

Consistent strategy and execution deliver strong growth in sales, profit and cash generation

- ✓ **Continued momentum in sales growth: Gross sales of R\$22.0 billion**, up 26.8% (ex-petrol) in Q4. **LFL growth of 22.9%** (ex-petrol), supported by continued market share gains and double-digit food inflation. Full year sales at R\$74.8 billion (+22.2% ex-petrol), significantly outperforming the market.
- ✓ **Solid growth in consolidated Adj. EBITDA: R\$1,732 million, +18.2% y/y** with 8.7% margin in Q4, driven by both Retail and Cash & Carry, as well as by a sequential improvement of our Bank in a persistently challenging environment. Full year EBITDA: R\$5.6 billion (+18.0% y/y) with 8.3% margin.
 - ✓ **Atacadão Adj. EBITDA: R\$1,065 million, +25.7% y/y** with 7.5% margin (-39 bps) in Q4, reflecting its assertive commercial strategy, which enhanced competitiveness, boosting sales and absorbing fixed costs from expansion. Full year Adj. EBITDA: R\$3.6 billion with margin of 7.7% (+32 bps).
 - ✓ **Carrefour Adj. EBITDA: R\$455 million, +42.2% y/y** with 8.1% margin (+200 bps) in Q4 – consistent delivery of efficiency gains and significant improvement in e-commerce profitability. 2020 Adj. EBITDA at R\$1.5 billion (+48.1%) and margin at 7.3% (+176 bps).
 - ✓ **Banco Carrefour Adj. EBITDA: R\$266 million in Q4**, still impacted by the current environment, but showing a sharp and quick recovery (Q3 EBITDA of -R\$4 million).
- ✓ **Adj. Net Income: R\$886 million in Q4, +31.1% y/y**, 4.5% of net sales (+24 bps), R\$2,8bn in FY, +43.1%.
- ✓ **FY 2020 Free Cash Flow: R\$2,426 million**, vs. R\$962 million, a record increase of **152.2%**, mostly driven by strong EBITDA increase and working capital improvement.
- ✓ **Dividend Payment: new payout policy of up to 45% of Adj. Net Income**, from 25% previously, without affecting our investment capacity thanks to consistent cash flow generation and a robust balance sheet. Additional 2020 dividend of R\$759 million to be recommended to the next Shareholders' Meeting, on top of the R\$482 million paid in advance in 2020 (total dividend of R\$0.62 per share).

In R\$ million	Q4			FULL YEAR		
	2020	2019	Δ%	2020	2019	Δ%
Gross sales	21,962	17,638	24.5%	74,751	62,220	20.1%
Adj. EBITDA (1) (2)	1,732	1,465	18.2%	5,610	4,754	18.0%
Adj. EBITDA Margin	8.7%	9.1%	-43 bps	8.3%	8.4%	-12 bps
Adj. Net Income, Group share	886	676	31.1%	2,758	1,927	43,1%
Adj. Net Income Margin	4.5%	4.2%	24 bps	4.1%	3.4%	67 bps
Free Cash Flow				2,426	962	152.2%

(1) Includes intragroup elimination of R\$ -5 million in Q4 (R\$ -23 million in FY 2020) between Bank and Retail (2) Includes global functions expenses of R\$ -35 million in Q4 19 (R\$ -144 million in FY 2019) and R\$ -49 million in Q4 20 (R\$ -172 million in FY2020).

SUSTAINABLE DIGITAL TRANSFORMATION AND STEP-UP IN ESG STRATEGY:

- ✓ **Atacadão online food sales surge 142%** on a sequential basis, online offering in place in 25% in our stores, roll-out to continue in 2021. **Full-year consolidated online food sales up nearly 240%**
- ✓ Strengthening our **ecosystem** and increasing **engagement**: Active users in our new Carrefour loyalty program grew by **2x** and already represent **75% of daily recurring clients**
- ✓ New bank accounts through **digital channels** with an impressive increase of **157%** in December
- ✓ **Stepping up our ESG commitments** with ambitious new initiatives in the fight against racism

Noël Prioux, CEO of Grupo Carrefour Brasil, declared: "With high double-digit growth in sales and net income and record free cash flow, Grupo Carrefour Brasil posted another remarkable performance in Q4 and in 2020, attesting to the strength of its omnichannel ecosystem. In our relentless effort to step up our ESG initiatives, we have drawn the lessons from the tragic event in November at one of our stores in Porto Alegre, and Grupo Carrefour Brasil is now committed to implementing one of the most comprehensive sets of measures to fight structural racism in Brazil. Acting responsibly, as we have done throughout the COVID-19 pandemic, placing the safety of our customers and employees and respect for them above everything else is part of our role as Brazil's leading food distributor and we will spare no effort to live up to the trust placed in us by our stakeholders."

KEY FINANCIALS – Q4 2020

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	Q4 20	Q4 19	Δ%	Q4 20	Q4 19	Δ%	Q4 20	Q4 19	Δ%	Q4 20	Q4 19	Δ%
Gross sales	21,962	17,638	24.5%	15,691	11,855	32.4%	6,271	5,783	8.4%			
Gross sales ex petrol	21,347	16,842	26.8%	15,691	11,855	32.4%	5,656	4,987	13.4%			
Net sales	19,873	16,014	24.1%	14,276	10,790	32.3%	5,597	5,224	7.1%			
Other revenues (1)	926	997	-7.1%	40	40	0.0%	169	130	30.0%	722	829	-12.9%
Total Revenues	20,799	17,011	22.3%	14,316	10,830	32.2%	5,766	5,354	7.7%	722	829	-12.9%
Gross profit	3,940	3,505	12.4%	2,012	1,669	20.6%	1,394	1,248	11.7%	539	590	-8.6%
Gross Margin	19.8%	21.9%	-206 bps	14.1%	15.5%	-137 bps	24.9%	23.9%	102 bps			
SG&A Expenses (2)	(2,221)	(2,051)	8.3%	(951)	(823)	15.6%	(948)	(938)	1.1%	(273)	(255)	7.1%
SG&A of Net Sales	11.2%	12.8%	-163 bps	6.7%	7.6%	-97 bps	16.9%	18.0%	-102 bps			
Adj. EBITDA (1) (2)	1,732	1,465	18.2%	1,065	847	25.7%	455	320	42.2%	266	335	-20.6%
Adj. EBITDA Margin	8.7%	9.1%	-43 bps	7.5%	7.8%	-39 bps	8.1%	6.1%	200 bps			
Adj. Net Income, Group share	886	676	31.1%									
Adj. Net Income Margin	4.5%	4.2%	24 bps									

(1) Includes intragroup elimination of R\$ -5 million between Bank and Retail (2) Includes global functions expenses of R\$ -35 million in 2019 and R\$ -49 million in 2020

KEY FINANCIALS – FULL YEAR 2020

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	2020	2019	Δ%	2020	2019	Δ%	2020	2019	Δ%	2020	2019	Δ%
Gross sales	74,751	62,220	20.1%	51,817	42,055	23.2%	22,934	20,165	13.7%			
Gross sales ex petrol	72,561	59,376	22.2%	51,817	42,055	23.2%	20,744	17,321	19.8%			
Net sales	67,640	56,519	19.7%	47,058	38,220	23.1%	20,582	18,299	12.5%			
Other revenues (1)	3,551	3,545	0.2%	147	140	5.0%	494	460	7.4%	2,933	2,965	-1.1%
Total Revenues	71,191	60,064	18.5%	47,205	38,360	23.1%	21,076	18,759	12.4%	2,933	2,965	-1.1%
Gross profit	13,918	12,449	11.8%	7,040	5,895	19.4%	5,161	4,507	14.5%	1,740	2,067	-15.8%
Gross Margin	20.6%	22.0%	-145 bps	15.0%	15.4%	-46 bps	25.1%	24.6%	45 bps			
SG&A Expenses (2)	(8,360)	(7,744)	8.0%	(3,448)	(3,101)	11.2%	(3,698)	(3,532)	4.7%	(1,042)	(967)	7.8%
SG&A of Net Sales	12.4%	13.7%	-134 bps	7.3%	8.1%	-79 bps	18.0%	19.3%	-133 bps			
Adj. EBITDA (1) (2)	5,610	4,754	18.0%	3,605	2,804	28.6%	1,502	1,014	48.1%	698	1,100	-36.5%
Adj. EBITDA Margin	8.3%	8.4%	-12 bps	7.7%	7.3%	32 bps	7.3%	5.5%	176 bps			
Adj. Net Income, Group share	2,758	1,927	43.1%									
Adj. Net Income Margin	4.1%	3.4%	67 bps									
Free Cash Flow	2,426	962	152.2%									

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Q4 2020 RESULTS VIDEO CONFERENCE INFORMATION

Portuguese/English
(simultaneous translation)

February 18, 2021 (Thursday)

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

Video streaming:

[English](#)

[Portuguese](#)

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ESG: A RELENTLESS 45-YEAR EFFORT TO BUILD A MORE SUSTAINABLE BUSINESS

Since we opened our first store in São Paulo in 1975, we have been managing and transforming our business, constantly trying to address the needs and expectations of all our stakeholders: customers, suppliers, employees, shareholders and, more broadly, Brazilian society as a whole. Over the years, we implemented numerous initiatives promoting diversity, fighting for broader access to quality food at reasonable prices, helping producers transform their own business, reducing the impact of our activities on the environment, providing financial assistance to the most vulnerable or making commitments each time we deemed possible to contribute to a better world. All those actions are listed, described and measured in our soon-to-be updated 2019 Sustainability Report.

