# Interim Financial Information

# Sendas Distribuidora S.A.

(Free Translation into English from the Original Previously Issued in Portuguese)

Interim Financial Information for the period ended June 30, 2022

Index

## Corporate information / Capital composition

| Number of Shares (Thousands) | Current year 6/30/2022 |
|---|---|
| **Share Capital** | |
| Common | 1,347,213 |
| Preferred | 0 |
| Total | 1,347,213 |
| **Treasury Shares** | |
| Common | 0 |
| Preferred | 0 |
| **Total** | 0 |

## Individual Interim Financial Information / Balance Sheet - Assets
## R$ (in thousands)

| Account code | Account description | Current quarter 6/30/2022 | Prior period 12/31/2021 |
|---|---|---|---|
| **1** | **Total Assets** | **33,436,000** | **22,854,000** |
| **1.01** | **Current Assets** | **10,476,000** | **8,772,000** |
| 1.01.01 | Cash and Cash Equivalents | 3,108,000 | 2,550,000 |
| **1.01.03** | **Accounts Receivables** | **380,000** | **324,000** |
| 1.01.03.01 | Trade Receivables | 337,000 | 265,000 |
| 1.01.03.02 | Other Accounts Receivable | 43,000 | 59,000 |
| 1.01.04 | Inventories | 5,611,000 | 4,380,000 |
| 1.01.06 | Recoverable Taxes | 980,000 | 876,000 |
| **1.01.08** | **Other Current Assets** | **397,000** | **642,000** |
| **1.01.08.01** | **Non-current Assets Held for Sale** | **242,000** | **550,000** |
| 1.01.08.01.01 | Non-current Assets Held for Sale | 242,000 | 550,000 |
| **1.01.08.03** | **Others** | **155,000** | **92,000** |
| 1.01.08.03.01 | Derivative Financial Instruments | 22,000 | 4,000 |
| 1.01.08.03.02 | Dividends Receivable | 16,000 | 16,000 |
| 1.01.08.03.03 | Other Current Assets | 117,000 | 72,000 |
| **1.02** | **Non-current Assets** | **22,960,000** | **14,082,000** |
| **1.02.01** | **Long-Term Assets** | **1,854,000** | **1,086,000** |
| **1.02.01.07** | **Deferred Taxes** | **20,000** | **45,000** |
| **1.02.01.09** | **Receivable From Related Parties** | **648,000** | **114,000** |
| 1.02.01.09.04 | Receivable from Others Related Parties | 648,000 | 114,000 |
| **1.02.01.10** | **Other Non-current Assets** | **1,186,000** | **927,000** |
| 1.02.01.10.04 | Recoverable Taxes | 914,000 | 770,000 |
| 1.02.01.10.05 | Restricted Deposits for Legal Proceedings | 124,000 | 119,000 |
| 1.02.01.10.06 | Derivative Financial Instruments | 140,000 | 28,000 |
| 1.02.01.10.07 | Other Non-current Assets | 8,000 | 10,000 |
| **1.02.02** | **Investments** | **807,000** | **789,000** |
| **1.02.02.01** | **Investments in Associates** | **807,000** | **789,000** |
| 1.02.02.01.03 | Joint Venture Participation | 807,000 | 789,000 |
| **1.02.03** | **Property, Plant and Equipment** | **15,479,000** | **10,320,000** |
| **1.02.04** | **Intangible Assets** | **4,820,000** | **1,887,000** |

The accompanying notes are integral part of these interim financial information.

## Individual Interim Financial Information / Balance Sheet - Liabilities
## R$ (in thousands)

| Account code | Account description | Current quarter 6/30/2022 | Prior period 12/31/2021 |
|---|---|---|---|
| **2** | **Total Liabilities** | **33,436,000** | **22,854,000** |
| **2.01** | **Current Liabilities** | **11,050,000** | **8,644,000** |
| **2.01.01** | **Payroll and Related Taxes** | **467,000** | **425,000** |
| 2.01.01.01 | Social Taxes | 52,000 | 55,000 |
| 2.01.01.02 | Payroll Taxes | 415,000 | 370,000 |
| **2.01.02** | **Trade Payables** | **6,943,000** | **5,942,000** |
| **2.01.03** | **Taxes and Contributions Payable** | **207,000** | **158,000** |
| **2.01.04** | **Borrowings and Financing** | **187,000** | **613,000** |
| 2.01.04.01 | Borrowings and Financing | 30,000 | 433,000 |
| 2.01.04.02 | Debentures | 157,000 | 180,000 |
| **2.01.05** | **Other Liabilities** | **3,246,000** | **1,506,000** |
| 2.01.05.01 | Payables to Related Parties | 2,241,000 | 368,000 |
| **2.01.05.02** | **Others** | **1,005,000** | **1,138,000** |
| 2.01.05.02.01 | Dividends and Interest on Equity | - | 168,000 |
| 2.01.05.02.08 | Financing Related to Acquisition of Assets | 219,000 | 197,000 |
| 2.01.05.02.09 | Deferred Revenue | 275,000 | 356,000 |
| 2.01.05.02.12 | Other Current Liabilities | 145,000 | 173,000 |
| 2.01.05.02.17 | Lease Liability | 366,000 | 244,000 |
| **2.02** | **Non-current Liabilities** | **19,075,000** | **11,444,000** |
| **2.02.01** | **Borrowings and Financing** | **11,179,000** | **7,420,000** |
| 2.02.01.01 | Borrowings and Financing | 1,535,000 | 1,154,000 |
| 2.02.01.02 | Debentures | 9,644,000 | 6,266,000 |
| **2.02.02** | **Other Liabilities** | **7,679,000** | **3,819,000** |
| **2.02.02.01** | **Payable to Related Parties** | **789,000** | - |
| 2.02.02.01.04 | Payable to Other Third Parties | 789,000 | - |
| **2.02.02.02** | **Others** | **6,890,000** | **3,819,000** |
| 2.02.02.02.07 | Other Non-current Liabilities | 14,000 | 12,000 |
| 2.02.02.02.09 | Lease Liability | 6,876,000 | 3,807,000 |
| **2.02.04** | **Provision** | **217,000** | **205,000** |
| **2.03** | **Shareholders' Equity** | **3,311,000** | **2,766,000** |
| **2.03.01** | **Share Capital** | **1,255,000** | **788,000** |
| **2.03.02** | **Capital Reserves** | **27,000** | **18,000** |
| **2.03.04** | **Earnings Reserves** | **2,030,000** | **1,961,000** |
| **2.03.08** | **Other Comprehensive Income** | **(1,000)** | **(1,000)** |

The accompanying notes are integral part of these interim financial information.

## Individual Interim Financial Information / Statements of Operations
## R$ (in thousands)

| Account code | Account description | Current quarter 4/1/2022 to 6/30/2022 | Year to date current year 1/1/2022 to 6/30/2022 | Same quarter of previous year 4/1/2021 to 6/30/2021 | Year to date prior year 1/1/2021 to 6/30/2021 |
|---|---|---|---|---|---|
| **3.01** | **Net Operating Revenue** | **13,291,000** | **24,734,000** | **10,049,000** | **19,497,000** |
| **3.02** | **Cost of Sales** | **(11,146,000)** | **(20,763,000)** | **(8,327,000)** | **(16,268,000)** |
| **3.03** | **Gross Profit** | **2,145,000** | **3,971,000** | **1,722,000** | **3,229,000** |
| **3.04** | **Operating Income / Expenses** | **(1,436,000)** | **(2,737,000)** | **(1,126,000)** | **(2,150,000)** |
| 3.04.01 | Selling Expenses | (1,006,000) | (1,935,000) | (804,000) | (1,560,000) |
| 3.04.02 | General and Administrative Expenses | (193,000) | (361,000) | (152,000) | (289,000) |
| **3.04.05** | **Other Operating Expenses** | **(247,000)** | **(459,000)** | **(184,000)** | **(330,000)** |
| 3.04.05.01 | Depreciation/ Amortization | (213,000) | (417,000) | (154,000) | (299,000) |
| 3.04.05.03 | Other Operating Expenses | (34,000) | (42,000) | (30,000) | (31,000) |
| 3.04.06 | Share of Profit of Associates | 10,000 | 18,000 | 14,000 | 29,000 |
| **3.05** | **Profit from Operations Before Net Financial Expenses** | **709,000** | **1,234,000** | **596,000** | **1,079,000** |
| **3.06** | **Net Financial Expenses** | **(328,000)** | **(630,000)** | **(145,000)** | **(279,000)** |
| 3.06.01 | Financial Income | 77,000 | 147,000 | 52,000 | 69,000 |
| 3.06.02 | Financial Expenses | (405,000) | (777,000) | (197,000) | (348,000) |
| **3.07** | **Income Before Income Tax and Social Contribution** | **381,000** | **604,000** | **451,000** | **800,000** |
| **3.08** | **Income Tax and Social Contribution** | **(62,000)** | **(71,000)** | **(146,000)** | **(255,000)** |
| 3.08.01 | Current | (27,000) | (45,000) | (164,000) | (265,000) |
| 3.08.02 | Deferred | (35,000) | (26,000) | 18,000 | 10,000 |
| **3.09** | **Net Income from Continued Operations** | **319,000** | **533,000** | **305,000** | **545,000** |
| **3.11** | **Net Income for the Period** | **319,000** | **533,000** | **305,000** | **545,000** |
| **3.99** | **Earnings per Share - (Reais/Share)** | | | | |
| **3.99.01** | **Basic Earnings Per Share - Total** | | | | |
| 3.99.01.01 | Common | 0.236925 | 0.395592 | 0.227516 | 0.406110 |
| **3.99.02** | **Diluted Earnings Per Share - Total** | | | | |
| 3.99.02.01 | Common | 0.235635 | 0.393694 | 0.227516 | 0.406110 |

The accompanying notes are integral part of these interim financial information.

## Individual Interim Financial Information / Statements of Comprehensive Income
## R$ (in thousands)

| Account code | Account description | Current quarter<br>4/1/2022 to 6/30/2022 | Year to date current year<br>1/1/2022 to 6/30/2022 | Same quarter of previous year<br>4/1/2021 to 6/30/2021 | Year to date prior year<br>1/1/2021 to 6/30/2021 |
|---|---|---|---|---|---|
| **4.01** | **Net Income for the Period** | **319,000** | **533,000** | **305,000** | **545,000** |
| **4.02** | **Other Comprehensive Income** | **1,000** | **-** | **-** | **-** |
| 4.02.04 | Fair Value of Expected Credit Loss | 1,000 | (1,000) | - | - |
| 4.02.06 | Tax over other comprehensive income | - | 1,000 | - | - |
| **4.03** | **Total Comprehensive Income for the Period** | **320,000** | **533,000** | **305,000** | **545,000** |

The accompanying notes are integral part of these interim financial information.

## Individual Interim Financial Information / Statements of Changes in Shareholders' Equity 1/1/2022 to 6/30/2022
## R$ (in thousands)

| Account code | Account description | Capital stock | Capital reserves, granted options and treasury shares | Profit reserves | Retained earnings /Accumulated losses | Other comprehensive income | Shareholders' equity |
|---|---|---|---|---|---|---|---|
| **5.01** | **Opening Balance** | **788,000** | **18,000** | **1,961,000** | **-** | **(1,000)** | **2,766,000** |
| **5.03** | **Adjusted Opening Balance** | **788,000** | **18,000** | **1,961,000** | **-** | **(1,000)** | **2,766,000** |
| **5.04** | **Capital Transactions with Shareholders** | **467,000** | **9,000** | **(464,000)** | **-** | **-** | **12,000** |
| 5.04.01 | Capital Contribution | 467,000 | - | (464,000) | - | - | 3,000 |
| 5.04.03 | Stock Options Granted | - | 9,000 | - | - | - | 9,000 |
| **5.05** | **Total Comprehensive Income** | **-** | **-** | **-** | **533,000** | **-** | **533,000** |
| 5.05.01 | Net Income for the Period | - | - | - | 533,000 | - | 533,000 |
| **5.05.02** | **Other comprehensive income** | **-** | **-** | **-** | **-** | **-** | **-** |
| 5.05.02.07 | Fair Value of Expected Credit Loss | - | - | - | - | (1,000) | (1,000) |
| 5.05.02.09 | Tax over Other Comprehensive Income | - | - | - | - | 1,000 | 1,000 |
| **5.06** | **Shareholders' Equity** | **-** | **-** | **363,000** | **(363,000)** | **-** | **-** |
| 5.06.05 | Tax Incentive Reserve | - | - | 363,000 | (363,000) | - | - |
| **5.07** | **Closing Balance** | **1,255,000** | **27,000** | **1,860,000** | **170,000** | **(1,000)** | **3,311,000** |

The accompanying notes are integral part of these interim financial information.

## Individual Interim Financial Information / Statements of Changes in Shareholders' Equity 1/1/2021 to 6/30/2021
## R$ (in thousands)

| Account code | Account description | Capital stock | Capital reserves, granted options and treasury shares | Profit reserves | Retained earnings /Accumulated losses | Shareholders' equity |
|---|---|---|---|---|---|---|
| **5.01** | **Opening Balance** | **761,000** | **4,000** | **582,000** | **-** | **1,347,000** |
| **5.03** | **Adjusted Opening Balance** | **761,000** | **4,000** | **582,000** | **-** | **1,347,000** |
| **5.04** | **Capital Transactions with Shareholders** | **18,000** | **7,000** | **-** | **-** | **25,000** |
| 5.04.01 | Capital Contribution | 18,000 | - | - | - | 18,000 |
| 5.04.03 | Stock Options Granted | - | 7,000 | - | - | 7,000 |
| **5.05** | **Total Comprehensive Income** | **-** | **-** | **-** | **545,000** | **545,000** |
| 5.05.01 | Net Income for the Period | - | - | - | 545,000 | 545,000 |
| **5.07** | **Closing Balance** | **779,000** | **11,000** | **582,000** | **545,000** | **1,917,000** |

The accompanying notes are integral part of these interim financial information.

## Individual Interim Financial Information / Statements of Cash Flows - Indirect method
## R$ (in thousands)

| | | Year to date current year | Year to date prior year |
|---|---|---|---|
| **Account code** | **Account description** | **1/1/2022 to 6/30/2022** | **1/1/2021 to 6/30/2021** |
| **6.01** | **Net Cash Operating Activities** | **1,226,000** | **496,000** |
| **6.01.01** | **Cash Provided By the Operations** | **1,973,000** | **1,347,000** |
| 6.01.01.01 | Net Income for the Period | 533,000 | 545,000 |
| 6.01.01.02 | Deferred Income Tax and Social Contribution | 26,000 | (10,000) |
| 6.01.01.03 | Loss (Gain) of Disposal of Property and Equipment and Lease | 19,000 | (6,000) |
| 6.01.01.04 | Depreciation and Amortization | 454,000 | 324,000 |
| 6.01.01.05 | Interest and Monetary Correction | 739,000 | 401,000 |
| 6.01.01.07 | Share of Profit of Associates | (18,000) | (29,000) |
| 6.01.01.08 | Provision for Legal Proceedings | 27,000 | (24,000) |
| 6.01.01.10 | Provision for Stock Option | 9,000 | 7,000 |
| 6.01.01.11 | Allowance for Doubtful Accounts | 4,000 | 1,000 |
| 6.01.01.13 | Provision for Allowance for Inventory Losses and Damages | 180,000 | 138,000 |
| **6.01.02** | **Variations in Assets and Liabilities** | **(747,000)** | **(851,000)** |
| 6.01.02.01 | Trade Receivables | (76,000) | (49,000) |
| 6.01.02.02 | Inventories | (1,411,000) | (87,000) |
| 6.01.02.03 | Recoverables Taxes | (248,000) | 189,000 |
| 6.01.02.04 | Other Assets | (27,000) | (67,000) |
| 6.01.02.05 | Related Parties | 60,000 | 66,000 |
| 6.01.02.06 | Restricted Deposits for Legal Proceedings | (5,000) | 3,000 |
| 6.01.02.07 | Trade Payables | 1,001,000 | (551,000) |
| 6.01.02.08 | Payroll and Related Taxes | 42,000 | 37,000 |
| 6.01.02.09 | Taxes and Social Contributions Payble | 49,000 | (8,000) |
| 6.01.02.10 | Provision for Legal Proceedings | (24,000) | (19,000) |
| 6.01.02.11 | Deferred Revenue | (81,000) | (97,000) |
| 6.01.02.12 | Other Liabilities | (27,000) | (30,000) |
| 6.01.02.13 | Income Tax and Social Contribution, Paid | - | (238,000) |
| **6.02** | **Net Cash of Investing Activities** | **(2,760,000)** | **(757,000)** |
| 6.02.02 | Acquisition of Property, Plant and Equipment | (2,013,000) | (739,000) |
| 6.02.03 | Acquisition of Intangible Assets | (605,000) | (19,000) |
| 6.02.04 | Sale of property, plant and equipment | - | 1,000 |
| 6.02.09 | Sale of assets held for sale | 108,000 | - |
| 6.02.11 | Acquisition of Assets held for Sale | (250,000) | - |
| **6.03** | **Net Cash of Financing Activities** | **2,092,000** | **1,240,000** |
| 6.03.01 | Capital Contribution | 3,000 | 18,000 |
| 6.03.02 | Funding of Borrowings and Financing | 2,975,000 | 1,874,000 |
| 6.03.03 | Payment of Borrowings and Financing | (49,000) | (270,000) |
| 6.03.04 | Payment of Interest on Borrowings and Financing | (308,000) | (96,000) |
| 6.03.05 | Dividends and interest on equity, paid | (168,000) | (85,000) |
| 6.03.09 | Payment of Lease Liability | (336,000) | (140,000) |
| 6.03.10 | Payment of interest on Lease Liability | (25,000) | (61,000) |
| **6.05** | **Increase (Decrease) in Cash and Equivalents** | **558,000** | **979,000** |
| 6.05.01 | Cash and Cash Equivalents at the beginning of the Period | 2,550,000 | 3,532,000 |
| 6.05.02 | Cash and Cash Equivalents at the end of the Period | 3,108,000 | 4,511,000 |

The accompanying notes are integral part of these interim financial information.

