GRUPO CARREFOUR BRASIL

INVESTOR MORNING 2023

The new Grupo Carrefour Brasil

Maximizing value and returns through asset allocation

November 28, 2023

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November/2023

The New Grupo Carrefour Brasil

Stéphane Maquaire – CEO of Grupo Carrefour Brasil

November/2023

Welcome to Grupo Carrefour Brasil's campus!

Grupo Carrefour Brasil, backed by a strong Board of Directors

and solid governance standards

Alexandre Bompard
Chairman
Chairman and CEO Carrefour Group

Abílio Diniz
Vice Chairman
Chairman Península Participações

Matthieu Malige
Effective Member
CFO Carrefour Group

Stéphane Maquaire
Effective Member
CEO Grupo Carrefour Brasil

Eduardo Rossi
Effective Member
Vice-president and CIO Peninsula Participações

Carine Kraus
Effective Member
Executive Director of Engagement Carrefour Group

Flávia Buarque de Almeida
Effective Member
CEO Península Participações

Elodie Perthuisot
Effective Member
Executive Director E-Commerce, Data and Digital Carrefour Group

Laurent Vallée
Effective Member
General Secretary Carrefour Group

Jérôme Nanty
Effective Member
HR and Assets Executive Director Carrefour Group

Claudia Almeida e Silva
Independent Member
Managing Partner at Singularity Capital

Vânia Neves
Independent Member
Technology and Innovation Executive

Alex Szapiro
Independent Member
Head of Brazil and managing partner at SoftBank

23% independent

38% women

The new Grupo Carrefour Brasil management team

Seasoned and experienced management

Stéphane Maquaire
CEO Grupo Carrefour Brasil

Eric Alexandre Alencar
Chief Financial Officer

Pablo Lorenzo
Chief Operating Officer

Sam James
Chief Digital Officer

Marco Oliveira
CEO Atacadão

Ana Hieaux
General Counsel

GRUPO CARREFOUR BRASIL

Vitor Fagá
CEO Sam's Club

Cátia Porto
HR Executive Director

Felipe Gomes
CEO Banco Carrefour

Maria Alicia Lima
Comm and ESG Executive Director

Marcelo Tardin
Chief Transformation Officer

Liliane Dutra
CEO Property

A new culture to support our strategy

Less hierarchical structures, team of teams

Inclusion

Clients

Courage

Commitment to change

Cooperation

Grupo Carrefour, the undisputed retail leader in Brazil

Comprehensive portfolio of leading brands across all retail formats

#1 C&C in Brazil

ATACADÃO

361 stores

Sales of ~**R$79 bn/yr**[1]

70% of GCB total

Store level profitability[2]:
7.5%-8.5% EBITDA margin

#1 Hypermarket in Brazil

Carrefour

749 total stores
(143 hypermarkets)

Sales of ~**R$31 bn/yr**[1]

25% of GCB total

Store level profitability[2]:
5.5%-6.5% EBITDA margin

Unique club membership model

Sam's CLUB

47 stores

Sales of ~**R$6 bn/yr**[1]

5% of GCB total

Store level profitability[2]:
9.0%–10.0% EBITDA margin

Carrefour banco

#6 credit card issuer in Brazil

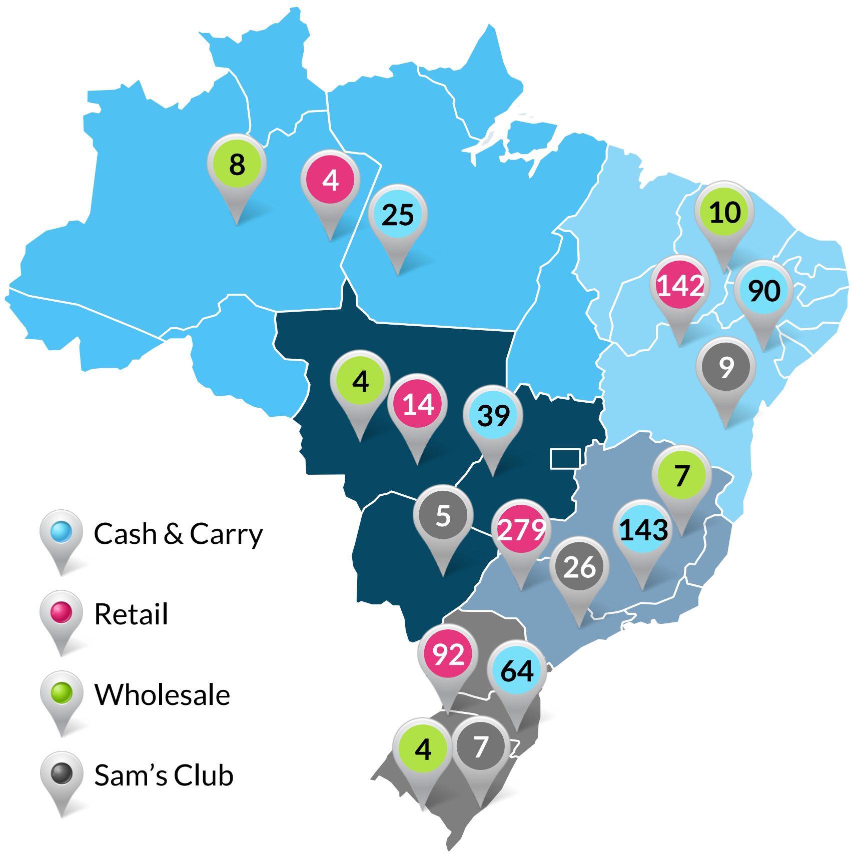
carrefour property

#2 player in Brazil in Potential Sales Value

(1) LTM Q3 23
(2) Profitability level of mature store

A unique nationwide footprint

Stores per Region[1]



Sales per Region[2] (% in 9M 23)

Southeast	51%
Northeast	24%
South	12%
Midwest	11%
North	2%

(1) Does not include drugstores and gas stations
(2) Does not include sales from 33 Wholesale stores

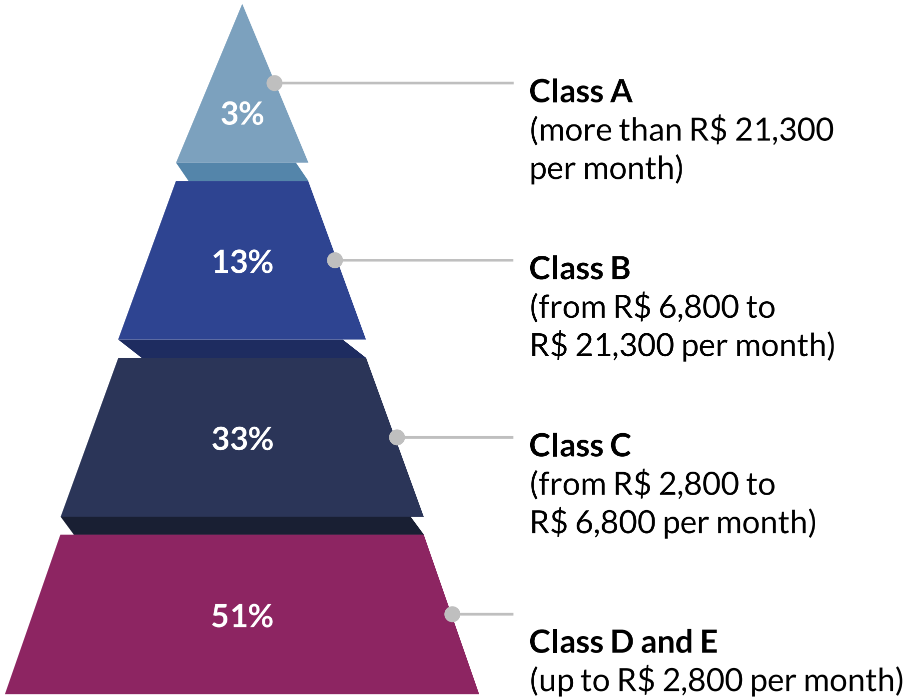
GRUPO CARREFOUR BRASIL

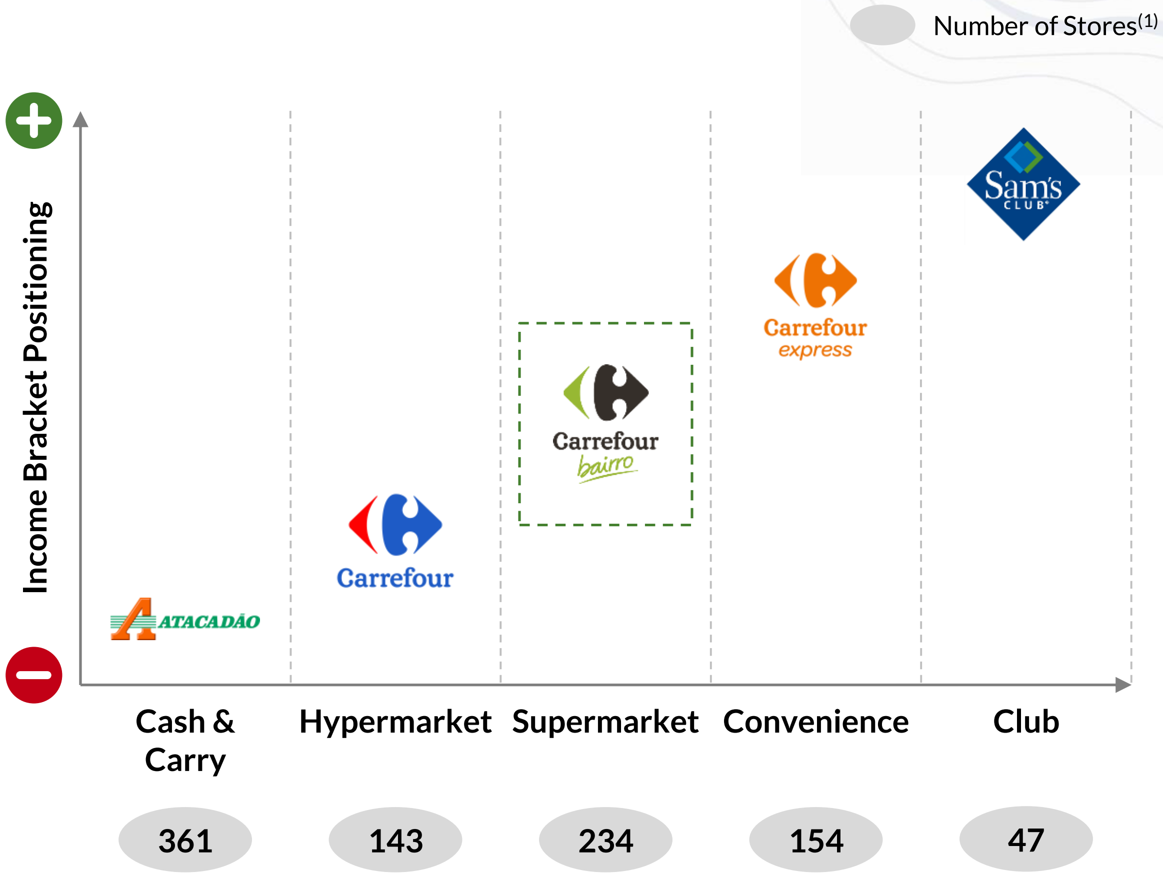
Positioned to cater to all demographics

Carrefour can tap every social class in Brazil…

… at every single shopping occasion and price point

Brazilian Income Pyramid





Source: Consultoria Tendências, 2022

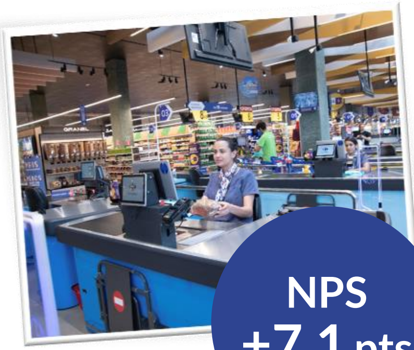
(1) Q3 23 combined network. Does not include drugstores and gas stations)

Catering to all customers and building loyalty

The right offer for each customer profile

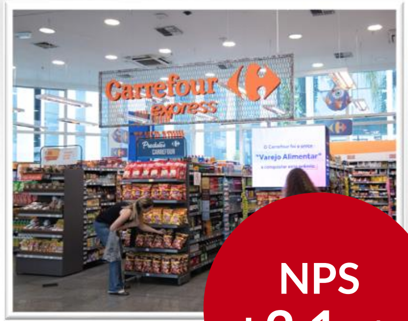
Cash & Carry	Hypermarket	Supermarket	Convenience	Club
▪ Low price ▪ Low cost ▪ Efficiency	▪ One-stop-shop ▪ Variety ▪ Competitive price	▪ Close to home ▪ Fresh products ▪ Services	▪ Daily needs ▪ Extended shopping hours ▪ Convenience	▪ Affordable luxury ▪ Exclusive brands ▪ Imported assortment

NPS +5.4 pts

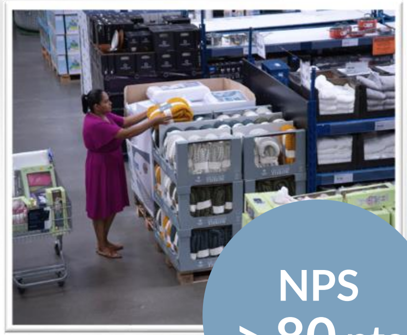


NPS +7.1 pts

NPS +4.3 pts



NPS +2.1 pts



NPS > 80 pts

Notes: NPS change in the last 12 months, as of Sep-23

The economic benefits of a diversified model

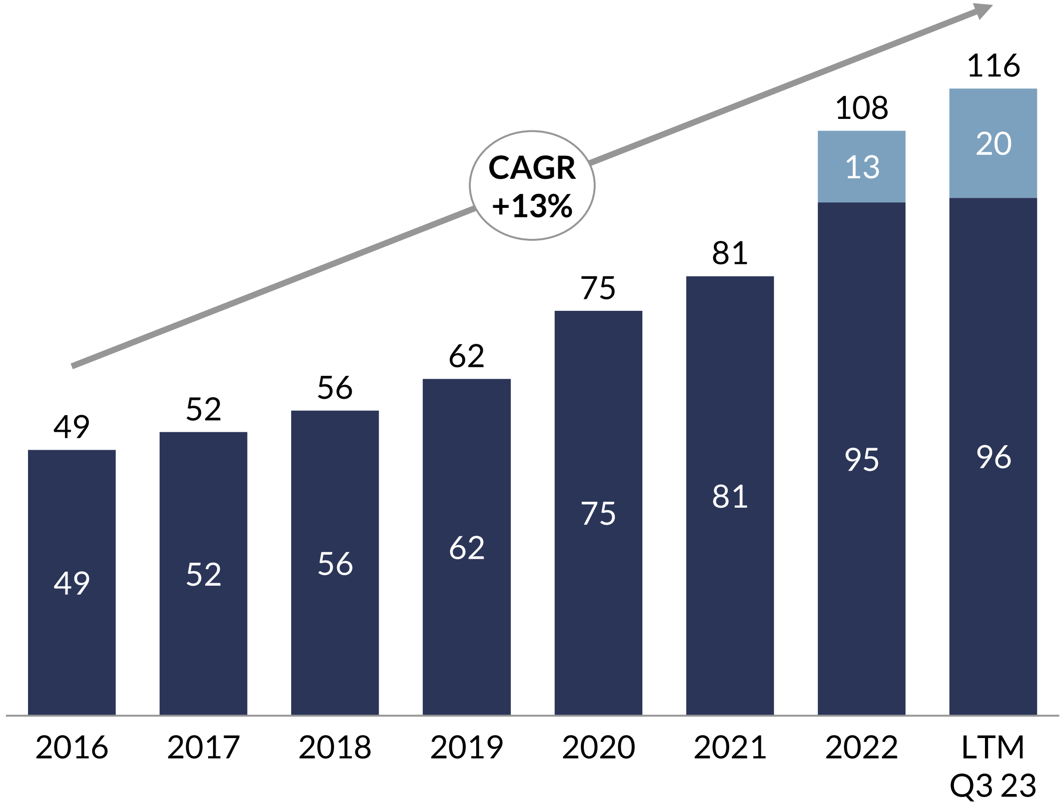
15 million customer contacts per week

Multi-format	ATACADÃO, Carrefour, Sam's Club	▪ **Scale:** negotiations with suppliers, logistics, overhead dilution ▪ **Flexibility:** different business models that cater to different customer profiles and different trends ▪ **Optionality:** 553 large format stores that we can allocate and convert according to trending business models
E-commerce	ATACADÃO .com.br, Carrefour .com.br, Cornershop, Sam's Club .com.br, ifood, Rappi	▪ 30% of omnichannel clients, spending on average 2x more than single-channel customers
Bank	Carrefour banco	▪ High card activation and usage; NPLs < market ▪ R$ 17 bn spending off-us with Banco Carrefour credit card
Real estate	carrefour property	▪ Real-asset-backed operations ▪ “Cross-traffic” benefits ▪ Upside from real estate appreciation (“Carrefour surroundings effect”)

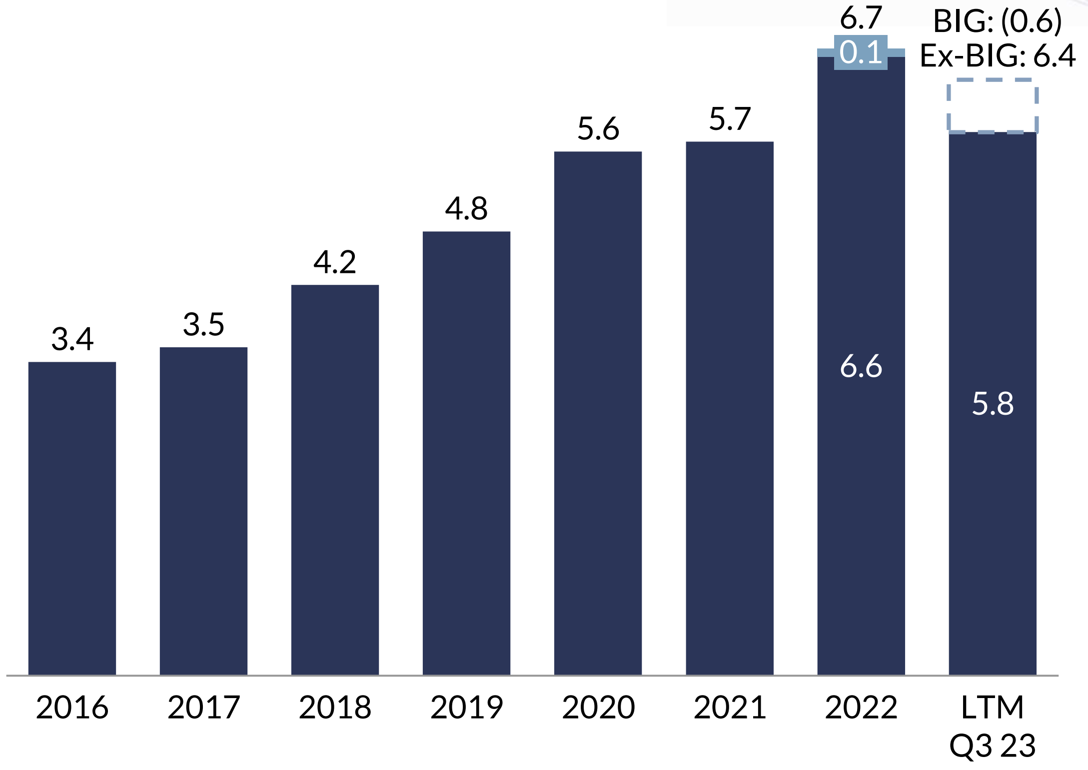
Delivering consistent growth and profitability...

Carrefour | Grupo BIG

Consolidated Gross Sales
(R$ bn)



Consolidated EBITDA
(R$ bn)



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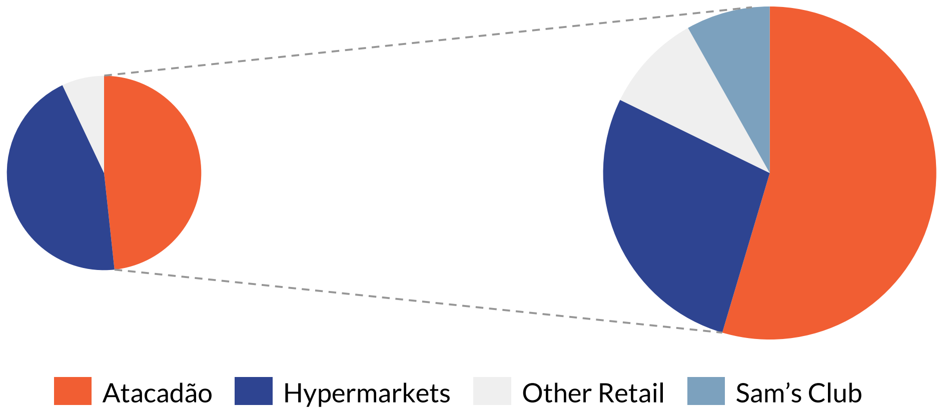
… through organic expansion and selected M&A