The odious act that occurred last November in one of our stores in Porto Alegre tragically and painfully reminded us of the necessary relentlessness of all those initiatives and of the importance of drawing the lessons of any event in general and of our own mistakes in particular. As an immediate reaction, we came up with a very ambitious and comprehensive plan to fight structural racism in Brazil, which now stands as a key pillar of our ESG initiatives.

The initiatives developed by Grupo Carrefour Brasil seek to contribute to the United Nations 2030 Agenda, which aims at eradicating poverty, protecting the planet and ensuring that people achieve peace and prosperity. The impacts caused by the Group's actions are linked to 13 of the 17 Sustainable Development Goals (SDGs) pursued by the United Nations.

Fighting to protect the planet

Aware of its influence in the food sector value chain given the leading position it occupies, Grupo Carrefour Brasil acts as a transformation agent in its own business but also engages suppliers to follow the best production practices, in line with the expectations and interests of society. In particular, we are committed to implementing zero deforestation policies, promoting a circular economy and ecoefficiency, as well as combating food waste.

Zero deforestation policies

- ✓ GTPS member since 2007, zero deforestation commitment since 2010, sustainable meat policy since 2016, participant in the Harmonized Protocol elaboration launched with Imaflora and MPF in 2020
- ✓ 100% of fresh meat suppliers monitored by Carrefour Group's own traceability tool, guaranteeing the origin of the farms supplying the slaughterhouses
- ✓ Definition of a protocol and methodology for suspension and rehabilitation of slaughterhouses in accordance with the Group's purchasing policy
- ✓ Sustainable production of calfs: Professionalization of breeding activity of small farms from Vale do Juruena and Vale do Araguaia (Mato Grosso State)
- ✓ Soy: Mapping the soy footprint in private label products, partnership with WWF so that the soy used as feed in the production chain is traced by 2025, monitoring of suppliers
- ✓ Conversion to organic agriculture: Support to small producers of vegetables with the aim of converting their plantations to organic agriculture
- ✓ Amazon: First company to participate in the federal government's "Adopt a park" program in 2021 (annual investment of R\$ 3.7 million for the environmental protection of an area of approximately 75,000 hectares)

Circular economy and ecoefficiency

- ✓ Waste management: All waste generated in our stores is separated and 49% is recycled, recycling stations in all our hypermarkets to incentivize and help our customers recycle their waste, education and training actions in all stores
- ✓ CO2 emissions: Reduction of 19% in 2020 vs. 2019, in line with the 2030 and 2040 targets (-30% and -55% respectively)
- ✓ Packaging transformation: 5.5 million packages replaced by recyclable materials

Combating food waste

- ✓ 2025 target: Reduce food waste by 50%
- ✓ Unique and Sansform: Sale 1,800 tons of products that fail to meet aesthetic standards but are perfectly fit for consumption, with up to 40% discount
- ✓ Donations: 2.5 million people received food donations

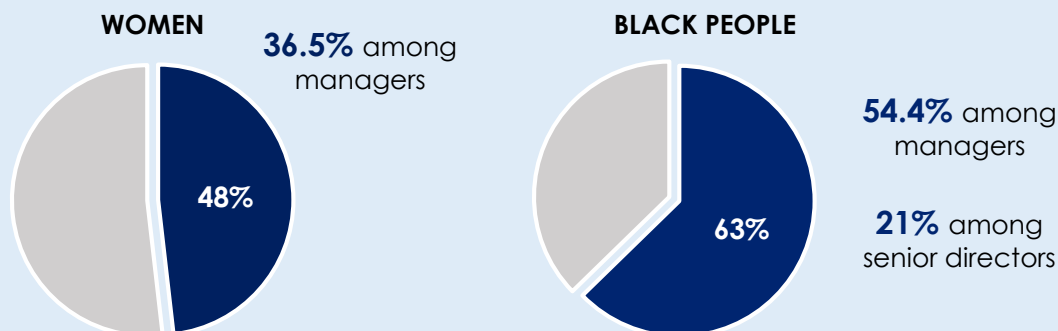
Respect and opportunities for all

Every day, the more than 95,000 employees of Atacadão, Carrefour and Banco Carrefour work to provide our customers with the best shopping experience. They all work in an environment that respects diversity and inclusion and that ensures their health and safety. Furthermore, the Group invests in training and qualification, and establishes guidelines that must be observed by all regarding ethics, responsibility and compliance.

For us, respect for people and the appreciation of their differences and similarities are non-negotiable attitudes. Therefore, any form of discrimination on grounds of color, age, gender, religion, sexual orientation, disability, social class, nationality, native origin or other individual characteristic is unacceptable.

Diversity and inclusion

- ✓ Our staff composition aims at mirroring the composition of Brazilian society



- ✓ 65 transgender people employed by the Company
- ✓ Combating violence against women: Welcoming channel, donation to the Maria da Penha Institute, participation in the International Day to combat violence against women
- ✓ Actions for people with deficiencies (PWD)

Fight against structural racism: A comprehensive plan after the tragic event of Porto Alegre

- ✓ On November 19, 2020, João Alberto Silveira Freitas died in one of our stores after a violent argument with subcontracted security guards
- ✓ Radical transformation of our security model: Internalization with hiring of ~40% women and ~60% black people, systematic non-violent approach, new internal training campaigns
- ✓ Minimum percentage of 50% of black people in new hirings and investment in career advancement
- ✓ Stimulating black entrepreneurship, by providing assistance to and investing in start-ups
- ✓ Private social investment in education and employability
- ✓ Constitution of an Independent Diversity Committee, dedicated fund of ~R\$40 million

Defending animal welfare

Grupo Carrefour Brasil is committed to ensuring the welfare of animals in the supply chain. To this end, it requires that partner companies provide animals, as far as possible, with the five freedoms established by the Farm Animal Welfare Council (FAWC), a global reference on the theme: Being free from (i) hunger and thirst, (ii) discomfort, (iii) pain, illness and injury, (iv) fear and stress, and expressing natural behavior of the species.

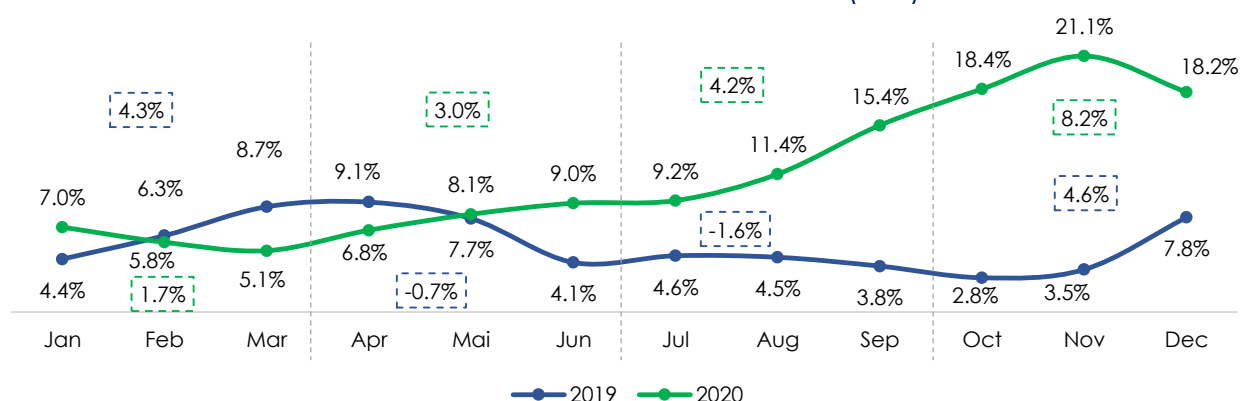
- ✓ Pork chain: New criteria adopted in 2019 when purchasing swine protein products, to be gradually implemented by our suppliers by 2025
- ✓ Eggs: All eggs from our own brand to be produced through a cage-free system by 2025
- ✓ Protection of the biodiversity of rivers and oceans: 50% of the fish available in stores coming from sustainable practices

Q4 2020 CONSOLIDATED FINANCIAL RESULTS

Sales & other revenues

The year 2020 was marked by an unprecedented environment with the outbreak of the COVID-19 pandemic. Since mid March, Brazil has faced restrictions on movement that have affected consumption behavior, with more people eating at home. The sector was also significantly impacted by inflationary trends in food. According to the Brazilian Institute of Geography and Statistics (IBGE) the IPCA food-at-home inflation index rose by 18.2% in the year, with an acceleration in Q4, when it reached 8.2%.