## Individual Interim Financial Information / Statements of Value Added
## R$ (in thousands)

| | | Year to date current year | Year to date prior year |
|---|---|---|---|
| **Account code** | **Account description** | **1/1/2022 to 6/30/2022** | **1/1/2021 to 6/30/2021** |
| **7.01** | **Revenues** | **27,041,000** | **21,229,000** |
| 7.01.01 | Sales of Goods and Services | 27,002,000 | 21,262,000 |
| 7.01.02 | Other Revenues | 43,000 | (32,000) |
| 7.01.04 | Allowance for Doubtful Accounts | (4,000) | (1,000) |
| **7.02** | **Products Acquired from Third Parties** | **(24,039,000)** | **(18,705,000)** |
| 7.02.01 | Cost of Sales | (22,781,000) | (17,771,000) |
| 7.02.02 | Materials, Energy, Outsourced Services and Others | (1,258,000) | (934,000) |
| **7.03** | **Gross Value Added** | **3,002,000** | **2,524,000** |
| **7.04** | **Retentions** | **(454,000)** | **(324,000)** |
| 7.04.01 | Depreciation, Amortization and Exhaustion | (454,000) | (324,000) |
| **7.05** | **Net Value Added Produced** | **2,548,000** | **2,200,000** |
| **7.06** | **Value Added Received in Transfer** | **172,000** | **98,000** |
| 7.06.01 | Share of Profit of Associates | 18,000 | 29,000 |
| 7.06.02 | Financial Income | 154,000 | 69,000 |
| **7.07** | **Total Value Added to Distribute** | **2,720,000** | **2,298,000** |
| **7.08** | **Value Added Distribution** | **2,720,000** | **2,298,000** |
| **7.08.01** | **Personnel** | **1,299,000** | **1,019,000** |
| 7.08.01.01 | Direct Compensation | 857,000 | 680,000 |
| 7.08.01.02 | Benefits | 327,000 | 256,000 |
| 7.08.01.03 | Government Severance Indemnity Fund for Employees (FGTS) | 72,000 | 54,000 |
| 7.08.01.04 | Others | 43,000 | 29,000 |
| **7.08.02** | **Taxes, Fees and Contribution** | **104,000** | **390,000** |
| 7.08.02.01 | Federal | 69,000 | 308,000 |
| 7.08.02.02 | State | (8,000) | 59,000 |
| 7.08.02.03 | Municipal | 43,000 | 23,000 |
| **7.08.03** | **External Financiers** | **784,000** | **344,000** |
| 7.08.03.01 | Interest | 782,000 | 348,000 |
| 7.08.03.02 | Rentals | 2,000 | (4,000) |
| **7.08.04** | **Shareholders' Remuneration** | **533,000** | **545,000** |
| 7.08.04.03 | Retained Earnings for the period | 533,000 | 545,000 |

The accompanying notes are integral part of these interim financial information.


# EARNINGS RELEASE

# 2Q22

**EARNINGS CONFERENCE CALL**

Thursday, July 28th, 2022

11:30 (Brasília) | 10:30 (New York) | 15:30 (London)

**Videoconference call in Portuguese (simultaneous translation)**
Videoconference via Zoom: click here.

The Company will hold its videoconference call via Zoom. The information and links for accessing the call are available on our website and in our quarterly earnings materials

# EARNINGS RELEASE 2Q22

ASSAÍ ATACADISTA

***São Paulo, July 27th, 2022 - Assaí Atacadista** announces its results for the second quarter of 2022. All comments on adjusted EBITDA exclude other operating expenses and income in the periods. The figures also include the effects of IFRS 16/CPC 06 (R2) – Leases, which eliminates the distinction between operating and financial leases, except where stated otherwise.*

## STRONG QUARTERLY PERFORMANCE: ACCELERATED GROWTH COMBINED WITH ROBUST RESULTS

## FIRST HYPERMARKET CONVERSIONS IN JULY AND WORK CALENDAR ADVANCING AS EXPECTED

### RESULTS

- **Gross sales amounted to R$14.5 billion** in 2Q22, with **an intense growth pace of +33% (vs. +21% in the 1Q22)**, an increase of R$3.6 billion in the quarter. **Total sales more than doubled in 3 years**, leading to **significant market share gains. In the last 12 months, Assaí's gross sales amounted to R$51.4 billion,** and, **considering an annualized view, revenues are already over R$60 billion** [(1)] **without any contribution from sales from hypermarket conversions**;

- **Net sales improved by +33%** [(2)] mainly due to:
  - **the excellent contribution of +18.1% from the 33 stores opened in the last 12 months;** and
  - **the robust same-store sales growth of +14.7%,** with an increase in customers traffic, especially B2B clients, and in volumes, boosted by successful commercial dynamics and consistent throughout the quarter;

  **In 1H22, net sales came to R$24.7 billion**, an improvement of R$5.3 billion compared to 1H21;

- **Strong expenses decrease of 0.6 p.p. in 2Q22,** despite the model evolution and advances on expansion.
- **Adjusted EBITDA strongly improved by 30%** [(2)]**, reaching R$978 million with margin of 7.4%,** an acceleration of +0.8 p.p. [(3)] compared to 1Q22, as a result of a successful commercial strategy and greater dilution and control of expenses despite the strong expansion. **In 1H22, Adjusted EBITDA totaled R$1.7 billion, up 24%** [(2)]**, with margin of 7.0%;**

- **Net income amounted to R$319 million in 2Q22, +21% higher than the 2Q21**[(2)]**, with net margin of 2.4%. In 1H22, net income came to R$533 million** mainly due to the higher operational leverage, which largely offsets the impact of high interest rates;

- **Strong operational cash generation of R$2.8 billion in the last 12 months, R$1 billion higher than the previous year and +60% growth.**

### EXPANSION

- **The expansion plan advances in an accelerated pace and it is much superior compared to previous years, with 52 new stores forecasted for 2022:**
  - **8 stores opened in the 1H22**, 4 of which in 2Q22. In the last 12 months, **sales area expanded +22%** and surpassed 1 million sqm**;**
  - **First hypermarkets conversions in July:** Ceilândia (Federal District) and Campina Grande (Paraíba);
  - **More than 50 stores under construction in 15 states,** a perspective of **at least 40 conversions openings by end-December**, with around 10 stores per month from August on**, besides another 4 organic stores.**

### DIGITAL

- **Sales via last milers partnerships reported accelerated growth: +34% vs. 1Q22**, 2x higher than the reported by bricks-and-mortar stores. Online sales potential will increase with hypermarket conversions, expanding coverage to consumers who seek greater convenience.
- **App evolution, which is now called "Meu Assaí" and incorporates new functionalities, improving customer's journey with the Company's brand and the phygital strategy.**

[(1)] Considering the seasonality between the quarters; [(2)] Excluding tax credits of 2021; [(3)] Percentage points

*Assaí delivered another quarter of strong performance in 2Q22, above expectations, demonstrating once again the resilience of our business. The more competitive sales dynamics, assortment adjustments, rigorous expenses control, rapid maturation of new stores and return of B2B clients contributed directly to the excellent results achieved, despite the economic scenario. Our expansion schedule continues to advance, with the inauguration in July of the first stores of the hypermarket conversion project. We will enter the most intense phase of this calendar in the coming months and we are confident in the dedication of our over 60,000 Assaí employees to deliver the openings forecasted for 2022. A team that also contributed to our certification by Great Place to Work (GPTW), - thus, despite being one of the fastest growing companies and that most creates jobs in Brazil, Assaí was also recognized as an excellent place to work.*

**Belmiro Gomes, CEO of Assaí**

## INCOME STATEMENT

In May 2021, The Supreme Federal Court of Brazil (STF) disclosed a favorable decision in favor of taxpayers concluding that all ICMS highlighted should be excluded from the PIS and COFINS calculation basis. Thus, in the 2Q21, Assaí recognized fiscal credits of R$62 million, of which R$40 million in net revenue and R$22 million in financial result due to monetary adjustment.

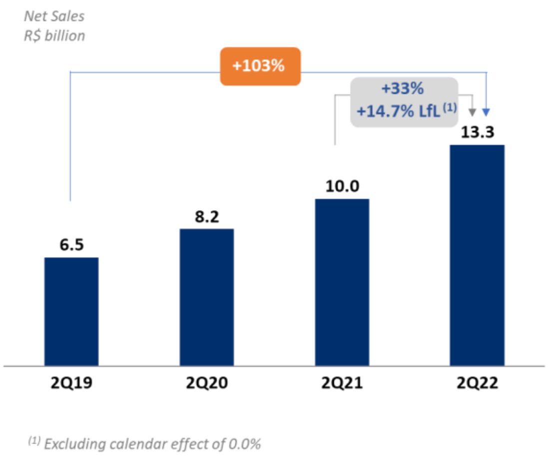
The figures presented in the table below and the following comments exclude the effects of these tax credits.

| (R$ million) | 2Q22 | 2Q21* | Δ | 1H22 | 1H21* | Δ |
|---|---|---|---|---|---|---|
| Net operating revenue | 13,291 | 10,009 | 32.8% | 24,734 | 19,457 | 27.1% |
| Gross Profit [1] | 2,145 | 1,682 | 27.5% | 3,971 | 3,189 | 24.5% |
| **Gross Profit [1]** | **16.1%** | **16.8%** | **-0.7 p.p.** | **16.1%** | **16.4%** | **-0.3 p.p.** |
| Selling, General and Administrative Expenses | (1,199) | (956) | 25.4% | (2,296) | (1,849) | 24.2% |
| **% of Net Revenue** | **-9.0%** | **-9.6%** | **0.6 p.p.** | **-9.3%** | **-9.5%** | **0.2 p.p.** |
| Equity income | 10 | 14 | -28.6% | 18 | 29 | -37.9% |
| Other operating expenses, net | (34) | (30) | 13.3% | (42) | (31) | 35.5% |
| Adjusted EBITDA [2][3] | 978 | 753 | 29.9% | 1,730 | 1,394 | 24.1% |
| **Adjusted EBITDA Margin [2][3]** | **7.4%** | **7.5%** | **-0.1 p.p.** | **7.0%** | **7.2%** | **-0.2 p.p.** |
| Net Financial Result | (328) | (166) | 97.0% | (630) | (300) | 109.7% |
| **% of Net Revenue** | **-2.5%** | **-1.7%** | **-0.8 p.p.** | **-2.5%** | **-1.5%** | **-1.0 p.p.** |
| Net Income - Total Controlling Shareholders | 319 | 264 | 20.7% | 533 | 504 | 5.7% |
| **Net margin - Total Controlling Shareholders** | **2.4%** | **2.6%** | **-0.2 p.p.** | **2.2%** | **2.6%** | **-0.4 p.p.** |

(1) Includes logistics depreciation (as shown in the Income Statement on page 11)
(2) Earnings before Interest, Taxes, Depreciation, Amortization
(3) Adjusted for Other Operating Revenue (Expenses)

*Excluding fiscal credits.

## BETTER SALES TREND WITH STRONG ACCELERATION IN THE QUARTER



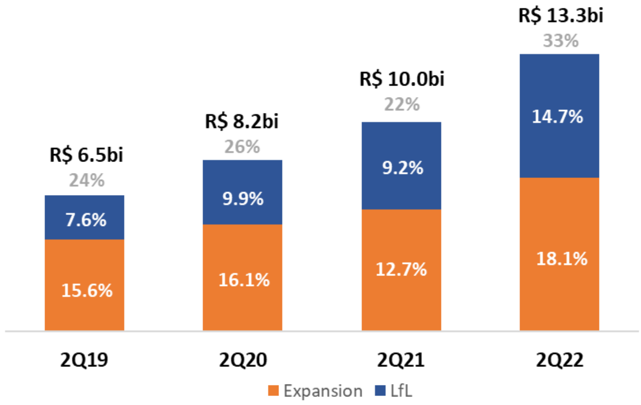

**Gross sales above R$ 60 billion in an annualized view**

Net sales amounted to R$13.3 billion in 2Q22, 2x higher than sales reported in 2Q19. With an increase of R$3.3 billion and +32.8% growth vs. 2Q21, sales performance presented a strong acceleration compared to 1Q22, mainly driven by:

(i) the strong contribution of organic expansion in the last 12 months (+18.1%), with the opening of 33 new stores; and

(ii) the advance of same-store sales, with a double-digit growth of +14.7%, despite the significant comparison base (+9.2%).

The assortment adjustments and the successful commercial strategy contributed to a better sales dynamics, with higher customers traffic in the stores, especially B2B clients, and resumption of volumes.




## ACCELERATED EXPANSION: FIRST CONVERSIONS AND MORE SERVICES

The expansion schedule advances as expected: at least 52 new stores are forecasted for 2022, which represents a number of stores much higher than the record level reported in the previous year (28 stores).

During the quarter, 4 new organic stores were inaugurated, strengthening Assaí's presence in regions with high growth potential, such as the North and Northeast, as well as in important cities such as Ribeiro Preto (São Paulo) and Betim (Minas Gerais). In the last 12 months, 33 new stores were opened, which represents a +22.2% sales area expansion. Also, another 4 store openings are expected for the second half of 2022, totaling 12 organic stores in 2022.

In July, the first hypermarket conversions, Ceilândia (Federal District) and Campina Grande (Paraíba), increases the Company's sales area by approximately 11,000 sqm, which has already surpassed 1 million sqm.

Currently, more than 50 stores are under construction, with 10 stores per month expected to open from August on, totaling at least 40 openings by end-December.

As part of its constant efforts to improve customer shopping experience, the Company has been focusing on its assortment and the services offered in stores according to clients' needs and customers profile around each store.

## ADVANCES IN DIGITAL INITIATIVES

Assaí's strategy is to offer the best shopping experience to customers, including the possibility to buy online from Assaí through partnerships with last miler operators. The digital initiatives, available in 55 cities, have only 9 months operation, but already presents fast progress: +34% increase in comparison to 1Q22, 2x higher than the reported by brick-and-mortar stores.

The digital partnerships have evolved in a very consistent path and will be intensified with the hypermarket conversions, as the Company gains access to regions and publics where online food sales are more significant.

Strengthening the phygital strategy, the Company's app begins to be reformulated in order to improve customer's journey by matching the physical world experience with the online. The launch of "Meu Assaí" app will bring even more knowledge about the consumer behavior by incorporating new features such as personalized offers, exclusive campaigns, discounts and additional services to those existing in stores. Launching tests are taking place on a pilot basis and the access to the new app should be expanded to the rest of the country by the end of this year.

