



October 15, 2021

## Market Presentation



# Transaction Summary



Optimization of the entire Extra Hiper platform by means of a strategic transaction between GPA and Assaí

Overview	<ul style="list-style-type: none"><li>• On October 15, 2021, GPA and Assaí entered into a binding agreement to implement a transformational move:<ul style="list-style-type: none"><li>– GPA will accelerate its expansion plan focusing on high profitability &amp; performance banners + food <i>E-com</i> leadership</li><li>– Assaí will accelerate its route towards the cash &amp; carry absolute leadership in Brazil</li></ul></li></ul>
Description & Perimeter	<ul style="list-style-type: none"><li>• Conversion of 71 Extra Hiper stores into C&amp;C format by Assaí (approx. 70% of the total Extra Hiper platform):<ul style="list-style-type: none"><li>– 32 stores to remain with GPA: 28 stores converted into its higher performance banners <i>Pão de Açúcar</i> and <i>Mercado Extra</i>; (-) 4 stores divested</li><li>– 71 stores transferred to Assaí</li></ul></li></ul>
Transaction Value and Payment	<ul style="list-style-type: none"><li>• Total consideration of R\$ 5.2 Bn<sup>(1)</sup> including stores and owned Real Estate:<ul style="list-style-type: none"><li>– R\$ 4.0 Bn in consideration for the Stores – primary scope of the MoU with Assaí</li><li>– R\$ 1.2 Bn in consideration for the RE assets – scope of the MoU with the REIT, but subject to commitment by Assaí</li><li>– Upfront payment in Dec.2021 and 5 installments from 2022 up to 2024, adjusted by CDI + 1.2% <i>p.a.</i></li></ul></li></ul>
New GPA	<p>Relevant proceeds to accelerate growth in the core and most profitable banners</p> <p>Transformational shift to +60% of total Sales coming from <i>Pão</i>, Proximity &amp; <i>E-com</i></p> <p>Improved EBITDA margin &amp; Bottom Line with a positive deleveraging impact</p>

(1) Base Value of R\$ 5.2 Bn subject to potential adjustment; possibility of Assaí acquiring stores' equipment is also contemplated by the agreement.

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Attractive Valuation	<ul style="list-style-type: none"><li>• <b>Total consideration represents 0.6x of comparable perimeter Gross Sales LTM of R\$ 8.7 Bn</b><ul style="list-style-type: none"><li>– Above GPA consolidated 0.3x EV / Sales trading<sup>(1)</sup></li><li>– Rich multiple considering cash generation and operating profit profile</li></ul></li></ul>
Solid Financial Position	<ul style="list-style-type: none"><li>• <b>Robust sale proceeds flow to support investments for growth and make a positive deleveraging impact</b><ul style="list-style-type: none"><li>– R\$ 1 Bn+ investments in the most attractive banners within the portfolio</li><li>– Approx. R\$4.0bn<sup>(2)</sup> available cash proceeds for growth initiatives and deleveraging</li></ul></li></ul>
Governance	<ul style="list-style-type: none"><li>• <b>Approval based exclusively on the votes of the independent members of the BoD</b><ul style="list-style-type: none"><li>– Strict compliance with the RPT policies both by GPA and Assaí</li><li>– Members indicated by the controlling shareholder refrained from voting</li><li>– Independent financial, legal advisors and fairness opinions to support the negotiation and decision-making process</li></ul></li></ul>

<sup>(1)</sup> Based on pre-IFRS EV figures and 90 days VWAP perspective as from October 15, 2021.

<sup>(2)</sup> Sale proceeds after est. cash taxes and cash one-off transaction impacts; does not include non-recurring dividends and working capital impacts.