IPCA Food at Home Inflation Index (LTM)*



Source: IBGE IPCA Food-at-Home

* Due to IBGE change in the mix of basic products for IPCA, the accumulated numbers of 2020 are not 100% comparable.

Despite the tough and volatile environment in 2020, Grupo Carrefour Brasil's consolidated sales growth outpaced inflation and reached R\$22 billion in Q4 20, up 26.8% (excluding petrol) vs. the same quarter last year. LFL sales grew by 22.9%, driven by strong sales both at Atacadão and Carrefour Retail. For the full year, consolidated sales grew to R\$74.8 billion (+22.2% ex-petrol), a remarkable market outperformance. Our expansion strategy in Cash & Carry and proximity formats over the last 12 months added another 3.8% of growth, with 14 Cash & Carry (of which 6 Makro store conversions and 1 wholesale) and 8 retail store openings (of which 7 proximity format and 1 supermarket) in Q4 20. Grupo Carrefour Brasil's total store network reached 721 stores at the end of 2020.

The Q4 consolidated like-for-like sales growth of 22.9% was supported by outstanding growth of 27% at Atacadão, driven again by past strategic decisions to further improve our competitiveness, notably B2B sales, which were a highlight in the quarter. In addition, Carrefour Retail's strong momentum continued, especially in the food segment, driving LfL growth of 13.3% (ex-petrol), the fifth consecutive quarter of double-digit growth. Excluding the Black Friday period (from November 20 to 30), whose campaigns were canceled in 2020 following the events in Porto Alegre, Carrefour Retail's LfL growth was 19.6% (ex-petrol).

Gross billings growth at Banco Carrefour accelerated over the pace observed in the previous quarter and grew 19.2% y/y in Q4 to R\$11.6 billion, boosted by both the Carrefour and Atacadão credit cards, up +13.4% and +35.2% respectively. Both on-us and off-us continued to post double-digit growth, reinforcing the strength of our ecosystem.

	Q4 19	Q4 20			
	LFL	Gross Sales (R\$MM)	LFL ex. Calendar ⁽¹⁾	Expansion	Total Growth
Atacadão	5.5%	15,691	27.0%	5.4%	32.4%
Carrefour (ex-petrol)	12.7%	5,656	13.3%	-0.1%	13.4%
Petrol	12.5%	615	-23.7%	0.9%	-22.8%
Carrefour (inc petrol)	12.7%	6,271	8.2%	0.1%	8.4%
Consolidated (ex-petrol)	7.6%	21,347	22.9%	3.8%	26.8%
Consolidated (inc petrol)	7.8%	21,962	20.8%	3.6%	24.5%
Banco Carrefour Billings	n.a.	11,588	n.a.	n.a.	19.2%

(1) Calendar effect in Q4 was +0.1% at Atacadão, +0.1% at Carrefour Retail and +0.1% in consolidated

	2019	2020			
	LFL	Gross Sales (R\$MM)	LFL ex. Calendar ⁽¹⁾	Expansion	Total Growth
Atacadão	5.4%	51,817	17.6%	5.7%	23.2%
Carrefour (ex-petrol)	9.1%	20,744	19.6%	0.0%	19.8%
Petrol	0.5%	2,190	-24.1%	1.1%	-23.0%
Carrefour (inc petrol)	7.8%	22,934	13.4%	0.2%	13.7%
Consolidated (ex-petrol)	6.5%	72,561	18.2%	4.1%	22.2%
Consolidated (inc petrol)	6.2%	74,751	16.3%	3.9%	20.1%
Banco Carrefour Billings	n.a.	38,216	n.a.	n.a.	15.5%

(1) Calendar effect in 2020 was +0.1% at Atacadão, +0.1% at Carrefour Retail and +0.1% in consolidated

Other revenues were positively impacted by the reopening of galleries and the resumption of rent payments, in addition to higher marketplace volumes and take rates. On a consolidated basis, other revenues were still down 7.1% in Q4, reflecting the decrease in the Bank's revenues. However, other revenues increased 19% on a sequential basis, indicating a quick recovery at the Bank. In the full year, other revenues stood at R\$3.6 billion, broadly stable vs 2019.

Consolidated Gross Margin and SG&A

Gross profit reached R\$3.9 billion in Q4 20, increasing by 12.4%, driven by sales growth in both Atacadão and Retail operations. Consolidated gross margin stood at 19.8%, 206 bps lower y/y, mostly impacted by Atacadão's bigger share in our sales mix (71.8% in Q4 2020 vs. 67.4% in the same quarter last year), lower income than last year level at Banco Carrefour, and past strategic decision to improve competitiveness in the Cash & Carry business, creating positive commercial momentum that resulted in a higher share of B2B clients and stronger volumes. Consolidated full-year gross profit reached R\$13.9 billion with a 20.6% margin, affected by the above-mentioned reasons and also by the increase in provisions at the bank.

SG&A expenses represented 11.2% of net sales in Q4, 163 bps lower y/y, reflecting the successful initiatives implemented in our operations. SG&A expenses in Q4 were up 8.3%, mainly impacted by the acceleration of expansion at Atacadão. In 2020, SG&A expenses increased by 8.0%, mainly due to COVID-19 expenses and the strong expansion plan. However, Grupo Carrefour Brasil was able to more than offset this increase with greater absorption of fixed costs by higher sales, as well as productivity gains in operations, with SG&A as a % of net sales decreasing to 12.4% in 2020, 134 bps lower y/y.

In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
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Net sales	19,873	16,014	24.1%	14,276	10,790	32.3%	5,597	5,224	7.1%			
Other revenues (1)	926	997	-7.1%	40	40	0.0%	169	130	30.0%	722	829	-12.9%
Total Revenues	20,799	17,011	22.3%	14,316	10,830	32.2%	5,766	5,354	7.7%	722	829	-12.9%
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Gross Margin	19.8%	21.9%	-206 bps	14.1%	15.5%	-137 bps	24.9%	23.9%	102 bps			
SG&A Expenses (2)	(2,221)	(2,051)	8.3%	(951)	(823)	15.6%	(948)	(938)	1.1%	(273)	(255)	7.1%
SG&A of Net Sales	11.2%	12.8%	-163 bps	6.7%	7.6%	-97 bps	16.9%	18.0%	-102 bps			
Adj. EBITDA (1) (2)	1,732	1,465	18.2%	1,065	847	25.7%	455	320	42.2%	266	335	-20.6%
Adj. EBITDA Margin	8.7%	9.1%	-43 bps	7.5%	7.8%	-39 bps	8.1%	6.1%	200 bps			
Adj. Net Income, Group share	886	676	31.1%									
Adj. Net Income Margin	4.5%	4.2%	24 bps									

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In R\$ million	CONSOLIDATED			ATACADÃO			CARREFOUR RETAIL			BANCO CARREFOUR		
	2020	2019	Δ%	2020	2019	Δ%	2020	2019	Δ%	2020	2019	Δ%
Gross sales	74,751	62,220	20.1%	51,817	42,055	23.2%	22,934	20,165	13.7%			
Gross sales ex petrol	72,561	59,376	22.2%	51,817	42,055	23.2%	20,744	17,321	19.8%			
Net sales	67,640	56,519	19.7%	47,058	38,220	23.1%	20,582	18,299	12.5%			
Other revenues (1)	3,551	3,545	0.2%	147	140	5.0%	494	460	7.4%	2,933	2,965	-1.1%
Total Revenues	71,191	60,064	18.5%	47,205	38,360	23.1%	21,076	18,759	12.4%	2,933	2,965	-1.1%
Gross profit	13,918	12,449	11.8%	7,040	5,895	19.4%	5,161	4,507	14.5%	1,740	2,067	-15.8%
Gross Margin	20.6%	22.0%	-145 bps	15.0%	15.4%	-46 bps	25.1%	24.6%	45 bps			
SG&A Expenses (2)	(8,360)	(7,744)	8.0%	(3,448)	(3,101)	11.2%	(3,698)	(3,532)	4.7%	(1,042)	(967)	7.8%
SG&A of Net Sales	12.4%	13.7%	-134 bps	7.3%	8.1%	-79 bps	18.0%	19.3%	-133 bps			
Adj. EBITDA (1) (2)	5,610	4,754	18.0%	3,605	2,804	28.6%	1,502	1,014	48.1%	698	1,100	-36.5%
Adj. EBITDA Margin	8.3%	8.4%	-12 bps	7.7%	7.3%	32 bps	7.3%	5.5%	176 bps			
Adj. Net Income, Group share	2,758	1,927	43.1%									
Adj. Net Income Margin	4.1%	3.4%	67 bps									
Free Cash Flow	2,426	962	152.2%									