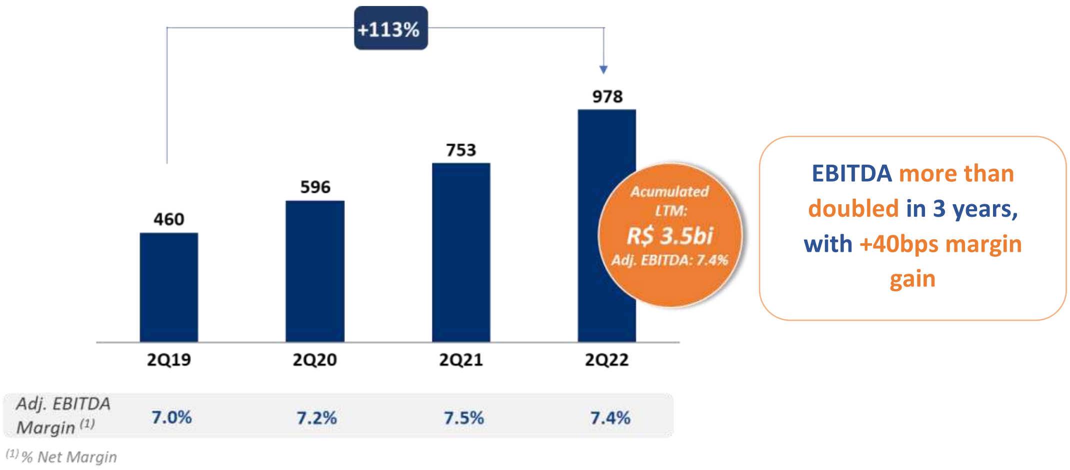
## SUCCESSFUL COMMERCIAL STRATEGY AND STRONG OPERATIONAL LEVERAGE

Gross profit reached R$2.1 billion in the quarter, with a 16.1% margin (vs. 16.8% in 2Q21). The result is mainly explained by the one-off impact of 33 openings throughout the last 12 months and by an effective and consistent commercial strategy throughout the quarter.

Selling, general and administrative expenses corresponded to 9.0% of net sales in 2Q22, a 0.6 p.p. reduction from 2Q21, thanks to the higher dilution and strict expenses control, which contributed to offset pressures coming from the expansion.

Other operating expenses amounted to R$34 million in the quarter, mainly explained by the provision related to the assets write-off from stores that will be closed, as expected, and by costs related to the acquisition of hypermarket stores.

Adjusted EBITDA came to R$978 million in 2Q22, representing a strong increase of +29.9% and margin of 7.4% (vs. 7.5% in the 2Q21), confirming the solid operational performance of the business. In the 1H22, Adjusted EBITDA totaled R$1.7 billion, a +24.1% growth compared to 1H21, with 7.0% margin (vs. 7.2% in 1H21).



## FINANCIAL RESULT AFFECTED BY HIGHER INTEREST RATES

| (R$ million) | 2Q22 | 2Q21* | Δ | 1H22 | 1H21* | Δ |
|---|---|---|---|---|---|---|
| Cash profitability | 49 | 17 | 188.2% | 81 | 25 | 224.0% |
| Cost of debt | (264) | (85) | 210.6% | (460) | (158) | 191.1% |
| Cost of Receivable Discount | (26) | (9) | 188.9% | (45) | (15) | 200.0% |
| Other financial revenues/expenses | 20 | 1 | 1900.0% | 1 | 2 | -50.0% |
| **Net Financial Result** | **(221)** | **(76)** | **190.8%** | **(423)** | **(146)** | **189.7%** |
| *% of Net Revenue* | *-1.7%* | *-0.8%* | *-0.9 p.p.* | *-1.7%* | *-0.7%* | *-1.0 p.p.* |
| Interest on lease liabilities | (107) | (69) | 55.1% | (207) | (133) | 55.6% |
| **Net Financial Result - Post IFRS 16** | **(328)** | **(145)** | **126.2%** | **(630)** | **(279)** | **125.8%** |
| *% of Net Revenue - Post IFRS 16* | *-2.5%* | *-1.4%* | *-1.1 p.p.* | *-2.5%* | *-1.4%* | *-1.1 p.p.* |

** Include Fiscal Credits*

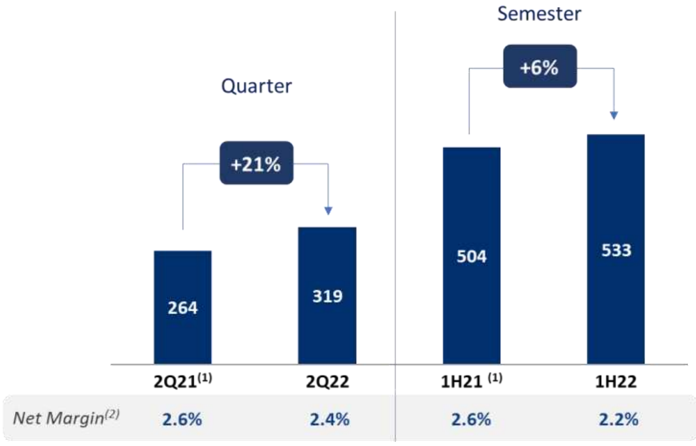
The net financial result post-IFRS16 was R$328 million in the 2Q22, equivalent to 2.5% of net sales. Financial expenses excluding the effects from interest on lease liabilities amounted to R$221 million, corresponding to 1.7% of net sales.

During the quarter, the financial result was affected mainly by higher interest rates, with the CDI approximately four times higher when compared to the same period of 2021, and by a higher volume of gross debt, which includes funding operations carried out throughout the last 12 months, given the hypermarket conversion project.

In the 1H22, financial expenses excluding the effects from interest on lease liabilities amounted to R$423 million, corresponding to 1.7% of net sales, highly affected by the pressures from high interest rates in the period.

## NET INCOME GROWTH CONFIRMS THE BUSINESS MODEL STRENGTH

Net income in 2Q22 was R$319 million, with margin of 2.4%. The robust result, which represents an improvement in comparison to both 2Q21 and 1Q22, is mainly explained by the higher volume of sales, coming from the successful commercial strategy, and strict expenses control, despite the accelerated expansion and a scenario of high interest rates that impacted the financial result. In the 1H22, net income reached R$533 million and a margin of 2.2%.




*(1) Ex. Fiscal Credits*
*(2) % Net Sales*

## INVESTMENTS LEVEL REFLECTS THE STRONG EXPANSION PACE

| (R$ million) | 2Q22 | 2Q21 | Δ |
|---|---|---|---|
| New stores and land acquisition | 1,287 | 535 | 752 |
| Store Renovation and maintenance | 70 | 52 | 18 |
| Infrastructure and others | 25 | 22 | 3 |
| **Net Total Investiments** | **1,382** | **609** | **773** |
| **Net Total Investiments (inc. commercial points acquisition)** | **1,435** | **609** | **826** |

During the quarter, gross investments amounted to R$1.4 billion, regarding the 4 organic stores opened in the period and more than 50 under construction, of which 4 organic and the remaining related to the hypermarket conversion project.

## ROBUST OPERATIONAL CASH GENERATION OF R$ 2.8 BILLION IN 12 MONTHS

| (R$ million) | LTM Jun/22 | LTM Jun/21 | Δ |
|---|---|---|---|
| **EBITDA** | **2,919** | **2,604** | **314** |
| Paid taxes | (136) | (351) | 215 |
| **Change in WK** | 9 | (503) | 512 |
| **Operational Cash Generation** | **2,792** | **1,750** | **1,041** |
| Capex | (2,879) | (1,263) | (1,615) |
| Project Extra Hiper | (1,743) | 0 | (1,743) |
| Capital increase (corporate restructuring) | 0 | 500 | (500) |
| **Free Cash Generation** | **(1,830)** | **987** | **(2,817)** |
| Dividends | (213) | (274) | 61 |
| Cost of Debt | (1,031) | (345) | (686) |
| **Free Cash Generation to Shareholders** | **(3,074)** | **368** | **(3,442)** |

(1) EBITDA LTM before IFRS-16.

Assaí's business model enables a strong operational cash generation, that reached R$ 2.8 billion in the last 12 months ended in June/22, an increase of R$1 billion compared to the previous year and a growth of 59.5%.

Working capital and Capex were impacted by the strong expansion and by hypermarket conversions project, whose inaugurations started in July and will occur in an accelerated pace in the coming quarters.

## INDEBTEDNESS IN LINE WITH THE COMPANY'S GROWTH STRATEGY

| (R$ million) | 2Q22 | 2Q21 |
|---|---|---|
| **Short Term Debt** | **(165)** | **(2,191)** |
| Loans and Financing | (30) | (260) |
| Debentures | (157) | (1,931) |
| Derivative Financial Instruments | 22 | - |
| **Long Term Debt** | **(11,039)** | **(7,342)** |
| Loans and Financing | (1,535) | (984) |
| Debentures | (9,644) | (6,360) |
| Derivative Financial Instruments | 140 | 2 |
| **Total Gross Debt** | **(11,204)** | **(9,533)** |
| **Cash and Financial Investments** | **3,108** | **4,511** |
| **Net Debt** | **(8,096)** | **(5,022)** |
| **Adjusted EBITDA [1]** | **2,919** | **2,604** |
| On Balance Credit Card Receivables | 158 | 82 |
| **Net Debt incl. Credit Cards Receivable not discounted** | **(7,938)** | **(4,940)** |
| **Net Debt incl. Credit Cards Receivable not discounted / Adjusted EBITDA [1]** | **-2.72x** | **-1.90x** |

[1] EBITDA LTM before IFRS 16.

By the end of 2Q22, Company's indebtedness, represented by the ratio net debt/Adjusted EBITDA, reached 2.72x, as forecasted given the hypermarket conversion project, and it is mainly explained by the higher level of investments in the last 12 months, especially with the openings of 33 new stores and another 50 under construction, besides the payments related to the acquisition of hypermarket commercial points.

In the quarter, gross debt amounted to R$11.2 billion, which includes the issuances carried out throughout the last 12 months in order to face the hypermarket commercial points acquired in the 4Q21, whose inaugurations started in July. By end-December, more than 40 stores will be inaugurated. The debt cost is approximately CDI+1.5% and the maturity is nearly 4 years.

The Company expects a fast deleverage as a result of the openings schedule, reaching a level below 2x by the end of 2023.

## COMMITMENT TO THE BEST ESG PRACTICES

Assaí seeks bringing initiatives that will contribute for building a more responsible and inclusive society, given 5 main strategic pillars:

1) **Tackling Climate Change**: to improve and innovate the environmental management;
2) **Integrated Management and Transparency**: to improve social, environmental and governance practices through ethical and transparent relations;
3) **Transformation in the Value Chain**: to co-build value chains committed to the environment and people;
4) **Engaging with Society**: to be a mobilizing agent, promoting inclusive and fair opportunities; and
5) **Valuing Our People**: to be a reference in promoting diversity, inclusion and sustainability through the Company's employees.

The highlights of 2Q22 regarding ESG topics were:

- **The Company was certified by GPTW (Great Place to Work)** in the first year in which it underwent this assessment. The certification reveals the perception of employees in relation to the various policies, practices and behaviors of the organization, which attracts and retains good professionals and helps to create good relationships with shareholders.

- **Double awards for diversity and inclusion practices:**
    - 3rd place for Inclusion of People with Disabilities from the 1st Survey Ethos/Época de Inclusão;
    - 3rd place for Best Companies in Diversity Practices and Actions – Non-Signatory Companies category – market practices.

- **Conducting the 1st Diversity Census**, in partnership with the Instituto Identidades do Brasil (ID_BR), allowing for more in-depth diagnoses and mapping of priorities and specific actions based on the contribution of our employees, which had 56.4% adherence to the process.

- **Advances in diversity and inclusion:**
    - retention rate after 12 months of returning from maternity leave reached a level above 86%;
    - People with disabilities account for more than 5.5% of the overall workforce, an improvement of +0.3 p.p. from 2Q21.

- **Decrease of 21% in Scope 1[(1)] and 2[(2)] emissions**, in line with the strategy to fight climate change and to the 38% reduction target by 2030 (base year 2015). Highlights for the -14.3% drop in refrigerant gas emissions (scope 1) and -1.76% in the average energy consumption per sqm in scope 2;

- **Growth of 82% growth in enrollments for the Academia Assaí Award** in comparison to the previous year, which recognizes and financially supports small entrepreneurs' businesses, also considering socioeconomic criteria in the evaluation. 1,500 people were directly benefited, 54% of them women and 56% black or brown.

[(1)] Emissions coming from the company
[(2)] Emissions coming from electricity consumption.

## ABOUT SENDAS S.A.

Assaí is a Cash & Carry company that serves small and medium-sized merchants and consumers in general, in the purchase of single items or in large volumes. With gross sales of R$51.4 billion in the last 12 months, Assaí operates in all five regions of Brazil with more than 220 stores in 23 states (including the Federal District), has over 60 thousand employees and, monthly, receives 30 million customers in its stores.

In 2022, Assaí was considered the best C&C company in two surveys carried out by the Datafolha Institute: "Os Melhores de São Paulo - Serviços" (winning for the 7th consecutive year); and "O Melhor da Internet no Brasil". Also received, for the 2nd consecutive year, the ''Prêmio Consumidor Moderno de Excelência em Serviços ao Cliente'' award and became a company certified with the Great Place to Work seal. Assaí is one of Brazil's 20 most valuable brands, according to the annual ranking compiled by Interbrand, and ranks 17th in the country in terms of net sales.

## INVESTOR RELATIONS CONTACTS

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**Ana Carolina Silva**
**Beatris Atilio**
**Daniel Magalhães**

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## APPENDICES

# OPERATIONAL INFORMATION

## I – Store network and sales area

| # of Stores | 2Q19 | 2Q20 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 |
|---|---|---|---|---|---|---|---|
| Southeast | 89 | 93 | 102 | 103 | 113 | 113 | 115 |
| Northeast | 35 | 44 | 49 | 51 | 57 | 59 | 61 |
| MidWest | 14 | 17 | 20 | 20 | 21 | 21 | 21 |
| North | 6 | 10 | 11 | 12 | 14 | 16 | 16 |
| South | 4 | 5 | 5 | 5 | 7 | 7 | 7 |
| **Total** | **148** | **169** | **187** | **191** | **212** | **216** | **220** |
| | | | | | | | |
| **Sales Area** (thousand sqm meters) | **617** | **724** | **824** | **847** | **964** | **986** | **1,007** |

