



COMPANHIA BRASILEIRA DE DISTRIBUIÇÃO
PUBLICLY-HELD COMPANY
CNPJ/ME No. 47.508.411/0001-56
NIRE 35.300.089.901



SENDAS DISTRIBUIDORA S.A.
PUBLICLY-HELD COMPANY
CNPJ/ME No. 06.057.223/0001-71
NIRE 33.300.272.909

MATERIAL FACT

Companhia Brasileira de Distribuição ("GPA") and **Sendas Distribuidora S.A.** ("Assaí"), pursuant to Article 157 of Law No. 6,404/1976 and CVM Resolution No. 44/2021, hereby inform their shareholders and the market in general, that the Board of Directors of each Company approved a transaction involving the conversion of Extra Hiper stores operated by GPA in cash & carry stores, which will be operated by Assaí ("Transaction").

The Transaction involves seventy-one (71) commercial points located in several federative units in Brazil and was formalized through the execution of a binding memorandum of understanding ("MoU") for the assignment of the stores operated by GPA under the Extra Hiper brand in properties owned by GPA and leased from third parties, as well as the respective lease agreements, to Assaí, and which may also involve the purchase of certain equipment contained in stores by Assaí.

The MoU establishes that the total estimated price of the Transaction to be received by GPA is up to BRL5,200,000,000.00 (five billion and two hundred million reais) ("Total Price"), of which BRL4,000,000,000.00 (four billion reais) must be paid by Assaí to GPA, in installments, between December 2021 and January 2024.

Additionally, in the context of the Transaction and subject to its conclusion, GPA has also entered into another memorandum of understanding with a real estate investment fund ("Fund"), in which Assaí is an intervening and guaranteeing party, regulating the sale of 17 (seventeen) properties owned by GPA. The estimated total sale price of these properties is BRL1,200,000,000.00 (one billion and two hundred million reais), which will be paid by the Fund to GPA, comprising the Total Price of the Transaction. Assaí's guarantee consists in the obligation of payment for the properties in case the Fund does not meet the agreed deadline.

Simultaneously, Assaí also entered into another memorandum of understanding with the Fund regulating the lease, after the conclusion of the Transaction, of the properties acquired by the Fund to Assaí, for a period of twenty (20) years, renewable for the same term.

The Total Price was negotiated between the management of GPA and Assaí which hired top-notch financial advisors and was endorsed by fairness opinion contracted by the management of both Companies.

The Transaction was conceived under a clear rationale from a business and financial point of view, for both Companies, with the potential for significant value creation for their respective shareholders.

For Jorge Faiçal, GPA's CEO, "the Transaction represents a unique opportunity to intensify the focus and accelerate the expansion of the Company's most profitable businesses through the premium and proximity segments, notably with the Pão de Açúcar, Minuto and Mercado Extra banners, in addition to reinforcing GPA's leadership position in retail and food e-commerce in the country. Post-transaction GPA will represent a platform with high growth potential and low leverage. The Extra Hiper banner will be discontinued and stores not covered by the Transaction will be converted into formats with greater potential for profitability".

For Belmiro Gomes, Assaí's CEO, "the Transaction will permit an important acceleration of the expansion combined with a strengthening of results through the conversion of stores in exceptional commercial points, located in dense regions and with low overlap with the current Assaí store platform. This movement is supported by the proven successful model implemented in the opening of more than 150 stores in the last decade, of which more than 25 stores converted from Extra Hiper and which presented fast sales maturation and results above the Company's average".

In line with the best corporate governance practices, given that GPA and Assaí are jointly controlled companies of the Casino group, the Transaction was approved exclusively with the votes of the independent directors of GPA and Assaí at such meetings of the Board of Directors.

The consummation of the Transaction is subject to the conclusion of the final documents, the necessary approvals and the fulfillment of certain precedent conditions, including the prior consent of any third parties.

GPA and Assaí will keep the market and its shareholders informed of any other relevant facts related to this matter.

São Paulo, October, 14, 2021.

Guillaume Marie Didier Gras

Vice-President of Finance and Investor Relations
Officer of Companhia Brasileira de Distribuição

Gabrielle Castelo Branco Helú

Investor Relations Officer of Sendas
Distribuidora S.A.