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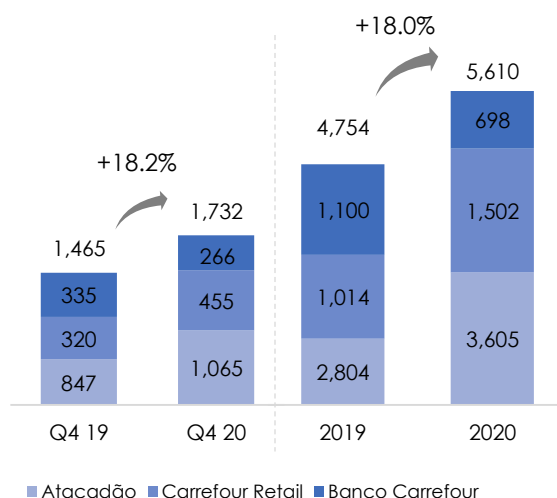
Adjusted EBITDA

In Q4, adjusted EBITDA grew 25.7% at Atacadão and 42.2% at Carrefour. Banco Carrefour posted a strong performance in Q4, confirming a quick and sharp recovery: adjusted EBITDA reached R\$266 million, still 21% below 2019, but significantly above Q3 2020, when it was -R\$4 million. Consolidated adjusted EBITDA reached R\$1.7 billion, +18.2% y/y, representing an Adjusted EBITDA margin of 8.7% (-43 bps y/y).

Full-year consolidated adjusted EBITDA reached R\$5.6 billion (+18.0% y/y) with 8.3% margin, reflecting an outstanding year, in particular at Atacadão (R\$3.6 billion, +28.6%) and Carrefour (R\$1.5 billion, +48.1%).

Throughout 2020, Grupo Carrefour Brasil successfully implemented measures to sustain strong topline growth and maintain operating efficiency while putting the safety of our customers and employees first.

Adjusted EBITDA breakdown



OPERATING PERFORMANCE BY SEGMENT

Atacadão: Record LfL growth with resilient margin

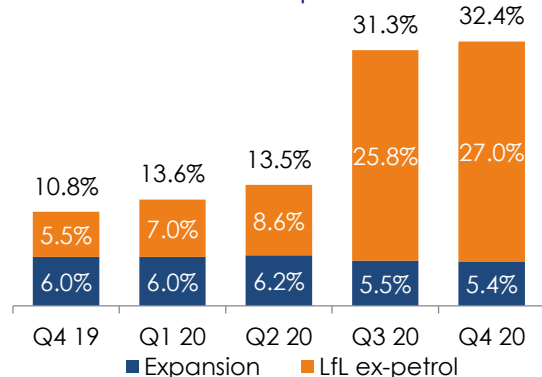
Gross revenues at Atacadão surged to R\$15.7 billion, driven by impressive 27% LfL growth - surpassing even the record level reached in Q3 - and 5.4% from expansion.

The remarkable sales performance at Atacadão in Q4 validates strategic decisions taken in the past to improve competitiveness. The strong growth benefited from the high level of food inflation, but was also driven by strong volumes, with relevant contribution by B2B clients. As a result, considering same stores, Atacadão's market share increased.

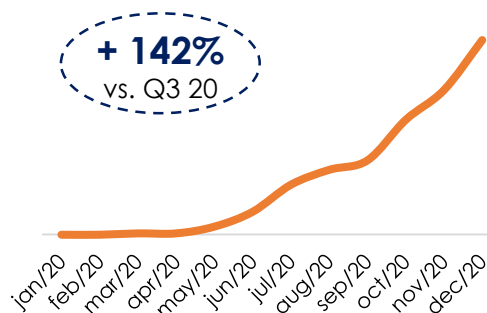
As the market leader, we were able to keep offering the best prices for B2B and B2C clients. This highlights the relevance of our Cash & Carry business, especially in such a volatile environment.

Atacadão's recently-launched e-commerce operation is growing faster than expected and maintaining positive results. In Q4, we had 131,000 clients on our digital channels and online sales grew sequentially by 142%, demonstrating the scalability and the power of the platforms. Considering only stores with last-mile delivery, online sales already represent approximately 2% of the total.

Atacadão sales performance



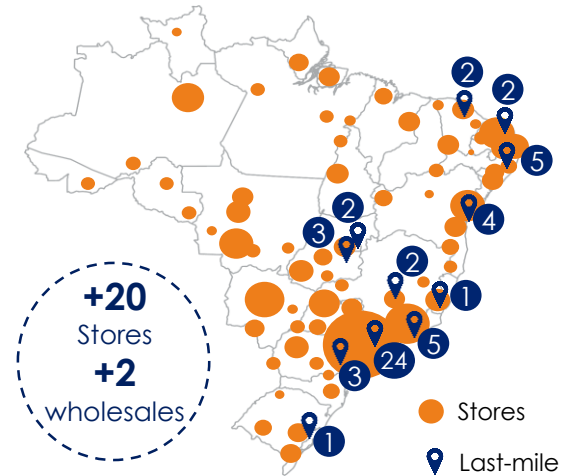
Atacadão food digital sales evolution (in R\$ million)



The partnership with last-mile delivery operators is now available in 54 stores in 12 states, representing around 25% of our network, and we keep reinforcing our strategy and focus in order to provide a better shopping experience with the best price. In our marketplace dedicated to B2B customers, the number of sellers in Q4 is around 300, broadly stable q/q.

Atacadão is maintaining and reinforcing its strong expansion plan and ended the year with 236 units (206 stores and 30 wholesale), with 14 openings in Q4 (22 in 2020), of which one wholesale and 6 conversions of Makro stores. We have finalized the acquisition of 25 stores from Makro and we are expecting to convert the stores in the coming months, further strengthening our leadership position and nationwide presence. The closing of the acquisition of the 5 remaining Makro stores is expected shortly.

Reinforcing its presence online and off-line



In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Gross sales	15,691	11,855	32.4%	51,817	42,055	23.2%
Net sales	14,276	10,790	32.3%	47,058	38,220	23.1%
Other revenues	40	40	0.0%	147	140	5.0%
Total revenues	14,316	10,830	32.2%	47,205	38,360	23.1%
Gross profit	2,012	1,669	20.6%	7,040	5,895	19.4%
Gross margin	14.1%	15.5%	-137 bps	15.0%	15.4%	-46 bps
SG&A expenses	(951)	(823)	15.6%	(3,448)	(3,101)	11.2%
SG&A of net sales	6.7%	7.6%	-97 bps	7.3%	8.1%	-79 bps
Adj. EBITDA	1,065	847	25.7%	3,605	2,804	28.6%
Adj. EBITDA margin	7.5%	7.8%	-39 bps	7.7%	7.3%	32 bps

Gross profit increased by 20.6% in the quarter to R\$2.0 billion. Gross margin stood at 14.1%, reflecting the already mentioned strategic decisions taken in the past to improve competitiveness, a higher share of B2B clients in the sales mix and the acceleration in store openings, as these stores have an expected ramp-up period. In 2020, gross profit was R\$ 7.0 billion, up 19.4%, with a 15.0% gross margin.

In Q4, Atacadão accelerated its expansion plan, concentrating nearly two-thirds of new store openings in a single quarter. Even though this affected SG&A expenses, which grew by 15.6% y/y, the strong sales volume allowed us to absorb the impact and achieve a 97 bps improvement to 6.7% of net sales. In the full year, SG&A increased by 11.2%, also impacted by the acceleration in expansion and by COVID-19-related expenses. Once again, strong sales volume allowed us to reach another 79 bps of improvement in the year to 7.3% of net sales.

As a result, Adjusted EBITDA reached R\$1,065 million in the quarter, 25.7% higher than in Q4 19, with 7.5% margin. In FY 2020, adjusted EBITDA grew by a remarkable 28.6%, reaching R\$ 3.6 billion, with margin up 32 bps to 7.7%.

Carrefour Retail: Maintaining strong growth...

Carrefour Retail sales (ex-petrol) totaled R\$5.7 billion in Q4, driven by robust LfL growth of 13.3%. The food segment maintained the trends observed in Q2 and Q3, growing by 14.2%. The non-food segment also posted strong LfL growth in Q4 (+12.2%) despite a very tough comparable base, as Q4 19 already recorded growth of 20.8% on the back of Black Friday sales, whose campaigns were canceled in 2020 following the events in Porto Alegre. Over a 2-year period, non-food growth reached 36% (compared to 38% for the 2-year comparison ended in September 2020). The performance is particularly impressive considering that general retailers' stores reopened in Q3. Excluding the Black Friday* period, LfL growth was 19.6% and non-food sales grew by 25.9%.

* Refers to the period from November 20 to 30.

As a result, full year LfL growth was 19.6% in 2020. While this performance benefited from the unusual environment, our market share gains in hypermarkets of another 130 bps in Q4 (vs, Q4 19) or 150 bps in 2020 (vs. 2019) and high NPS levels prove the strength of our positioning and highlight excellent execution. Over 2019 and 2020, market share gains reached nearly 200 bps in hypermarkets.