# FINANCIAL STATEMENTS

## II – Income Statement

| R$ - million | 2Q22 | 2Q21* | Δ | 1H22 | 1H21* | Δ |
|---|---|---|---|---|---|---|
| **Gross Revenue** | **14,530** | **10,907** | **33.2%** | **27,051** | **21,262** | **27.2%** |
| **Net operating revenue** | **13,291** | **10,049** | **32.3%** | **24,734** | **19,497** | **26.9%** |
| **Cost of Goods Sold** | **(11,124)** | **(8,314)** | **33.8%** | **(20,726)** | **(16,243)** | **27.6%** |
| Depreciation (Logistic) | (22) | (13) | 64.4% | (37) | (25) | 45.8% |
| **Gross Profit** | **2,145** | **1,722** | **24.6%** | **3,971** | **3,229** | **23.0%** |
| Selling Expenses | (1,006) | (804) | 25.1% | (1,935) | (1,560) | 24.0% |
| General and Administrative Expenses | (193) | (152) | 27.0% | (361) | (289) | 24.9% |
| **Selling, General and Adm. Expenses** | **(1,199)** | **(956)** | **25.4%** | **(2,296)** | **(1,849)** | **24.2%** |
| Equity income | 10 | 14 | -28.6% | 18 | 29 | -37.9% |
| Other operating expenses, net | (34) | (30) | n.d. | (42) | (31) | n.d. |
| Depreciation and Amortization | (213) | (154) | 38.3% | (417) | (299) | 39.5% |
| **Earnings before interest and Taxes - EBIT** | **709** | **596** | **19.0%** | **1,234** | **1,079** | **14.4%** |
| Financial Revenue | 77 | 52 | 48.1% | 147 | 69 | 113.0% |
| Financial Expenses | (405) | (197) | 105.6% | (777) | (348) | 123.3% |
| **Net Financial Result** | **(328)** | **(145)** | **126.2%** | **(630)** | **(279)** | **125.8%** |
| **Income Before Income Tax** | **381** | **451** | **-15.5%** | **604** | **800** | **-24.5%** |
| Income Tax and Social Contribution | (62) | (146) | -57.5% | (71) | (255) | -72.2% |
| **Net Income - Total Controlling Shareholders** | **319** | **305** | **4.6%** | **533** | **545** | **-2.2%** |
| **Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA** | **944** | **763** | **23.7%** | **1,688** | **1,403** | **20.3%** |
| **Adjusted EBITDA** (1) | **978** | **793** | **23.3%** | **1,730** | **1,434** | **20.6%** |

| % of Net Revenue | 2Q22 | 2Q21* | Δ | 1H22 | 1H21* | Δ |
|---|---|---|---|---|---|---|
| **Gross Profit** | **16.1%** | **17.1%** | **-1.0 p.p.** | **16.1%** | **16.6%** | **-0.5 p.p.** |
| Selling Expenses | -7.6% | -8.0% | 0.4 p.p. | -7.8% | -8.0% | 0.2 p.p. |
| General and Administrative Expenses | -1.5% | -1.5% | 0.1 p.p. | -1.5% | -1.5% | 0.0 p.p. |
| **Selling, General and Adm. Expenses** | **-9.0%** | **-9.5%** | **0.5 p.p.** | **-9.3%** | **-9.5%** | **0.2 p.p.** |
| Equity Income | 0.1% | 0.1% | -0.1 p.p. | 0.1% | 0.1% | -0.1 p.p. |
| Other Operating Revenue (Expenses) | -0.3% | -0.3% | 0.0 p.p. | -0.2% | -0.2% | 0.0 p.p. |
| Depreciation and Amortization | -1.6% | -1.5% | -0.1 p.p. | -1.7% | -1.5% | -0.2 p.p. |
| **EBIT** | **5.3%** | **5.9%** | **-0.6 p.p.** | **5.0%** | **5.5%** | **-0.5 p.p.** |
| **Net Financial Revenue (Expenses)** | **-2.5%** | **-1.4%** | **-1.0 p.p.** | **-2.5%** | **-1.4%** | **-1.1 p.p.** |
| **Income Before Income Tax** | **2.9%** | **4.5%** | **-1.6 p.p.** | **2.4%** | **4.1%** | **-1.7 p.p.** |
| Income Tax | -0.5% | -1.5% | 1.0 p.p. | -0.3% | -1.3% | 1.0 p.p. |
| **Net Income - Total Controlling Shareholders** | **2.4%** | **3.0%** | **-0.6 p.p.** | **2.2%** | **2.8%** | **-0.6 p.p.** |
| **Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA** | **7.1%** | **7.6%** | **-0.5 p.p.** | **6.8%** | **7.2%** | **-0.4 p.p.** |
| **Adjusted EBITDA** (1) | **7.4%** | **7.9%** | **-0.5 p.p.** | **7.0%** | **7.4%** | **-0.4 p.p.** |

(1) *Adjusted for Other Operating Revenue (Expenses)*

**Include fiscal credits recognized in 2Q21 and 1H21*

## III - Balance Sheet

| ASSETS<br>(R$ million) | 06.30.2022 | 12.31.2021 |
|---|---|---|
| **Current Assets** | **10,476** | **8,772** |
| Cash and cash equivalent | 3,108 | 2,550 |
| Trade receivables | 337 | 265 |
| Inventories | 5,611 | 4,380 |
| Recoverable taxes | 980 | 876 |
| Derivative financial instruments | 22 | 4 |
| Assets held for sale | 242 | 550 |
| Dividends receivable | 16 | 16 |
| Other accounts receivable | 43 | 59 |
| Other current assets | 117 | 72 |
| **Non-current assets** | **22,960** | **14,082** |
| **Long-term assets** | 22,960 | 14,082 |
| Deferred income tax and social contribution | 20 | 45 |
| Recoverable taxes | 914 | 770 |
| Derivative financial instruments | 140 | 28 |
| Related parties | 648 | 114 |
| Restricted deposits for legal proceedings | 124 | 119 |
| Other non-current assets | 8 | 10 |
| Investments | 807 | 789 |
| Property, plan and equipment | 15,479 | 10,320 |
| Intangible assets | 4,820 | 1,887 |
| **TOTAL ASSETS** | **33,436** | **22,854** |

| LIABILITIES<br>(R$ million) | 06.30.2022 | 12.31.2021 |
|---|---|---|
| **Current Liabilities** | **11,050** | **8,644** |
| Trade payables, net | 6,943 | 5,942 |
| Borrowings and financing | 30 | 433 |
| Debentures and promissory notes | 157 | 180 |
| Payroll and related taxes | 467 | 425 |
| Lease liabilities | 366 | 244 |
| Related parties | 2,241 | 368 |
| Taxes payable | 180 | 158 |
| Income tax and social contribution payable | 27 | - |
| Deferred revenues | 275 | 356 |
| Dividends payable | - | 168 |
| Other current liabilities | 364 | 370 |
| **Non-current liabilities** | **19,075** | **11,444** |
| Borrowings and financing | 1,535 | 1,154 |
| Debentures and promissory notes | 9,644 | 6,266 |
| Provision for legal proceedings | 217 | 205 |
| Related parties | 789 | - |
| Lease liabilities | 6,876 | 3,807 |
| Other non-current liabilities | 14 | 12 |
| **Shareholders' Equity** | **3,311** | **2,766** |
| | | |
| Capital stock | 1,255 | 788 |
| Capital reserve | 27 | 18 |
| Profit reserve | 2,030 | 1,961 |
| Other comprehensive results | (1) | (1) |
| **TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY** | **33,436** | **22,854** |

## IV – Cash Flow

| (R$ million) | 06.30.2022 | 06.30.2021 |
|---|---|---|
| **Net income for the period** | **533** | **545** |
| Deferred income tax and social contribution | 26 | (10) |
| Loss (gain) on disposal of property, plant and equipment and lease | 19 | (6) |
| Depreciation and amortization | 454 | 324 |
| Interests and monetary variation | 739 | 401 |
| Share of profit and loss of associate | (18) | (29) |
| Provision (reversal) of legal proceedings | 27 | (24) |
| Provision of stock option | 9 | 7 |
| Provision for inventory losses and damages | 180 | 138 |
| Provision of allowance for doubtful accounts | 4 | 1 |
| | **1,973** | **1,347** |
| **Variation of operating assets** | | |
| Trade receivables | (76) | (49) |
| Inventories | (1,411) | (87) |
| Recoverable taxes | (248) | 189 |
| Other assets | (27) | (67) |
| Related parties | 60 | 66 |
| Restricted deposits for legal proceedings | (5) | 3 |
| | **(1,707)** | **55** |
| **Variation of operating liabilities** | | |
| Trade payables | 1,001 | (551) |
| Payroll and related taxes | 42 | 37 |
| Taxes and social contributions payable | 49 | (8) |
| Other accounts payable | (27) | (30) |
| Provision for legal proceedings | (24) | (19) |
| Deferred revenues | (81) | (97) |
| Income tax and social contribution paid | - | (238) |
| | **960** | **(906)** |
| **Net cash generated by operating activities** | **1,226** | **496** |
| Acquisition of property, plant and equipment | (2,013) | (739) |
| Acquisition of intangible assets | (605) | (19) |
| Acquisition of assets held for sale | (250) | - |
| Proceeds from the sales of property, plant and equipment | - | 1 |
| Proceeds from sale of assets held for sale | 108 | - |
| **Net cash used in investment activities** | **(2,760)** | **(757)** |
| **Cash flow from financing activities** | | |
| Capital Contribution | 3 | 18 |
| Funding of Borrowings and Financing | 2,975 | 1,874 |
| Payments of borrowings and financing | (49) | (270) |
| Payments of interest on borrowings and financing | (308) | (96) |
| Dividend Payment | (168) | (85) |
| Payments of lease liabilities | (336) | (140) |
| Payment of interest on lease liability | (25) | (61) |
| **Net cash generated by financing activities** | **2,092** | **1,240** |
| Cash and cash equivalents at the beginning of the period | 2,550 | 3,532 |
| Cash and cash equivalents at the end of the period | 3,108 | 4,511 |
| **Net increase in cash and cash equivalents** | **558** | **979** |

## 1 CORPORATE INFORMATION

Sendas Distribuidora S.A. (the “Company” or “Sendas”) is a publicly listed company under the segment Novo Mercado of B3 S.A. - Brasil, Bolsa, Balcão (B3), under the code "ASAI3" and on the New York Stock Exchange (NYSE), under the ticker "ASAI". The Company is mainly engaged in the retail and wholesale sale of food, bazar, and other products through its chain of stores, represented by the banner “ASSAÍ”. The Company based in the State of Rio de Janeiro, at Avenida Ayrton Senna, 6.000, Lote 2 - Anexo A, Jacarepaguá/RJ. On June 30, 2022, the Company operated 220 stores and 12 Distribution Centers which are present in all five regions of the country acting working in 23 states and in the Federal District.

The Company is a direct subsidiary of Wilkes Participações S.A. (“Wilkes”) and indirect subsidiary of Casino Guichard Perrachon.

### 1.1 Conversion of Extra Hiper stores into Assaí

On October 14, 2021, the Board of Directors of the Company and Grupo Pão de Açúcar ("GPA") approved a transaction involving the conversion of Extra Hiper stores, operated by GPA, into cash & carry stores, operated by the Company under the ASSAÍ brand (“Transaction”).

On December 16, 2021, the Company and GPA signed the “Agreement for Onerous Assignment of Exploration Rights of Commercial Points and Other Agreements” (the “Agreement”), governing the assignment to ASSAÍ of the exploitation rights of up to 70 commercial points located in several states in Brazil, 17 properties owned by GPA and 53 properties owned by third parties, for the total amount of up to R$3,973, to be paid by the Company, which may also involve the acquisition of some existing equipment in the stores.

On April 13, 2022, the Administrative Council for Economic Defense (“CADE”) issued a favorable opinion without restrictions on the sale of the 17 properties owned by GPA to the Barzel Properties real estate investment fund ("Fund").

The closing of the transaction provided for the Agreement is subject to the fulfillment of certain conditions, including, but not limited to, obtaining the previus consent of the property owners and demobilization of the stores by GPA, with deadline to complete the assignment of all commercial points to the Company is August 31, 2022, and this transaction is not subject of approval by competition authorities.

On June 30, 2022, the Company and GPA signed the transfer of 41 commercial points in the amount of R$ 2,942 (20 commercial points on December 31, 2021 in the amount of R$798) totalling 61 properties, including the 17 properties owned by GPA in the amount of R$1,200, located in the Southeast, North, Northeast, Midwest regions and in the Federal District, which had overcome the previous conditions, see notes 9 and 12. The Company made the total payment in the amount of R$1,850 (R$850 on March 31, 2022 and R$1,000 on December 31, 2021) to GPA related to these acquisitions. Property, plant and equipment acquired from the 17 properties owned by GPA are recorded under “Assets held for sale”, in this quarter, 16 properties were sold. The remaining balance for 1 property is R$95 (R$403 on December 31, 2021), see note 26.

Of the 70 properties involved in the transaction, the expectation for completion the remaining 9 properties is by the end of August 2022.

### 1.2 Impacts of the pandemic on the Company’s interim financial information

Since December 2019, we face the pandemic COVID-19. The Company has been monitoring the impacts on its operations. Management took actions, among them, we appointed a crisis committee composed of senior management, which makes decisions in line with recommendations of the Brazilian Ministry of Health, local authorities, and professional associations.

The Company implemented all the measures to mitigate the transmission of virus at our stores, distribution centers, and offices, such as frequent sanitization, employees’ safety/protection equipment, flexible working hours, and home office, among others.

Since the beginning of the COVID-19 outbreak, our stores have remained open during periods of general lockdown, as we are considered an essential service. The Company has a strong commitment to society to continue selling essential products to its customers. We did not face supply-side hurdles from industries that continued supplying our distribution centers and stores.

On March 10, 2020, CVM issued circular letter CVM-SNC/SEP No. 02/2020 and on January 29, 2021 issued circular letter CVM-SNC/SEP No. 01/2021, guiding publicly held Companies to carefully assess the impacts of COVID-19 on their business and report in the interim financial information the main risks and uncertainties as result of such analysis, following the applicable accounting standards.

In this regard, the Company fully analyzed its interim financial information, in addition to updating the analyses of going concern. Below are the key topics analyzed:

• The Company reviewed its budget, adopted to estimate the calculation of the recovery of store assets and intangible assets on December 31, 2021, and no significant reductions were seen in revenues, and in other items of the statement of operations to evidence impairment of these assets. Due to uncertainties concerning the end of the pandemic and its macroeconomic effects, the Company analyzed the indication of impairment for certain assets and, accordingly, updated its impairment tests. There were no new elements in the period ended June 30, 2022 that the Company's need to review the asset recovery test.

The recoverable value is determined by calculating the value in use, from cash projections deriving from financial budgets, which were reviewed and approved by senior management for the next three years, considering the assumptions updated for December 31, 2021. The discount rate applied to cash flow projections is 10.40% on December 31, 2021 (9.80% on December 31, 2020), and the cash flows to exceed three years are extrapolated, applying a growth rate of 6.60% on December 31, 2021 (4.62% on December 31, 2020). As a result of this analysis, we did not identify the need for recording a provision for impairment of these assets.

• The Company analyzed the collection of balances of trade receivables from credit card operators, clients, galleries at our stores, property rentals, and concluded that, at this point, it is not necessary to record provisions for losses, in addition to those already recorded;

• Concerning inventories, the Company does not foresee the need to make a market price adjustment;

• Financial instruments already reflect the market assumptions in their valuation, there are no additional exposures not disclosed. The Company is not exposed to significant financing denominated in US dollars;

• At this point, the Company does not foresee additional funding; and

• Finally, the costs necessary to adapt the Company’s stores to serve the public were not significant.

In summary, according to Management’s estimates and the monitoring of the impacts of the pandemic, including the Omicron variant, there are no effects that should be recorded in the Company’s interim financial information for the period ended June 30, 2022, nor are there any effects on the continuity and / or estimates of the Company that would justify changes or recording provisions in addition to those already disclosed. The Company will continue to monitor and evaluate the impacts and, if necessary, will make the disclosures.

### 1.3 Possible impacts of the military conflict between Russia and Ukraine on the interim financial information

Our business could be adversely affected by unstable economic and political conditions and geopolitical conflicts, such as the conflict between Russia and Ukraine. While we do not have any customer or direct supplier relationships in either country at this time, the current military conflict, and related sanctions, as well as export/import controls or actions that may be initiated by nations including Brazil and other potential uncertainties could adversely affect our business and/or our supply chain, business partners or customers, and could cause changes in our customers buying patterns and interrupt our ability to supply products.

Inflation, energy and commodities costs may fluctuate as a result the conflict between Russia and Ukraine and related economic sanctions. These fluctuations may result in an increase in our transportation costs for distribution, utility costs for our retail stores and costs to purchase products from our suppliers. A continual rise in energy and commodities costs could adversely affect consumer spending and demand for our products and increase our operating costs, both of which could have a material adverse effect on our results of operations, financial condition and cash flows.

While the precise effect of the ongoing military conflict and global economies remains uncertain, they have already resulted in significant volatility in financial markets, as well as in an increase in energy and commodity prices globally. In the event geopolitical tensions fail to abate or deteriorate further, additional governmental sanctions may be enacted adversely impacting the global economy, its banking and monetary systems, markets or customers for our products.

The Company does not operate in these countries, but will continue to monitor the impacts of the war. On June 30, 2022, there are no effects that should be recorded in the Company's interim financial information, nor are there any effects on the Company's continuity and/or estimates that would justify changes or recording of provisions, in addition to those already disclosed. The Company will continue to monitor and assess the impacts and, if necessary, will make the corresponding disclosures.

## 2 BASIS OF PREPARATION AND DISCLOSURE OF THE INTERIM FINANCIAL INFORMATION

The interim financial information have been prepared in accordance with IAS 34 – Interim Financial Reporting issued by International Accounting Standards Board (“IASB”) and accounting standard CPC 21 (R1) – Interim report and disclosed aligned with the standards approved by the Brazilian Securities and Exchange Commission (“CVM”), applicable to the preparation of the Interim Financial Information.