# Compelling Strategic Rationale for GPA Brazil



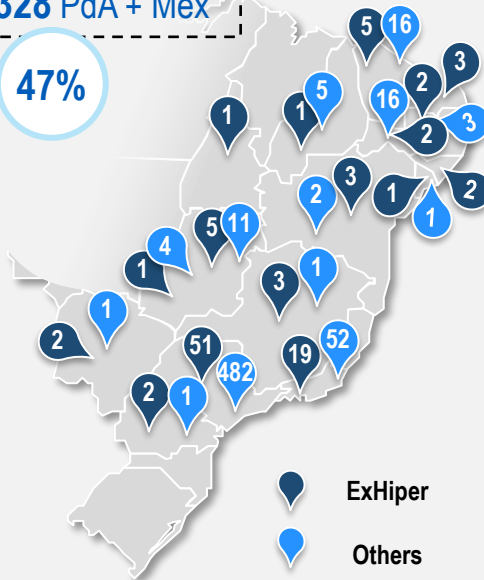
Unique opportunity to focus on the most promising and profitable banners for Premium & Proximity and Food *E-com* in Brazil

## Pre-Deal

698 total stores  
328 PdA + Mex

47%

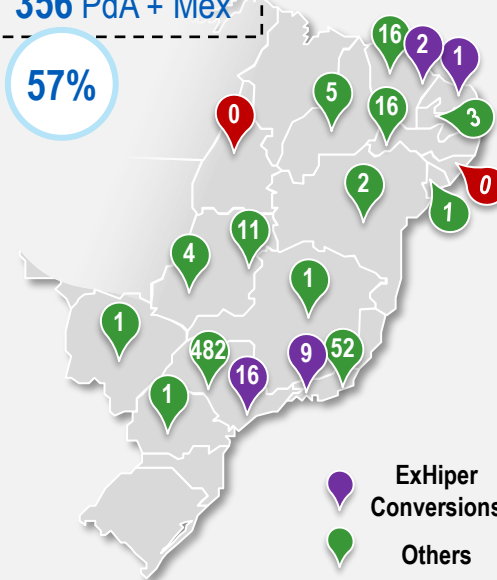
Pre-Deal	Sep/21
Pão de Açúcar	182
Mercado Extra	146
Minuto	239
Compre Bem	28
(=) Cont.Op.	595
Extra Hipermercados	103
<b>TOTAL</b>	<b>698</b>



## Proforma Post Deal<sup>(1)</sup>

623 total stores  
356 PdA + Mex

57%



- **Net addition of +28 Pão and Mercado stores in the short term, +8.5% Vs. current base**
  - 6 month remodeling and 6 month ramp up to reach Pão and Mercado efficiency levels
  - Only 4 stores to be divested, representing an almost optimal platform optimization with further positive impacts from said 4 stores monetization
- **Mitigated execution risk, in a single transaction allowing the quick demobilization of the entire Extra Hiper platform**
  - Intra economic group transaction
  - Expedite demobilization plan Vs. multiple sales' efforts, allows a faster achievement of a more efficient structure

- **Increased focus to deliver further growth in the most promising banners of GPA in Brazil**

## Stores Remained



32 Stores

## Overview Proforma Post Deal<sup>(1)</sup>

Post Deal	Sep/21
Current Stores	698
Extra Hiper	(103)
Conversions	28
<b>TOTAL</b>	<b>623</b>



14 Stores



14 Stores

✗ 4 Stores

Note: Number of stores does not consider Gas Stations and Drugstores.