We continued implementing the measures mentioned since Q2, especially the new promotional dynamics, which continued to show solid results and increased the level of client engagement.

	Q4 20 (R\$ MM)	LFL	Q4 19 (R\$ MM)	Total Growth	2020 (R\$ MM)	LFL	2019 (R\$ MM)	Total Growth
Multi-format⁽¹⁾	5,024	15.8%	4,337	15.8%	18,520	18.5%	15,608	18.7%
Food	3,163	14.4%	2,765	14.4%	11,559	13.2%	10,191	13.4%
Non-food ⁽²⁾	1,861	18.3%	1,573	18.4%	6,961	28.4%	5,417	28.5%
Carrefour (ex-petrol): Multiformat + E-comm	5,656	13.3%	4,987	13.4%	20,744	19.6%	17,322	19.8%
Food	3,205	14.2%	2,806	14.2%	11,795	14.3%	10,300	14.5%
Non-food ⁽²⁾	2,451	12.2%	2,181	12.4%	8,949	27.3%	7,023	27.4%
Carrefour + GMV (ex petrol)	5,821	13.2%	5,139	13.3%	73,214	18.4%	59,812	22.4%

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

... and increasing client engagement

The new "Meu Carrefour" app, which was launched in November and embeds our new loyalty program, was very well received by our customers. The number of active users in Q4 20 was more than twice the October level and represented 75% of our recurring clients in physical stores. The new app also seems to be appreciated by our customers, as our Play Store score was 4.2, a very similar or even higher level when compared to the most relevant digital retailers.

The new app is already resulting in an increase in client engagement. Average spend from existing clients that achieved coin #3 in the program (clients with the highest level of recurrence) increased more than 100% in November and 90% in December.

In January 2021, more than 3 million coins were available and we had more than 700,000 of them exchanged for products and benefits. Using our data, we were able to identify potential clients for specific private label products, providing samples to these clients in order to increase future average spending.

In December we also integrated Scan and Go and Banco Carrefour's functionalities to "Meu Carrefour," which enabled customers to pay for their baskets using the app and to access features that were previously used in the Bank's existing app. This improvement had a positive impact in client perception, as communication by Retail stores, drugstores, gas stations and the bank were completely integrated into one single channel for the first time.

Cybercook was another important feature of the new app, broadening customer experience with more than 100 recipes and tips to support clients who are eating more at home in the pandemic context. In 2020 Cybercook had 866,200 new registered clients (+1,183% vs. 2019), reaching a total 1.9 million registered customers at year-end (+79% vs. LY).

Initial results of the new app demonstrate that customers need a channel that facilitates their daily lives by concentrating different features, products and services at attractive prices.

Client base more than doubled since launching and already represents **75% of recurring clients**



data leverage and private label adding value



1.9 million users

(i) Multi-format: Consistency pays off

Once again, our multi-format operation showed impressive results and reached 15.8% LfL growth, mainly driven by food, which continued to outperform inflation and grew by 14.4% LfL. Non-food also had another strong quarter, with 18.3% LfL growth, even though traditional retailers reopened in Q3 (+26.3% excluding the Black Friday period – from November 20 to 30). Because of its different dynamics compared to food (less recurrence) and after the decision to cancel all Black Friday campaigns between November 20 and 30 due to the tragic event in Porto Alegre, a deceleration from levels observed in Q2 and Q3 20 was already anticipated. Overall, for the third consecutive quarter, our hypermarkets outperformed the market, achieving market share gains of 150 bps in 2020. Average ticket increased by 33.1% y/y in Q4 20, while the number of tickets was still down by 12.9%, highlighting the impact of the current sanitary crisis on customer behavior.

Our private label continued its outstanding performance, posting 22% growth in volumes y/y, mainly driven by FMCG, which grew by 35% for the second consecutive quarter. Penetration kept reaching new records, growing to 14.9% of total food net sales in Q4 20 (+150 bps y/y) and the number of private label SKUs stood at around 2,800.

The good performance of our private label is based on the three-pillar rule established for the segment's development, which is even more relevant in an inflationary environment. The product must be: (i) approved by more than 50% participants in a blind test; (ii) around 30% cheaper than the market leader; and (iii) nutritious.

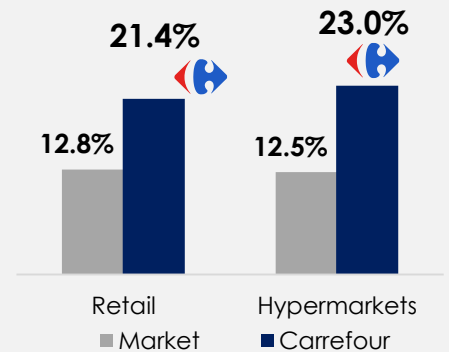
After slowing our expansion in the Retail segment during most of 2020 in order to analyze the impacts of COVID-19, we resumed openings in Q4 with 7 new convenience stores and 1 new Market store, all in São Paulo. Convenience stores posted their best LFL performance since the pandemic began.

Boosted by its efficient new promotional dynamics, higher food sales (whose margins are higher than non-food) and the evolution of the e-commerce business, Carrefour Retail (including e-commerce, ex-petrol and galleries) posted another quarter of significant EBITDA margin improvement: +247 bps y/y to 7.4% in Q4 20. In the full year, the improvement was even more pronounced: +312 bps to 7.5%.

All of our stores maintained the sanitary measures adopted since the beginning of the COVID-19 crisis, which reinforces our commitment to the safety of our employees and clients.

2020 Highlights

Growing way above the market



Source: Nielsen
Nielsen methodology shows slightly different growth for Carrefour Retail.



+150 bps
Hyper market share
(vs. 2019)



Migrating to digital media and spending half in advertising



Gaining efficiency with reduction in out of stock and loss ratios

2020 Retail Results

(including e-commerce, ex-petrol and galleries)



+20% LfL
(ex-petrol)



-244 bps
SGA expenses



+312 bps
EBITDA Margin

(ii) Digital initiatives to support profitable growth

2020 was remarkable year for e-commerce, which saw a surge due to the COVID-19 pandemic. Since Q2 20, Grupo Carrefour Brasil has been achieving high levels in total GMV and in Q4 this pace continued, demonstrating a lasting trend in customer purchasing habits.

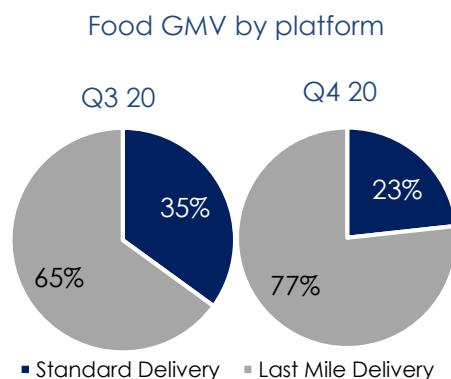
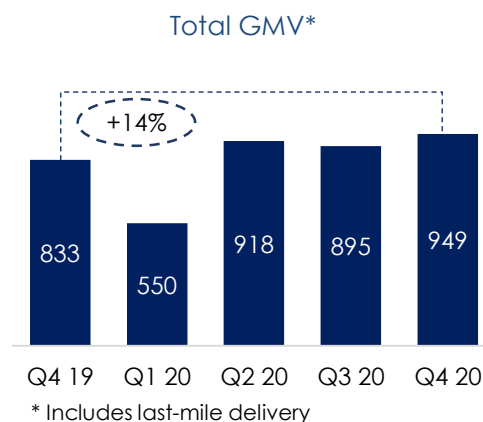
On October 1st, we launched our new platform, more user-friendly and totally customized to meet the needs of both food and non-food e-commerce. The improvements in the platform are already recognized by our customers and, in October, NPS reached the highest level of the year, closing with a 90% increase vs 2019, also reinforcing our strong online position.

Total GMV in Q4 was broadly stable in comparison with Q4 19 (+0.1%), or +13.9% including last-mile delivery. **Food e-commerce maintained strong momentum with 163.3% growth including last-mile delivery**, demonstrating again a change in consumption behavior.

Non-food sales decreased 3.1%, mainly attributable to : (i) an expected deceleration after two strong quarters of growth partly linked to lower payments by the government to support consumption amid the pandemic; (ii) a tough comparable base as last year we invested significantly in our Black Friday event, which was less promotional this year; and (iii) our decision to cancel all marketing campaigns related to Black Friday in the wake of the tragic event in our Porto Alegre store in November. If we exclude the Black Friday period from quarterly figures, our non-food 1P sales would have increased 24.5% vs. the reported decrease of -3.1%.

Marketplace sales grew +10.9% and represented 21% of total GMV in Q4.

We are accelerating our e-commerce activities and January already shows very positive growth trends. The structural changes made over the year have a positive impact on results, which are at breakeven, bolstering our confidence in our e-commerce strategy. All the strategic initiatives related to this business are maintained to keep increasing profitability.