The interim financial information have been prepared on the historical cost basis, except for (i) certain financial instruments; and (ii) assets and liabilities arising from business combinations measured at their fair values, when applicable. All relevant information in the interim financial information, is being evidenced by and correspond to that used by management in the admnistration of the Company.

The interim financial information are presented in millions of Brazilian Reais (R$), which is the functional currency of the Company.

The interim financial information for the period ended June 30, 2022, were approved by the Board of Directors on July 27, 2022.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies and practices applied by the Company to the preparation of the interim financial information are in accordance with those adopted and disclosed in note 3 and in each explanatory note corresponding to the financial statements for the year ended December 31, 2021, and, therefore, it should be read together.

(In million of Brazilian Reais, unless otherwise stated)

## 3.1 Standards, amendments and interpretation

There were no new standards, amendments and interpretation issued that must be disclosed for the six-month periods ended June 30, 2022.

## 4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the interim financial information requires Management to makes judgments estimates and assumptions that impact the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the year, however, the uncertainty about these assumptions and estimates could result in substantial adjustments to the carrying amount of asset or liability impacted in future periods.

The significant assumptions and estimates applied on the preparation of the interim financial information for the period ended June 30, 2022, were the same as those adopted in the financial statements for the year ended December 31, 2021, see note 6.

## 5 CASH AND CASH EQUIVALENTS

| | 6/30/2022 | 12/31/2021 |
|---|---|---|
| Cash and bank accounts - Brazil | **91** | 74 |
| Cash and bank accounts - Abroad (i) | **24** | 25 |
| Financial investments - Brazil (ii) | **2,993** | 2,451 |
| | **3,108** | 2,550 |

(i) On June 30, 2022, the Company had funds held abroad, being R$24 in US Dollars (R$25 in US Dollars on December 31, 2021).

(ii) On June 30, 2022, the financial investments correspond to the repurchase and resale agreements, yielded by the weighted average of 87.30% of CDI - Interbank Deposit Certificate (109.64% of CDI on December 31, 2021) and redeemable within terms less than 90 days, as of the date of investment, without losing income.

## 6 TRADE RECEIVABLES

| | Note | 6/30/2022 | 12/31/2021 |
|---|---|---|---|
| From sales with: | | | |
| Credit card companies | 6.1 | **121** | 75 |
| Credit card companies with related parties | 9.1 | **37** | 24 |
| Sales ticket and payment slips | 6.2 | **149** | 118 |
| Trade receivables with related parties | 9.1 | **25** | 31 |
| Trade receivables with suppliers/payment slips | | **15** | 23 |
| | | **347** | 271 |
| Expected credit loss for doubtful accounts | 6.3 | **(10)** | (6) |
| | | **337** | 265 |

Set forth below the breakdown of trade receivables by their gross amount by maturity period:

| | | | Overdue | |
|---|---|---|---|---|
| | Total | Due | Up to 30 days | > 90 days |
| **6/30/2022** | **347** | **347** | **-** | **-** |
| 12/31/2021 | 271 | 269 | 1 | 1 |

## 6.1 Credit card companies

The Company, through the cash management strategy, anticipates the amount receivable with credit card companies, without any right of recourse or related obligation and derecognizes the balance of trade receivables.

## 6.2 Sales ticket and payment slips

Refers to amounts arising from transactions through receipts: (i) tickets and meal vouchers R$59 (R$56 on December 31, 2021); and (ii) payment slips R$90 (R$62 on December 31, 2021).

## 6.3 Expected credit loss for doubtful accounts

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| At the beginning of the period | **(6)** | (4) |
| Additions | **(18)** | (16) |
| Reversals | **14** | 15 |
| At the end of the period | **(10)** | (5) |

## 7 INVENTORIES

| | Note | 6/30/2022 | 12/31/2021 |
|---|---|---|---|
| Stores | | **4,929** | 3,955 |
| Distribution centers | | **1,215** | 878 |
| Commercial agreements | 7.1 | **(502)** | (416) |
| Allowance for loss on inventory obsolescence and damages | 7.2 | **(31)** | (37) |
| | | **5,611** | 4,380 |

(In million of Brazilian Reais, unless otherwise stated)

### 7.1 Commercial agreements

On June 30, 2022, the amount of unrealized commercial agreements, as a reduction of inventory balance, totaled R$502 (R$416 on December 31, 2021).

### 7.2 Allowance for loss on inventory obsolescence and damages

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| At the beginning of the period | (37) | (51) |
| Additions | (190) | (147) |
| Reversals | 10 | 9 |
| Write-offs | 186 | 164 |
| At the end of the period | (31) | (25) |

## 8 RECOVERABLE TAXES

| | Note | 6/30/2022 | 12/31/2021 |
|---|---|---|---|
| State VAT tax credits - ICMS | 8.1 | 1,179 | 1,153 |
| Social Integration Program and Contribution for Social Security Financing - PIS/COFINS | 8.2 | 559 | 370 |
| Social Security Contribution - INSS | | 60 | 54 |
| Income tax and social contribution | | 67 | 61 |
| Others | | 29 | 8 |
| Total | | 1,894 | 1,646 |
| | | | |
| Current | | 980 | 876 |
| Non-current | | 914 | 770 |

### 8.1 State VAT tax credits - ICMS

Since 2008, the Brazilian States have been substantially amending their local laws aiming at implementing and broadening the ICMS tax replacement system. The referred system implies the prepayment of ICMS throughout the commercial chain, upon goods outflow from a manufacturer or importer or their inflow into the State. The expansion of such system to a wider range of products traded at retail assumes that the trading cycle of these products will end in the State, such that ICMS is fully owed to such State.

The refund process requires evidence through tax documents and digital files of transactions made, entitling the Company to such a refund. Only after ratification by State tax authorities and/or the compliance with specific ancillary obligations aiming to support such evidence that credits can be used by the Company, which occur in periods after these are generated.

Since the number of items traded at the retail subject to tax replacement has been continuously increasing, the tax credit to be refunded by the Company has also grown. The Company has been realizing referred credits with authorization for immediate offset with those credits due in view of its operations, through the special regime, also other procedures regulated by state rules.

With respect to credits that cannot yet be immediately offset, the Company's Management, based on a technical recovery study, based on the future expectation of growth and consequent compensation with taxes payable arising from its operations, believes that its future compensation is viable. The studies mentioned are prepared and periodically reviewed based on information extracted from the strategic planning previously approved by the Company's Board of Directors. For the interim financial information on June 30, 2022, the Company's management has monitoring controls over adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the ICMS balance to be recovered, as shown in the table below:

| Year | Amount |
|---|---|
| In 1 year | 559 |
| From 1 to 2 years | 341 |
| From 2 to 3 years | 78 |
| From 3 to 4 years | 62 |
| From 4 to 5 years | 38 |
| After 5 years | 101 |
| Total | 1,179 |

### 8.2 PIS and COFINS credits

On March 15, 2017, the Federal Supreme Court (“STF”) recognized, as a matter of general repercussion, the unconstitutionality of the inclusion of ICMS in the PIS and COFINS calculation base. On May 13, 2021, the STF judged the Declaration Embargoes in relation to the amount to be excluded from the calculation basis of the contributions, which should only be the ICMS paid, or if the entire ICMS, as shown in the respective invoices. The STF rendered a favorable decision to the taxpayers, concluding that all ICMS highlighted should be excluded from the calculation basis.

The STF decided to modulate the effects of the decision, providing that taxpayers who distributed lawsuits before March 15, 2017 or who had administrative proceedings in progress before that same date, would be have rights to take advantage of the past period. As the decision was rendered in a process with recognized general repercussions, the understanding reached is binding on all judges and courts. The Company filed a lawsuit on October 31, 2013, having obtained a favorable decision and a final and unappealable decision on July 16, 2021, thus allowing the recognition of the credit for the period covered by the lawsuit.

Currently the Company, according to the favorable judgment of the Supreme Court, has been recognizing the exclusion of ICMS from the PIS and COFINS calculation basis, based on the same assumptions mentioned previously.

**• Expected realization of PIS and COFINS credits**

With respect to recoverable PIS and COFINS credits, the Company's Management, based on a technical recovery study, based on future growth expectations and consequent offsetting with debts arising from its operations, projects their future realization. The aforementioned studies are prepared and periodically reviewed based on information extracted from the strategic planning previously approved by the Company's Board of Directors. For the interim financial information as of June 30, 2022, the Company's Management has monitoring controls on adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the PIS and COFINS balance to be recovered, as shown in the table below:

| Year | Amount |
|---|---|
| In 1 year | 286 |
| From 1 to 2 years | 224 |
| From 2 to 3 years | 49 |
| Total | 559 |

(In million of Brazilian Reais, unless otherwise stated)

## 9 RELATED PARTIES

### 9.1 Balances and related party transactions

| | Assets | | | | Liabilities | | | | Transactions | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Clients | | Other assets | | Suppliers | | Other liabilities | | Revenue (expenses) | |
| | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 | 6/30/2022 | 6/30/2021 |
| Controlling shareholders | | | | | | | | | | |
| Wilkes Participações S.A. | - | - | - | - | - | - | 3 | 2 | (4) | (1) |
| Euris | - | - | - | - | - | - | 1 | 1 | (1) | (1) |
| Casino Guichard Perrachon | 13 | 13 | - | - | - | - | - | - | (26) | (23) |
| | 13 | 13 | - | - | - | - | 4 | 3 | (31) | (25) |
| Other related parties | | | | | | | | | | |
| GPA (i) | 12 | 18 | 635 | 100 | 11 | 8 | 3,026 | 365 | (219) | (89) |
| Compre Bem | - | - | - | - | - | - | - | - | - | (3) |
| Greenyellow | - | - | - | - | - | - | - | - | (17) | (14) |
| Joint venture | | | | | | | | | | |
| Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento ("FIC") | 37 | 24 | 13 | 14 | 11 | 14 | - | - | 12 | 6 |
| | 49 | 42 | 648 | 114 | 22 | 22 | 3,026 | 365 | (224) | (100) |
| Total | 62 | 55 | 648 | 114 | 22 | 22 | 3,030 | 368 | (255) | (125) |
| Current | 62 | 55 | - | - | 22 | 22 | 2,241 | 368 | | |
| Non-current | - | - | 648 | 114 | - | - | 789 | - | | |

(i) As of June 30, 2022, the amount recorded in other assets is substantially composed by R$536 referring to the balance receivable from the sale of assets and R$90 referring to the indemnification process signed in the separation agreement between the companies that occured on December 14, 2020. The amount recorded in other liabilities is substantially composed by R$2,803 referring to the acquisition of commercial points and R$172 referring to the indemnification process signed in the separation agreement between the parties.

## 9.2 Management compensation

Expenses referring to the statutory executive board compensation recorded in the Company's statement of operations in the periods ended June 30, 2022 and 2021 as follows (amounts expressed in thousands reais):

| | Base salary | | Variable compensation | | Stock option plan | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 |
| Board of director | **23,995** | 16,024 | **-** | - | **3,167** | 2,125 | **27,162** | 18,149 |
| Directors and statutory | **26,009** | 14,660 | **12,857** | 7,243 | **5,764** | 1,597 | **44,630** | 23,500 |
| Fiscal council | **259** | 72 | **-** | - | **-** | - | **259** | 72 |
| | **50,263** | 30,756 | **12,857** | 7,243 | **8,931** | 3,722 | **72,051** | 41,721 |

The stock option plan refers to the Company's and this plan has been trated in the Company's statement of operations. The corresponding expenses are allocated to the Company and recorded in statement of operations against capital reserve - stock options in shareholders' equity. There are no other short-term or long-term benefits granted to members of the Company's management.

## 10 INVESTMENTS

The details of the Company's joint venture at the end of the period are show below:

| | | | Participation in investments - % | |
|---|---|---|---|---|
| | | | Direct participation | |
| Investment type | Company | Country | 6/30/2022 | 12/31/2021 |
| Joint venture | Bellamar Empreendimento e Participações S.A. | Brazil | **50.00** | 50.00 |

### Investments composition and breakdown

| | Bellamar |
|---|---|
| As of December 31, 2020 | 769 |
| Share of profit of associates | 29 |
| As of June 30, 2021 | 798 |
| | |
| As of December 31, 2021 | 789 |
| Share of profit of associates | **18** |
| As of June 30, 2022 | **807** |

(In million of Brazilian Reais, unless otherwise stated)

## 11 PROPERTY, PLANT AND EQUIPMENT

### 11.1 Property, plant and equipment breakdown

| | As of December 31, 2021 | Additions | Lease modification | Write-off | Depreciation | Transfers and others | As of June 30, 2022 |
|---|---|---|---|---|---|---|---|
| Lands | 570 | 46 | - | - | - | - | 616 |
| Buildings | 656 | 140 | - | - | (8) | 5 | 793 |
| Improvements | 3,596 | 1,432 | - | (14) | (133) | 56 | 4,937 |
| Equipment | 828 | 211 | - | (1) | (82) | 45 | 1,001 |
| Facilities | 362 | 94 | - | (4) | (16) | 1 | 437 |
| Furnitures and appliances | 416 | 60 | - | (1) | (32) | 60 | 503 |
| Constructions in progress | 235 | 415 | - | (1) | - | (131) | 518 |
| Others | 37 | 7 | - | - | (8) | 12 | 48 |
| Subtotal | 6,700 | 2,405 | - | (21) | (279) | 48 | 8,853 |
| Lease - right of use: | | | | | | | |
| Buildings | 3,604 | 2,914 | 304 | (3) | (158) | (46) | 6,615 |
| Equipment | 16 | - | - | - | (3) | (2) | 11 |
| Subtotal | 3,620 | 2,914 | 304 | (3) | (161) | (48) | 6,626 |
| Total | 10,320 | 5,319 | 304 | (24) | (440) | - | 15,479 |

| | As of December 31, 2020 | Additions | Lease modification | Write-off | Depreciation | Transfers and others (i) | As of June 30, 2021 |
|---|---|---|---|---|---|---|---|
| Lands | 481 | 26 | - | - | - | (33) | 474 |
| Buildings | 609 | 58 | - | - | (7) | 1 | 661 |
| Improvements | 2,598 | 423 | - | (1) | (86) | (68) | 2,866 |
| Equipment | 635 | 83 | - | (1) | (62) | (1) | 654 |
| Facilities | 269 | 31 | - | - | (12) | 1 | 289 |
| Furnitures and appliances | 340 | 28 | - | (1) | (25) | 6 | 348 |
| Constructions in progress | 78 | 111 | - | - | - | (64) | 125 |
| Others | 37 | 2 | - | - | (7) | 7 | 39 |
| Subtotal | 5,047 | 762 | - | (3) | (199) | (151) | 5,456 |
| Lease - right of use: | | | | | | | |
| Buildings | 2,423 | 206 | 231 | (66) | (113) | 4 | 2,685 |
| Equipment | 6 | 16 | - | - | (3) | - | 19 |
| Subtotal | 2,429 | 222 | 231 | (66) | (116) | 4 | 2,704 |
| Total | 7,476 | 984 | 231 | (69) | (315) | (147) | 8,160 |

(i) On June 30, 2021, presents the transfer between fixed assets to "assets held for sale", in amount of R$147.