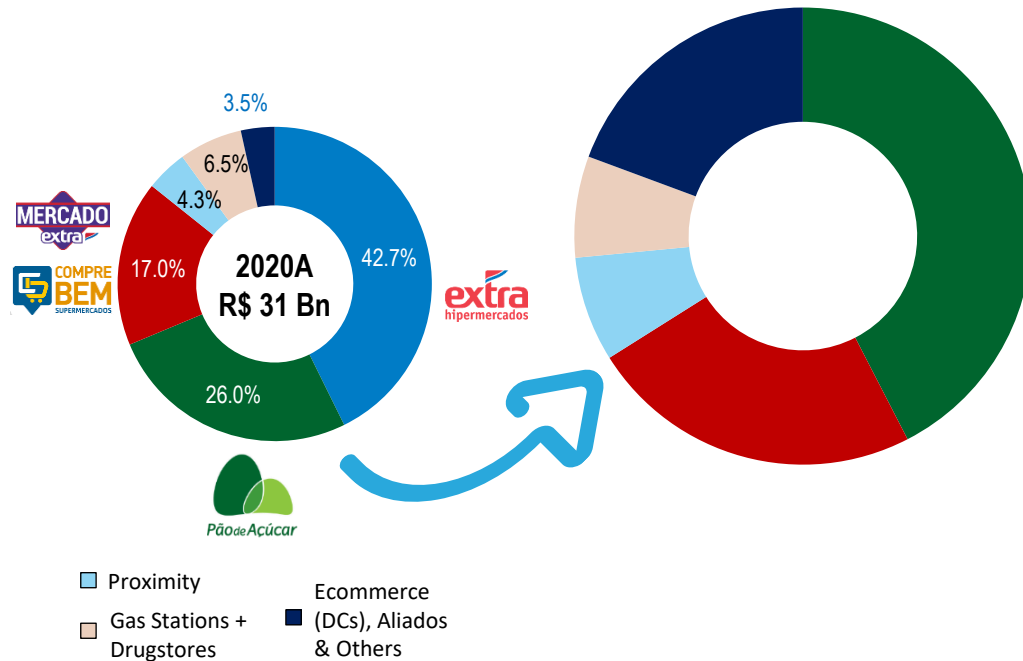
(1) Proforma overview based on current stores as of Sep/21, including conversions of Extra Hiper stores (without expansion plan).

# Strengthening Core Competencies in the Most Attractive Segments



The New GPA Brazil will show a **relevant shift to +60% of total Sales** coming from Pão, Proximity & E-com

- **Fast track expansion for banners with Higher Margin & Profitability**, adding and remodeling premium Pão and Minuto stores
- **Strengthening regional platform with Mercado Extra remodeling and Compre Bem maturity**; becoming increasingly competitive vs. regional players



## Organic Expansion of Premium & Consolidated Formats



**R\$ 8.1 Bn** Net Sales 21LTM

**Expansion 21-24:**

**+100** new PdA, including 14 conversions of E-Hiper

**+100** new Minuto

**Refurbishment of +135** stores

## Growth and Maturation of Super Regional



**R\$ 4.9 Bn** Net Sales 21LTM

**+14** M-Extra conversions

**+50** stores refurbishment

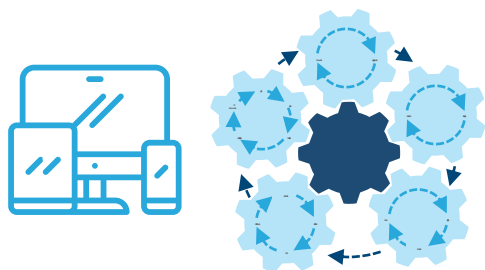
Potential comeback to the M&A arena in strategic opportunities

# With Continuous Development In the Digital Omnichannel Space



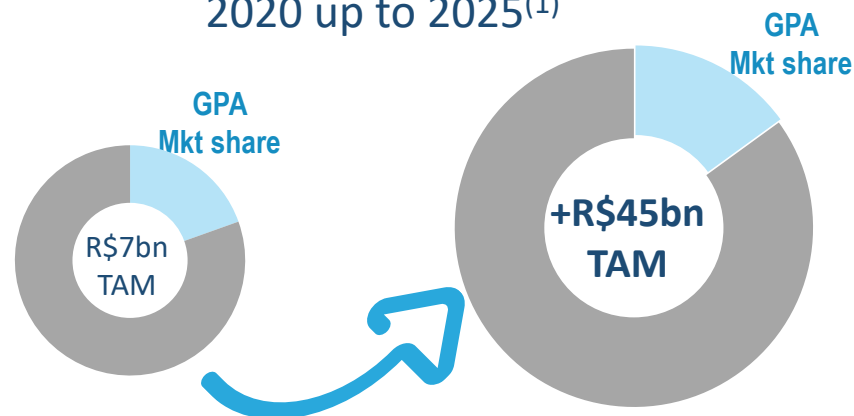
Best positioned to play an increasingly relevant role in a growing and underpenetrated Food-Ecom TAM