	Q4 20 (R\$MM)	Total Growth	Q4 19 (R\$MM)	2020 (R\$MM)	Total Growth	2019 (R\$MM)
Last mile delivery ⁽¹⁾	147	369.8%	31	448	376.1%	94
1P Food	44	7.5%	41	239	119.3%	109
GMV Food	191	163.3%	73	687	238.3%	203
1P Non Food	589	-3.1%	608	1,988	23.8%	1,605
GMV 1P (incl. last mile)	780	14.6%	681	2,674	47.9%	1,808
3P ⁽²⁾	169	10.9%	152	663	52.7%	434
GMV Non Food	758	-0.3%	760	2,651	30.0%	2,040
Total GMV	802	0.1%	802	2,890	34.5%	2,148
Total GMV (incl. last mile)	949	13.9%	833	3,337	48.8%	2,243

(1) Last-mile delivery is already included in multi-format and Atacadão sales. (2) Includes Atacadão's marketplace sales

(iii) Consolidated Carrefour Retail Results

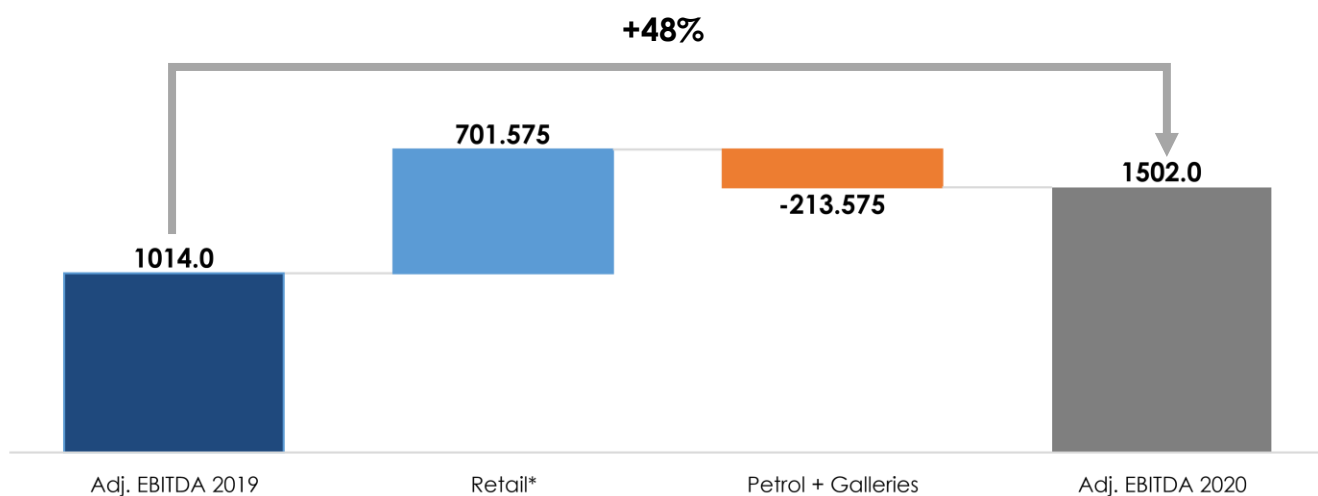
Carrefour Retail's consolidated gross profit stood at R\$1.4 billion or 24.9% of net sales, +11.7% or +102 bps y/y respectively, as a result of our more assertive promotional dynamics in multi-format, efficiency gains and a better contribution from e-commerce.

In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Gross sales	6,271	5,783	8.4%	22,934	20,165	13.7%
Gross sales ex-petrol	5,656	4,987	13.4%	20,744	17,321	19.8%
Net sales	5,597	5,224	7.1%	20,582	18,299	12.5%
Other revenues	169	130	30.0%	494	460	7.4%
Total revenues	5,766	5,354	7.7%	21,076	18,759	12.4%
Gross profit	1,394	1,248	11.7%	5,161	4,507	14.5%
Gross margin	24.9%	23.9%	102 bps	25.1%	24.6%	45 bps
SG&A expenses	(948)	(938)	1.1%	(3,698)	(3,532)	4.7%
SG&A of net sales	16.9%	18.0%	-102 bps	18.0%	19.3%	-133 bps
Adj. EBITDA	455	320	42.2%	1,502	1,014	48.1%
Adj. EBITDA margin	8.1%	6.1%	200 bps	7.3%	5.5%	176 bps

SG&A expenses grew by R\$10 million or 1.1% compared to Q4 19, leading to a 102 bps dilution in Q4 20. Once again, if COVID-19 expenses were to be excluded, SG&A expenses would have decreased nominally, underscoring structural improvements in the business.

Carrefour's adjusted EBITDA increased by 42.2% and reached R\$ 455 million, with another strong margin expansion of 200 bps. For the full year, Adjusted EBITDA grew by 48.1% and margin improved 176 bps to 7.3%.

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



* Excludes Petrol and Galleries

Banco Carrefour: Growth accelerating

Banco Carrefour continued its acceleration, already observed in the previous quarter, with total billings growing by 19.2% y/y in Q4 to R\$11.6 billion, driven by a higher number of purchases and increased average ticket. The Carrefour credit card posted 13.4% growth and the Atacadão credit card grew by 35.2% to represent around 32% of total billings in the quarter - a very satisfactory level considering that the product was launched in 2017.

Both on-us and off-us spending continued to post double-digit growth, of 13.2% and 22.3% respectively, proving the strength of Grupo Carrefour Brasil's ecosystem. As a result, the total credit portfolio (IFRS9) ended December at R\$13.5 billion, +17.0% y/y. New accounts through digital sales continued to evolve and achieved new records in December, with 157% growth y/y.

In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Billings Carrefour credit card	7,802	6,879	13.4%	25,919	23,650	9.6%
Billings Atacadão credit card	3,680	2,721	35.2%	11,971	8,966	33.5%
Other products*	106	122	-13.0%	325	482	-32.5%
Total billings	11,588	9,722	19.2%	38,216	33,097	15.5%
Total Credit portfolio	13,535	11,570	17.0%	13,535	11,570	17.0%

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

Despite continuing to be impacted by clients with a reduced propensity to finance outstanding balances and more flexible negotiation terms, our top-line growth has already shown improvements when compared to Q3, as a result of the resumption of billings growth since June. In Q4, Banco Carrefour's net operating revenues decreased year-on-year by 12.9% to R\$722 million (+16.5% when compared to Q3 20).

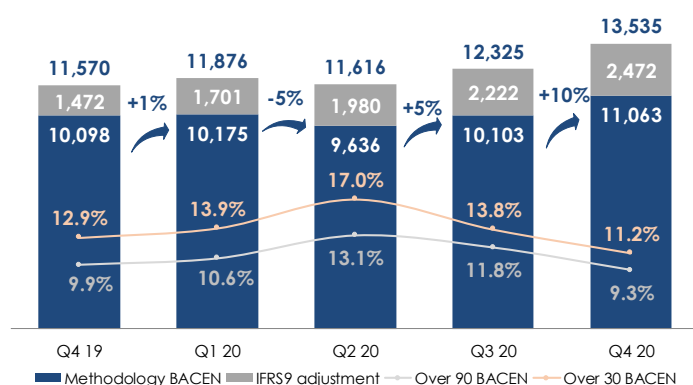
The strategy implemented in the face of the COVID-19 crisis is also proving to be correct when looking at credit indicators. Non-Performing Loans (NPLs) were at a lower level than in the previous year, highlighting a natural aging process of NPLs and also a very solid positioning even when compared to the pre-crisis period.

Loans due over 90 days were down 60 bps y/y in Q4 20, to 9.3% (vs. 9.9% in Q4 19 and 13.1% in Q2 20 - at the peak of the crisis). Over 30 loans were down by impressive 210bps y/y, to 11.2% in Q4 20 (12.9% last year and 17.0% in Q2 20).

Risk charges were R\$183 million in the quarter, a 23.4% decrease compared to the previous year, driven by a higher volume of recoveries, benefiting from the sale of an old non-performing portfolio, which was already fully written-off (R\$75 million).

As SG&A expenses continued the same trends observed throughout the first nine months of 2020, when they grew by 8.0%, adjusted EBITDA totaled R\$266 million and the bank's net income reached R\$142 million in Q4 20, confirming its recovery and underscoring its solid positioning.