### 11.2 Composition of Property, plant and equipment

| | 6/30/2022 | | | 12/31/2021 | | |
|---|---|---|---|---|---|---|
| | Historical cost | Accumulated depreciation | Net amount | Historical cost | Accumulated depreciation | Net amount |
| Lands | 616 | - | 616 | 570 | - | 570 |
| Buildings | 913 | (120) | 793 | 767 | (111) | 656 |
| Improvements | 5,858 | (921) | 4,937 | 4,387 | (791) | 3,596 |
| Equipment | 1,625 | (624) | 1,001 | 1,373 | (545) | 828 |
| Facilities | 563 | (126) | 437 | 472 | (110) | 362 |
| Furnitures and appliances | 755 | (252) | 503 | 635 | (219) | 416 |
| Constructions in progress | 518 | - | 518 | 235 | - | 235 |
| Others | 133 | (85) | 48 | 115 | (78) | 37 |
| | 10,981 | (2,128) | 8,853 | 8,554 | (1,854) | 6,700 |
| Lease - right of use: | | | | | | |
| Buildings | 7,781 | (1,166) | 6,615 | 4,566 | (962) | 3,604 |
| Equipment | 57 | (46) | 11 | 61 | (45) | 16 |
| | 7,838 | (1,212) | 6,626 | 4,627 | (1,007) | 3,620 |
| Total property, plant and equipment | 18,819 | (3,340) | 15,479 | 13,181 | (2,861) | 10,320 |

(In million of Brazilian Reais, unless otherwise stated)

### 11.3 Capitalized borrowing costs

The value of capitalized borrowing costs directly attributable to the reform, construction and acquisition of property, plant and equipment and intangible assets within the scope of CPC 20 (R1) / IAS23 - Borrowings Costs and the amount of depreciation and interest on lease liabilities incorporated into the value of the property, plant and equipment and/or intangible assets, for the period in which the assets are not yet in their intended use in accordance with CPC 06 (R2) / IFRS16 - Leases, amounted to R$370 (R$7 on June 30, 2021). The rate used to calculate the borrowing costs eligible for capitalization was 111.33% (155.25% on June 30, 2021) of CDI, corresponding to the effective interest rate of loans taken by the Company.

### 11.4 Additions to property, plant and equipment for cash flow presentation purpose

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| Additions | **5,319** | 984 |
| Leases | **(2,914)** | (222) |
| Capitalized interest | **(370)** | (7) |
| Acquisiton of property, plant and equipment - Additions | **(1,725)** | (711) |
| Acquisiton of property, plant and equipment - Payments | **1,703** | 695 |
| Total | **2,013** | 739 |

Additions related to the acquisition of operating assets, purchase of land and buildings to expansion activities, building of new stores, improvements of existing distribution centers and stores and investments in equipment and information technology.

The additions and payments of property, plant and equipment above are presented to reconcile the acquisitions during the year with the amounts presented in the statement of cash flows net of items that did not impact cash flow.

### 11.5 Other information

On June 30, 2022, the Company recorded in the cost of sales and services the amount of R$37 (R$25 on June 30, 2021), relating to the depreciation of machinery, building and facilities of distribution centers.

## 12 INTANGIBLE ASSETS

| | 12/31/2021 | Additions | Amortiza-tion | 6/30/2022 |
|---|---|---|---|---|
| Goodwill | 618 | **-** | **-** | **618** |
| Softwares | 75 | **5** | **(9)** | **71** |
| Commercial rights (i) | 1,136 | **2,942** | **(4)** | **4,074** |
| Tradename | 39 | **-** | **-** | **39** |
| Subtotal | 1,868 | **2,947** | **(13)** | **4,802** |
| Lease - right of use: | | | | |
| Assets and rights | 19 | **-** | **(1)** | **18** |
| Subtotal | 19 | **-** | **(1)** | **18** |
| Total | 1,887 | **2,947** | **(14)** | **4,820** |

| | 12/31/2020 | Additions | Amortiza-tion | 6/30/2021 |
|---|---|---|---|---|
| Goodwill | 618 | - | - | 618 |
| Softwares | 70 | 7 | (6) | 71 |
| Commercial rights | 310 | 12 | (3) | 319 |
| Tradename | 39 | - | - | 39 |
| Total | 1,037 | 19 | (9) | 1,047 |

(i) In the period ended June 30, 2022, in the Additions column, are shown the amounts related to the acquisition of the 41 commercial points from Extra Hiper stores, in the amount of R$2,942 see note 1.1.

| | 6/30/2022 | | | 12/31/2021 | | |
|---|---|---|---|---|---|---|
| | Historical cost | Accumulated amortization | Net amount | Historical cost | Accumulated amortization | Net amount |
| Goodwill | **871** | **(253)** | **618** | 871 | (253) | 618 |
| Softwares | **137** | **(66)** | **71** | 133 | (58) | 75 |
| Commercial rights | **4,102** | **(28)** | **4,074** | 1,160 | (24) | 1,136 |
| Tradename | **39** | **-** | **39** | 39 | - | 39 |
| | **5,149** | **(347)** | **4,802** | 2,203 | (335) | 1,868 |
| Lease - right of use: | | | | | | |
| Assets and rights | **28** | **(10)** | **18** | 28 | (9) | 19 |
| | **28** | **(10)** | **18** | 28 | (9) | 19 |
| Total of intangible assets | **5,177** | **(357)** | **4,820** | 2,231 | (344) | 1,887 |

### 12.1 Impairment test of intangible assets with an indefinite useful life, including goodwill

The impairment test of intangible assets uses the same practices described in note 13.1 as part of financial statements on December 31, 2021.

On December 31, 2021, the Company revised the plan used to assess impairment for Cash Generating Units (CGUs) and there is no significant deviation which could indicates losses or the need of a new evaluation for the period ended June 30, 2022.

(In million of Brazilian Reais, unless otherwise stated)

## 12.2 Additions to intangible assets for cash flow presentation purpose

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| Additions | **2,947** | 19 |
| Acquisition of intangible assets - Additions | **(2,942)** | - |
| Acquisition of intangible assets - Payments | **600** | - |
| Total | **605** | 19 |

## 13 TRADE PAYABLES

| | Note | 6/30/2022 | 12/31/2021 |
|---|---|---|---|
| Product suppliers | | **7,046** | 6,422 |
| Service providers | | **346** | 74 |
| Service providers - related parties | 9.1 | **22** | 22 |
| Bonuses from suppliers | 13.1 | **(471)** | (576) |
| Total | | **6,943** | 5,942 |

## 13.1 Bonuses from suppliers

These include bonuses and discounts from suppliers. These amounts are defined in agreements and include amounts referring to discounts by volume of purchases, joint marketing programs, freight reimbursements, and other similar programs. Settlement occurs by offsetting payable to suppliers, according to conditions foreseen in the supply agreements.

## 14 FINANCIAL INSTRUMENTS

The main financial instruments and their amounts recorded in the interim financial information, by category, are as follows:

| | Note | 6/30/2022 | 12/31/2021 |
|---|---|---|---|
| Financial assets | | | |
| Amortized cost | | | |
| Cash and cash equivalents | 5 | **3,108** | 2,550 |
| Related parties - assets | 9.1 | **648** | 114 |
| Trade receivables and other accounts receivable | | **163** | 169 |
| Fair value through income | | | |
| Gain of financial instruments - fair value hedge | 14.6.1 | **162** | 32 |
| Fair value through other comprehensive income | | | |
| Trade receivables with credit card companies and sales tickets | | **217** | 155 |
| Financial liabilities | | | |
| Other financial liabilities - amortized cost | | | |
| Related parties - liabilities | 9.1 | **(3,030)** | (368) |
| Trade payables | 13 | **(6,943)** | (5,942) |
| Financing through acquisition of assets | | **(219)** | (197) |
| Borrowings and financing | 14.6.1 | **(1,210)** | (1,210) |
| Debenture | 14.7 | **(9,801)** | (6,446) |
| Lease liabilities | 16.1 | **(7,242)** | (4,051) |
| Fair value through income | | | |
| Borrowings and financing, including derivatives | 14.6.1 | **(320)** | (341) |
| Loss of financial instruments - fair value hedge | 14.6.1 | **(35)** | (36) |
| Net exposure | | **(24,502)** | (15,571) |

The fair value of other financial instruments described on the table above approximates to the carrying amount based on the existing payments terms. Financial instruments measured at amortized cost, whose fair values differ from carrying amount are disclosed in note 14.4.

## 14.1 Considerations on risk factors that may affect the Company's business

### 14.1.1 Credit Risk

**• Cash and cash equivalents**

In order to minimize credit risks, the Company adopts investments policies at financial institutions approved by the Company's Financial Committee, also taking into consideration monetary limits and financial institution evaluations, which are regularly updated.

**• Trade receivables**

Credit risk related to trade receivables is minimized by the fact that a large portion of sales are paid with credit cards, and the Company sells these receivables to banks and credit card companies, aiming to strengthen working capital. The sales of receivables result in derecognition of the accounts receivable due to the transfer of the credit risk, benefits and control of such assets. Additionally, regarding the trade receivables collected in installments, the Company monitor the risk through the credit concession and by period analysis of the provision for losses.

The Company also has counterparty risk related to derivative instruments, which is mitigated by the Company carrying out transactions, according to policies approved by governance boards.

There are no amounts receivable or sales that are individually, higher than 5% of trade receivables or sales.

### 14.1.2 Interest rate risk

The Company obtains borrowings and financing with major financial institutions for cash needs for investments. As a result, the Company is mainly exposed to relevant interest rates fluctuation risk, especially in view of derivatives liabilities (foreign currency exposure hedge) and CDI Indexed debts. The balance of cash and cash equivalents, indexed to CDI, partially offsets the interest rate risk.

(In million of Brazilian Reais, unless otherwise stated)

### 14.1.3 Foreign currency exchange rate risk

The Company is exposed to exchange rate fluctuations, which may increase outstanding balances of foreign currency-denominated borrowings. The Company uses derivatives, such as swaps, aiming to mitigate the foreign currency exchange rate risk, converting the cost of debt into domestic currency and interest rates.

### 14.1.4 Capital risk management

The main objective of the Company's capital management is to ensure that the Company maintains its credit rating and a well-balanced equity ratio, in order to support businesses and maximize shareholder value. The Company manages the capital structure and adjusts taking into account changes in the economic conditions.

The capital structure is thus demonstrated:

| | 6/30/2022 | 12/31/2021 |
|---|---|---|
| Borrowings, financing and debentures | (11,366) | (8,033) |
| (-) Cash and cash equivalents | 3,108 | 2,550 |
| (-) Derivative financial instruments | 162 | 32 |
| Net debt | (8,096) | (5,451) |
| Shareholders' equity | 3,311 | 2,766 |
| % Net debt over Shareholders' equity | 245% | 197% |

### 14.1.5 Liquidity risk management

The Company manages liquidity risk through the daily analysis of cash flows and maturities of financial assets and liabilities.

The table below summarizes the aging profile of the Company's financial liabilities on June 30, 2022.

| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
|---|---|---|---|---|
| Borrowings and financing | 222 | 1,684 | - | 1,906 |
| Debenture | 811 | 8,623 | 4,919 | 14,353 |
| Derivative financial instruments | 118 | 145 | (678) | (415) |
| Lease liabilities | 1,146 | 5,046 | 11,198 | 17,390 |
| Trade payable | 6,943 | - | - | 6,943 |
| Total | 9,240 | 15,498 | 15,439 | 40,177 |

The table above was prepared considering the undiscounted cash flows of financial liabilities based on the earliest date the Company may be required to make a payment or be eligible to receive a payment. To the extent that interest rates are floating, the non-discounted amount is obtained based on interest rate curves for the period ended June 30, 2022. Therefore, certain balances are not consistent with the balances reported in the balance sheet.

## 14.2 Derivative financial instruments

| | Notional value | | Fair value | |
|---|---|---|---|---|
| | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 |
| Swap with hedge accounting | | | | |
| Hedge purpose (debt) | 1,888 | 1,888 | 1,918 | 1,869 |
| Long Position | | | | |
| Fixed rate | 106 | 106 | 56 | 60 |
| USD + Fixed | 282 | 282 | 263 | 281 |
| Hedge - CRI | 1,500 | 1,500 | 1,599 | 1,528 |
| Short Position | (1,888) | (1,888) | (1,791) | (1,873) |
| Net hedge position | - | - | 127 | (4) |

Realized and unrealized gains and losses on these contracts during the period ended June 30, 2022, are recorded as financial income or expenses and the balance receivable at fair value is R$127 (balance payable of R$4 on December 31, 2021). Assets are recorded as "financial instruments" and liabilities as "borrowings and financing".

The effects of the fair value hedge recorded in the statement of operations for the period ended June 30, 2022, resulted in a loss of R$87, recorded under debt of cost, note 23 (loss R$23 on June 30, 2021).

### 14.2.1 Fair values of derivative financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values are calculated using projected the future cash flow, using the CDI curves and discounting to present value, using CDI market rates for swap both disclosed by the B3.

The fair value of exchange coupon swaps versus CDI rate was determined based on market exchange rates effective at the date of the financial statements and projected based on the currency coupon curves.

In order to calculate the coupon of foreign currency indexed-positions, the straight-line convention - 360 consecutive days was adopted and to calculate the coupon of CDI indexed-positions, the exponential convention - 252 business days was adopted.

(In million of Brazilian Reais, unless otherwise stated)

## 14.3 Sensitivity analysis of financial instruments

The market curves (currencies and interest) of B3 were considered as the most likely scenario, in Management's assessment, on the maturity dates of each of the operations.

Therefore, in the probable scenario (I) there is no impact on the fair value of financial instruments. For scenarios (II) and (III), for the exclusive effect, a deterioration from 5% to 10% was taken into account, respectively, on risk variables, up to one year of financial instruments.

For the probable scenario, the weighted exchange rate defined was R$5.70 on the due date, and the weighted interest rate was 13.78% per year.

In the case of derivative financial instruments (aiming at hedging the financial debt), changes in scenarios are accompanied by respective hedges, indicating that the effects are not significant.

The Company disclosed the net exposure of derivative financial instruments, the corresponding financial instruments and certain financial instruments in the sensitivity analysis table below, for each of the aforementioned scenarios.

| | | | | | Market projections | | |
|---|---|---|---|---|---|---|---|
| Transactions | Note | Risk (CDI Increase) | Carrying Amount | As of 6/30/2022 | Scenario (I) | Scenario (II) | Scenario (III) |
| Borrowings and financing | 14.6.1 | CDI + 1.51% per year | 1,530 | (1,484) | (218) | (229) | (240) |
| Fixed rate swap contract (gain) | 14.6.1 | TR + 9.80% | (162) | (54) | (55) | (60) | (64) |
| Exchange swap contract (loss) | 14.6.1 | CDI + 1.35% per year | 35 | (296) | (97) | (111) | (125) |
| Debentures | 14.6.1 | CDI + 1.49% per year | 9,801 | (9,893) | (1,458) | (1,531) | (1,604) |
| Total net effect (loss) | | | 11,204 | (11,727) | (1,828) | (1,931) | (2,033) |
| Cash equivalents | 5 | 87.30% | | 3,108 | 425 | 446 | 468 |
| Net exposure loss | | | | (8,619) | (1,403) | (1,485) | (1,565) |

## 14.4 Fair values measurement

The Company discloses the fair value of financial instruments measured at fair value and of financial instruments measured at amortized cost, the fair value of which differ from the carrying amount, in accordance with CPC 46 / IFRS 13, which refer to the requirements of measurement and disclosure. The fair value hierarchy levels are defined below:

Level 1: fair value measurement at the balance date considering quoted (unadjusted) market prices in active markets for identical assets or liabilities which the Company can access at the measure date.

Level 2: Valuation techniques for which the lowest level inputs that is significant to the fair value measurement is directly or indirectly observable, except for quoted prices included on Level 1.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair values of cash and cash equivalents, trade receivables and trade payables approximate their carrying amounts.

The table below sets forth the fair value hierarchy of financial assets and liabilities measured at fair value of financial instruments measured at amortized cost, for which the fair value has been disclosed in the interim financial information:

| | Carrying amount | | Fair value | | |
|---|---|---|---|---|---|
| | 6/30/2022 | 12/31/2021 | 6/30/2022 | 12/31/2021 | Level |
| Trade receivables with credit cards companies and sales vouchers | 217 | 155 | 217 | 155 | 2 |
| Swaps of annual rates between currencies | (33) | (11) | (33) | (11) | 2 |
| Interest rate swaps | 2 | 4 | 2 | 4 | 2 |
| Interest rate swaps - CRI | 158 | 3 | 158 | 3 | 2 |
| Borrowings and financing (fair value) | (320) | (341) | (320) | (341) | 2 |
| Borrowings and financing (amortized cost) | (11,011) | (7,656) | (10,738) | (7,372) | 2 |
| | (10,987) | (7,846) | (10,714) | (7,562) | |

There were no changes between fair value measurement hierarchy levels during the period ended June 30, 2022.

Interest rate swaps, cross-currency and borrowings and financing are classified in level 2 since the fair value of such financial instruments was determined based on readily observable inputs, such as expected interest rate and current and future foreign exchange rate.

## 14.5 Operations with derivative financial instruments

The Company has derivative contracts with the following financial institutions: Itaú BBA, Scotiabank and BR Partners.