2016 selling area = 1,613,672 m²

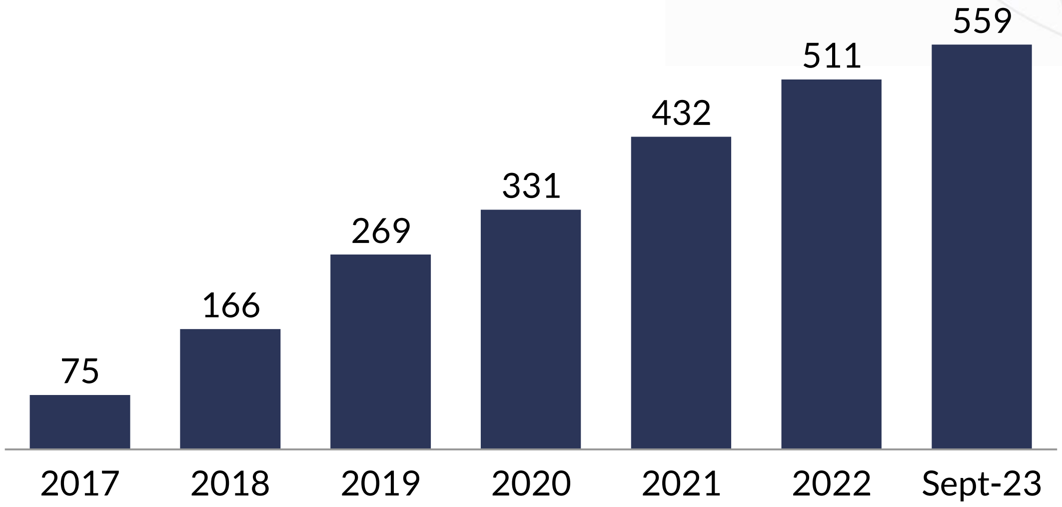
2x

Sep-23 selling area = 3,326,434 m²



Selling area ('000 m²) organically added through the years

(accumulated, staring in 2017)



makro

Acquired January 2020

Price paid: R$ 2.0 bn

Revenues (2019):
R$ 2.4 bn

# of stores:
28 (all C&C)

GRUPO BIG

Acquired June 2022

Price paid: R$ 6.6 bn

# of clients: **15 million**

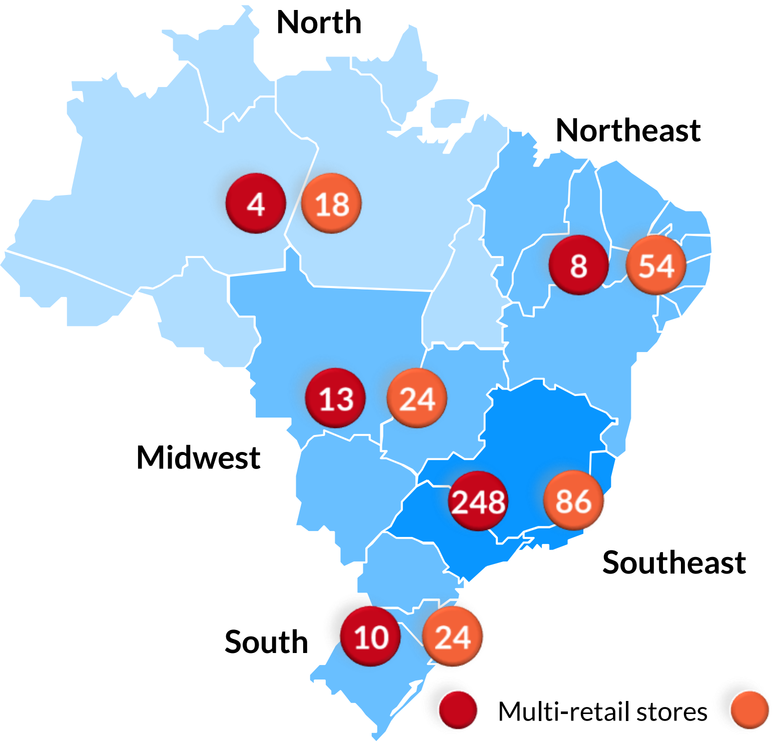
Revenues (2022): **R$ 23 bn**

# of stores: **388 (multi-format)**

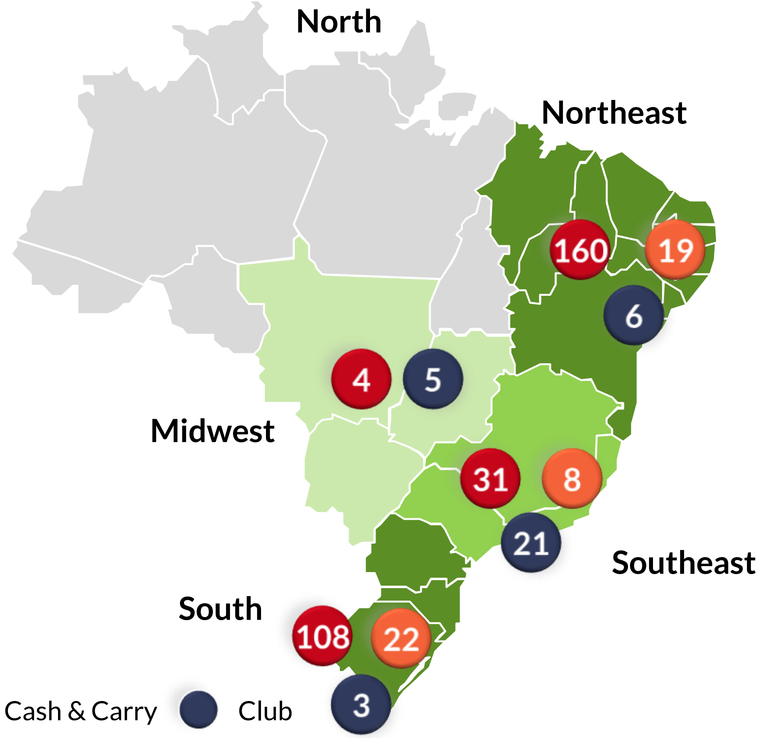
Grupo BIG acquisition brought complementary footprint and R$ 7 bn in real estate assets

Complementarity store footprint(1)

GRUPO CARREFOUR BRASIL — 489 Stores



GRUPO BIG — 388 Stores



Multi-retail stores · Cash & Carry · Club

Accelerating the rhythm of **stores opening in C&C**

Sam's Club, a high-growth potential format

+R$ 7.0 bn in **real estate** assets(2)

(1) Figures as of Dec/20 for stores only (excl. gas stations, drugstores and wholesale centers)
(2) According to an independent appraisal

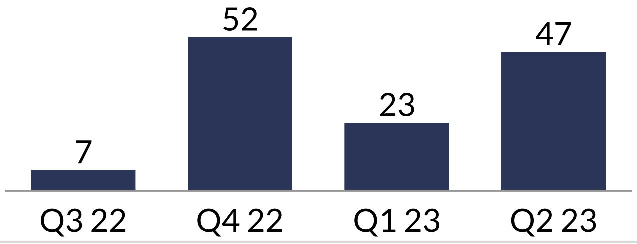
Fast-paced integration of Grupo BIG, with capital discipline

129 store conversions in 12 months

From		To
Maxxi	46	ATACADÃO
TodoDia	2	
BIG	28	
BIG	48	Carrefour
Maxxi	2	Sam's Club
BIG	3	

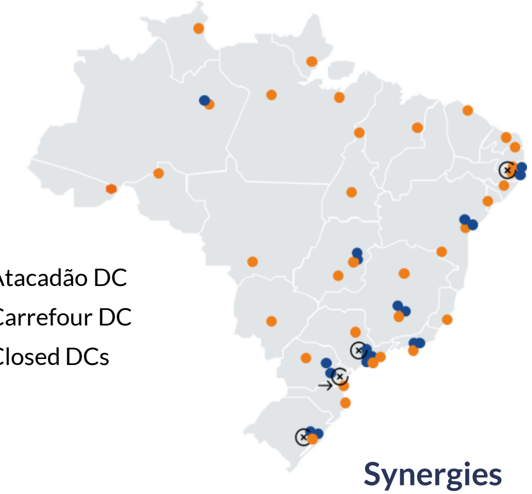
Timeframe: 12 months (vs. 18 announced)
Capex: R$ 1.9 bn (in line with plan)

Stores converted per quarter



DC integration

DC final footprint



- Atacadão DC
- Carrefour DC
- Closed DCs

DC optimization

Before		After	Synergies Sep'23 YTD
Maxi 7 / Atacadão 33	>	Atacadão 34 (6 DCs closed)	R$ 67 MM
BIG 10 / Carrefour 14	>	Carrefour 18 (6 DCs closed)	R$ 29 MM

IT systems

ATACADÃO — Operations: Save
All converted to ATC stack in 2022

Carrefour — Operations: GOLD > HM & Supers anticipated to 2023

Corporate — Finance: "Centralizadora" > (CRF SAP Hana + BIG SAP BIS + ATC Cerberus)

Teams

HQ HC Efficiency

6,500	4,990	4,200
Base	Dec'22	Dec'23

New Culture — i4Cs

New HQ

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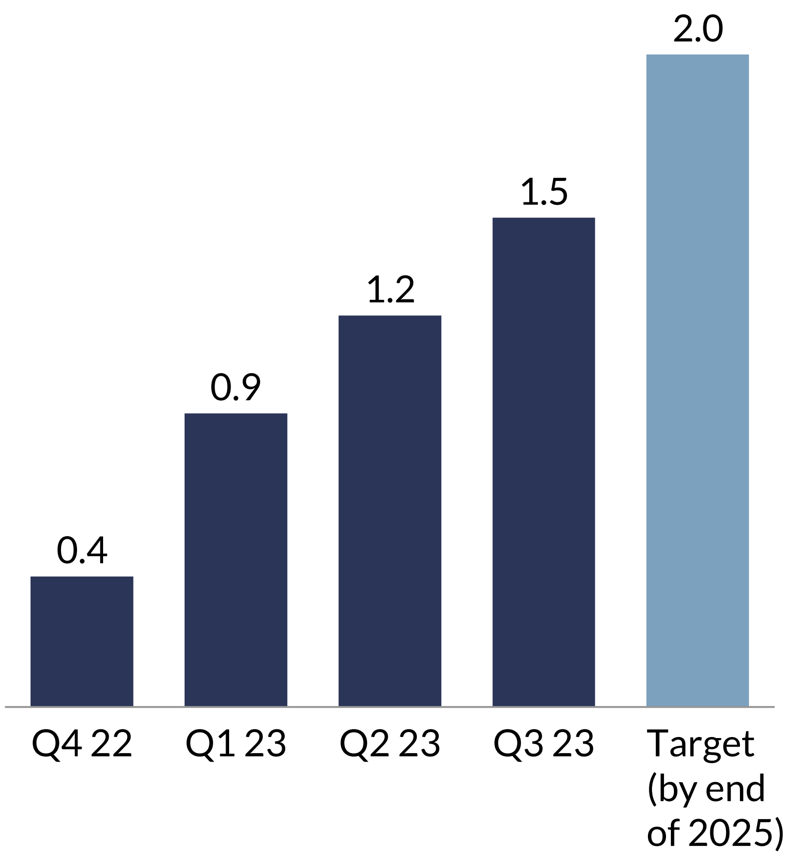
Synergy capture is steadily progressing

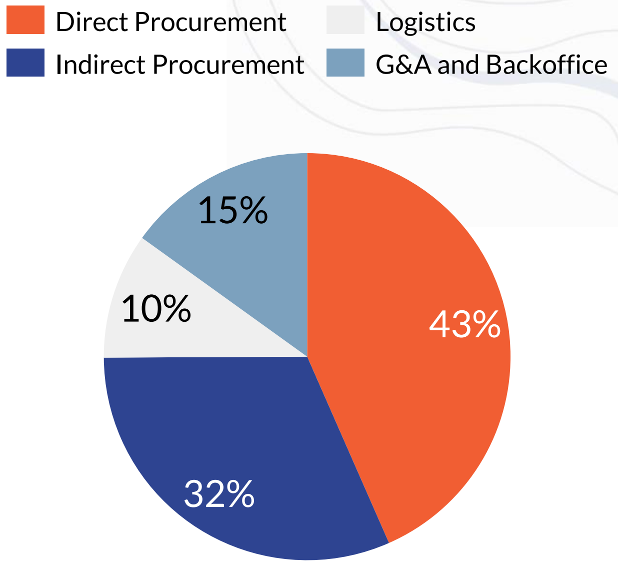
Run-rate annual EBITDA synergies
(R$ bn)



Savings are coming

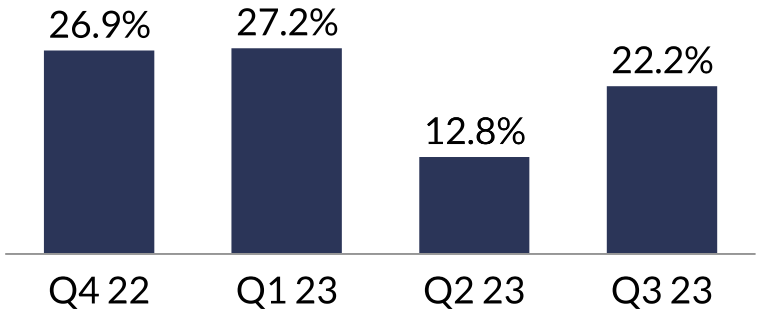
R$ 1.5 bn annual savings crystalized

- Gains of scale in negotiations with suppliers (~1% over R$ 80 bn of purchases/yr)
- Integrated and optimized logistics network
- Better pricing for energy, IT, health insurance, insurance and store services
- Leaner corporate structure



Stores are maturing

LfL growth of converted C&C stores



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Strategic priorities for 2024

Corporate strategy		Business unit strategy	
1 Maximize return on existing assets	3 Continue digitalization journey	ATACADÃO Strengthen leadership position and ramp up stores	Carrefour Optimize portfolio and recover profitability
2 Increase operating cash flow generation	4 Advance implementation of ESG strategy	Sam's CLUB Expand footprint and active members	Carrefour banco Grow portfolio while maintaining NPLs under control

Maximize return on existing assets

Generating value through portfolio optimization

Pablo Lorenzo - COO

November/2023

Overview of store portfolio

The optionality value of a large, well-located portfolio of stores and different formats

	Star performers		Mature business	Turnaround
553 large format stores (>3,000 sqm) total selling area **>3MM sqm**	**361 Atacadão stores (1,816,249 sqm)**	**47 Sam's Clubs (271,557 sqm)**	**143 hypermarkets (919,334 sqm)**	**2 Todo Dia stores (6,628 sqm)**
Key opportunities	**Highest growing** format in Brazil, strongly aligned with population's preferences	**Most untapped** format in Brazil with stronger barriers to entry and less competition	**Prime location** stores and assets (park built over 50 yr) with strong B2C traffic	**Large stores** in markets with lower presence from ATC and CRF

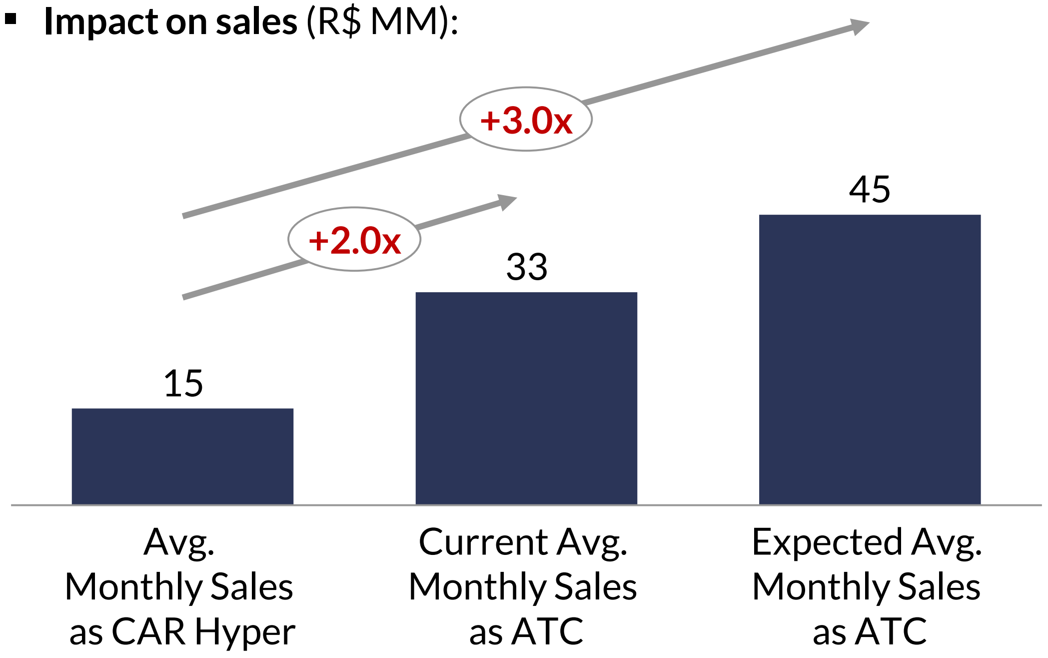
Opportunity to optimize store locations between formats

Format conversions planned

We plan to convert Hypermarkets and TodoDia into Atacadão and Sam's Club stores

CRF HM conversions to ATC have delivered significant positive results…

- 3 Carrefour hypermarkets converted into Atacadão in June 2023
- **Impact on sales** (R$ MM):



- Impact on profitability: **3x** increase in EBITDA at store level

… and we want to do more

- Encouraging results from conversions executed
- More capex efficient way to grow
- Good real estate location for new stores

What we plan to do

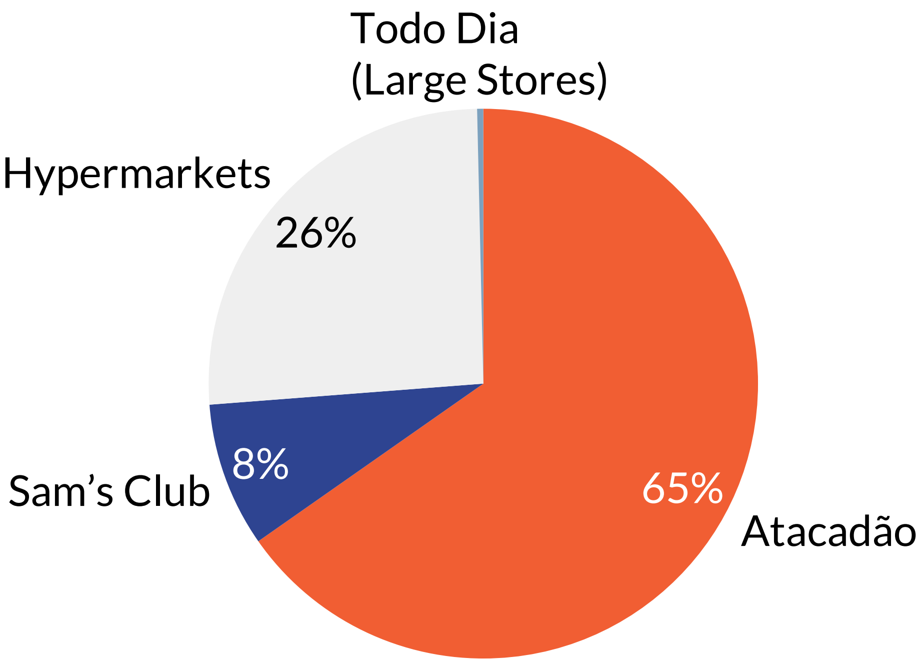
- ~40 hypermarkets and Todo Dia stores mapped out for conversions into Atacadão or Sam's Club
- ~20 conversions planned for 2024
  - 10 – 12 into Atacadão
  - 7 – 9 into Sam's Club
- ~20 conversions planned for 2025-2026

We see opportunity to re-shape store portfolio

And maximize return on existing assets

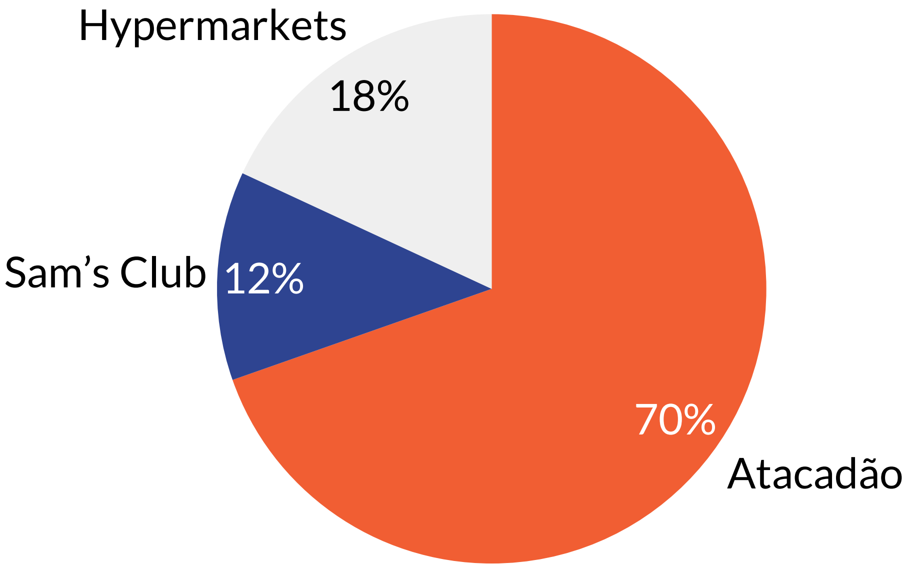
Now

(% of existing large stores)



In 3 years

(% of existing large stores)



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Synergies between business units to be maximized

Reducing costs by applying best-practices and leveraging on gains of scale

	ATACADÃO	Carrefour	Sam's CLUB
Negotiation with suppliers			
Logistics			
IT systems			
Support services			

