27.5%	2,734	23.0%	2,432	21.0%	2,147	20.9%
Portfolio until 360 days										
Over 30 days	1,464	14.4%	1,718	17.7%	1,599	15.6%	1,402	13.8%	1,291	14.2%
Over 90 days	1,227	12.1%	1,294	13.3%	1,099	10.7%	1,032	10.1%	928	10.2%
Provisions for loan losses	3,770	30.6%	3,424	29.5%	3,113	26.2%	2,819	24.4%	2,588	25.2%
Provisions for loan losses / over 90 days	111.8%		107.2%		113.9%		115.9%		120.6%	

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.

Banco Carrefour 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.