The outstanding derivative financial instruments are presented in the table below:

| Description | Notional value | Due date | 6/30/2022 | 12/31/2021 |
|---|---|---|---|---|
| Debt | | | | |
| USD - BRL | USD50 | 2023 | (33) | (11) |
| Debt | | | | |
| IPCA - BRL | R$1,500 | 2028 and 2031 | 158 | 3 |
| Interest rate swaps registered at CETIP | | | | |
| Pre-fixed rate x CDI | R$54 | 2027 | 1 | 2 |
| Pre-fixed rate x CDI | R$52 | 2027 | 1 | 2 |
| Derivatives - Fair value hedge - Brazil | | | 127 | (4) |

(In million of Brazilian Reais, unless otherwise stated)

## 14.6 Borrowings and financing

### 14.6.1 Debt composition

| | Weighted average | 6/30/2022 | 12/31/2021 |
|---|---|---|---|
| Current | | | |
| Debenture and promissory notes | CDI + 1.49% per year | 177 | 194 |
| Borrowing costs | | (20) | (14) |
| Total debenture and promissory notes | | 157 | 180 |
| Borrowings and financing | | | |
| In national currency | | | |
| Working capital | TR + 9.80% | 12 | 14 |
| Working capital | CDI + 1.87% per year. | 20 | 419 |
| Borrowing costs | | (4) | (4) |
| Total national currency | | 28 | 429 |
| In foreign currency | | | |
| Working capital | USD + 1.06% per year | 1 | 1 |
| Total in foreign currency | | 1 | 1 |
| Total of borrowings and financing | | 29 | 430 |
| Derivative financial instruments | | | |
| Swap contracts | CDI + 0.86% per year | (22) | (4) |
| Swap contracts | CDI + 1.35% per year | 1 | 3 |
| Total derivative financial instruments | | (21) | (1) |
| Total current | | 165 | 609 |

| | Weighted average | 6/30/2022 | 12/31/2021 |
|---|---|---|---|
| Non-current | | | |
| Debenture and promissory notes | CDI + 1.49% per year | 9,716 | 6,329 |
| Borrowing costs | | (72) | (63) |
| Total debenture and promissory notes | | 9,644 | 6,266 |
| Borrowings and financing | | | |
| In national currency | | | |
| Working capital | TR + 9.80% | 44 | 47 |
| Working capital | CDI + 1.54% per year | 1,200 | 800 |
| Borrowing costs | | (4) | (5) |
| Total of national currrency | | 1,240 | 842 |
| In foreign currency | | | |
| Working capital | USD + 1.06% per year | 261 | 279 |
| Total of foreign currency | | 261 | 279 |
| Total of borrowings and financing | | 1,501 | 1,121 |
| Derivative financial instruments | | | |
| Swap contracts | CDI + 0.86% per year | (140) | (28) |
| Swap contracts | CDI + 1.35% per year | 34 | 33 |
| Total derivative financial instruments | | (106) | 5 |
| Total of non-current | | 11,039 | 7,392 |
| Total | | 11,204 | 8,001 |
| Current asset | | 22 | 4 |
| Non-current asset | | 140 | 28 |
| Current liabilities | | 187 | 613 |
| Non-current liabilities | | 11,179 | 7,420 |

### 14.6.2 Rollforward of borrowings and financing

| | Value |
|---|---|
| Balance on December 31, 2020 | 7,763 |
| Funding | 1,874 |
| Interest provision | 195 |
| Swap contracts | 89 |
| Mark-to-market | 7 |
| Exchange rate and monetary variation | (24) |
| Debt modification effect IFRS 9 | (23) |
| Borrowing costs | 18 |
| Interest amortization | (96) |
| Principal amortization | (273) |
| Swap amortization | 3 |
| Balance on June 30, 2021 | 9,533 |

(In million of Brazilian Reais, unless otherwise stated)

| | Value |
|---|---|
| Balance on December 31, 2021 | 8,001 |
| Funding | **2,975** |
| Interest provision | **677** |
| Swap contracts | **(3)** |
| Mark-to-market | **(84)** |
| Exchange rate and monetary variation | **(17)** |
| Borrowing costs | **12** |
| Interest amortization | **(308)** |
| Principal amortization | **(5)** |
| Swap amortization | **(44)** |
| Balance on June 30, 2022 | **11,204** |

### 14.6.3 Schedule of non-current maturities

| Maturity | Value |
|---|---|
| From 1 to 2 years | **1,493** |
| From 2 to 3 years | **4,231** |
| From 3 to 4 years | **821** |
| From 4 to 5 years | **458** |
| After 5 years | **4,112** |
| Total | **11,115** |
| Borrowing cost | **(76)** |
| Total | **11,039** |

## 14.7 Debenture and promissory notes

| | Type | Issue amount | Outstanding debentures (units) | Date: Issue | Date: Maturity | Annual financial charges | Unit price (in Reais) | 6/30/2022 | 12/31/2021 |
|---|---|---|---|---|---|---|---|---|---|
| First Issue of Promissory Notes - 3rd series | Non-preemptive | 50 | 1 | 7/4/2019 | 7/4/2022 | CDI + 0.72% per year | 59,326,377 | **59** | 57 |
| First Issue of Promissory Notes - 4th series | Non-preemptive | 250 | 5 | 7/4/2019 | 7/4/2023 | CDI + 0.72% per year | 59,326,377 | **297** | 281 |
| First Issue of Promissory Notes - 5th series | Non-preemptive | 200 | 4 | 7/4/2019 | 7/4/2024 | CDI + 0.72% per year | 59,326,377 | **237** | 225 |
| First Issue of Promissory Notes - 6th series | Non-preemptive | 200 | 4 | 7/4/2019 | 7/4/2025 | CDI + 0.72% per year | 59,326,377 | **237** | 225 |
| Second Issue of Debentures - 1st series | Non-preemptive | 940,000 | 940,000 | 6/1/2021 | 5/20/2026 | CDI + 1.70% per year | 1,015 | **954** | 951 |
| Second Issue of Debentures - 2nd series | Non-preemptive | 660,000 | 660,000 | 6/1/2021 | 5/22/2028 | CDI + 1.95% per year | 1,016 | **671** | 668 |
| Second Issue of Promissory Notes - 1st series | Non-preemptive | 1,250,000 | 940,000 | 8/27/2021 | 8/27/2024 | CDI + 1.47% per year | 1,452 | **1,366** | 1,285 |
| Second Issue of Promissory Notes - 2nd series | Non-preemptive | 1,250,000 | 940,000 | 8/27/2021 | 2/27/2025 | CDI + 1.53% per year | 1,453 | **1,366** | 1,286 |
| Third Issue of Debentures - 1st series - CRI | Non-preemptive | 982,526 | 982,526 | 10/15/2021 | 10/16/2028 | IPCA + 5.15% per year | 1,089 | **1,070** | 1,012 |
| Third Issue of Debentures - 2nd series - CRI | Non-preemptive | 517,474 | 517,474 | 10/15/2021 | 10/15/2031 | IPCA + 5.27% per year | 1,089 | **565** | 533 |
| Fourth Issue of Debentures - single series | Non-preemptive | 2,000,000 | 2,000,000 | 1/7/2022 | 11/26/2027 | CDI + 1.75% per year | 1,013 | **2,026** | - |
| First Issue of Commercial Paper Notes - single series | Non-preemptive | 750,000 | 750,000 | 2/10/2022 | 2/9/2025 | CDI + 1.70% per year | 1,050 | **788** | - |
| Fifth Issue of Debentures - single series - CRI | Non-preemptive | 250,000 | 250,000 | 4/5/2022 | 3/28/2025 | CDI + 0.75% per year | 1,030 | **257** | - |
| Borrowing cost | | | | | | | | **(92)** | (77) |
| | | | | | | | | **9,801** | 6,446 |
| Current | | | | | | | | **157** | 180 |
| Non-current | | | | | | | | **9,644** | 6,266 |

The Company issues debentures to strengthen its working capital, maintain its cash strategy, lengthen its debt profile and make investments. The debentures issued are unsecured, without renegotiation clauses and not convertible into shares.

## 14.8 Borrowings in foreign currencies

On June 30, 2022, the Company has loan in foreign currencies (US dollar) to strengthen its the working capital, maintaining its cash strategy, lengthening its indebt profile and make investments.

## 14.9 Guarantees

The Company signed a promissory note for a loan agreement with Scotiabank in the amount of USD50 million, which can be executed upon failure of payment of the related loan.

## 14.10 Swap contracts

The Company uses swap operations for 100% of its borrowings denominated in US dollars fixed interest rates and IPCA, exchanging these liabilities for Real linked to CDI (floating). The annual weighted average rate CDI on June 30, 2022 was 8.66% (4.40% on December 31, 2021).

## 14.11 Financial convenants

In connection with the debentures and promissory notes issued and part of loan operations denominated in foreign currencies, the Company is required to maintain certain financial ratios. These ratios are calculated quarterly based on the Company's interim financial information drawn up in accordance with the accounting practices adopted in Brazil, as follows: (i) consolidated net debt / equity less than or equal to 3.00 not exceeding equity; and (ii) consolidated net debt/EBITDA ratio should be lower than or equal to 3.00.

On June 30, 2022, the Company was compliant with those ratios.

(In million of Brazilian Reais, unless otherwise stated)

## 15 Provision for legal proceedings

The provision for legal proceedings is estimated by the Company and it is corroborated by its legal advisors, and such provision is recorded in sufficient amount to settle losses assessed and classified as probable.

| | Tax claims | Social security and labor | Civil | Total |
|---|---|---|---|---|
| Balance as of December 31, 2020 | 169 | 64 | 49 | 282 |
| Additions | 48 | 24 | 3 | 75 |
| Reversal | (82) | (10) | (7) | (99) |
| Payments | - | (9) | (10) | (19) |
| Monetary correction | 4 | 3 | 5 | 12 |
| Balance as of June 30, 2021 | 139 | 72 | 40 | 251 |
| Restricted deposits for legal proceedings | (62) | (56) | (1) | (119) |
| Net provision of judicial deposits | 77 | 16 | 39 | 132 |

| | Tax claims | Social security and labor | Civil | Total |
|---|---|---|---|---|
| Balance as of December 31, 2021 | 109 | 69 | 27 | 205 |
| Additions | **2** | **32** | **5** | **39** |
| Reversal | **-** | **(11)** | **(1)** | **(12)** |
| Payments | **-** | **(12)** | **(12)** | **(24)** |
| Monetary correction | **3** | **3** | **3** | **9** |
| Balance as of June 30, 2022 | **114** | **81** | **22** | **217** |
| Restricted deposits for legal proceedings | **(68)** | **(43)** | **(3)** | **(114)** |
| Net provision of judicial deposits | **46** | **38** | **19** | **103** |

### 15.1 Tax claims

Tax claims are subject by law to the monthly monetary correction, which refers to an adjustment to the provision based on indexing rates adopted by each tax jurisdiction. Both interest rates charges and fines, where applicable, were calculated and provisioned with respect to unpaid amounts.

The Company has other tax claims, which according to its legal counsels' analysis, were provisioned, namely: (i) discussions on the non-application of Prevention Accident Factor (FAP); (ii) discussions with State tax authorities on ICMS tax rate calculated in electricity bills; (iii) IPI on resale of imported goods and (iv) other matters.

The provisioned amount on June 30, 2022, for these matters is R$114 (R$109 on December 31, 2021).

### 15.2 Social security and labor

The Company is a party to various labor proceedings, especially due to dismissals in the regular course of business. On June 30, 2022, the Company recorded a provision of R$81 (R$69 on December 31, 2021), referring to a potential risk of loss relating to labor claims. Management, with the assistance of its legal counsels, assesses these claims and recording provisions for losses when reasonably estimated, considering previous experiences in relation to amounts claimed.

### 15.3 Civil

The Company is party to civil proceedings (indemnifications, collections, among others) at in different procedural phases and various central courts. Management records provisions in amounts considered sufficient to cover unfavorable court decisions when its internal and external legal counsel assess the losses to be probable.

Among these proceedings, we highlight the following:

The Company is party to various lawsuits requesting the renewal of rental agreements and the review of the current rent paid. The Company records a provision for the difference between the amount originally paid by stores and the amounts claimed by the adverse party in the lawsuit when internal and external legal counsels consider the probability of changing the lease amount paid by the entity. On June 30, 2022, the provision for these lawsuits amounted to R$16 (R$21 on December 31, 2021), for which there are no judicial deposits for legal proceedings.

The Company is party to certain lawsuits relating to the fines applied by inspection bodies of direct and indirect administration of the federal government, states, and municipalities, including consumer defense bodies (PROCONs, INMETRO, and local governments). The Company, assisted by its legal counsel, assesses these claims recording provisions for probable cash disbursements, according to the probability of loss. On June 30, 2022, the provision for these lawsuits is R$6 (R$6 on December 31, 2021).

The Company's total civil, regulatory and property claims on June 30, 2022, is R$22 (R$27 on December 31, 2021).

(In million of Brazilian Reais, unless otherwise stated)

### 15.4 Possible contingent liabilities

The Company has other demands that were classified by Management with the advice of its external lawyers as possible, but not probable, therefore, not accrued, totaling an updated amount of R$2,423 on June 30, 2022 (R$2,346 on December 31, 2021). Accordingly, no provisions were recorded in connection with these proceedings, which are mainly related to:

IRPJ (corporate income tax), IRRF (withholding income tax), CSLL (social contribution on net income) – The Company received several tax assessment notices relating to tax offsetting proceedings, goodwill disallowance, disagreements regarding payments and overpayments, fines due to non-compliance with ancillary obligation, among other less relevant issues. The amount involved corresponds to R$588 on June 30, 2022 (R$478 on December 31, 2021).

COFINS, PIS (federal taxes on gross revenues) – The Company has been questioned about discrepancies in payments and overpayments; fine due to non-compliance with ancillary obligation, disallowance of COFINS and PIS credits, among other issues. These proceedings are pending judgment at the administrative and judicial levels. The amount involved in these tax assessments is R$625 on June 30, 2022 (R$609 on December 31, 2021).

ICMS (State VAT) – The Company received tax assessment notices from State tax authorities in connection with credits from: (i) purchases from suppliers’ acquisitions considered unqualified by the registry of the State Revenue Service; and (ii) among others matters. These tax assessments amount to R$1,074 on June 30, 2022 (R$1,128 on December 31, 2021). These proceedings are pending final judgment at the administrative and judicial levels.

ISS (services tax), IPTU (urban property tax), Fees and other – The Company has received tax assessments relating to discrepancies in payments of IPTU, fines due to non-compliance with ancillary obligations, ISS – refund of advertising expenses and various fees, totaling R$15 on June 30, 2022 (R$13 on December 31, 2021). These proceedings are pending judgment at the administrative and judicial levels.

INSS (national institute of social security) – The Company was assessed due to the levy of payroll charges over benefits granted to its employees, among other issues, with possible losses of R$58 on June 30, 2022 (R$56 on December 31, 2021). Proceedings have been discussed in the administrative and judicial levels.

Other litigation– These proceedings refer to real estate lawsuits in which the Company claims the renewal of lease agreements and rents according to market prices. These lawsuits involve proceedings litigated in civil court, and special civil court, as well as administrative proceedings filed by inspection bodies, such as the consumer defense body (PROCONs), the National Institute of Metrology, Standardization and Industrial Quality– INMETRO, the National Agency of Sanitary Surveillance - ANVISA, among others, totaling R$51 on June 30, 2022 (R$47 on December 31, 2021).

Three collective proceedings were opened due to an approach to a customer, in August 2021 at the store in Limeira - SP, in which claim supposed racial issues. All cases were satisfactorily answered and are still in the initial phase awaiting regular progress by the judiciary. Therefore, it is still not possible to reasonably estimate the amounts involved, due to the subjectivity of the matter and the absence of precedent in the jurisprudence in collective proceedings on the subject. No significant impact on interim financial information is expected.

The Company engages external legal counsel to represent it in the tax assessments, whose fees are contingent on the final outcome of the lawsuits. Percentages may vary according to qualitative and quantitative factors of each proceeding, on June 30, 2022, the estimated amount, in case of success of all lawsuits, was approximately R$12 (R$15 on December 31, 2021).