Strategy by business unit

Profitability and growth

November/2023

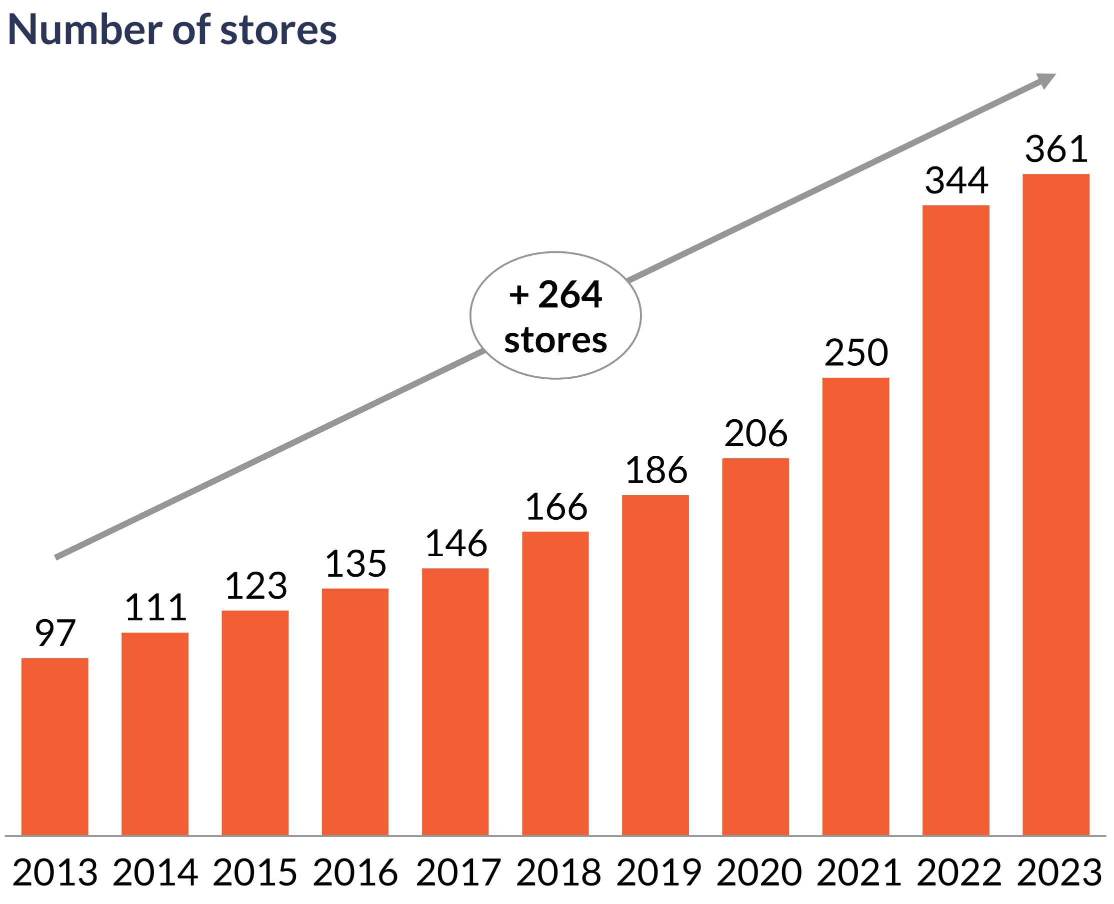
Atacadão

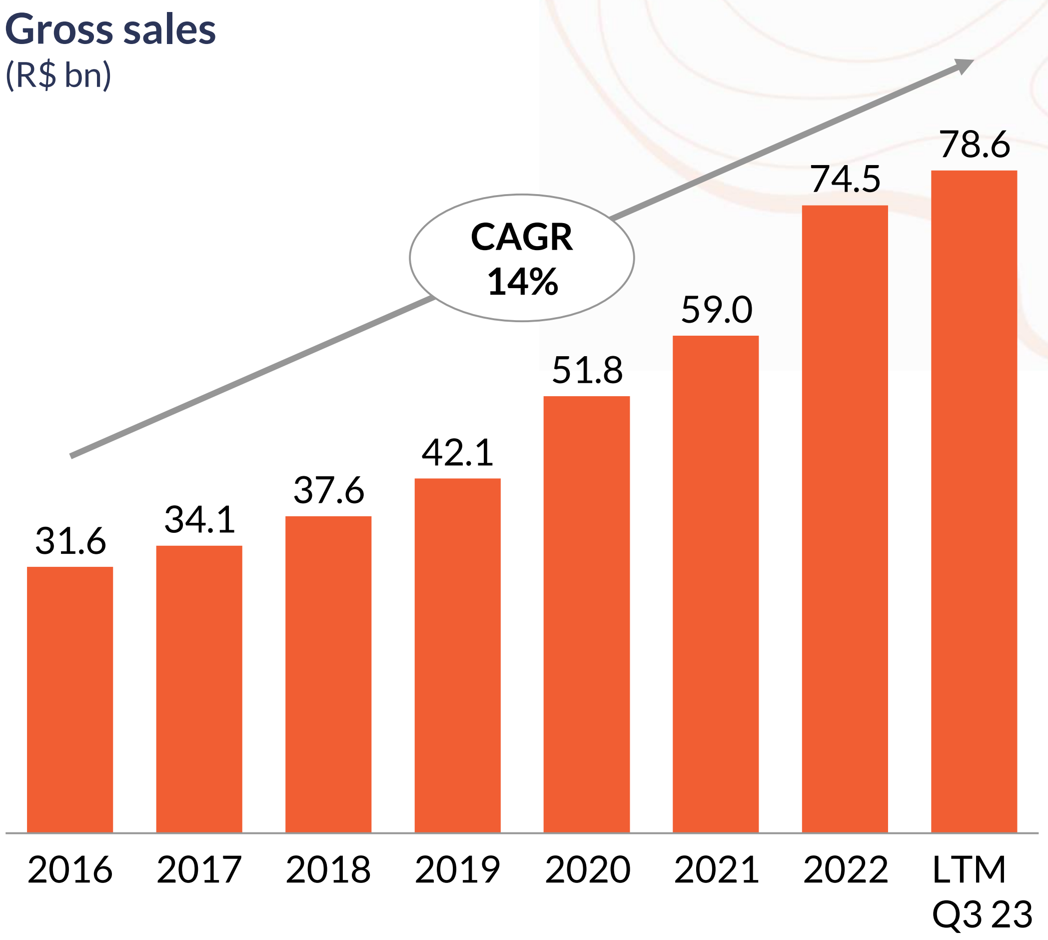
The Cash & Carry leader

Marco Oliveira – CEO of Atacadão

November/2023

Cash & Carry is Carrefour's main growth engine in Brazil





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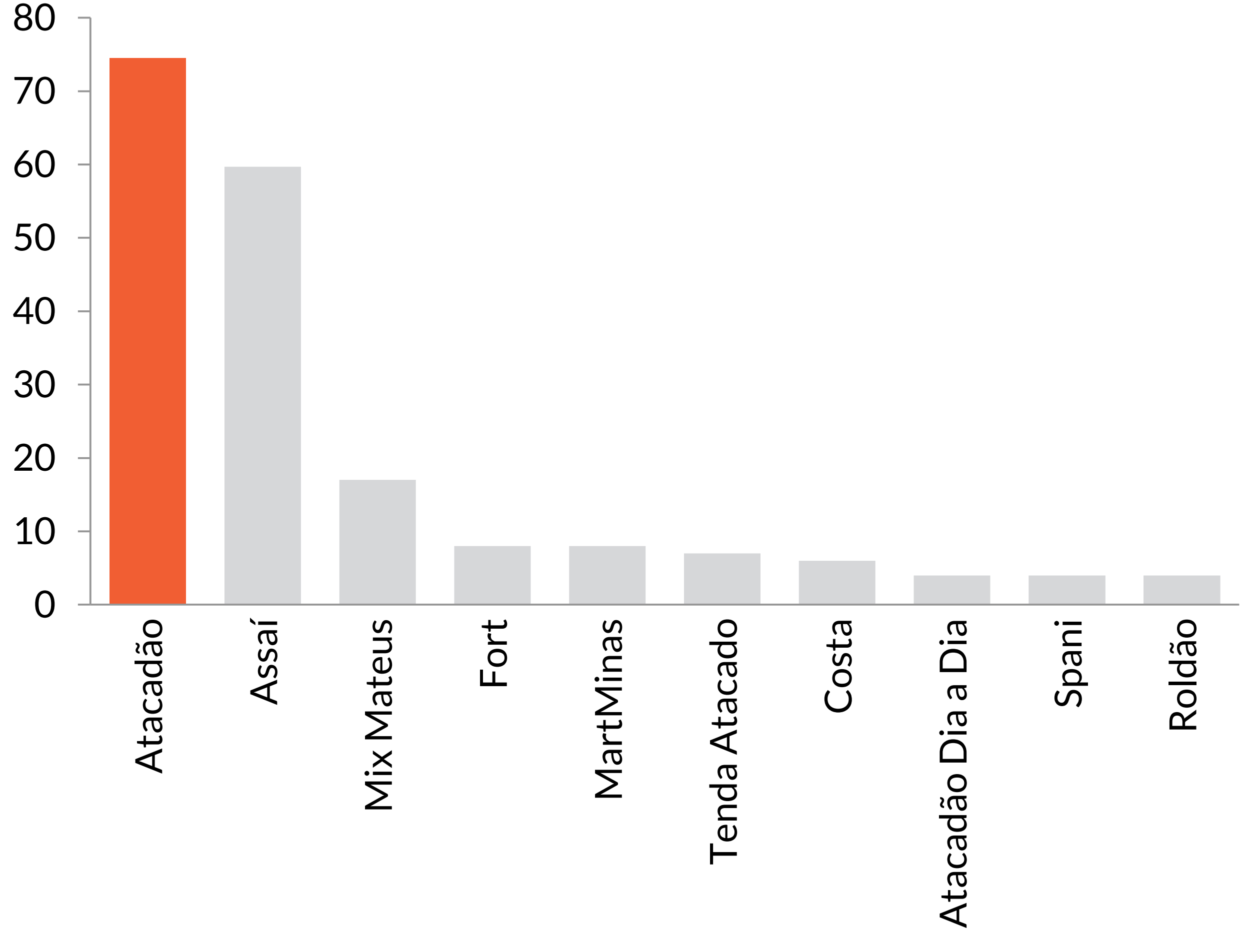
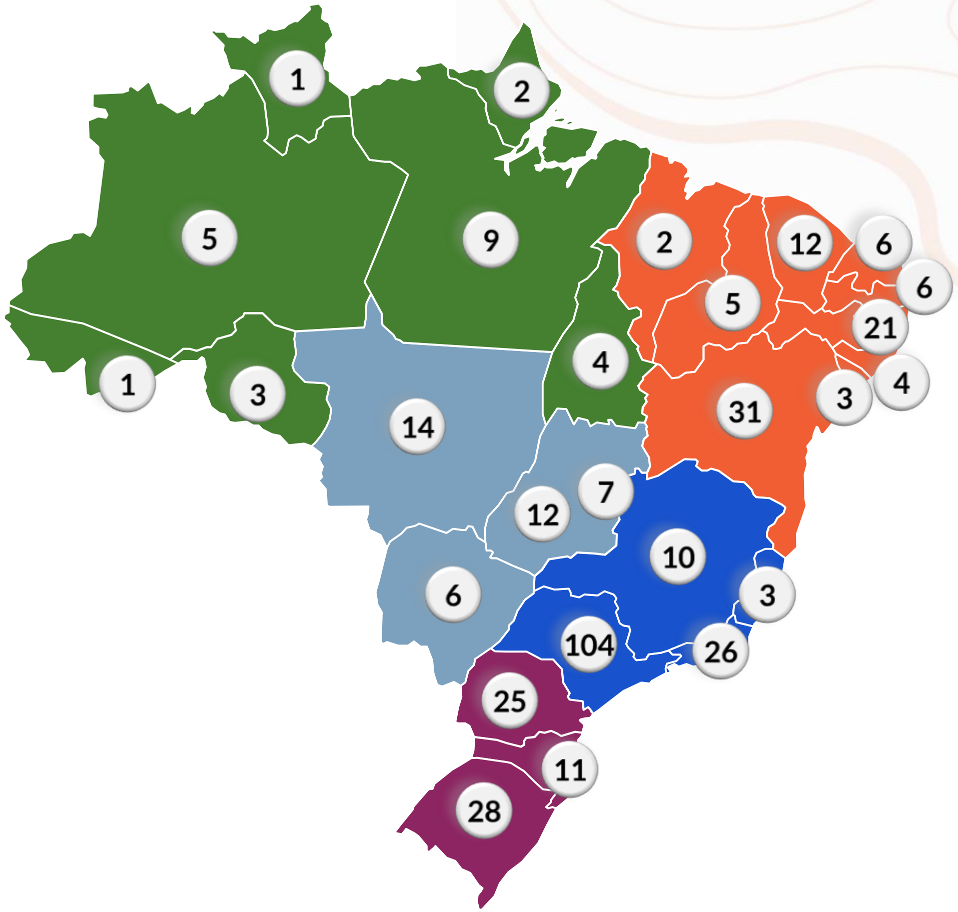
Atacadão is the market leader in Cash & Carry

The #1 Cash & Carry player in Brazil...
(Gross revenues 2022, R$ bn)



... with nationwide presence
(361 stores in 27 states, 2023)



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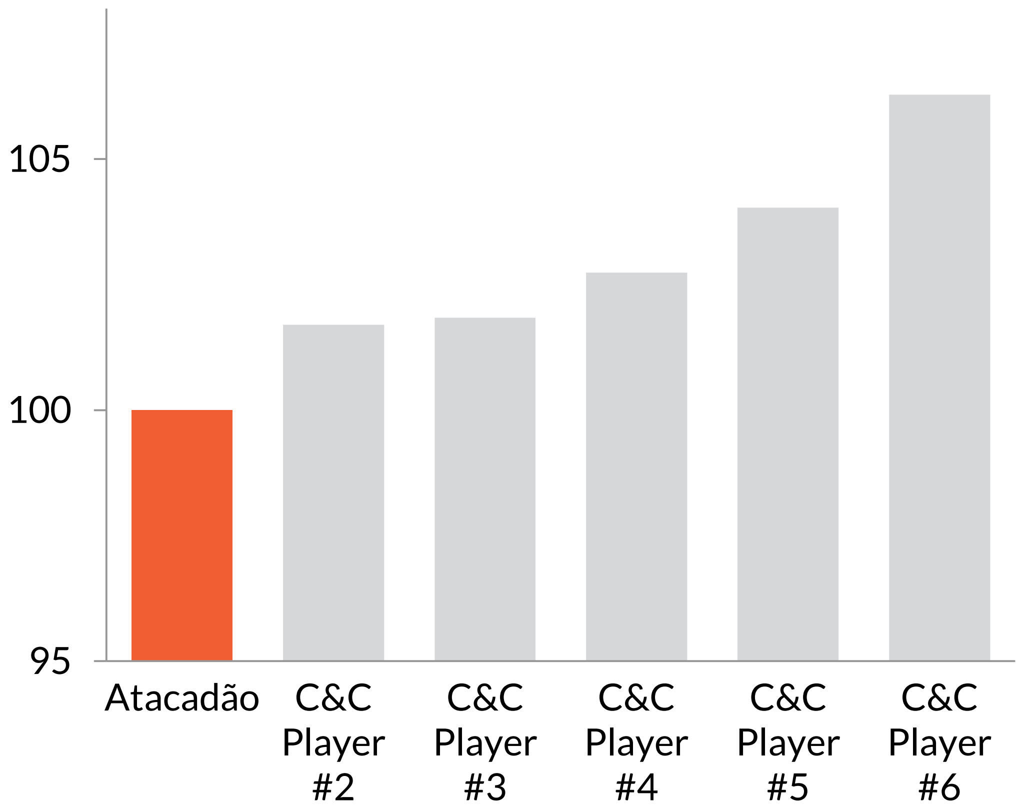
Atacadão consistently keeps prices below competition

Price is the #1 attribute consumers look for in a C&C store

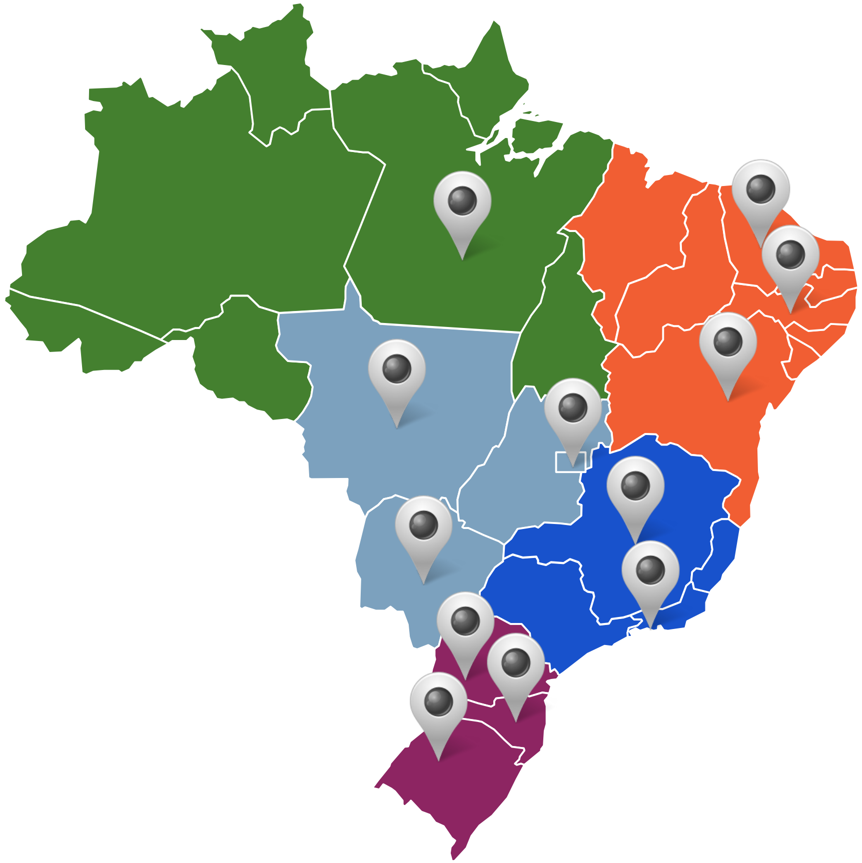
Price comparison
(Atacadão retail price = 100)



The right assortment is key to succeed in a continent-sized country like Brazil

National scale with relevant local assortment

Atacadão has 12 regional offices...



... that make key decisions regarding pricing and assortment

Key responsibilities of regional offices:

- Trading strategy
- Market analysis for product pricing
- Administration of commercial bonus agreements
- Category and assortment analysis
- Development of new regional suppliers
- Product development

~60% of assortment is regionalized

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Atacadão is obsessed with low cost...

Purchasing
- Scale
- Spot supplier negotiations

Store Operation
- Best-in-class level of losses (<0.8%)
- Comfortable, but "no-frills" store experience

61 years of cost-obsessive culture

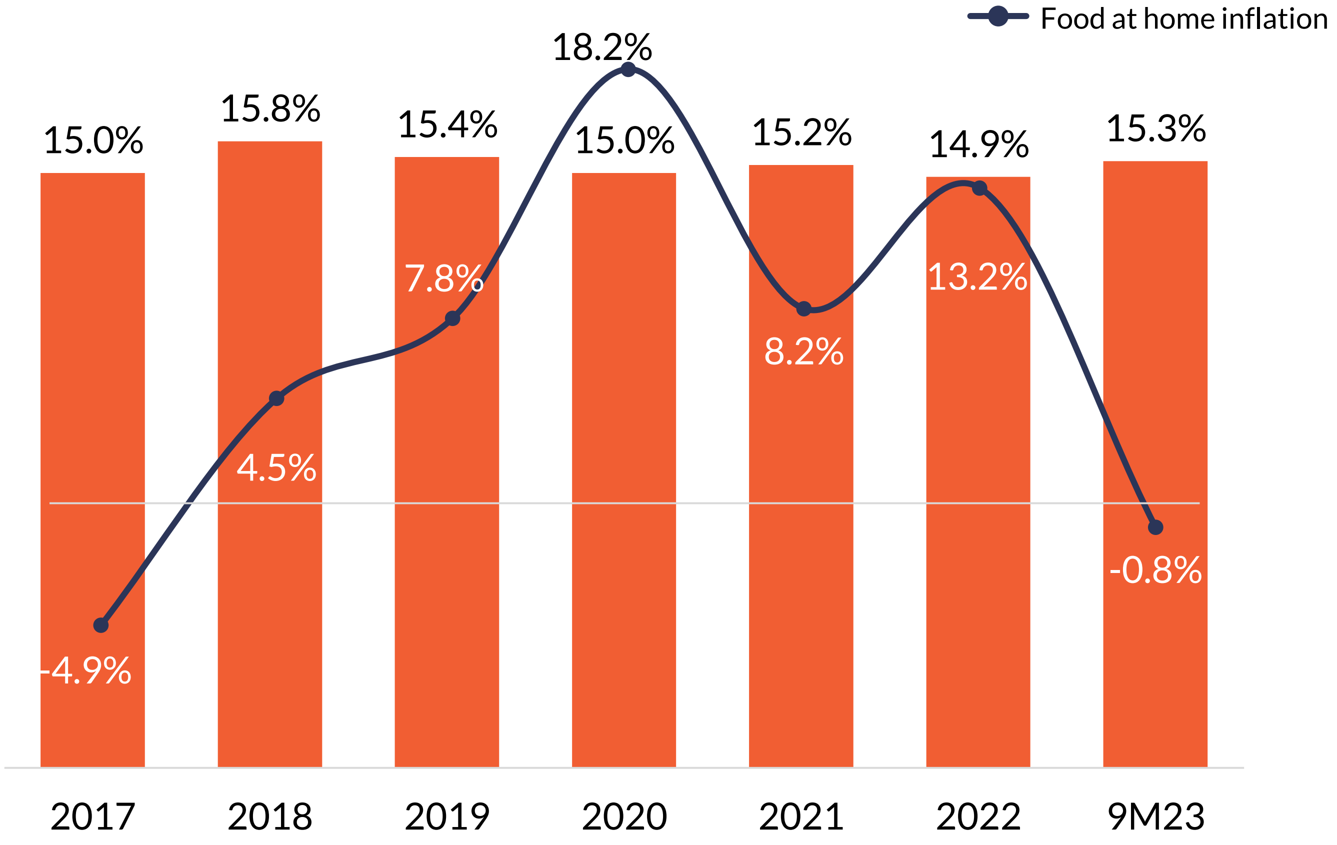
Logistics
- 75% direct in-store deliveries
- Store density and DCs

Corporate Structure
- Lean corporate organization

Atacadão has a unique ability to protect gross margins

whatever the macroeconomic scenario

Gross margin evolution
(% net sales)



Key factors for success

- Scale
- Spot supplier negotiations
- Inventory management
- Understanding of customer' behavior (right assortment and price elasticity)
- Price leadership with close monitoring of competition's pricing

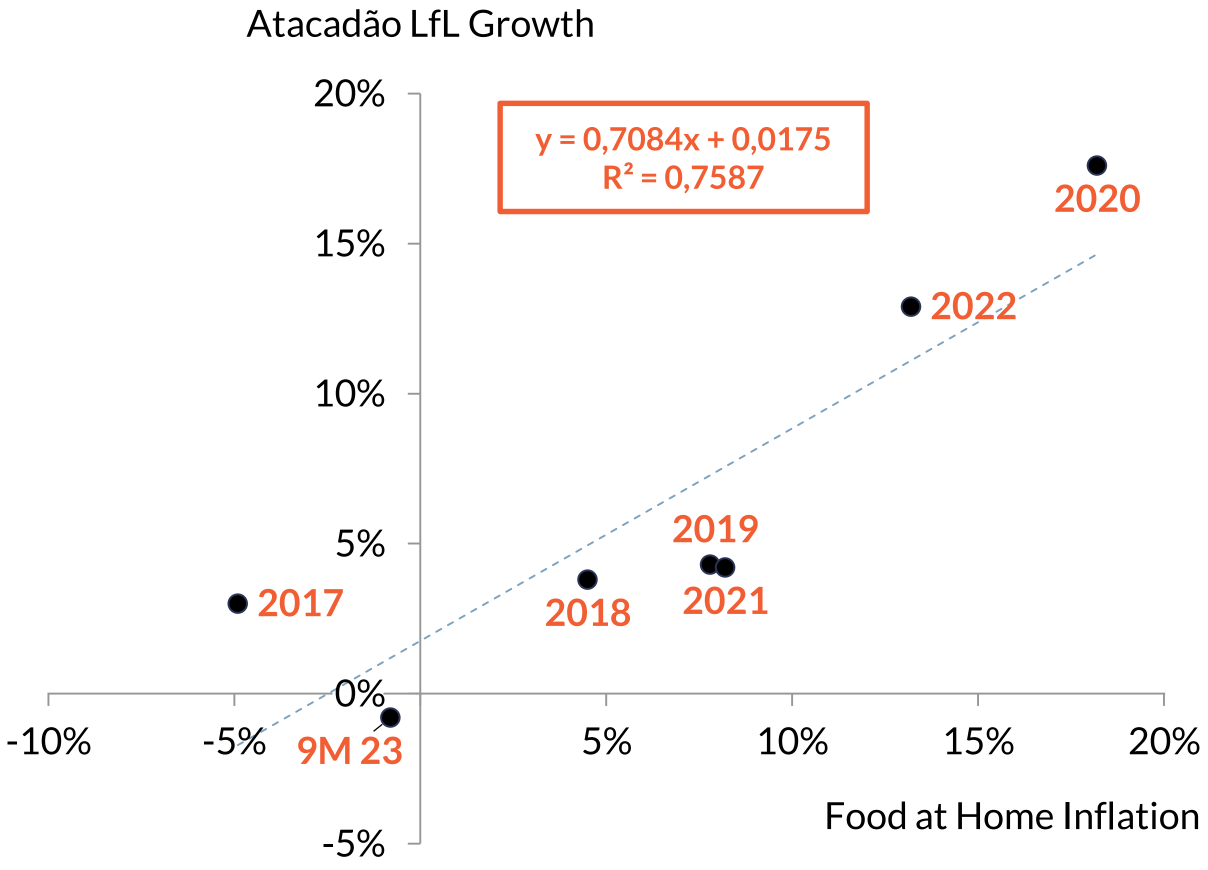
Efficient, lean operations

Direct, in-store deliveries (65%-75%)

Low level of losses (< 0.8%)

Atacadão LfL growth expected to outperform food inflation

LfL growth has close correlation with food inflation...