Credit Portfolio Evolution (R\$ million)



In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Net operating revenues	722	829	-12.9%	2,933	2,965	-1.1%
Risk Charges	(183)	(239)	-23.4%	(1,193)	(898)	32.9%
Gross profit	539	590	-8.6%	1,740	2,067	-15.8%
SG&A expenses	(273)	(255)	7.1%	(1,042)	(967)	7.8%
Adjusted EBITDA	266	335	-20.6%	698	1,100	-36.5%
Depreciation and amortization expenses	(9)	(9)	0.0%	(36)	(34)	5.9%
Adjusted EBIT	257	326	-21.2%	662	1,066	-37.9%
Other revenues (expenses)	(14)	(13)	7.7%	(59)	(54)	9.3%
Net Financial results	(4)	(6)	-33.3%	(13)	(25)	-48.0%
Income tax	(97)	(84)	15.5%	(237)	(344)	-31.1%
Net income (100%)	142	223	-36.3%	353	643	-45.1%

Q4 2020 CONSOLIDATED FINANCIAL RESULTS (BELOW ADJ. EBITDA)

Other Income (Expenses)

In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Restructuring costs	(4)	(8)	-50.8%	(26)	(70)	-62.9%
Net gains or losses on asset sale	(19)	(27)	-28.9%	(105)	(32)	228.8%
Income and expenses related to litigations	138	4	n.m.	208	(774)	-126.8%
M&A transaction fees and others	(59)	(25)	135.0%	(83)	(25)	231.0%
Other income (expenses)	56	(56)	-199.6%	(6)	(901)	-99.3%

Other income totaled R\$56 million in Q4 20, mainly driven by income related to litigations, principally related to tax amnesties with a net impact of R\$138 million. Expenses related to the tragic event in Porto Alegre totaled R\$50 million in the quarter, including R\$40 million related to the diversity fund created by the company (initial allocation of R\$25 million and around R\$15 million related to the donation of profits on three days of sales).

Income tax

Income and social contribution tax expenses were R\$364 million and the tax rate stood at 27% in Q4 20, 154 bps higher than the same period of 2019, mainly affected by the increase in financial institutions' tax rate, which went up to 45% in 2020 (from 40%).

The effective tax rate in 2019 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 27% in 2019, a very similar level to the 2020 rate (28%).

In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Income Before Taxes	1,369	994	37.7%	3,925	2,279	72.2%
Income and Social Contribution Tax	(364)	(249)	46.2%	(1,081)	(951)	13.7%
Effective Tax Rate	26.6%	25.1%	154 bps	27.5%	41.7%	-1,419 bps

In R\$ million	Q4 20	Income Adjustments	Net income, Group, adj.	2020	Income Adjustments	Net income, Group, adj.
Income before income tax and social contribution	1,369	(54)	1,315	3,925	73	3,998
Income and Social Contribution Tax	(364)	5	(359)	(1,081)	14	(1,067)
Effective Tax Rate	27%		27%	28%		27%
Net income	1,005	(49)	956	2,844	87	2,931
Net Income - Non-controlling interests (NCI)	70		70	173		173
Net income, Group share, adjusted	935	(49)	886	2,671	87	2,758

Net Income and Adjusted Net Income, Group Share

Adjusted net income provides a clearer view of recurring net income. It is calculated as net income less other income and expenses and the corresponding financial and income tax effect.

In Q4 20, adjusted net income reached R\$886 million or 4.5% of net sales, a 31.1% increase compared to Q4 19. In 2020, adjusted net income totaled R\$2.8 billion, +43.1% compared to 2019, reflecting the company's omnichannel strategy and strong execution in an unprecedented year.

In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Net income, Group share	935	636	47.0%	2,671	1,013	163.7%
(+/-) Other income (expenses)	(56)	56	n.m.	6	901	-99.3%
(+/-) Financial results (non recurring)	2	0	n.m.	67	0	n.m.
(+/-) Tax income on other income (expenses) items	5	(16)	-131.9%	14	13	7.1%
Net income, Group share, adjusted	886	676	31.1%	2,758	1,927	43.1%
Net margin	4.5%	4.2%	24 bps	4.1%	3.4%	67 bps

Operating Working Capital

Our working capital before receivables ended Q4 20 as a net resource of R\$6.2 billion (40 days), which compares to the R\$5.5 billion (43 days) observed in Q4 19. All in, working capital ended the year at the equivalent of 33 days, vs 37 days in 2019. The slight increase of 4 days reflects our decision to hold more inventories at a time of rising inflation.

In Reais Million	Q4 20	Days	Q3 20	Days	Q2 20	Days	Q1 20	Days	Q4 19	Days
(+) Inventories	7,709	50	7,783	54	6,451	47	6,423	49	5,949	46
(-) Suppliers (**)	(13,860)	(90)	(8,706)	(61)	(8,712)	(63)	(7,128)	(54)	(11,490)	(90)
(=) Working Capital before receivables	(6,151)	(40)	(923)	(6)	(2,261)	(16)	(705)	(5)	(5,541)	(43)
(+) Accounts Receivable (*)	1,051	7	1,905	13	1,267	9	622	5	782	6
(=) Working Capital - WC Merchandise	(5,100)	(33)	982	7	(994)	(7)	(82)	(1)	(4,759)	(37)

(*) 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

Net Debt Profile and Net Financial Result

Loans net of derivatives for coverage ended 2020 at R\$3.6 billion, a R\$761 million increase when compared to year-end 2019 explained by: (i) a revolving credit line signed with Carrefour Finance, of which we have drawn €75 million (R\$348 million); (ii) a R\$1.5 billion loan from international banks in April 2020, mostly compensated by the payment of the first series of the first issuance of debentures in December, which totaled R\$1.0 billion. Including lease and discounted receivables, Carrefour Brasil ended 2020 with net debt of R\$1.5 billion, in line with the R\$1.4 billion observed at the end of 2019. We maintained our strategy to improve our capital structure by increasing debt maturities at attractive rates and reducing usage of discounted receivables

In R\$ million	Dec. 2020	Dec. 2019
Loans and derivatives for coverage	(3,617)	(2,856)
Cash and cash equivalents	5,672	5,322
Marketable securities - Banco Carrefour	358	297
(Net Debt) Net Cash	2,413	2,763
Discounted receivables	(2,100)	(2,510)
(Net Debt) Net Cash (incl. discounted receivables)	313	253
Lease debt (IFRS 16)	(1,860)	(1,628)
(Net Debt) Net Cash (incl. lease and discounted receivables)	(1,547)	(1,375)
<i>(Net Debt) Net Cash (incl. discounted receivables)/Adj. EBITDA LTM</i>	0.06 x	0.05 x
<i>(Net Debt) Net Cash (incl. lease debt and discounted receivables)/Adj. EBITDA LTM</i>	- 0.28x	- 0.29x

Net financial result totaled -R\$141 million, +12.8% when compared to Q4 19, mainly affected by higher interest expenses on leases (IFRS 16). The higher average debt during the quarter was entirely offset by the lower amount of discounted receivables.

In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Cost of bank debt, gross	(52)	(39)	33.3%	(199)	(169)	17.8%
Cost of discounted credit card receivables	(14)	(32)	-56.3%	(89)	(126)	-29.4%
Financial Revenue	10	9	11.1%	47	21	123.8%
Cost of Debt, Net (incl. discounted receivables)	(56)	(62)	-9.7%	(241)	(274)	-12.0%
Interest expenses on leases (IFRS 16)	(49)	(31)	58.1%	(183)	(109)	67.9%
Cost of Debt, Net (incl. Lease debt and discounted receivables)	(105)	(92)	14.1%	(424)	(383)	10.7%
Net interests on provisions and judicial deposits	(18)	(38)	-52.6%	(70)	(77)	-9.1%
FX gains or losses	(7)	0	n.m.	(32)	0	n.m.
Others	(11)	5	-320.0%	(54)	(42)	28.6%
Net financial result	(141)	(125)	12.8%	(580)	(502)	15.5%

CAPEX

Total Capex in Q4 20 was R\$690 million, 32.9% higher than Q4 19, mainly due to the acceleration in the pace of expansion in the quarter. Including wholesale, we opened 14 new Atacadão stores organically (8 stores in Q4), totaling 22 new stores in the full year.

Full-year total CAPEX reached R\$1.7 billion, broadly stable in comparison with 2019. 2020 also included the payment of the acquisition of 25 stores from Makro (out of a total of 30 stores acquired), with an impact of R\$ 1.3 billion in Q4 20 and R\$ 1.5 billion in the year.

In R\$ million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Expansion	434	282	53.9%	1,028	1,065	-3.5%
Maintenance	94	91	2.9%	293	281	4.3%
Remodeling	39	32	24.2%	85	127	-33.4%
IT and other	123	115	7.6%	277	296	-6.2%
Total Capex	690	520	32.9%	1,683	1,769	-4.9%
Makro stores acquisition	1,333	n.a.	n.a.	1,529	n.a.	n.a.
Total Capex with Makro	2,024	520	289.5%	3,212	1,769	81.5%
Right-of-use assets	463	813	-43.1%	651	1,031	-36.9%
Total fixed assets addition	2,487	1,333	86.6%	3,863	2,800	38.0%

FREE CASH FLOW

In 2020, the Group generated a record level of free cash flow, which totaled R\$2,426 million, a 152.2% increase over the previous year. This was driven by the impressive EBITDA expansion, as well as improvements in working capital management, with reduced use of discounted receivables throughout the year, improving our financial efficiency.