## Scale-up Digital Platform



## Digital Food Market

2020 up to 2025<sup>(1)</sup>



**+R\$1.7bn GPA GMV est. 21E**

- **Accelerate *E-com* with a differentiated strategy across all banners**
  - Primary focus on *Food* and *Home Care*
  - Clube Extra remains an enabler for Mercado Extra digital experience
  - Great opportunities for expansion around food universe, such as equipment for kitchen, bazar for table and home care
  - Combined offer including LastMilers and James to provide the best UX
- **Additional value lever in B2B2C with Aliados**, via further development of systems and solutions



### Frequency + Recurrence

Food (mainly fresh) as Our Core



### Top of Mind Brands



### Nationwide Logistics in Place

Approx. **700** Stores / Hubs  
Last Mile Capabilities



### Profitability Strategy to Deliver One-Stop-Shop

Core / higher Margin = 1P  
Fulfillment / Take Rate = 3P



### Massive Customer Database

+21 mm customers registered  
+17 mm app downloads

Source: Company information.

(1) Euromonitor.

# Clear Path to Drive Execution Focus and Maximize Results

Simplification efforts will take place in order to deliver a **leaner structure with improved efficiency**

*B&M*

**Expansion of  
Premium  
Formats**

**Mainstream  
Formats'  
Strengthening**

*Digital,  
B2B2C*

**Digital  
Platform**

**Complementary  
Levers**



**Focus on Execution**

- **Transition to simplify the company's internal structure**
  - Extra Hiper banner discontinuance and resizing of the corresponding logistics and support structure
  - Transition plan to take place from the 4Q21 up to 4Q22
  - Relevant reduction in corporate expenses
- **Leaner structure + relevant transaction proceeds will enable an increased focus on the execution of the core strategy**

## Digital

**Leading Food *E-com*** with a **strong execution** in Digital Omnichannel client & partners' experience, and strategic selective approach of Non-Food *E-com* opportunities