... but there are key levers for Atacadão to enhance 2024 LfL performance

1. **Increase B2C traffic**, by driving more recurrence (services) and offering better experience (self-checkouts)

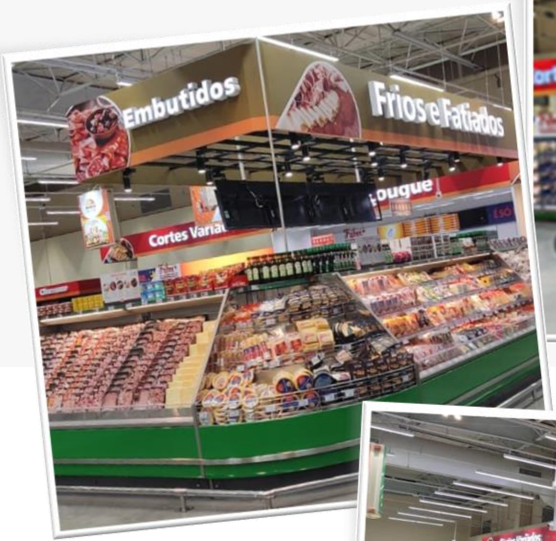
2. **Mature new and converted stores**, as stores between 13 and 35 months represent ~30% of selling area

3. **Increase e-commerce penetration** (B2B and B2C)

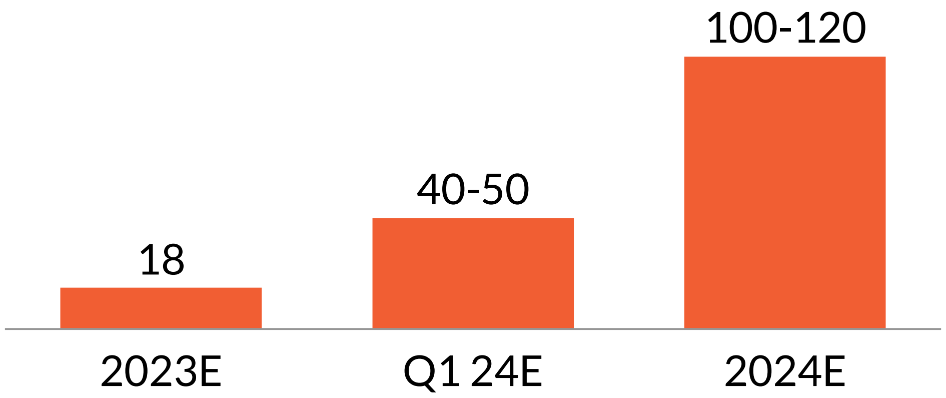
1 More services to increase B2C traffic

Butchery, bakery, cold cuts

- Butchery, bakery and cold cuts (done in the ATC way)
- Stores with dominant B2C profile and potential
- Advantages: higher purchase frequency, profitable operations



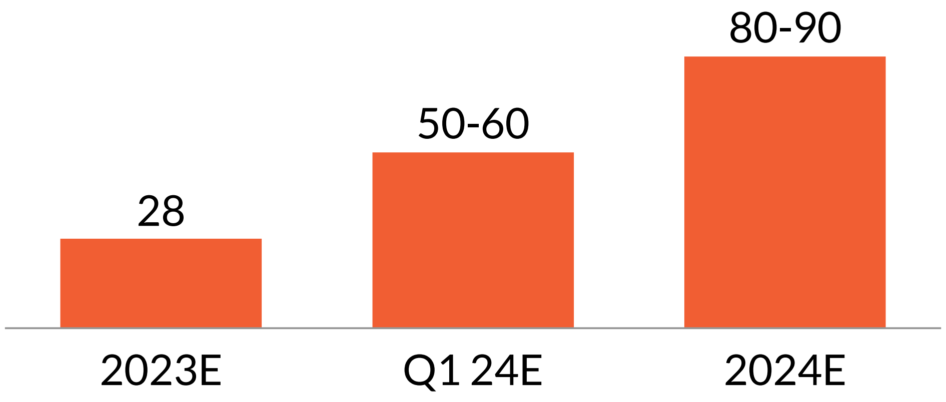
Number of Atacadão stores with services



1 Self check out to improve customer experience

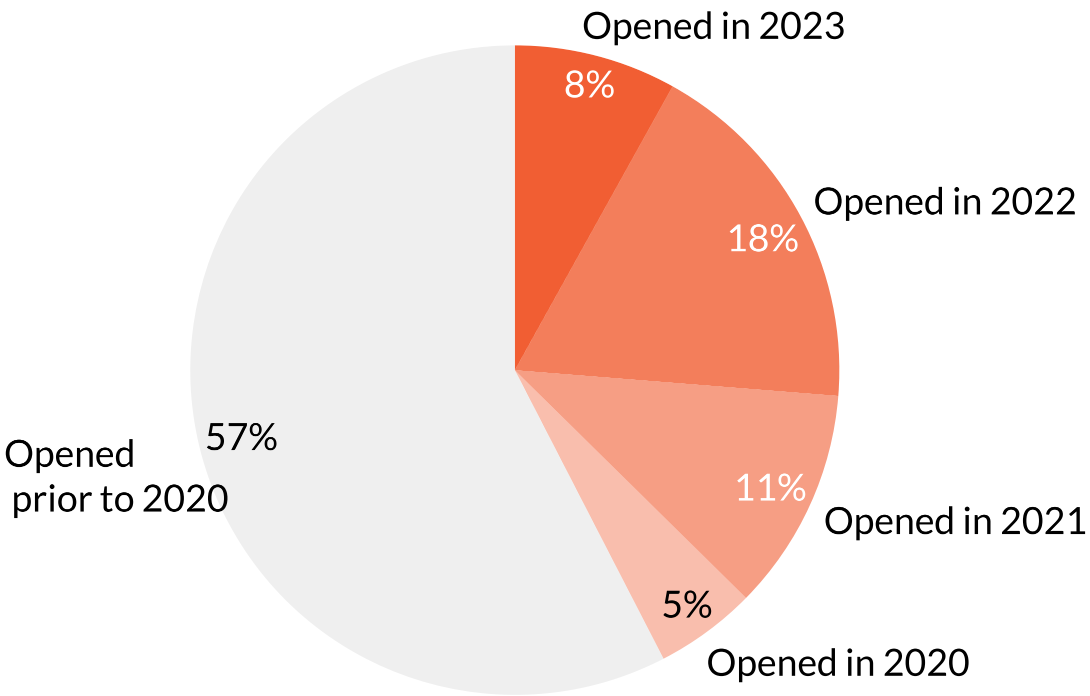
- Stores with dominant B2C profile and potential
- Advantages: better customer experience (faster check-out queues), lower G&A

Number of Atacadão stores with self-checkout

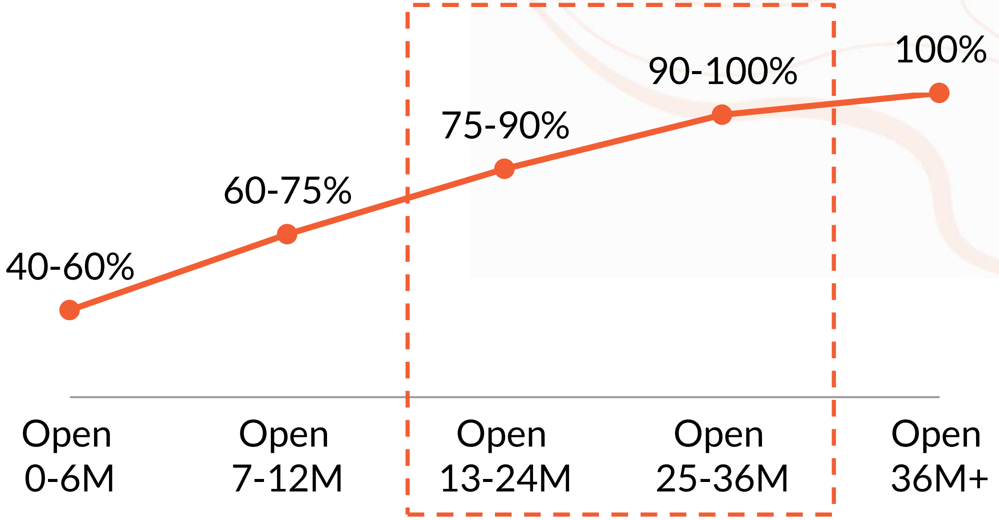


2 Maturation of expansion should add to LfL growth

Atacadão selling area (sqm) breakdown
(Total selling area of 1,816,249 sqm)



Typical store sales maturation profile
(% of total store sales at maturity)



35 store openings in 2022-2023

+

76 stores converted from Grupo BIG

2 Stores converted from former Grupo BIG performing well

46 maxxi atacado (189,055 m²) + 28 BIG + 2 TodoDia (134,735 m²) → 76 ATACADÃO

Store conversion capex: R$ 1.3 bn

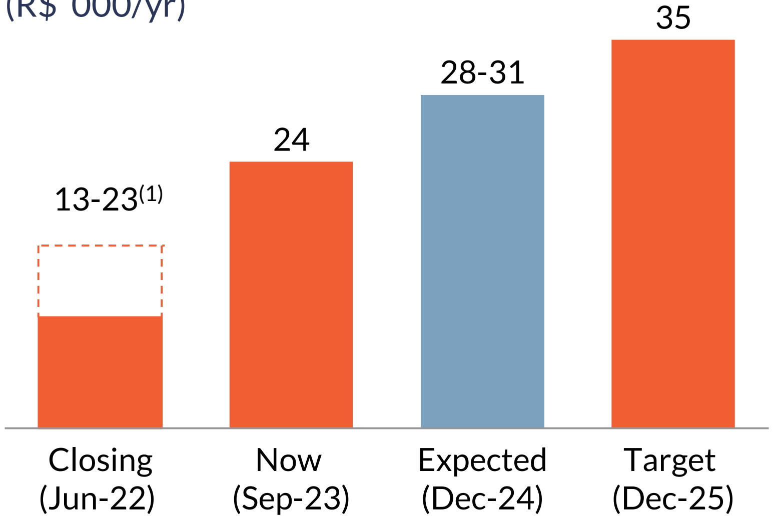
Targets announced at transaction closing (June 2022):	Productivity (net sales/ m²): **R$ 35.000/m²**/year by 2025	Profitability (at store level): **6%-8%** EBITDA margin

What we did:

- Adjusted assortment
  - Maxxi from 5k to 8.5k SKUs
- Improved store experience
- Increased efforts to raise B2B penetration
- Trained and incentivized the team

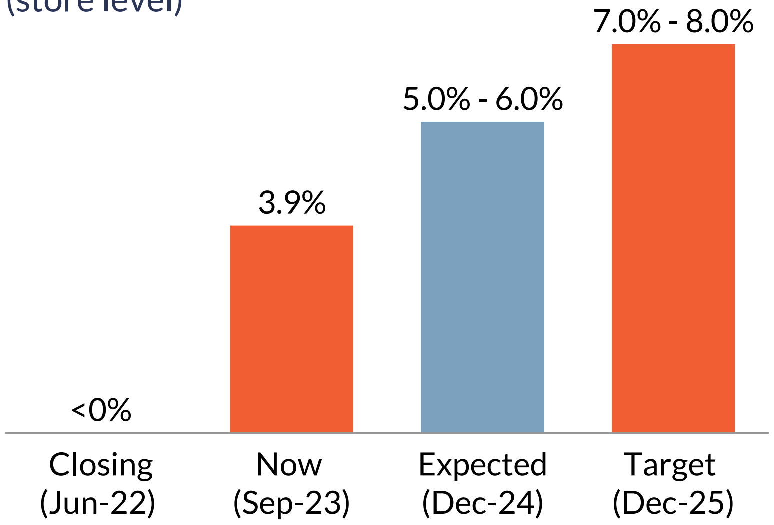
Sales per m²

(R$ ‘000/yr)



EBITDA margin

(store level)



(1) BIG hypermarkets at R$ 13k/sqm and Maxxi stores at R$ 23k/sqm

2 Stores converted from former Grupo BIG performing well

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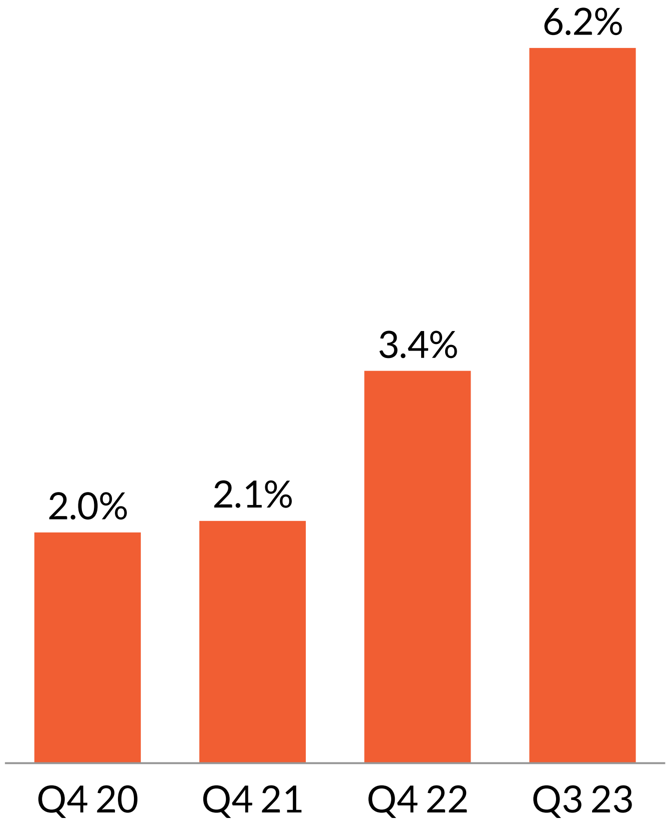
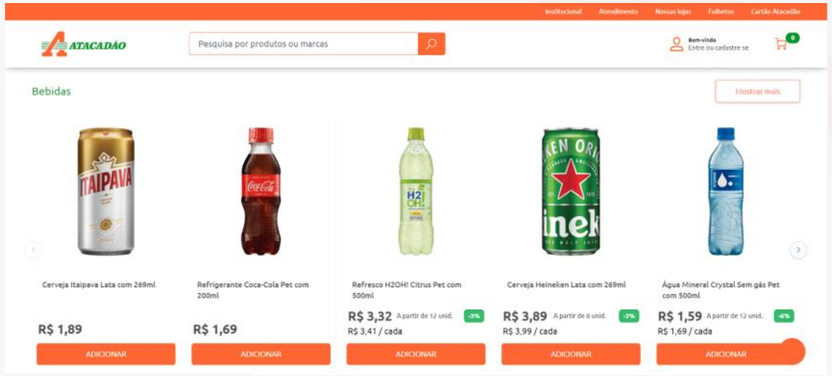
3 Increase e-commerce penetration (B2B and B2C)

E-commerce penetration



New app for sales team

New website and last mile partners



Cornershop by Uber

ifood

Rappi

GRUPO CARREFOUR BRASIL

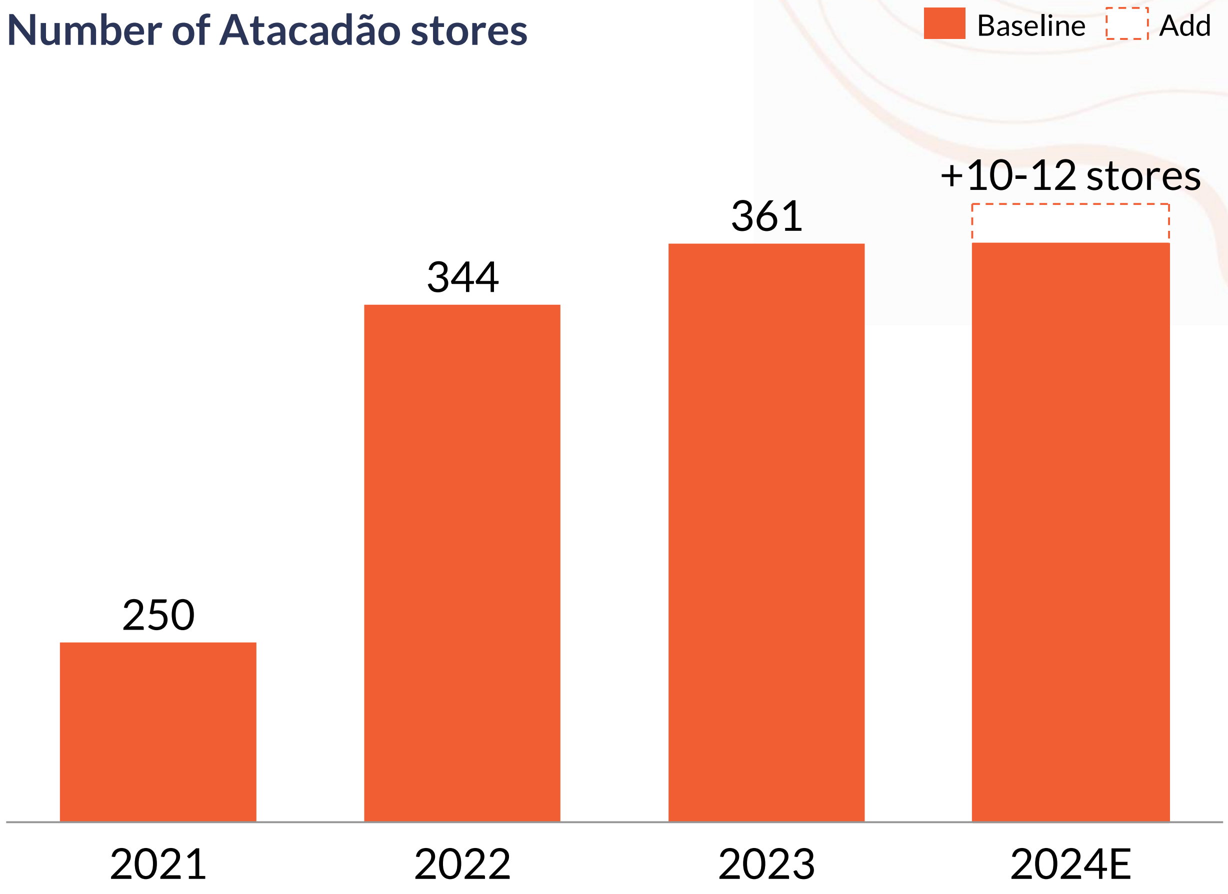
We have mapped out 110 additional Atacadão stores

We plan to open 10 to 12 stores in 2024

470 stores mapped out (~110 additional stores) throughout Brazil, including:

Smaller-sized stores to enter **untapped markets** (80k people catchment area) made possible by our already in-place nationwide footprint and distribution network

New stores in **key markets** where we want to reinforce and grow our presence



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Sam's Club

Affordable luxury

Vitor Fagá – CEO of Sam's Club

November/2023

Unique value proposition catering to premium customers

High income, loyal customers	Differentiated offering	Simple store structure

High income, loyal customers

- Well-located stores in large metropolitan areas and city centers
- A-B social/income classes are ~50% of clients
- Membership/ club model with repeat purchase pattern (annual membership fee of R$ 75)
- NPS > 80pts
- ~R$ 800 average spending per month
- Customer lifetime value (LTV) approach vs. single transaction approach

Differentiated offering

- Exclusive and differentiated assortment
- Imported products are 20% of sales
- Private label products (Member's Mark) are 18% of sales

Simple store structure

- 5.000 – 6.000 SKUs (simple operations)
- No in-store services

Sam's Club strategy is designed to capture the opportunity in the Brazilian market by serving clients that are not fully-served either by the traditional retail or C&C

Find out more about Sam's Club

Key strategic priorities for 2024

1

Expand store footprint and same-member-sales (SMS)

- + 4 stores in Q4 23 (3 combos with Atacadão + 1 combo with Carrefour Hypermarket)
- + 7 -9 stores in 2024

2

Increase members base and active membership

- Reinforce value proposition and the way we interact with our members
- Drive sales per m^2

3

Increase margins

- Drive higher private label and imported items penetration
- Mature of investments
- Implement MOC[1] and other operational efficiency initiatives

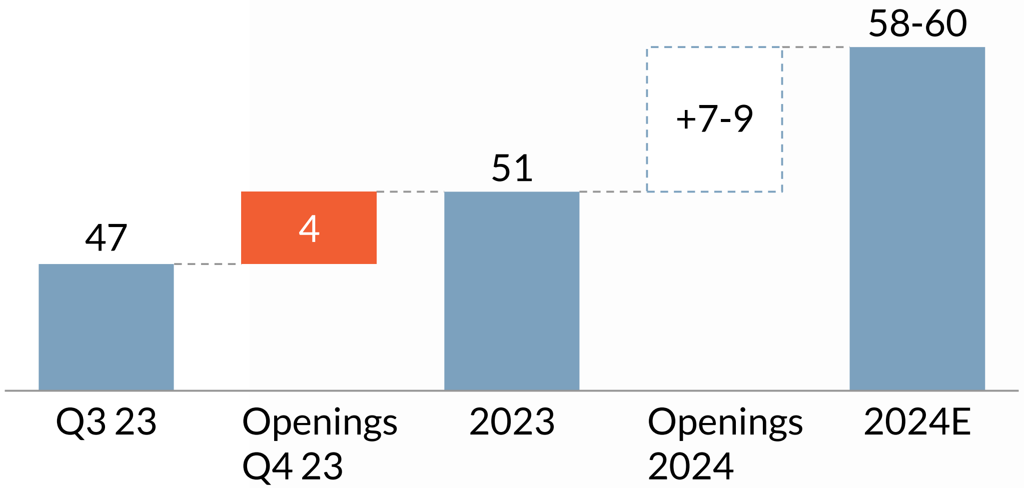
(1) Modelo Operacional de Clube (Club Operating Model)

GRUPO CARREFOUR BRASIL

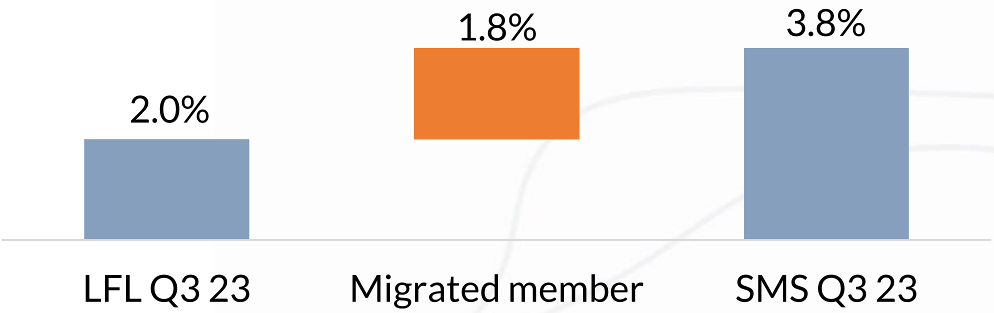
1 Planned store openings

Room to double footprint over the medium term

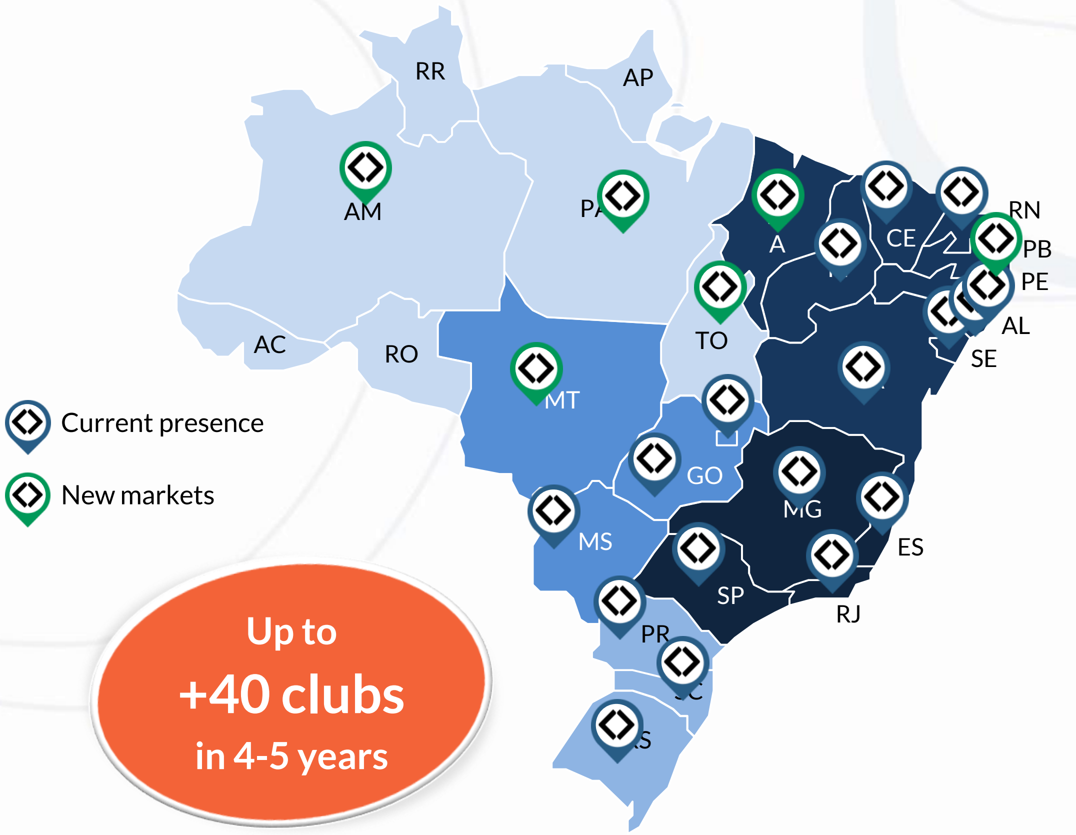
Number of Clubs



Same member sales % (SMS)(1)



Expansion into 6 new states and 25 new cities by the end of 2026



Up to +40 clubs in 4-5 years

(1) LfL member who started shopping at a new club

1 Combo format proving to be very effective for new store openings

Key advantages of combo format

- Lower capex per store
  (~50% of traditional opening capex)
- No sales cannibalization
  (different product offer)
- More customer inflow and cross-selling opportunities
- Lower store opex
  (parking lot, security etc.)