In R\$ million	2020	2019	Δ%
Gross cash flow from operating activities	5,416	4,553	19.0%
Income tax paid	-1,201	-916	31.1%
Gross cash flow from operating activities after taxes	4,215	3,637	15.9%
Merchandise related working capital	342	640	-46.6%
Change in Trade Payables	2,371	1,687	40.5%
Change in Inventory	-1,760	-817	115.4%
Change in Receivables	-269	-230	17.0%
Change in other assets and liabilities	-393	-1,101	-64.3%
Consumer credit business working capital	-178	-485	-63.3%
Change in Net Working Capital	-229	-946	-75.8%
Net cash generated by operating activities	3,986	2,691	48.1%
Capex (w/o agio, right of use or Makro acquisition)	-1,683	-1,769	-4.9%
Change in fixed assets suppliers	81	37	118.9%
Cash received from fixed assets sales	42	3	1300.0%
Net cash generated by operating investments	-1,560	-1,729	-9.8%
FREE CASH FLOW (*)	2,426	962	152.2%
Operating leases (IFRS16)	-290	-254	14.2%
Cost of debt	-288	-295	-2.4%
EQUITY FREE CASH FLOW	1,848	413	347.5%

(*) as defined in the glossary.

STORE NETWORK – Q4 2020

In Q4, we opened 22 new stores of which: **13 Cash & Carry** (7 from organic expansion and 6 Makro store conversions) in the states of São Paulo, Rio de Janeiro, Paraná, Pernambuco, Sergipe, Paraíba, Mato Grosso and Alagoas , **1 Wholesale** in the state of Piauí, **7 Express** and **1 Market** in the city of São Paulo. We now operate 721 stores for total sales area of 2,107,871 m².

N° of stores	Dec.19	Openings	Closures	Dec.20
Cash & Carry	186	20		206
Hypermarkets	100			100
Supermarkets	53	2	2	53
Convenience Stores	125	10	5	130
Wholesale	28	2		30
Drugstores	124	1		125
Gas Stations	76	1		77
Group	692	36	7	721

Sales area	Dec.19	Dec.20	Δ Change Dec.20 vs Dec.19
Cash & Carry	1.170.350	1.272.298	8,7%
Hypermarkets	704.876	704.876	0,0%
Supermarkets	69.056	67.781	-1,8%
Convenience Stores	22.732	23.023	1,3%
Drugstores	7.921	8.035	1,4%
Gas Stations	31.389	31.858	1,5%
Total sales area (m²)	2.006.324	2.107.871	5,1%

Appendix I - Consolidated Income Statement

In R\$ Million	Q4 20	Q4 19	Δ%	2020	2019	Δ%
Gross sales	21,962	17,638	24.5%	74,751	62,220	20.1%
Net sales	19,873	16,014	24.1%	67,640	56,519	19.7%
Other revenue	926	997	-7.1%	3,551	3,545	0.2%
Net operating revenue	20,799	17,011	22.3%	71,191	60,064	18.5%
Cost of goods sold, service and financial operations	(16,859)	(13,506)	24.8%	(57,273)	(47,615)	20.3%
Gross Profit	3,940	3,505	12.4%	13,918	12,449	11.8%
Gross Margin	19.8%	21.9%	-206 bps	20.6%	22.0%	-145 bps
SG&A expenses	(2,221)	(2,051)	8.3%	(8,360)	(7,744)	8.0%
Adjusted EBITDA	1,732	1,465	18.2%	5,610	4,754	18.0%
Adjusted EBITDA Margin	8.7%	9.1%	-43 bps	8.3%	8.4%	-12 bps
Depreciation and amortization	(265)	(279)	-5.0%	(1,040)	(1,022)	1.8%
Net income from equity accounted company	(1)	-	n.m.	(8)	(1)	n.m.
Other income (expenses)	56	(56)	-200.0%	(6)	(901)	-99.3%
EBIT	1,509	1,119	34.9%	4,504	2,781	62.0%
Net financial expenses	(140)	(125)	12.0%	(579)	(502)	15.3%
Income before income tax and social contribution	1,369	994	37.7%	3,925	2,279	72.2%
Income Tax	(364)	(249)	46.2%	(1,081)	(951)	13.7%
Net income	1,005	745	34.9%	2,844	1,328	114.2%
Net income, Group share	935	636	47.0%	2,671	1,013	163.7%
Net Income - Non-controlling interests (NCI)	70	109	-35.8%	173	315	-45.1%

Appendix II - Consolidated Balance Sheet

<i>In R\$ Million</i>	December 2020	December 2019
Assets		
Cash and cash equivalents	5,672	5,322
Marketable securities	-	287
Accounts receivable	1,330	1,206
Consumer credit granted by our financial solutions company	9,417	8,426
Inventories	7,709	5,949
Tax receivables	721	591
Income tax and social contribution recoverable	106	64
Derivative financial instruments	116	-
Prepaid expenses	114	83
Other accounts receivable	228	227
Current assets	25,413	22,155
Accounts receivable	4	5
Consumer credit granted by our financial solutions	457	440
Derivative financial instruments	185	-
Marketable securities	358	10
Tax receivables	4,101	3,612
Deferred tax assets	482	476
Prepaid expenses	40	28
Judicial deposits and collateral	2,401	2,382
Other accounts receivable	87	26
Investment properties	397	408
Investments in equity accounted companies	111	127
Property and equipment	15,465	12,915
Intangible assets and goodwill	2,323	2,328
Non-current assets	26,411	22,757
Total assets	51,824	44,912

Appendix II - Consolidated Balance Sheet

<i>In R\$ Million</i>	December 2020	December 2019
Liabilities		
Suppliers	14,423	12,187
Borrowings	574	19
Lease debt	139	182
Consumer credit financing	7,534	5,941
Tax payable	531	282
Income tax and social contribution payables	101	239
Payroll, vacation and related charges	891	690
Dividends payable	49	90
Deferred income	55	10
Other accounts payable	410	414
Derivative financial instruments	13	5
Current liabilities	24,720	20,059
Borrowings	3,344	2,837
Lease debt	1,721	1,446
Consumer credit financing	223	986
Deferred tax liabilities	602	534
Provisions	3,618	3,847
Provisions (tax liabilities)	510	466
Deferred income	18	18
Other accounts payable	23	14
Non-current liabilities	10,059	10,148
Share capital	7,649	7,643
Capital reserve	2,193	2,178
Income reserve	3,472	3,966
Net effect of acquisition of minority interest	(282)	(282)
Retained earnings	2,671	-
Equity evaluation adjustment	6	(1)
Shareholders' equity, Group share	15,709	13,504
Non-controlling interests	1,336	1,201
Total liabilities and shareholders' equity	51,824	44,912

Appendix III - Banco Carrefour

Overdue Portfolio Analysis

BACEN Methodology

In R\$ million	December 20		September 20		June 20		March 20		December 19	
Total Portfolio	11,063	100.0%	10,103	100.0%	9,636	100.0%	10,175	100.0%	10,098	100.0%
On time payments	9,686	87.6%	8,562	84.7%	7,848	81.4%	8,653	85.0%	8,663	85.8%
Over 30 days	1,240	11.2%	1,391	13.8%	1,641	17.0%	1,415	13.9%	1,300	12.9%
Over 90 days	1,034	9.3%	1,193	11.8%	1,266	13.1%	1,080	10.6%	1,002	9.9%
Provisions for loan losses	1,333	12.1%	1,447	14.3%	1,358	14.1%	1,251	12.3%	1,168	11.6%
Provisions for loan losses / over 90 days	128.9%		121.3%		107.3%		115.8%		116.6%	

IFRS 9

In R\$ million	December 20		September 20		June 20		March 20		December 19	
Total Portfolio	13,535	100.0%	12,325	100.0%	11,616	100.0%	11,876	100.0%	11,570	100.0%
On time payments	9,671	71.5%	8,544	69.3%	7,835	67.4%	8,359	70.4%	8,592	74.3%
Over 30 days	3,708	27.4%	3,608	29.3%	3,619	31.2%	3,233	27.2%	2,803	24.2%
Over 90 days	3,458	25.6%	3,372	27.4%	3,195	27.5%	2,734	23.0%	2,432	21.0%
Portfolio until 360 days										
Over 30 days	1,307	11.7%	1,464	14.4%	1,718	17.7%	1,599	15.6%	1,402	13.8%
Over 90 days	1,057	9.5%	1,227	12.1%	1,294	13.3%	1,099	10.7%	1,032	10.1%
Provisions for loan losses	3,978	29.4%	3,770	30.6%	3,424	29.5%	3,113	26.2%	2,819	24.4%
Provisions for loan losses / over 90 days	115.0%		111.8%		107.2%		113.9%		115.9%	

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, plus cash used in changes in judicial deposits and judicial freeze of deposits (and opposite), 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.