## B&M

**High Quality & Profitability** brands, with clear growth avenues,

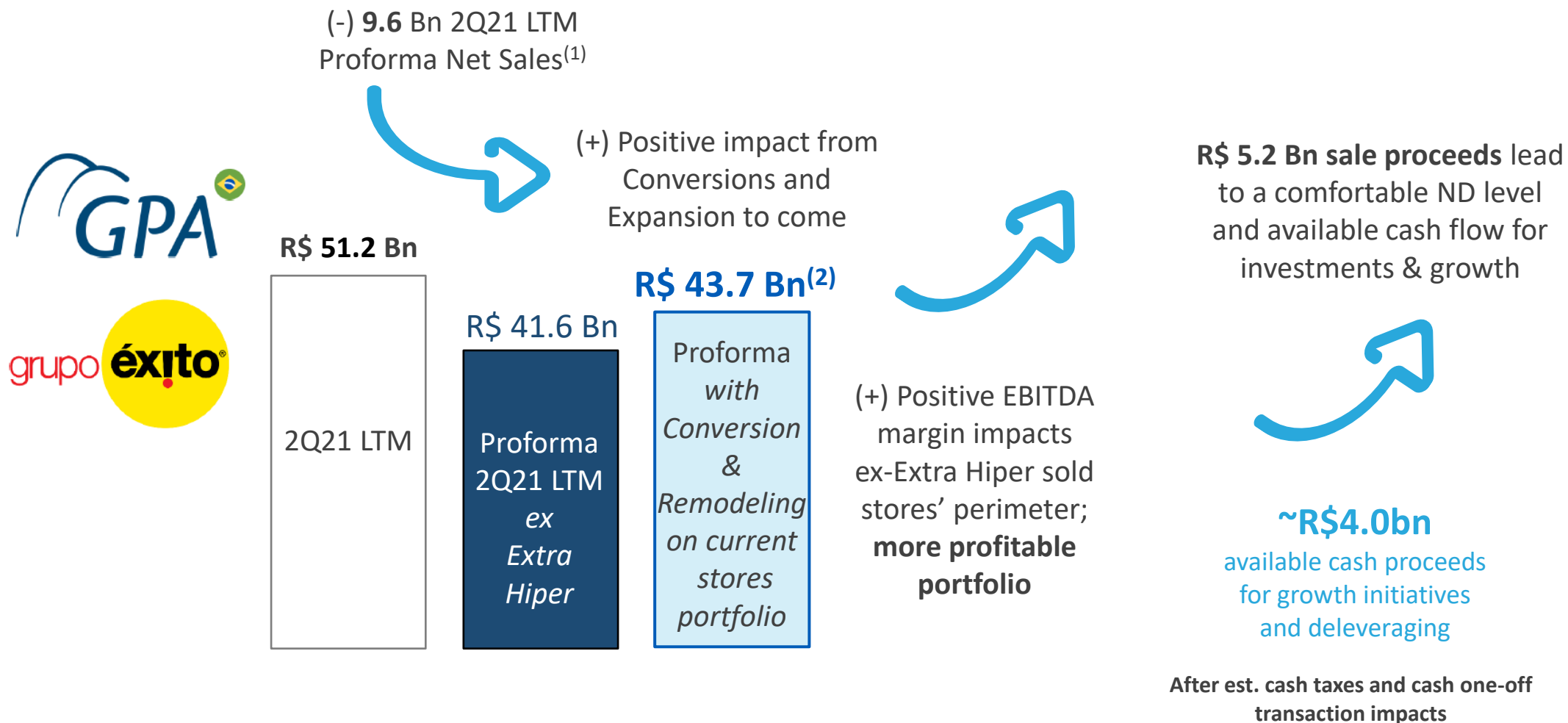
**Maturation and increased profitability** of mainstream formats



# Robust Financial Performance and Benefits Arising from the Transaction



Improved EBITDA margin with a more favorable mix & Bottom Line to benefit from a positive Deleveraging Impact



(1) Proforma Net Sales of 103 E-Hiper.

(2) Proforma 2Q21 LTM considering +28 E-Hiper stores conversions to PdA and Mex and 185 stores remodeling (without expansion plan). All net sales contribution at maturity.



# The #1 Food Retailer in South America, with a Diversified Portfolio of Leading Brands in Brazil, Colombia, Uruguay and Argentina



## Key takeaways

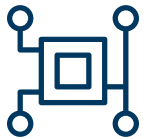


### Focus on Executing Our Core Strategy

The transformational impact of the transaction will accelerate our expansion in with a focus on higher profitability & performance banners



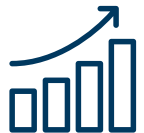
**#1 One Food Retailer** and **Food E-com**, with **Nationwide Presence in Brazil**, Multiformat Strategy and leading presence in Colombia, Uruguay and Argentina via Grupo Éxito



**Digital Platform Acceleration**, integrating of Our Top and Diversified **B&M Portfolio** with a Massive **Loyal** Customer Base



**Improvement of Operational Excellence**, with Continuous Innovation and Strengthening the Value Proposition of our Banners



**Multiple Levers of Growth**, **Low Leverage** and **Relevant Transaction Proceeds** to Seize Opportunities and fuel Growth across all strategic initiatives



Food retailer  
in **South America**<sup>(1)</sup>



Food retailer and  
food e-commerce in  
**Brazil and Colombia**

<sup>(1)</sup> Leadership based on Sales.

## Next Steps

1. **Due Diligence process**
2. **Definitive agreements**
3. **Landlords and Labor Unions**
4. **Operational demobilization of Extra Hiper stores**

**Target: Conclusion between 4Q21 – 1Q22**