By the end of 2023, we will have 4 combos

More combos to come (under assessment)

2 Historical member data is essential

for effective commercial, marketing, and CRM strategies that drive business growth

Membership database

- NBO
- "Crack the code"
- "Smart Coupon"
- Cash Back
- Golden products
- Cross-sell

Member's clustering

- Premium
- Valuable
- Potential
- Uncommitted
- In abandonment
- New

By utilizing the database that contains information on members' purchasing behavior, business decisions can be made based on customer life-time value, rather than just one transaction

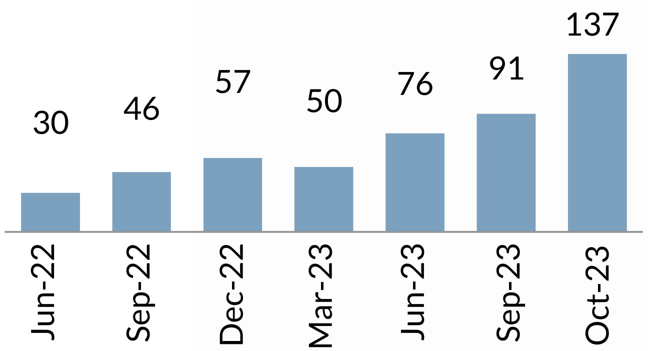
2 Key levers to increase store productivity

2.8M members
~30%+ vs. December 2022

Multichannel members spend ~45% more than pure online members, and ~33% more than offline members

Acquire more members

Number of acquisition ('000)

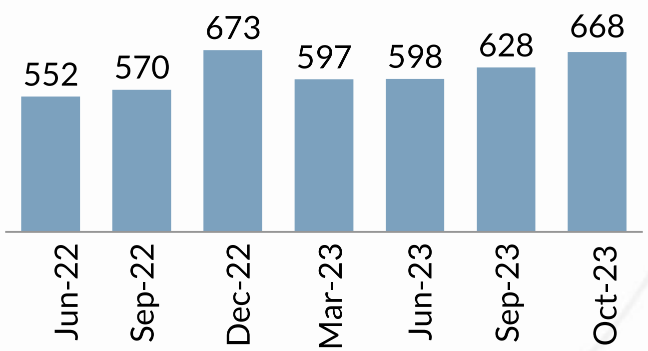


What are we doing:

- +46 % growth in LFL
- New clubs expansion

Increase number of active members

Number of active members ('000)

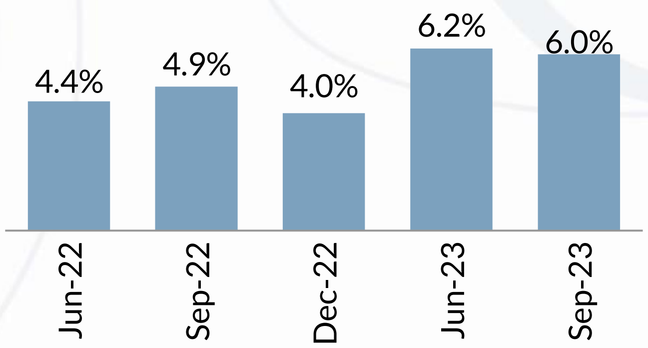


What are we doing:

- Data member for effectivity marketing, commercial and operational management
- Targeted offers, cash-back, smart coupon activation, "Crack the code"

Improve e-commerce experience and boost on-line sales

E-commerce sales as % of total



What are we doing:

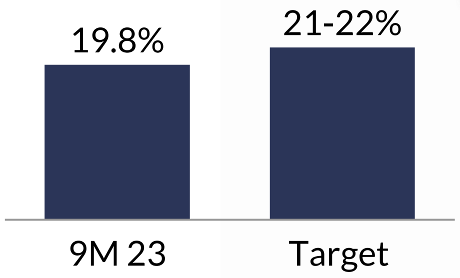
- Freemium 7 days, Blog Sam's Club, Refer a Friend, Virtual Wallet, free trial period
- Sale of items directly from the warehouse to expand the assortment and service radius

3 Enhancing operational efficiency to ensure a profitable growth path

MOC[1]	B2B restructuring	New channel structure prioritizing key operations and partners, boosting participation in Member's Mark and imported products
	Member's Mark boost	Exclusive B2B and digital items, product category optimization
	Efficiency gains	Margin increase through expenses optimization and dilution, commercial optimization and synergies with Carrefour

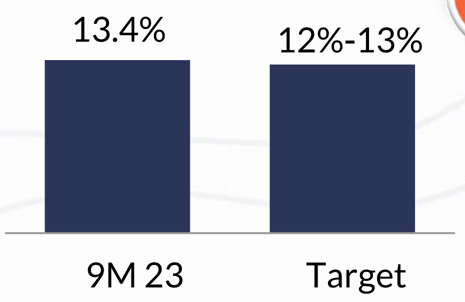
Gross margin
(as % of net sales)

Up to
+220 bps



Store SG&A
(as % of net sales)

Up to
-140 bps



Store level profitability

Target (by end of '25):
9%-10% EBITDA mg

Business unit profitability

Target (by end of '25):
7-8 % EBITDA mg

(1) Modelo Operacional de Clube (Club Operating Model)

Retail

Convenience at affordable prices

Pablo Lorenzo – COO

November/2023

A multiformat and omnichannel platform to address all consumer needs

	Hypermarket	Supermarket		Convenience Stores	Gas Station and Drugstore
	Carrefour	Carrefour bairro, Nacional, Super bompreço	Carrefour market, TodoDia	Carrefour express	Carrefour drogaria, Carrefour posto
	Everything under one roof at a competitive price	Choice close to home with a **focus on fresh and services**		**Essential daily needs** with **extended** shopping **hours**	Complementary services
Location	Cities (48)	Residential areas	Verticalized residential areas	Commercial areas	Hypermarket stores
Average Sqm	6.200 sqm	600-3,000 sqm	400-600 sqm	80-200 sqm	Drugstore: 60 sqm
# SKUs	38,300	14,400	7,200	2,500	Drugstore: 14,000
% of retail sales[1][2]	68.7%	15.6%		2,3%	Drugstore: 1.6% Gas station: 11.8%
Sales/sqm[1][3][4]	15,8K/sqm	11K/sqm		30,5K/sqm	Drugstore: 43,1K/sqm Gas station: 63K/sqm
Logistic Structure	17 distribution centers[4] : 9 physical DCs, 8 platforms for fresh products				

(1) Sept .2023;
(2) Excl. E-commerce;
(3) Sales 2023Average sales area 2023;
(4) Including Multiformat/BUs Operations.

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What do clients look for in our hypermarkets?

Quality, convenience and variety are key

Quality	Price	Convenience	Variety	Non-food
Quality and freshness	Quality products at competitive prices	Ability to fulfill diverse shopping needs in a single location	Range of categories and products	Assortment

Customer barometer:

188
Quality and freshness of products in general

182
Carrefour private label

110
Product promotion

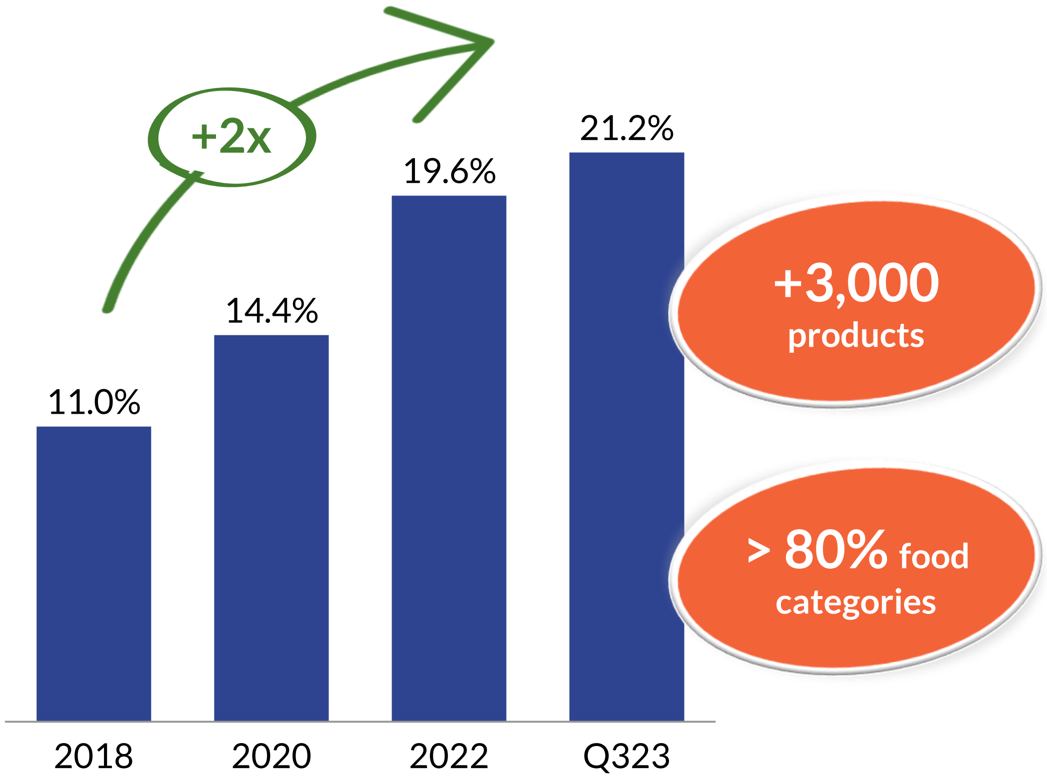
74
Prices in general

157 Availability of products I usually buy

Private label as our (not-so-secret) weapon to attract and retain customers

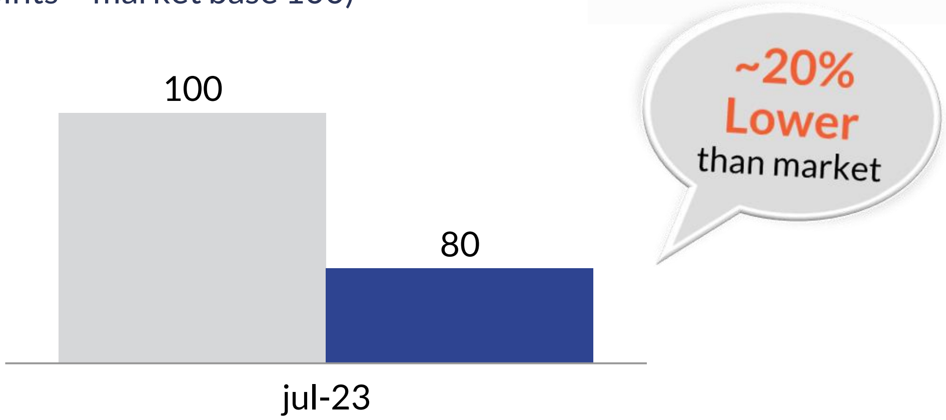
Private label thriving in challenging environment: quality at competitive prices

Food private label penetration
(% of total food retail sales, legacy stores)



Source: Nielsen Jul-23

Pricing positioning of private label products
(Points – market base 100)



Quality positioning of private label products

- Consumers must prefer our private label (Blind test)
- Nutritionally healthier than national leader
- Prices cheaper than National's by ~35% and C&C's by ~15%

Private label customers visit our stores more frequently (87% higher) and average ticket is 131% higher

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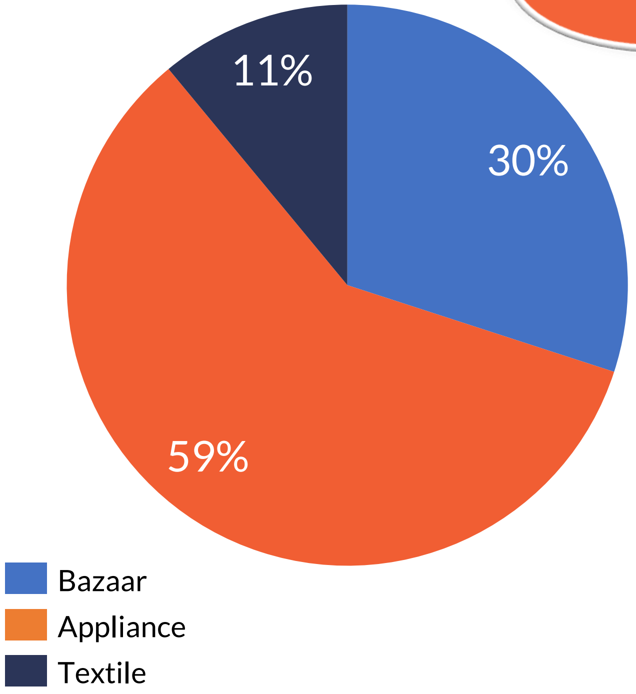
Non-food offer and positioning

Among the Top 5 non-food retailers in Brazil

Non-food sales and penetration 9M 23
(R$ MM)

31% of total retail sales

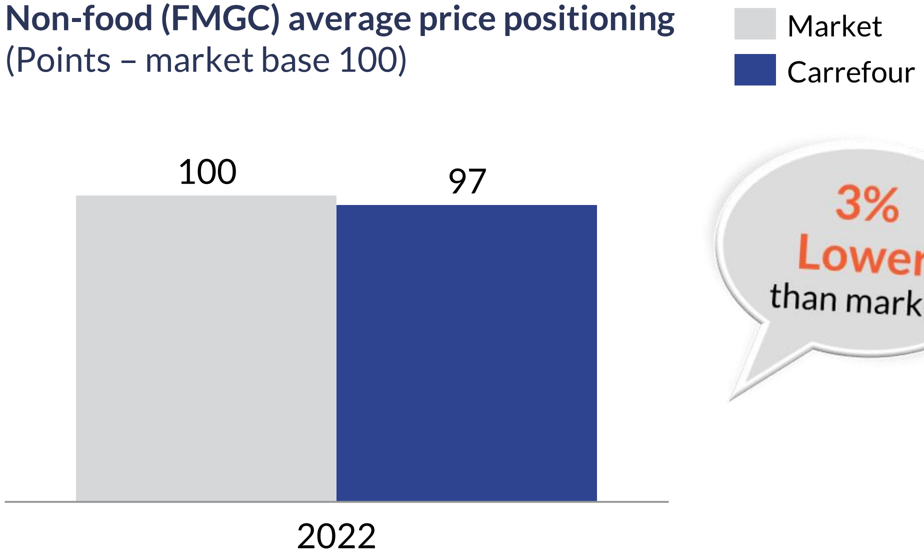


60% appliances payments made with Carrefour Card

Exclusive installments
(24x installments payment)

Exclusive discounts

Non-food (FMGC) average price positioning
(Points – market base 100)



3% Lower than market

GRUPO CARREFOUR BRASIL

Key strategic priorities for 2024

1

Optimize store network

- Maximize Grupo Carrefour's profitability by converting, selling or closing stores that are either not generating expected returns or could perform better as Atacadão

2

Improve sales performance of hypermarket stores

- Maturation of sales of converted stores
- Drive LfL growth
- Eliminate low-performers

3

Simplify operations and reduce costs

- Adjust assortment (reduce # of SKUs by 5 - 10%)
- Reduce corporate structure and cut overhead costs so they grow less than inflation
- Leverage on best-practices from other formats (self-checkouts, Maxi project, shrinkage)

1 Optimize store network to maximize profitability

Optimize store network

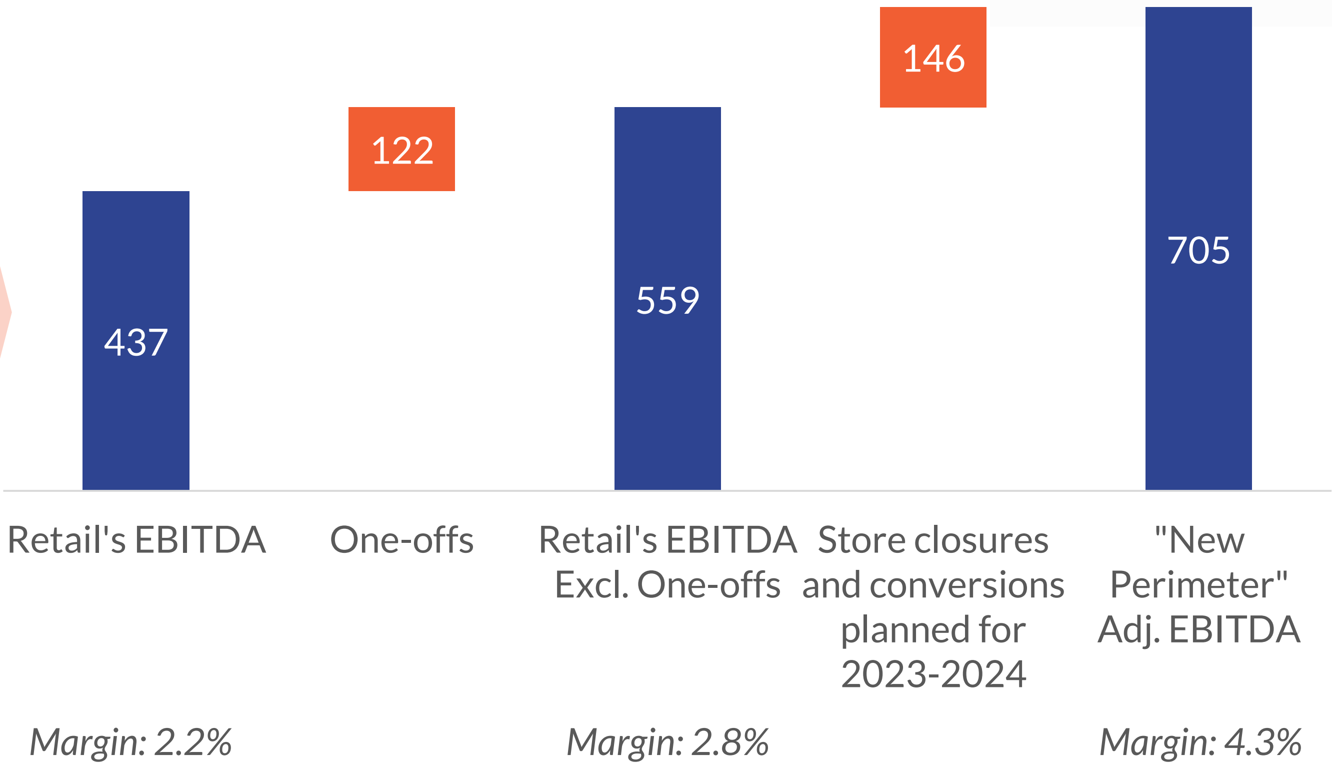
Hypermarkets

- Convert ~40 hypermarkets into Atacadão and Sam's Clubs over a 3-year period
- ~20 hypermarket conversions planned for 2024
- New hypermarket scope will consist of Tier 1 stores with strong profitability and client traffic

Supermarkets

- Sell or close stores that structurally do not deliver profitability levels in line with our portfolio

9M 23 adj. EBITDA for new Retail perimeter
(R$ MM)



1 Tier-1 hypermarkets are very profitable

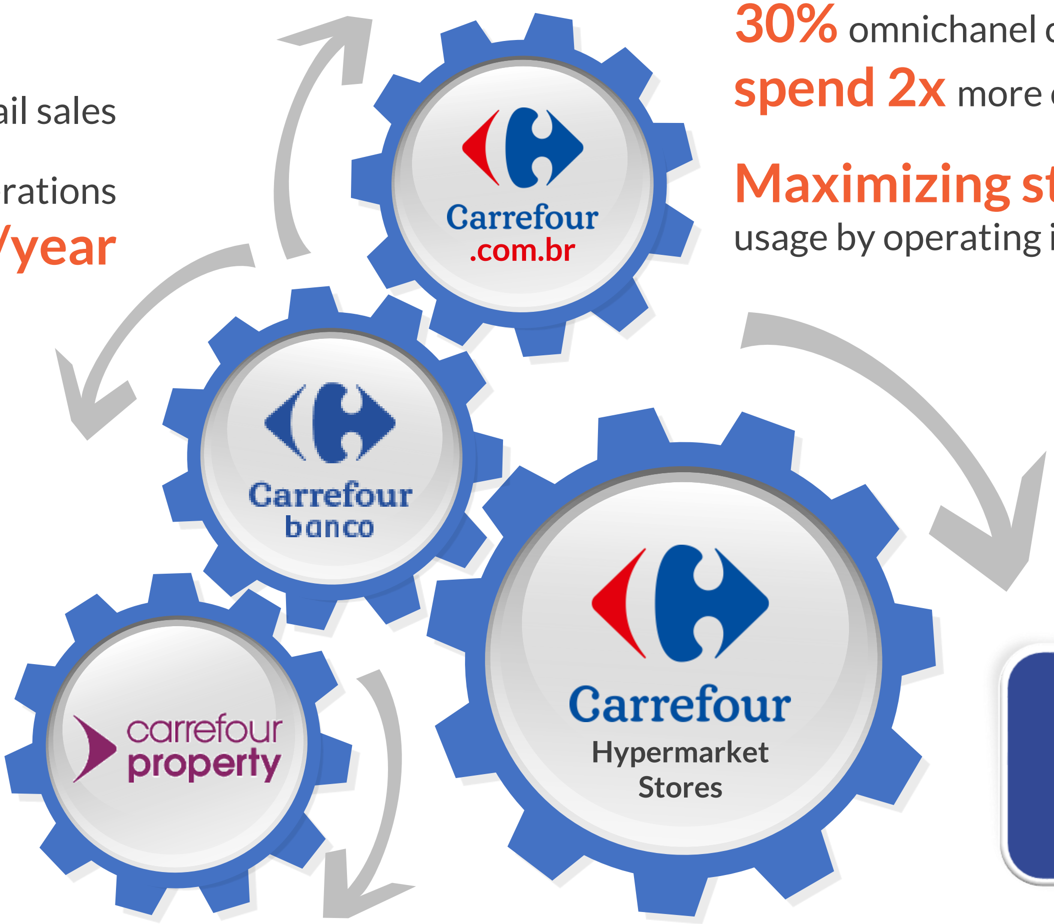
Strong ecosystem allows superior profitability and growth opportunities

25% penetration in retail sales

Add'l margin to operations
200 bps/year

30% omnichanel customers that **spend 2x** more on average

Maximizing store capacity usage by operating in different peak times



>23MM tickets/month

>300 galleries units with a **R$ 192MM** net revenue per year

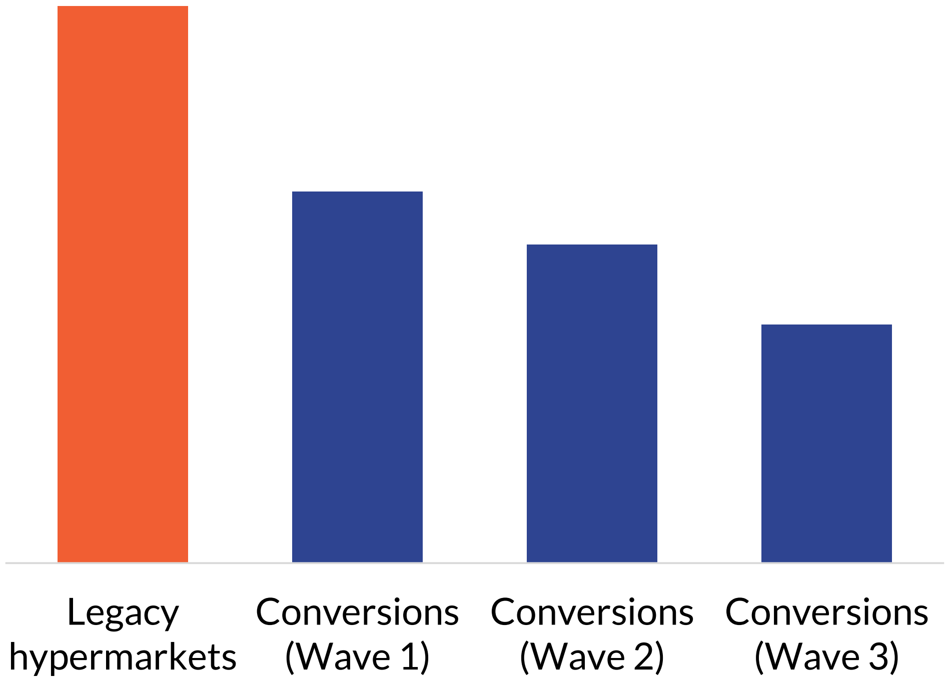
Add'l margin to operations
100 bps/year

Total ecosystem normalized EBITDA margin of 7% – 8%

(1) As of September 2023

2 Improve sales performance of hypermarkets

Store maturation should drive LfL growth
(Net sales (R$) per m2, as of 9M23) (1)



Initiatives to drive LfL performance

- Adjust pricing
- Increase private label offer and penetration
- Reinforce marketing efforts in regions where brand is new
- Increase financing availability and penetration
- Accelerate e-commerce
- Network optimization

Note (1): For new adjusted perimeter

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COFFEE BREAK (15 minutes)

GRUPO CARREFOUR BRASIL

SEND YOUR QUESTION

November 28,2023

Banco Carrefour

Growth and profitability

Felipe Gomes – CEO of Banco Carrefour

November/2023

Banco Carrefour's Evolution

2007 A bank	»	9M 23 A fintail
200	Employees	650
3	Products	30
+R$ 5 bn	Billings	+R$ 43.5bn
+R$ 65MM	EBITDA	+R$ 489MM
+R$ 1.9 bn	Portfolio	+R$ 22.5 bn

18 MM Brazilian

+8% of Brazilian families
Indirectly

+6 mn
Clients

+3% of the Brazilian population
Directly

- Social emancipation
- Digital by nature
- Credit concession expert C/D/E classes
- GCB ecosystem as the driving force
- Omni-channel DNA

The 6th largest card issuer in Brazil

Credit portfolio

(Bacen methodology, R$ bn, Q2 23)

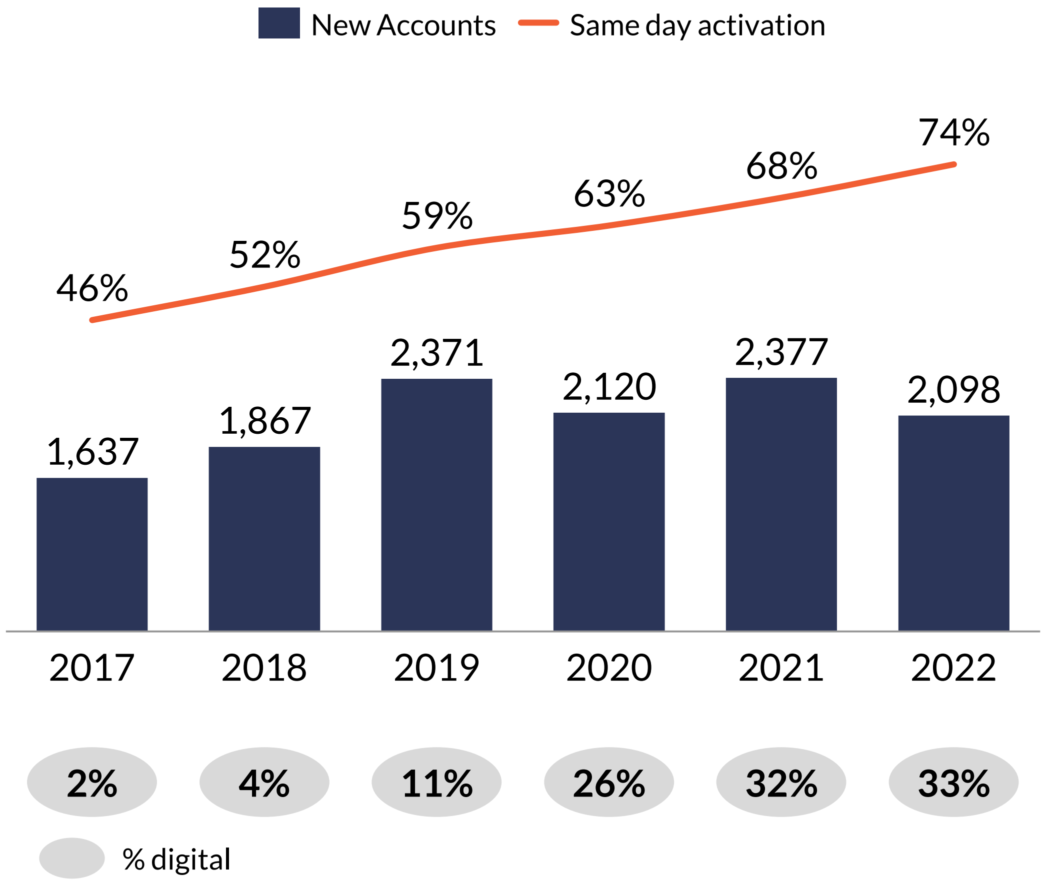
NPS in "Quality" zone, moving towards "Excellence"

Portfolio growth 2023 vs 2022 (%)	1,64	13,8	6,3	52	3,2	**21,2**	19,9	17,5	42,4	24,7	25,5	15,6	25,4	80,6	13,1	8,5	2,1	100,8	46,4	191,2	-29,8	17,5	9,1	3,8	13,6
Market Share (%)	25,5	14	11	10,4	9,3	**3,4**	2,7	2,5	1,9	1,8	1,6	1,5	1,4	1,3	1,2	1,1	1	0,7	0,7	0,7	0,4	0,5	0,3	0,3	4,6

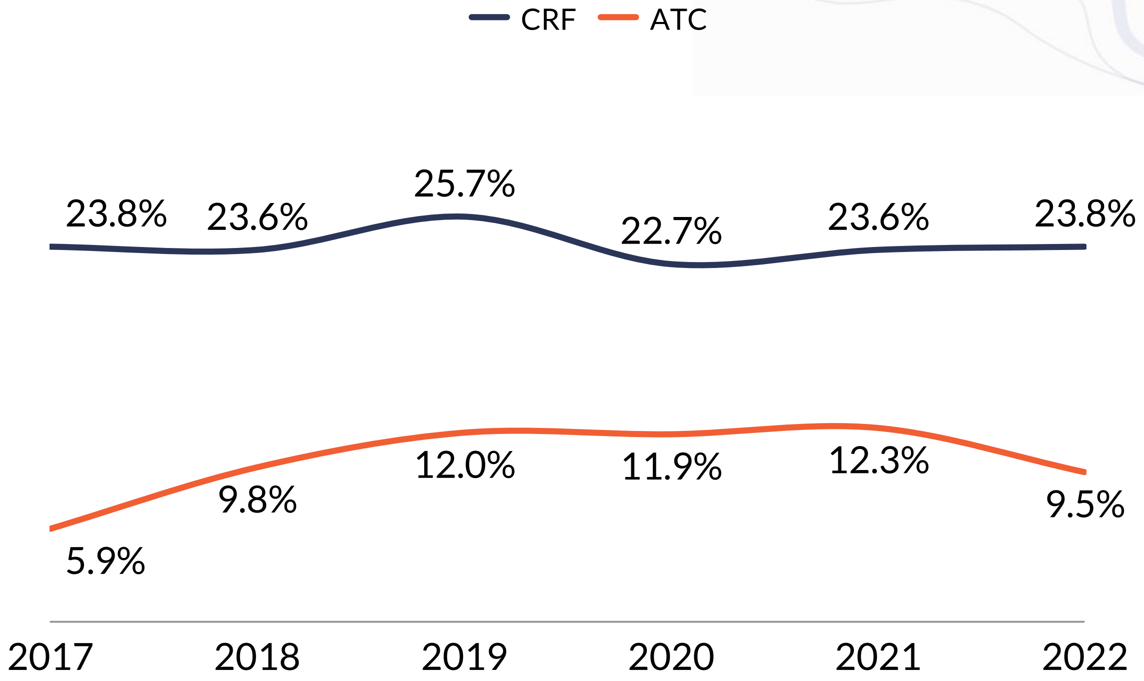
(1) Issuers with balances exceeding R$1.5 bn
(2) Competitive Card Base – Cardmonitor Report (quarterly) Card Market Monitoring
(3) The numbers reported follow the Central Bank's criteria and represent the number of cards and not accounts (Cards issued – Permanently cancelled)

Financing is key in our retail ecosystem

New accounts (‘000) and Activation



Credit card penetration in GCB retail sales
(% of purchases in all formats – average of the year)

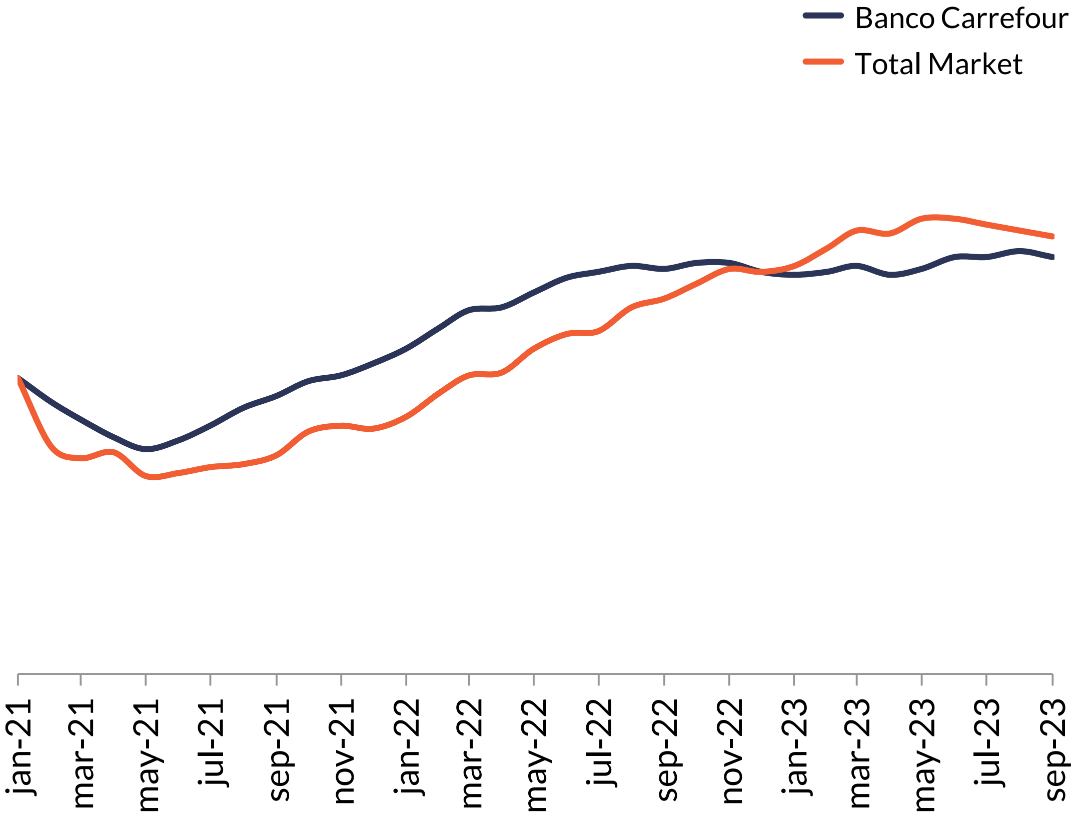


Note: (1) End of Atacadão credit card exclusivity in 2021

Best-in-class management of NPL ratios

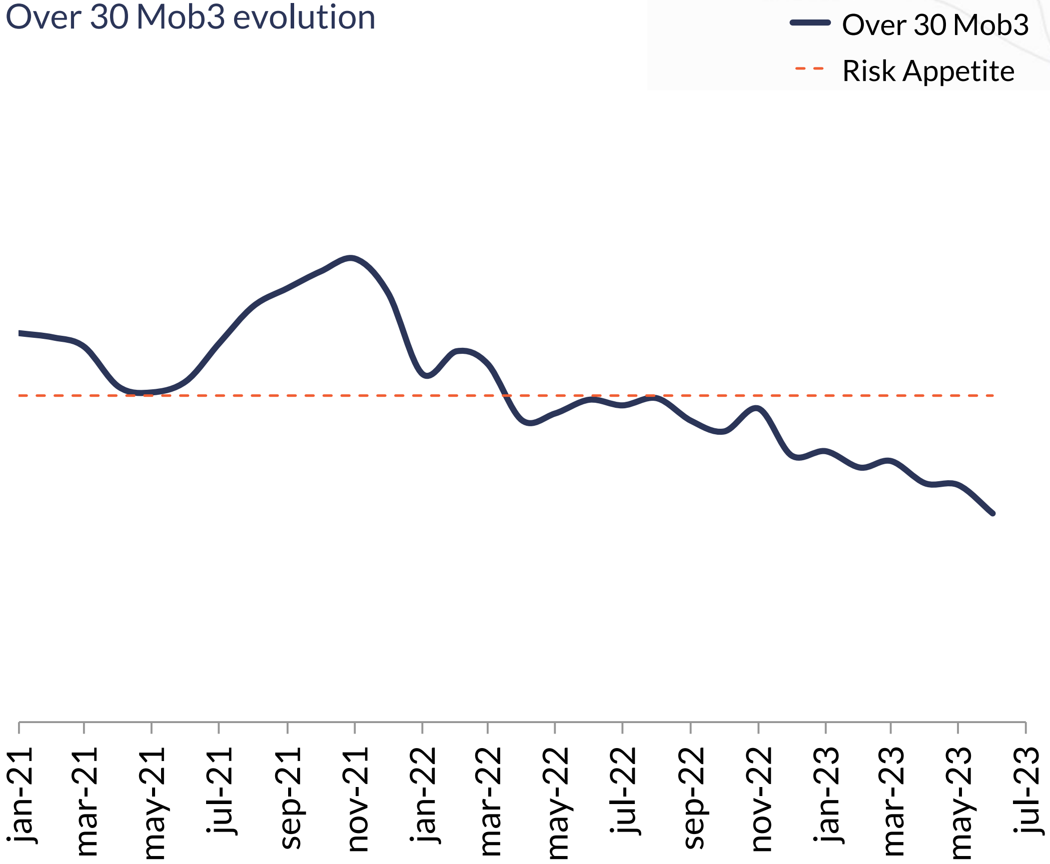
NPL stabilization earlier than the market…

Over 90 evolution: Banco Carrefour vs. Market



…resulting from conservative credit approach, which should continue to lead to lower NPLs

Over 30 Mob3 evolution

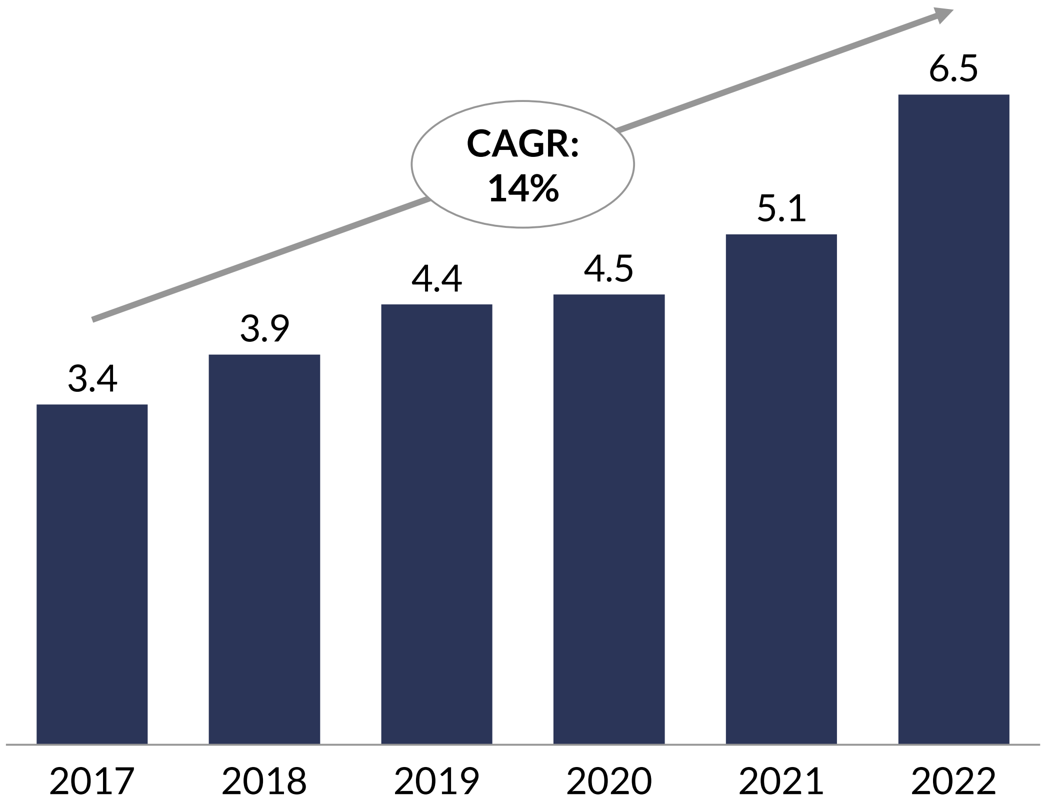


Source: BACEN (100 basis in median of 2019)

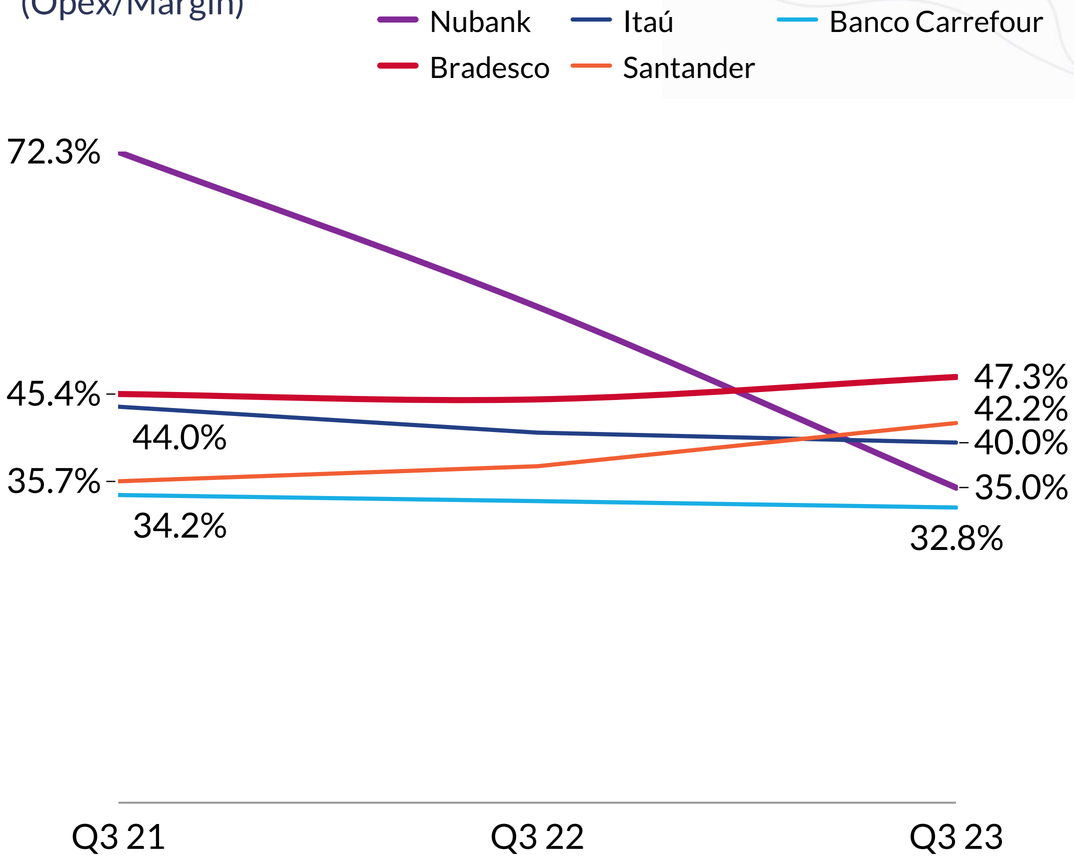
Efficient operations and proven capacity

to generate value in different macro scenarios

Financial margin/HC
(in R$ MM)



Efficiency ratio
(Opex/Margin)



Former Grupo BIG clients are adding up to profitable growth

Offer of cards in 189 new stores

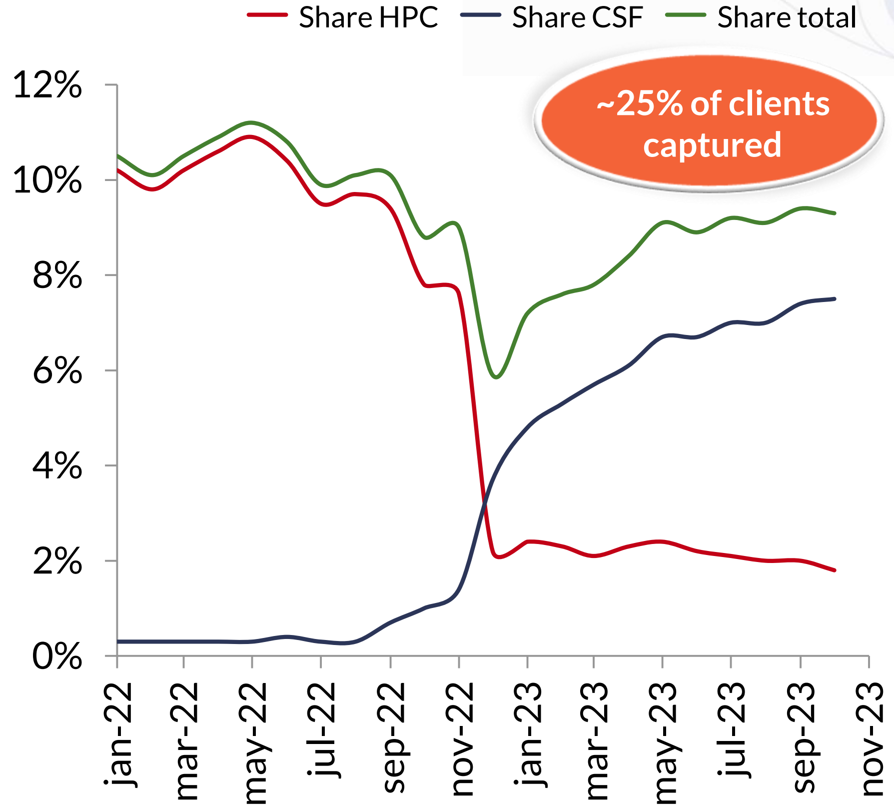
- 76 Atacadão
- 66 Carrefour Hypermarket + 18 Supermarket
- 47 Sam's Club

649 k
cards issued

140%
Target achievement

	YTD	Target	% achievement
Proposals	2,874k	2,251k	128%
Approval rate	22.6%	20.7%	+ 1.9 p.p.
Cards	649k	465k	140%
Activation MOB0	563k	357k	158%

87% of Hipercard's market share achieved 10 months after migration, with room for more upside

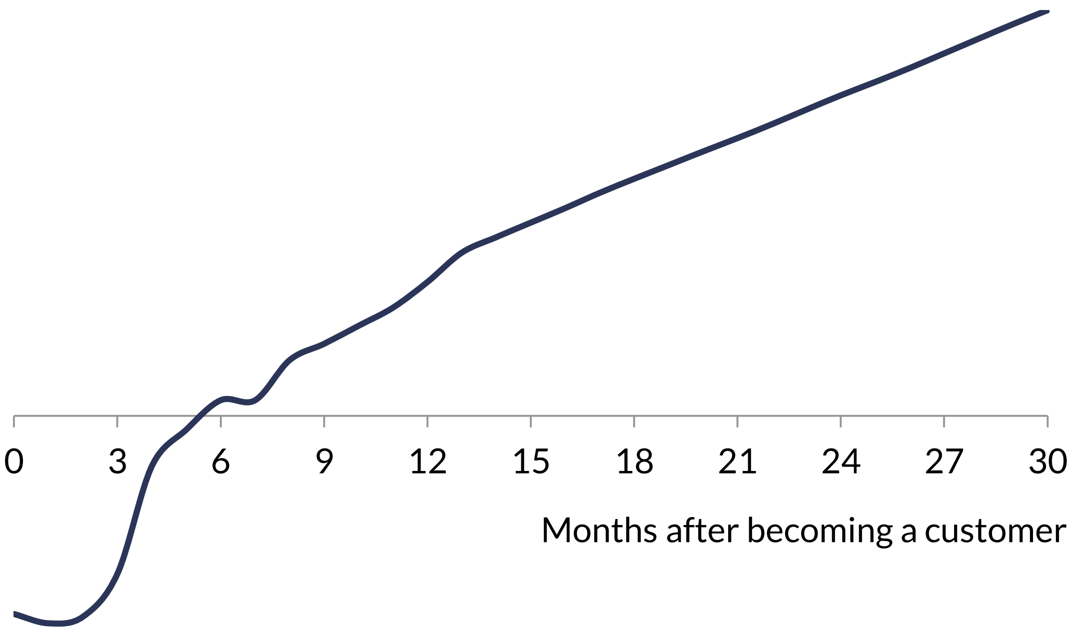


GRUPO CARREFOUR BRASIL

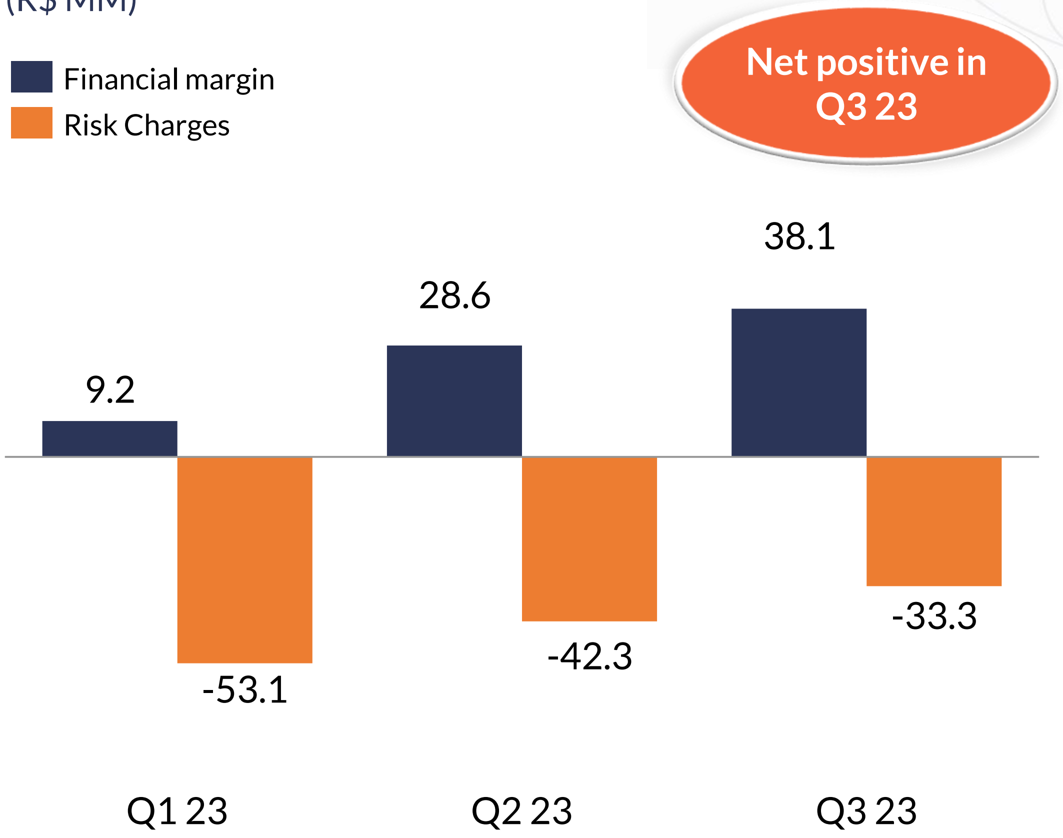
Investments to bring in new clients are maturing

Average net credit margin
(unit/customer)

Net credit margin (Financial margin – Risk Charges) positive after 5 months



Impact on P&L from CAC
(R$ MM)



Innovation and new product pipeline

Innovation DNA

Entrepreneurship

- Ideas Portal
- Data Hacking Days
- Trend Talks
- Women in TECH

Venture Capital

- Startups Investment

Innovation Programs

- Startup Portal Launching
- Startup Jam's Accelerator
- Emerging Technologies League

Talent Acceleration Programs

- FIAP Challenge
- Bootcamp “Data Engineer”

Main Awards

- **20 most innovative companies** in Brazil by **MIT Tecnhology Review**
- **Top 5th** banks by **Valor Econômico**
- **100 most innovative** companies by **ITMídia**
- **Top 3 in divide business category with startup “Meu acerto”** by **Fi Insiders**
- **“Company that generated the most opportunities for people who identify with the female gender”** by **Dio**

New products releases

Sam’s Club credit card

- Exclusive discounts and differentiated installments of up to 36 installments
- Zero annual fee for members
- Instant issuance providing instant purchase
- New acquisition flow: simpler, faster, and 100% digital
- Customized credit for Sam’s customers, with approval rates of around 45% and different limits

Payroll Loans

Carrefour Property

Real Estate management and development

Liliane Dutra – CEO of Property

November/2023

Carrefour Property portfolio at a glance

carrefour property

~530 own
real estate assets

Nearly **~21,000,000 sqm**
of land bank

2nd player in Brazil
in PSV

Management of over **370 galleries** and **3 shopping centers** (~400,000 sqm of GLA)

More than **4,200 lease agreements** with tenants and partners

Present in
all states of Brazil

Update on carve-out of Carrefour Property

Strategic rationale for RE transaction

- **Unlock value through swap** and **real estate development**
- **Increase the market rent** of the galleries and be known as a place for the **expansion of the main retailers**
- Seek **efficiency** in the management of assets, galleries and parking spaces
- **Densification** to serve the core business

Where we are and what's next

What we focused in 2023:

- Definition of legal reorganization structure
- Definition of perimeter of owned assets to be carved-out (some assets excluded based on legal or financial criteria)

What's next:

- Definition of leases contracts and leases level
- Market conditions: improving interest rate environment

Preliminary view on transaction structure

carrefour property

Minority investor

<49%

> 50%

100%

1 real estate developer partner per project

RENT CO

1 to 3 minority partners that together hold less than 50% of share capital

~235 stores
(selling area: 1.7 MM sqm)

Rent: 1.5%-2.0% of gross sales

Est. Net Operating Income from Rents (NOI): ~R$ 1.5 bn

DEV CO

34 Cities

50 Projects mapped out

+2.9k Total Land Area (sqm)

~24 Total PSV (R$ bn)

% of used construction potential
(50 projects)

Today 18% ➤ 60% **With Dvlpmt**

Real estate development benchmark: Paseo Alto das Nações

Paseo Alto das Nações Complex

Multi-purpose project, including:

- **Carrefour hypermarket**
- Mall w/ **5,500 sqm** GLA (3x bigger than previously)
- **1 Mixed-Use** Building
- **1 Residential** Building
- **1 Theater**
- Open square with **32k m^2**
- **Tallest Corporate Building** of the Brazil (219 m)

PSV (R$): **3 bn**

Daily flow of **14,000** people

Winner of *"Prêmio Master Imobiliário 2023"*

GRI Awards **Winner**

Continuing our digitalization journey

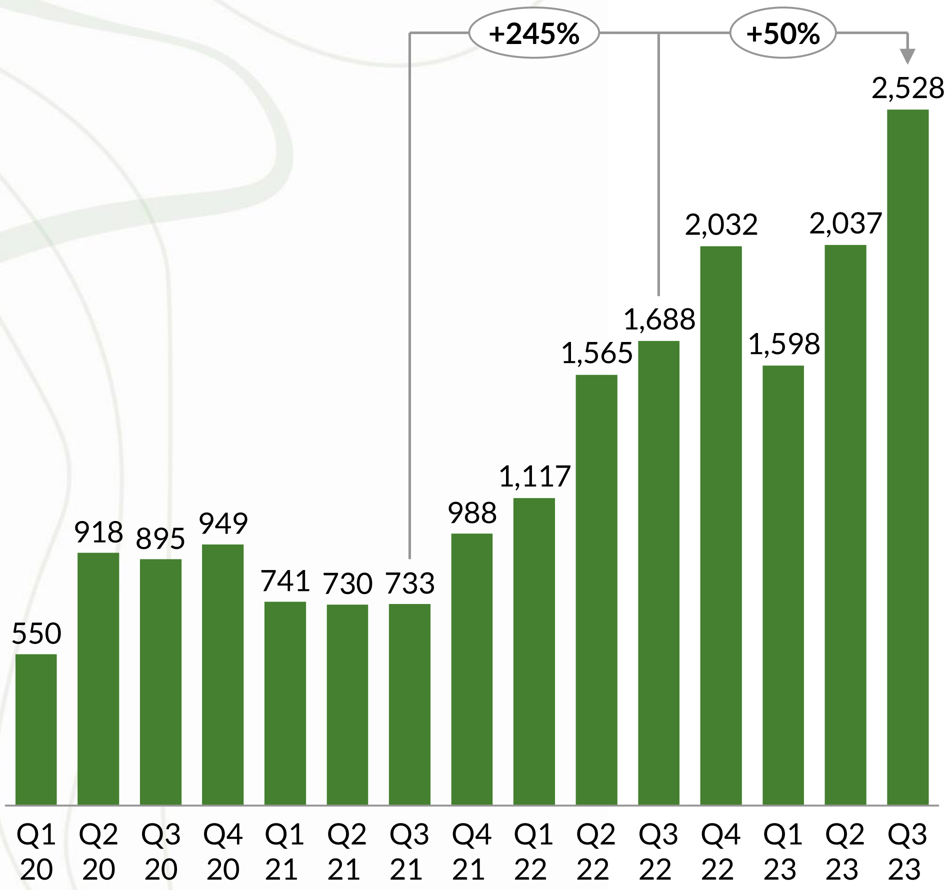
Reducing distances with quality service

Stéphane Maquaire – CEO of Grupo Carrefour Brasil

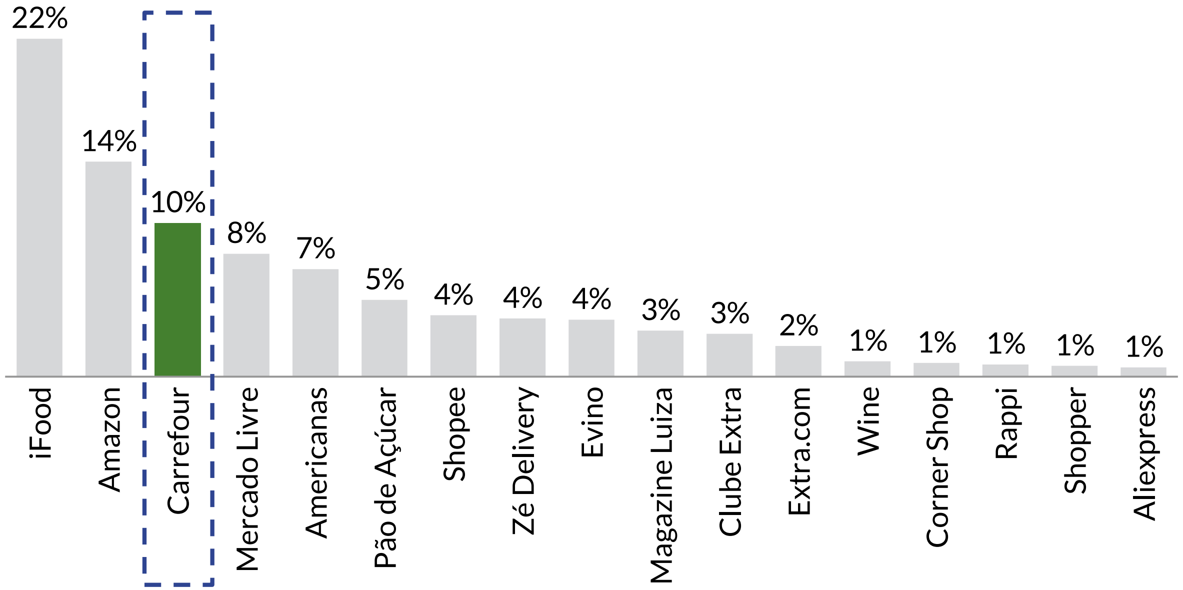
November/2023

E-commerce growth accelerating and gaining relevance

Grupo Carrefour Brasil GMV
(R$ MM)



Top of Mind – # 1 Food Retailer and #3 Overall Retailer
(in Q2 23)



Digital Channel already represents ~9% of sales
(in Q3 23)

6% of Atacadão's sales

19% of Retail's sales

6% of Sam's Club sales

Source: Nielsen

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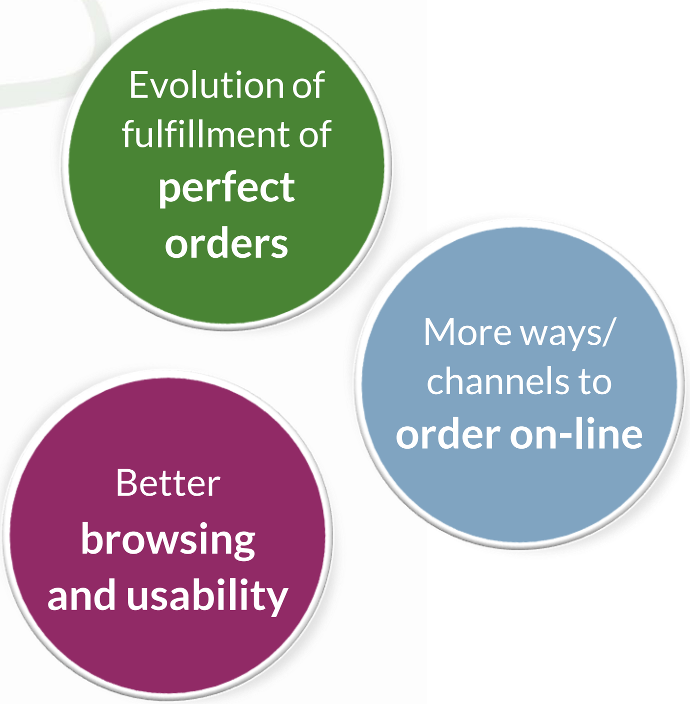
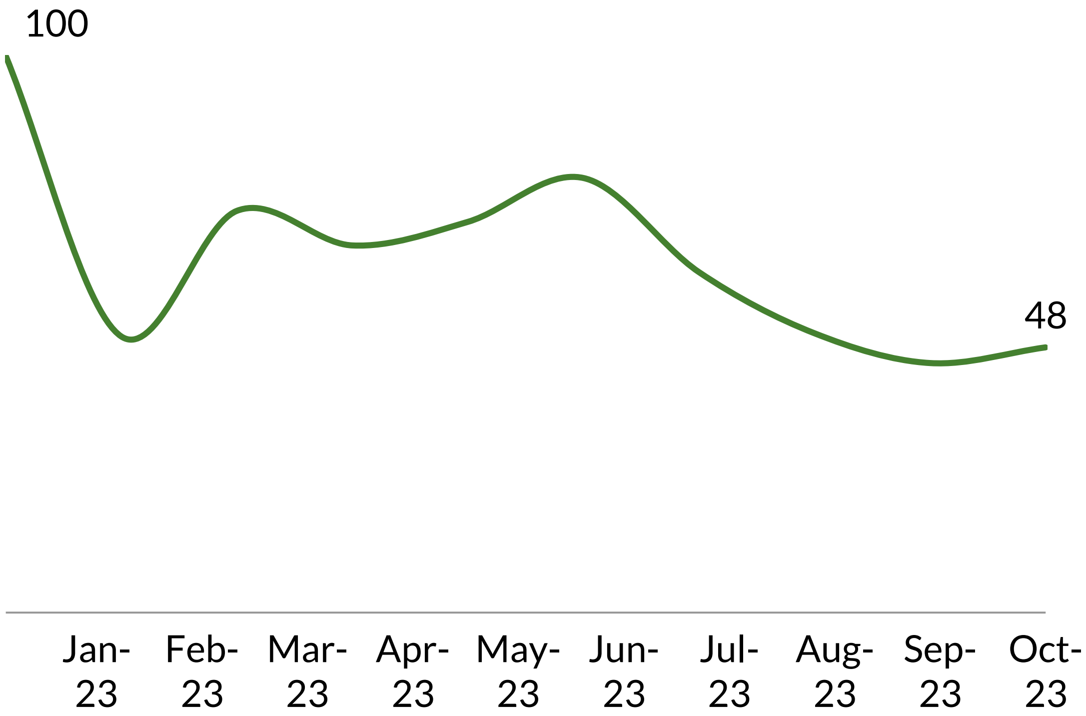
Focus on improving customer experience and reducing cost-per-order to drive profitability

Customer experience at heart of our efforts



Evolution of digital operations – decrease of more than 50% in cost per order

(Jan-23 cost per order = 100)



GRUPO CARREFOUR BRASIL

Paving the way for future growth

With 4 main pillars

Food e-commerce for B2B customer

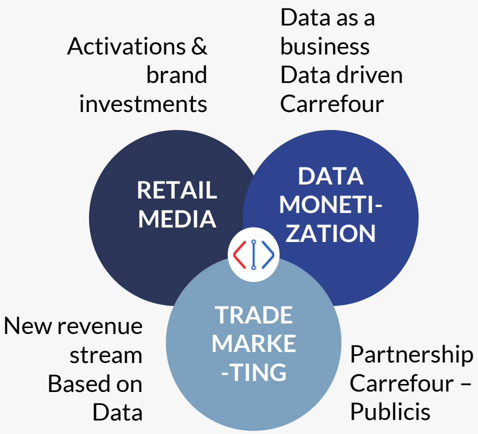
- Strengthen B2B e-commerce
- Digitize all wholesale activity at Atacadão
- Develop a B2B ecosystem around the Atacadão brand: new customers, new suppliers, new services

Accelerate digital in financial services

- **Digitalization:** continued digitalization, process automation
- **Diversification:** new means of payment and credit proposals (microcredit), insurance, new services
- **Deep into retail:** development of physical acquisition in stores, reduction in acquisition costs

Data and technology as business catalysts

- Development and sale of solutions to all our stakeholders



Talents

- Attract, retain and train talents
- Agile structures with less hierarchy and more team autonomy
- Diverse, collaborative and inclusive work environment

Innovation and AI to drive business performance

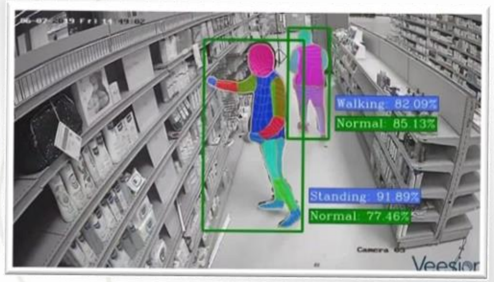
Deep Learning

Veesion Software connected to CCTVs to detect risky behaviors and thefts (POC in 2 stores)

⊘ excluding any chance of mistaken action by human interpretation.

KPIs

- % – loss not identified by store
- R$ – value loss not identified by store
- Qtd. – alert assertiveness
- % – Decreased assessment of stereotyping bias



Personalization

- 90% of all comms in e-commerce are personalized
- 9.5% of avg incremental impact on margin

Pricing on test phase

- Tests for automated pricing, using external features and elasticity
- **Potential meaningful impact on margin**

Supply on test phase

- Distribution, purchase and demand models in test
- 30% impact on inventories for fresh goods

Hackathon

- Digital Hacking Days 4
- IA Generative as its backdrop
- +1,000 people registered
- The largest Hackathon in Brazil
- 12 technology and business sponsors
- 18 cases selected to be developed

GRUPO CARREFOUR BRASIL

Further advances in ESG strategy

Building a sustainable future

Maria Alicia Lima – Comm and ESG Executive Director

November/2023

ESG strategy pillars and main initiatives

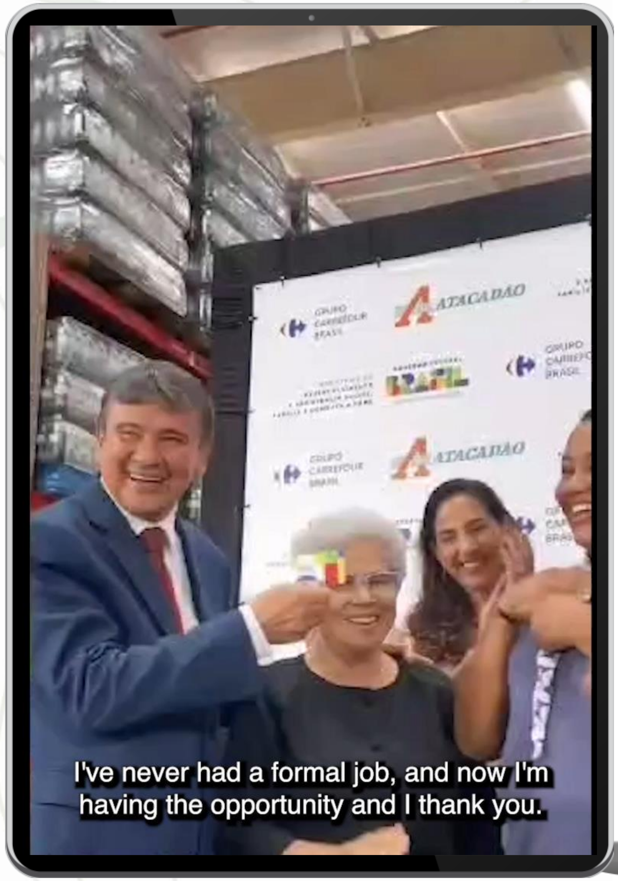
Our mission	Offer **AFFORDABLE AND QUALITY FOOD** to all Brazilians, and contribute to a more inclusive, diverse and sustainable society

Fight against hunger and inequalities	Inclusion and Diversity	Protection of the Planet and Biodiversity
Food donation	Black people and women	Critical chains
Inclusion in the value chain	Disabled people	Waste and packaging
Generation of income and employment	Inclusive culture	Carbon emissions

Main achievements in 2023

Fight against hunger and inequalities

People hired from Bolsa Família Program



Inclusion and Diversity

Racial equality programs

Protection of the Planet and Biodiversity

Fight against deforestation

- Forest Committee: Strong governance structure with external specialists
- Monitoring 100% of the farms that produce cattle for the supplying slaughterhouses
- 20 million hectares monitored in 2023

Climate change emergency

- Carbon emissions reduction plan focused on energy efficiency and changing the refrigeration gas system
- 2024:the first zero-waste store pilot project

Long-term commitments

		YTD 10M 23	Commitments
Fight against hunger and inequalities	People hired from Bolsa Família	958	6,000 by 2025
	Tons of food donated	3,600	8,100 by 2025
Inclusion and Diversity	Women in Management+ position	36%	50% by 2026
	Black in Management+ position	42%	50% by 2025
	People with disabilities	5,546	5% annually
Protection of the Planet and Biodiversity	Emissions Reduction (scope 1 and 2 – base 2019)	-34%	-50% by 2030 and -70% by 2040
	Certified Sustainable Products (in R$ million)	792	1,407 by 2026
	Waste Recovery	54%	100% by 2025
	PL Recyclable and compostable packaging	66%	100% by 2025
	% meat suppliers monitored	100%	100%

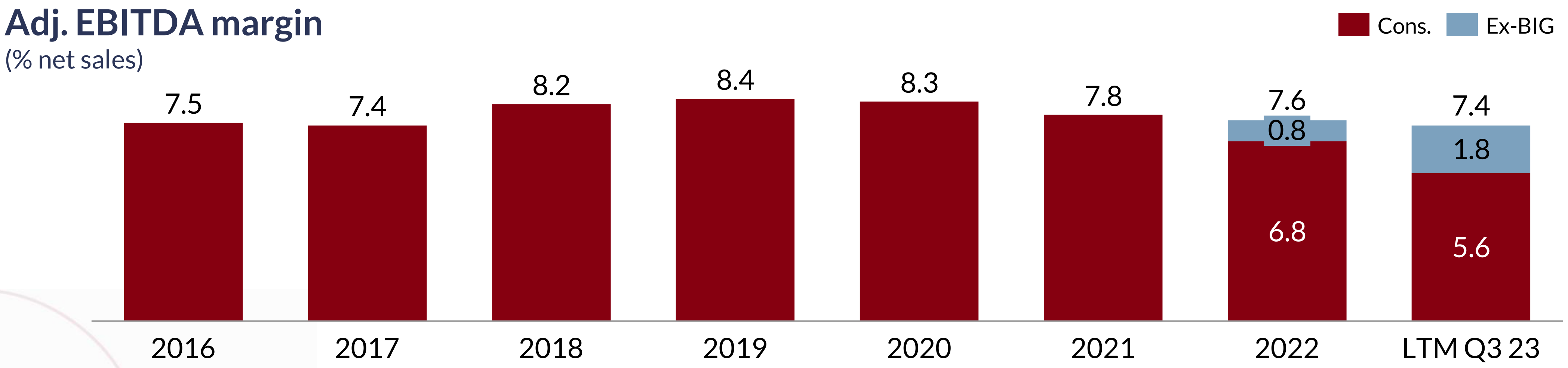
Financial performance

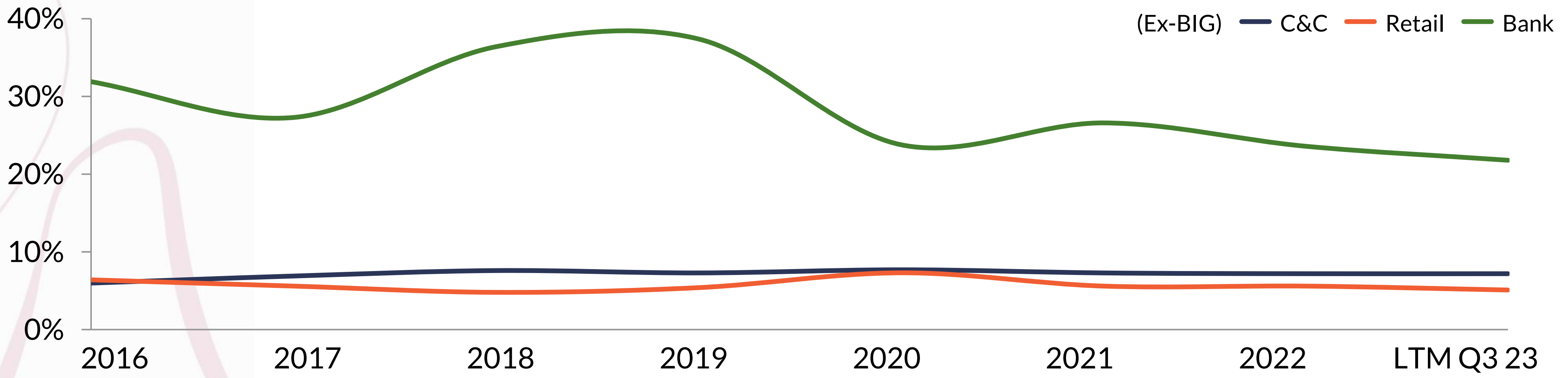
Maximizing cash flow generation through profitability

Eric Alencar – CFO and IRO

November/2023

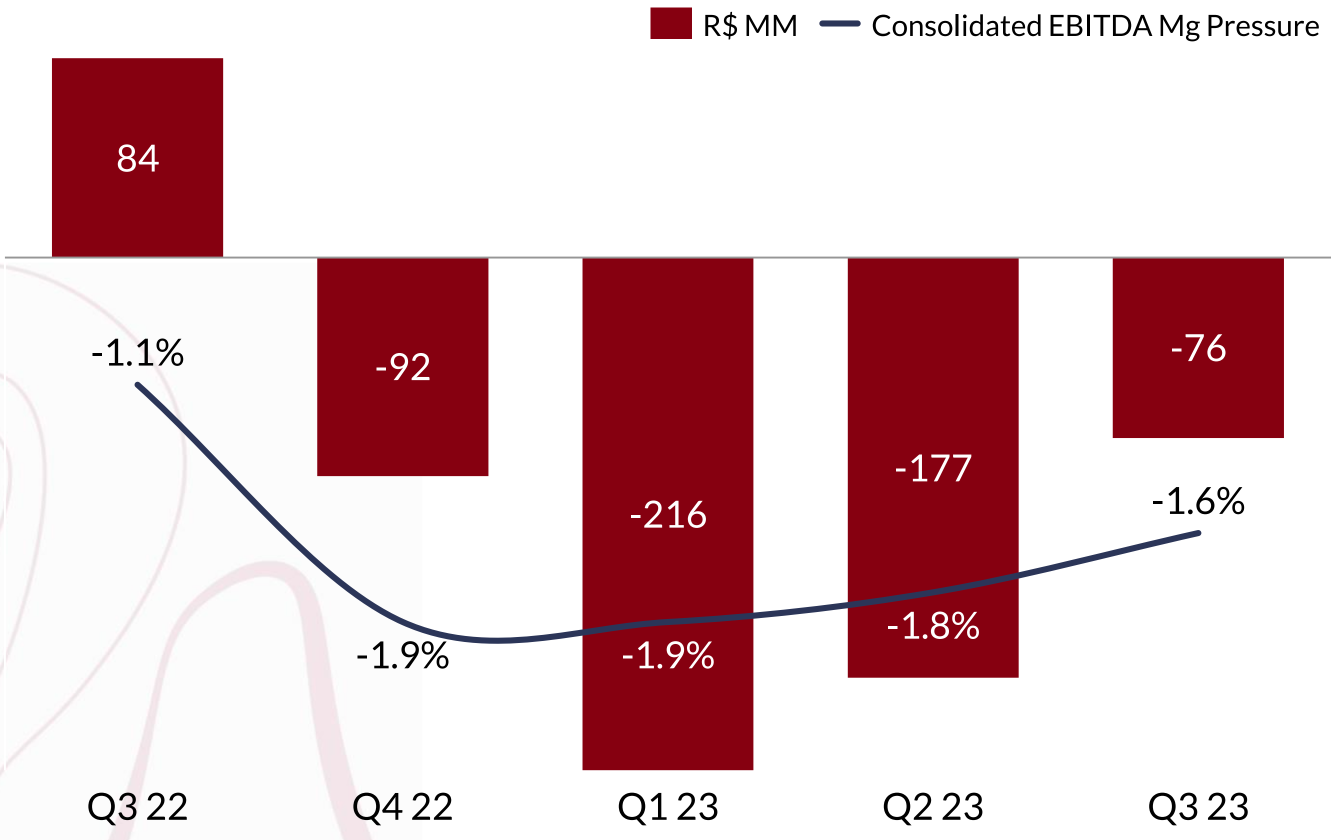
Delivering solid profitability at legacy business





Temporary pressure from former BIG is easing

Former Grupo BIG Adj. EBITDA
(R$ MM)



Main sources of impacts

- Pre-conversion process (mainly mark-downs and shrinkage)
- Stores closed to be converted
- Layoffs
- Gradual ramp-up of the stores
- Inventories adjustments
- Migration of clients to Banco Carrefour credit card

Maximizing profitability of current assets

1

Optimizing asset allocation

- Converting stores to best performing formats
- Selling or closing structurally non profitable stores

2

Enhancing LfL sales growth

- Maturing converted stores
- Additional initiatives by business unit (services, self-checkout, Sam's Club active members)

3

Reinforcing cost-cutting and efficiency-gaining initiatives

- R$300MM in cost-cutting initiatives on top of synergies
- Leaner corporation prepared to accommodate future growth

3 Further optimization of store portfolio

Conversion of ~40 hypermarkets into Atacadão and Sam's Club over 3-year period

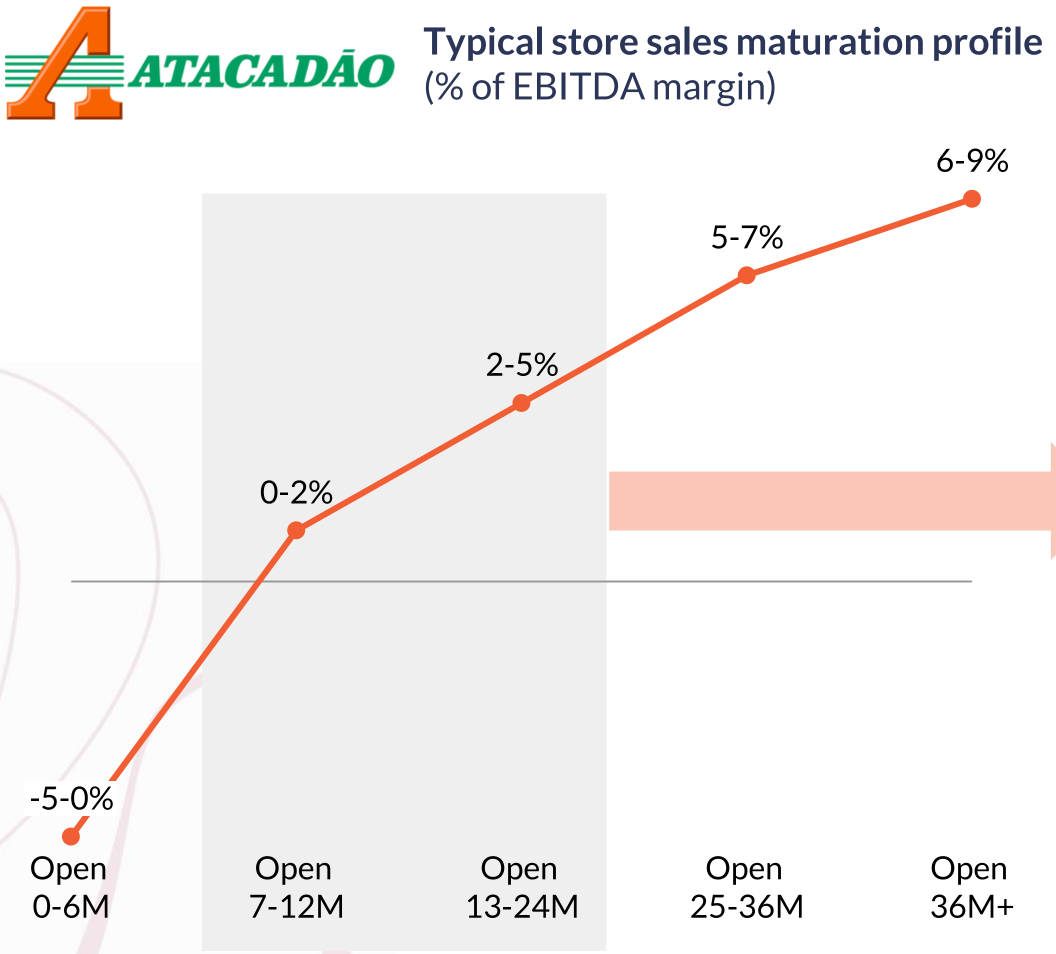
- ~20 conversions planned for 2024
- ~20 conversions planned for 2025-26
- Expected impact on EBITDA per store: +R$ 10-15 MM/yr (at maturity)

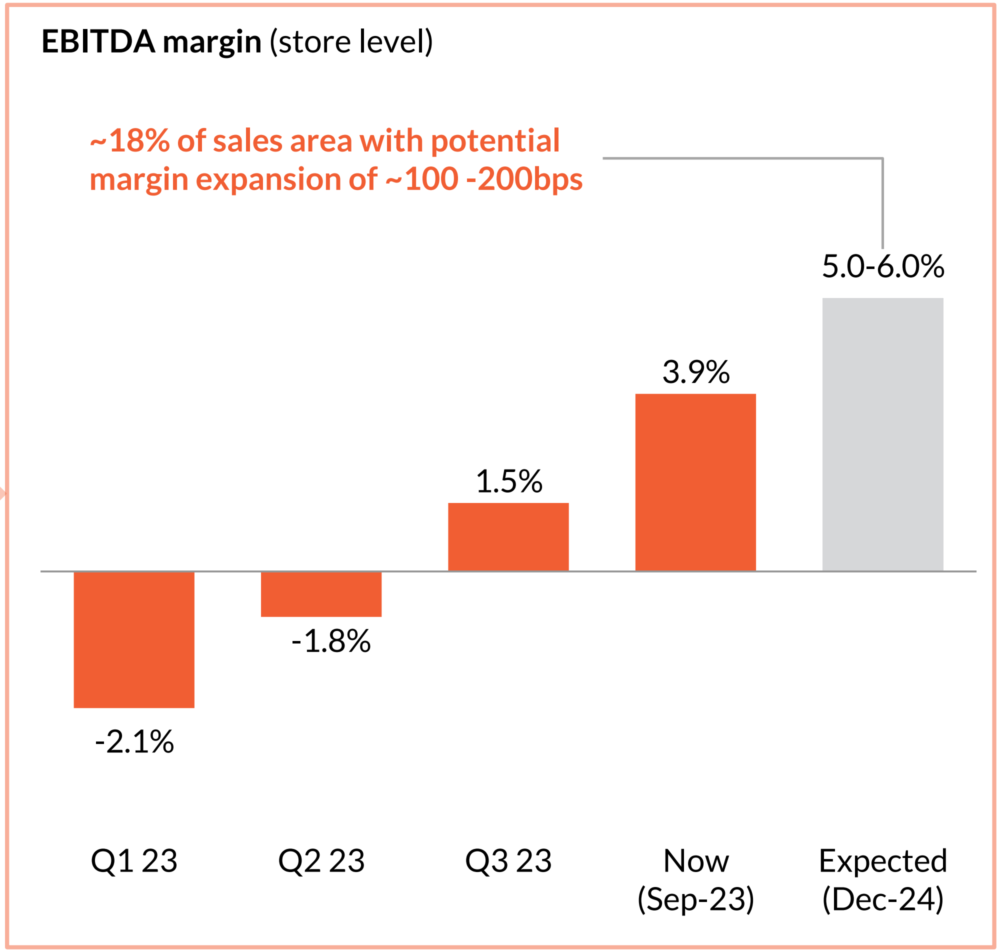
Selling or Closing unprofitable stores

- Expected impact on annual EBITDA of R$ 150-200MM
- Potential cash inflow from real estate monetization to outweigh demobilization expenses

Total potential impact on 2024E EBITDA: R$ 180-220MM
Total potential impact on 2026E EBITDA: R$ 550-800MM

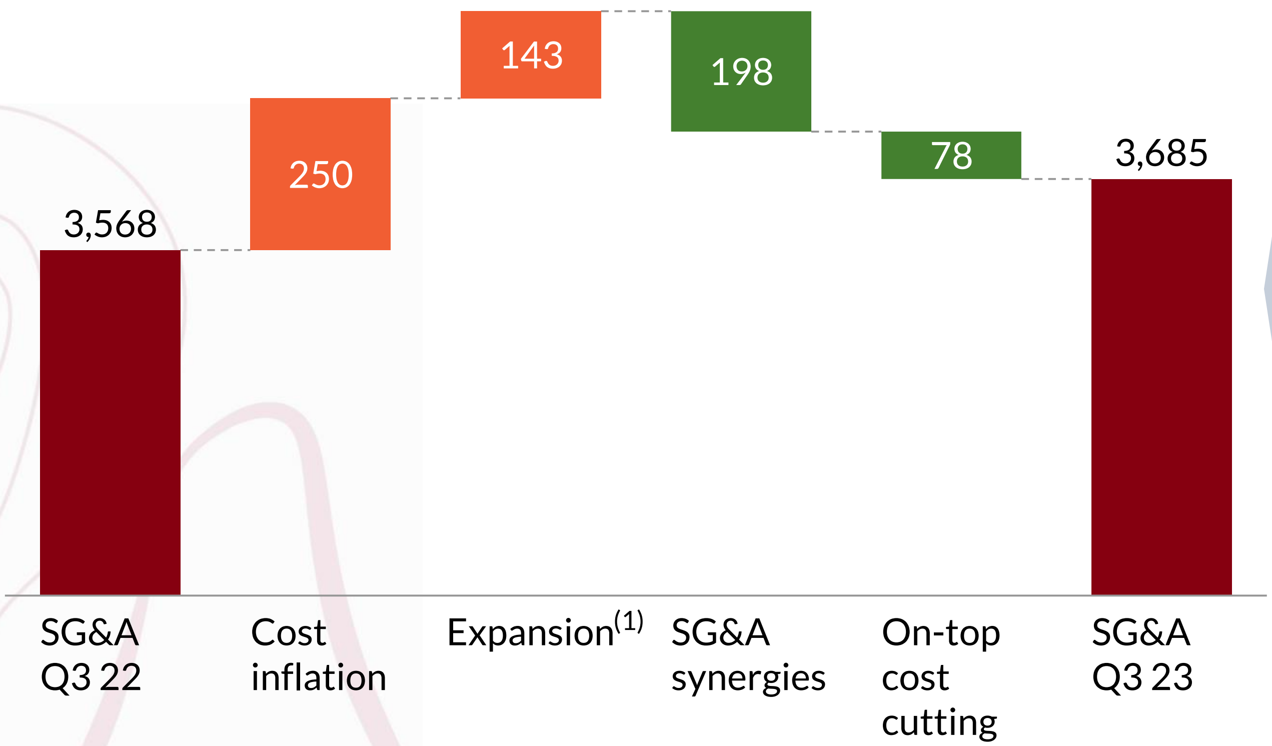
2 Continued ramp-up of converted stores





3 R$ 300MM per year of cost-cutting initiatives implemented in addition to synergies

Consolidated SG&A Y/Y comparison
(R$ MM, per quarter)



On-top cost-cutting initiatives

In-store:
- More use of supplier partnerships in shelf storage
- Self check-outs
- Efficient use of energy

Corporate level:
- Less hierarchical levels (from 9 to 7)
- IT systems integration
- Rationalization of expenses, such as traveling, consulting and other non-essential 3rd party services
- More use of data for targeted advertisement

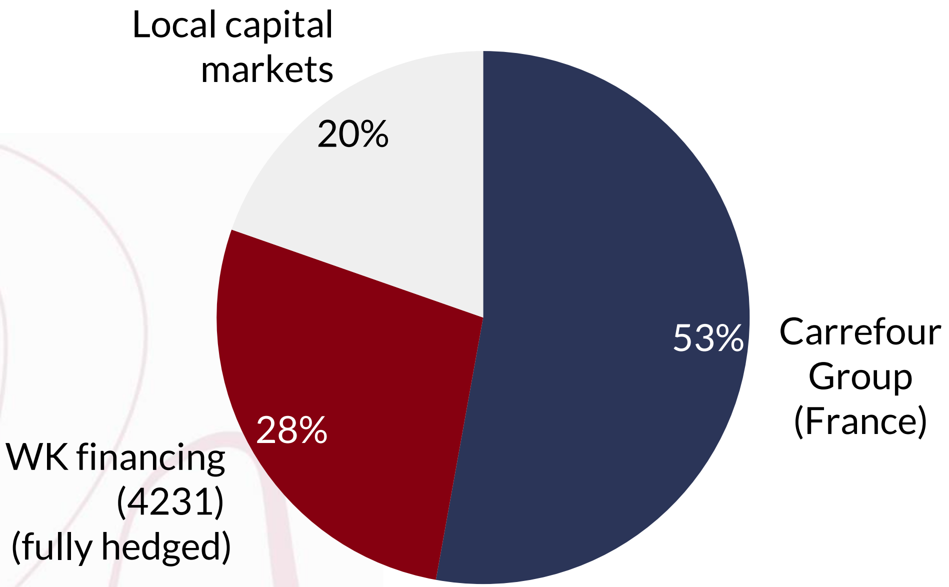
(1) Includes R$ 38MM SG&A at the Bank related to efforts to acquire new clients at converted stores, net new stores expenses, global functions and others

Positive drivers supporting operating cash flow generation in 2024

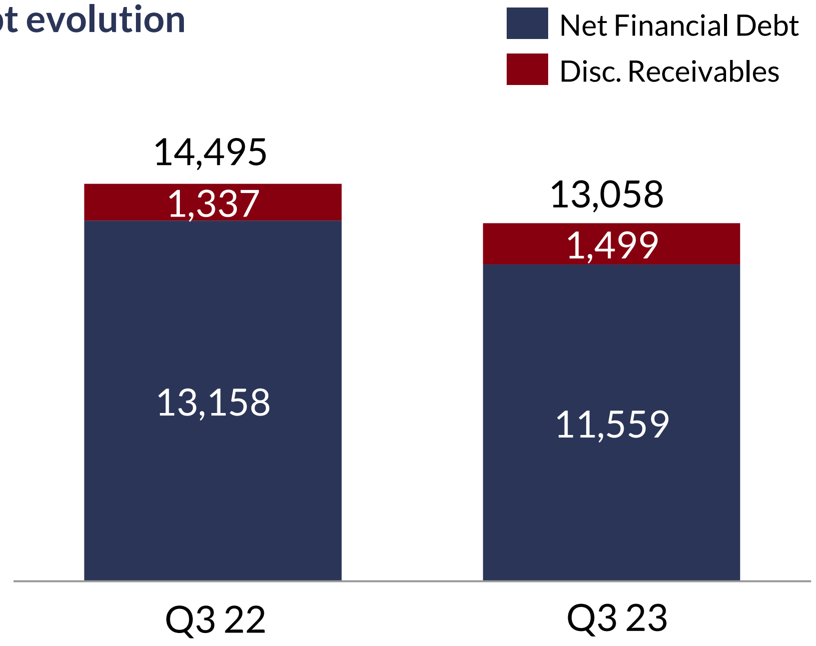
EBITDA (↑)	▪ Ramp up store sales and profitability ▪ Eliminate/restructure unprofitable operations
Interest expenses (↓)	▪ Reduce debt when possible and reduce cost of capital ▪ Manage provisions (settlements, reversions)
Tax expenses (↓)	▪ Normalization of tax rate
Working capital requirements (↓)	▪ Reduce inventories by approx. 2 days ▪ Manage payables to remain at current levels
Capex (↓)	▪ Take advantage of diverse large store portfolio to continue to expand in higher growth formats in less capital intensive manner through conversions and combos

Current leverage levels are comfortable; however, cost of debt is high and we aim to reduce it

Gross financial debt breakdown
(Total gross financial debt of R$ 15.8 bn, Q3 23)



2023 Net debt evolution
(R$ MM)



	Q3 22	Q3 23
Net Debt/ Adj. EBITDA LTM	**2.26x**	**2.27x**
Avg cost of debt		***CDI + 1.5%***

2024 guidance

Guidance item	2023 reference	2024 guidance
Store openings and conversions (ex-acquisitions)	▪ 15 Atacadão stores ▪ 4 Sam's Clubs	▪ 10-12 Atacadão stores ▪ 7-9 Sam's Clubs
Capex	LTM Q3 23: R$ 4.1 bn	R$ 2.3-2.6 bn (full year)
Working capital		(-) ~2 days of inventory stable payable days (vs. 2023)

Strategic priorities

What is next for Grupo Carrefour Brasil

Stéphane Maquaire – CEO of Grupo Carrefour Brasil

November/2023

Strategic priorities for 2024

Corporate strategy		Business unit strategy	
1 Maximize return on existing assets	3 Continue digitalization journey	ATACADÃO: Strengthen leadership position and ramp up stores	Carrefour: Optimize portfolio and recover profitability
2 Increase operating cash flow generation	4 Advance implementation of ESG strategy	Sam's Club: Expand footprint and active members	Carrefour banco: Grow portfolio while maintaining NPLs under control

Today's key takeaways

A unique position with undisputed retail leadership and unparalleled brand portfolio

Resilient and profitable business models

Recent investments and transformation will deliver capital-efficient growth in 2024

Strong growth potential and ambitious future goals

SEND YOUR QUESTION

Q&A