### 15.5 Guarantees

The Company presented bank guarantees and insurance guarantee to judicial process related a civil, tax and labor nature, described below:

| Lawsuits | Letter of guarantees |
|---|---|
| Tax claims | 647 |
| Social security and labos | 90 |
| Civil and others | 379 |
| Total | 1,116 |

The guarantees cost is aproximately 0.31% per year of the value of the lawsuits and it is registered as expense in the course of time.

### 15.6 Deduction of ICMS from the calculation basis of PIS and COFINS

Since the adoption of the non-cumulative regime to calculate PIS and COFINS, the Company has claimed the right to deduct ICMS taxes from the calculation basis of PIS and COFINS. On March 15, 2017, the STF recognized, in terms of general repercussion, the unconstitutionality of including ICMS in the PIS and COFINS calculation basis. In May 2021, the STF Plenary judged the Declaration Embargoes, in relation to the amount to be excluded from the PIS and COFINS calculation basis, if it should only be the ICMS paid, or if all the ICMS highlighted in the invoices, the STF issued a favorable decision to the taxpayers, concluding that all outstanding ICMS should be excluded from the PIS and COFINS calculation basis.

Since of such decision on March 15, 2017, the procedural progress has been as anticipated by our legal advisors without any change in the management's judgment. On December 31, 2021, with a favorable decision in its actions, the Company recorded its right in the amount of R$216.

(In million of Brazilian Reais, unless otherwise stated)

### 15.7 Restricted deposits for legal proceedings

The Company is challenging the payment of certain taxes, contributions, and labor liabilities and made judicial deposits in the corresponding amounts, as well as escrow deposits related to the provision for legal proceedings.

The Company recorded amounts referring to judicial deposits in its assets as follows.

| Lawsuits | 6/30/2022 | 12/31/2021 |
|---|---|---|
| Tax claims | **69** | 65 |
| Social security and labos | **50** | 50 |
| Civil and others | **5** | 4 |
| Total | **124** | 119 |

## 16 LEASE LIABILITIES

### 16.1 Minimum future payments and potential right of PIS and COFINS

Leasing agreements totaled R$7,242 on June 30, 2022 (R$4,051 on December 31, 2021). The minimum future payments as leases, by leases term and with the fair value of minimum lease payments, are as follows:

| | 6/30/2022 | 12/31/2021 |
|---|---|---|
| Financial lease liabilities - minimum payments | | |
| Less than 1 year | **366** | 244 |
| 1 to 5 years | **1,544** | 1,231 |
| More than 5 years | **5,332** | 2,576 |
| Present value of financial lease agreements | **7,242** | 4,051 |
| Current | **366** | 244 |
| Non-current | **6,876** | 3,807 |
| Future financing charges | **10,148** | 4,042 |
| Gross amount of financial lease agreements | **17,390** | 8,093 |
| PIS and COFINS embedded in the present value of lease agreements | **440** | 246 |
| PIS and COFINS embedded in the gross value of lease agreements | **1,057** | 492 |

Lease liabilities interest expense is stated in note 23. The incremental interest rate of the Company on the signing date of the agreement was 11.86% in the period ended June 30, 2021 (10.53% on December 31, 2021).

If the Company adopts the projection of inflation embedded in the nominal incremental rate and converting to a present value as a calculation method, the average percentage of inflation to be project for year would be approximately 8.13% (4.42% on December 31, 2021). The average term of the agreements analyzed is 18.44 years.

### 16.2 Lease obligation rollforward

| | Amount |
|---|---|
| As of December 31, 2020 | 2,776 |
| Addition - Lease | 222 |
| Lease modification | 231 |
| Interest provision | 137 |
| Principal amortization | (140) |
| Interest amortization | (61) |
| Write-off due to early termination of agreement | (74) |
| As of June 30, 2021 | 3,091 |

| | Amount |
|---|---|
| As of December 31, 2021 | 4,051 |
| Addition - Lease | **2,914** |
| Lease modification | **304** |
| Interest provision | **338** |
| Principal amortization | **(336)** |
| Interest amortization | **(25)** |
| Write-off due to early termination of agreement | **(4)** |
| As of June 30, 2022 | **7,242** |

### 16.3 Lease expense on variable rents, low-value, and short-term assets

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| (Expenses) revenues of the period: | | |
| Variables (1% of sales) | **(2)** | (4) |
| Subleases (i) | **22** | 13 |

(i) It refers mainly to the revenue from rental contracts to be received from commercial galleries.

## 17 DEFERRED REVENUES

| | 6/30/2022 | 12/31/2021 |
|---|---|---|
| Sale and Leaseback | **108** | 68 |
| Back Lights (i) | **116** | 233 |
| Checkstand (ii) | **27** | 41 |
| Gift card and others | **1** | 2 |
| Marketing | **23** | 12 |
| Total | **275** | 356 |

(i) Rental of backlight panels.
(ii) Supplier product exhibition modules, or check stands and rental of displays.

(In million of Brazilian Reais, unless otherwise stated)

## 18 INCOME TAX AND SOCIAL CONTRIBUTION

### 18.1 Reconciliation of income tax and social contribution expense

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| Earnings before income tax and social contribution | **604** | 800 |
| Expense of income tax and social contribution at nominal rate | **(205)** | (272) |
| Adjustments to reflect the effective rate | | |
| Tax fines | **(1)** | (1) |
| Share of profits | **6** | 10 |
| ICMS subsidy - tax incentives (i) | **116** | - |
| Current year credit | **14** | - |
| Tax benefits | **1** | 8 |
| Other permanent differences | **(2)** | - |
| Effective income tax | **(71)** | (255) |
| Income tax and social contribution for the period | | |
| Current | **(45)** | (265) |
| Deferred | **(26)** | 10 |
| Income tax and social contribution expenses | **(71)** | (255) |
| Effective tax | **11.8%** | 31.9% |

(i) The Company ascertain tax benefits that are characterized as investment subsidies as provided for in Complementary Law n° 160/17 and Law n°. 12,973/14. For the period ended June 30, 2022, the Company excluded the IRPJ and CSLL calculation bases from the amount constituted in the tax incentive reserve, see note 19.4.

### 18.2 Breakdown of deferred income tax and social contribution

Key components of deferred income tax and social contribution in the balance sheet are the following:

| | 6/30/2022 | | | 12/31/2021 | | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Net | Assets | Liabilities | Net |
| Deferred income tax and social contribution | | | | | | |
| Tax losses | **170** | **-** | **170** | 167 | - | 167 |
| Provision for legal proceedings | **62** | **-** | **62** | 59 | - | 59 |
| Exchange rate variation | **-** | **(30)** | **(30)** | - | (7) | (7) |
| Goodwil tax amortization | **-** | **(317)** | **(317)** | - | (317) | (317) |
| Fair value adjustment | **-** | **(20)** | **(20)** | 1 | - | 1 |
| Property, plant and equipment and intangible assets | **30** | **-** | **30** | 33 | - | 33 |
| Unrealized gains with tax credits | **-** | **(13)** | **(13)** | - | (28) | (28) |
| Cash flow hedge | **-** | **(36)** | **(36)** | - | (26) | (26) |
| Lease net of right of use | **138** | **-** | **138** | 150 | - | 150 |
| Others | **36** | **-** | **36** | 13 | - | 13 |
| Gross deferred income tax and social contribution assets (liabilities) | **436** | **(416)** | **20** | 423 | (378) | 45 |
| Compensation | **(416)** | **416** | **-** | (378) | 378 | - |
| Net deferred income tax and social contribution assets (liabilities), net | **20** | **-** | **20** | 45 | - | 45 |

Management has assessed the future realization of deferred tax assets, considering the projections of future taxable income. This assessment was based on information from the strategic planning report previously approved by the Board of Directors of the Company.

The Company estimates the recovery of the deferred tax assets as follows:

| Years | Amount |
|---|---|
| Up to 1 year | **45** |
| From 1 year to 2 years | **233** |
| From 4 years to 5 years | **5** |
| More than 5 years | **153** |
| | **436** |

### 18.3 Rollfoward of deferred income tax and social contribution

| | 6/30/2022 | 12/31/2021 |
|---|---|---|
| At the beginning of the period | **45** | (82) |
| Benefits in the period | **(26)** | 127 |
| Tax over other comprehensive income | **1** | - |
| At the end of the period | **20** | 45 |

## 19 SHAREHOLDERS' EQUITY

### 19.1 Capital stock and stock rights

The capital stock on June 30, 2022, is R$1,255 (R$788 on December 31, 2021), represented by 1,347,213,151 registered common shares (1,346,674,477 on December 31, 2021), all non-par and registered shares. According to the Company's bylaws, the Company's authorized capital stock may be increased up to 2 billion common shares.

On February 21, 2022, the Board of Directors approved a capital contribution in the amount of R$1, through the issuance of 239,755 common shares.

At the Extraordinary General Meeting held on April 28, 2022, the Company approved, observing the authorized capital limit, the increase of capital stock in the amount R$464 through the capitalization of profit reserves, without issuance new shares.

On May 9, 2022, the Board of Directors approved a capital contribution in the amount of R$2, through the issuance of 298,919 common shares.

The Company's shareholding structure is shown as follows:

| | 6/30/2022 | | 12/31/2021 | |
|---|---|---|---|---|
| | Number of shares | Participation | Number of shares | Participation |
| Controlling shareholders | 557,877,105 | 41.41% | 557,857,105 | 41.42% |
| Outstanding shares | 789,336,046 | 58.59% | 788,817,372 | 58.58% |
| Total | 1,347,213,151 | 100.00% | 1,346,674,477 | 100.00% |

## 19.2 Distribution of dividends

On March 28, 2022, the management's proposal was disclosed to the market in relation to the amounts of dividends and allocation of the Company's profits on December 31, 2021. The administration's proposal was approved on April 28, 2022.

At the Annual General Meeting held on April 28, 2022, our shareholders voted to approve the minimum mandatory dividend in the aggregate amount of R$224, calculated in accordance with Brazilian Corporate Law and our bylaws, with respect to the fiscal year ended December 31, 2021. This amount excludes the tax incentive reserve related to the recognition of tax credits for investment subsidy in the total amount of R$709. Of the total dividend amount, R$56 was paid on October 14, 2021 as interest on shareholders' equity, and the amount of R$168 corresponding to R$0.125038407679398 per common share, it was paid on June 27, 2022, holders of ADSs received the dividend distribution to which they were entitled through the Sendas Depositary.

## 19.3 Expansion Reserve

At the Annual General Meeting ("AGM") held on April 28, 2022 the constitution of the expansion reserve in the amount of R$631 was approved, against the profit reserve of the year 2021.

## 19.4 Tax incentive reserve

The tax incentive reserve by the States started to be considered subsidies for investments, deductible for the calculation of income tax and social contribution. Thus, for the period ended June 30, 2022, the Company allocated the amount of R$363 (R$709 on December 31,2021) to the tax incentive reserve.

As provided for in article 30 of Law 12,973/14, the tax incentive reserve may be used to absorb losses, provided that the other profit reserves have already been fully absorbed, with the exception of the legal reserve, or for an increase in capital. Within the same legal provision, the tax incentive reserve and legal reserve are not part of the calculation basis for the minimum mandatory dividend, and the Company must subject it to taxation, in case of distribution.

## 19.5 Share-based payment

### 19.5.1 Recognized Options Granted

Information relating to the Company's option plan and compensation plan is summarized below:

| | | | | 6/30/2022 | | | |
|---|---|---|---|---|---|---|---|
| | | | | Number of shares (in thousands) | | | |
| Granted series | Grant date | 1st exercise date | Strike price on the grant date (in reais) | Grantees | Exercised | Cancelled | Current |
| B8 | 5/31/2021 | 6/1/2024 | 0.01 | 363 | (10) | (29) | 324 |
| C8 | 5/31/2021 | 6/1/2024 | 13.39 | 363 | (10) | (29) | 324 |
| B9 | 5/31/2022 | 6/1/2025 | 0.01 | 2,163 | - | - | 2,163 |
| C9 | 5/31/2022 | 6/1/2025 | 12.53 | 1,924 | - | - | 1,924 |
| | | | | 4,813 | (20) | (58) | 4,735 |

### 19.5.2 Consolidated information of Company's share-based payment plans

According to the plans, the options granted in each of the series may represent maximum 2% of the total shares issued by the Company.

The table below shows the maximum percentage of dilution to which current shareholders eventually being subject to in the event that all options granted are exercised until June 30, 2022:

| | 6/30/2022 |
|---|---|
| | (in thousands) |
| Number of shares | 1,347,213 |
| Balance of effective stock options granted | 4,735 |
| Maximum percentage of dilution | 0.35% |

The fair value of each option granted is estimated on the grant date, by using the options pricing model "Black&Scholes" taking into account the following assumptions for B8, C8, B9 and C9 series: (a) expectation of dividends of 1.28% (series 8) and 1.20% (series 9); (b) expectation of volatility nearly 37.06% (series 8) and 37.29% (series 9); (c) the weighted average interest rate without risk of 7.66% (series 8) and 12.18% (series 9), and (d) exit rate of approximately 8.00% in both series.

The expectation of remaining average life of the series outstanding at June 30, 2022 is 23 months (series 8) and 35 months (series 9). The weighted average fair value of options granted at June 30, 2022 was R$17.21 and R$7.69 (B8 and C8 respectively), and R$15.27 and R$7.35 (B9 and C9 respectively).

| | Shares | Weighted average of exercise price | Weighted average of remaining contractual term |
|---|---|---|---|
| | in thousands | R$ | |
| At December 31, 2021 | 668 | 6.70 | 2.42 |
| At June 30, 2022 | | | |
| Granted during the period | 4,087 | 5.90 | |
| Exercised during the period | (20) | 6.01 | |
| Outstanding at the end of the period | 4,735 | 6.01 | 2.78 |
| Total to be exercised at June 30, 2022 | 4,735 | 6.01 | 2.78 |

The amount recorded in the statement of operations for the period ended June 30, 2022 were R$3 (there is no amount for the period ended June 30, 2021).

## 20 NET OPERATING REVENUE

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| Gross operating revenue | | |
| Goods | **26,971** | 21,246 |
| Services rendered and others | **80** | 52 |
| | **27,051** | 21,298 |
| (-) Revenue deductions | | |
| Returns and sales cancellation | **(49)** | (36) |
| Taxes | **(2,268)** | (1,765) |
| | **(2,317)** | (1,801) |
| Net operating revenue | **24,734** | 19,497 |

## 21 EXPENSES BY NATURE

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| Inventory costs | **(20,421)** | (16,001) |
| Personnel expenses | **(1,498)** | (1,189) |
| Outsourced services | **(100)** | (116) |
| Selling expenses | **(368)** | (283) |
| Functional expenses | **(428)** | (328) |
| Other expenses | **(244)** | (200) |
| | **(23,059)** | (18,117) |
| Cost of sales | **(20,763)** | (16,268) |
| Selling expenses | **(1,935)** | (1,560) |
| General and administrative expenses | **(361)** | (289) |
| | **(23,059)** | (18,117) |

## 22 OTHER OPERATING EXPENSES, NET

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| Result with property, plant and equipment and lease | **(19)** | 6 |
| Provision for legal proceedings | **(2)** | 5 |
| Reestructuring expenses and others | **(21)** | (42) |
| Total | **(42)** | (31) |

## 23 NET FINANCIAL RESULT

| | 6/30/2022 | 6/30/2021 |
|---|---|---|
| Financial income | | |
| Cash and cash equivalents interest | **81** | 25 |
| Monetary correction (assets) | **61** | 41 |
| Other financial income | **5** | 3 |
| Total financial income | **147** | 69 |
| Financial expenses | | |
| Cost of debt | **(338)** | (190) |
| Cost and discount of receivables | **(45)** | (15) |
| Monetary correction (liabilities) | **(183)** | (9) |
| Interest on leasing liabilities | **(207)** | (133) |
| Other financial expenses | **(4)** | (1) |
| Total financial expenses | **(777)** | (348) |
| Total | **(630)** | (279) |

## 24 Earnings per share

The Company calculates earnings per share by dividing the net income, referring to each class of share, by total outstanding common shares during the period.

On August 11, 2021, the Extraordinary General Meeting (EGM) approved the split of 269,299,859 (two hundred and sixty-nine million, two hundred and ninety-nine thousand, eight hundred and fifty-nine) common shares, whereby each share issued of the Company was split into 5 (five) shares of the same type, with no change in the value of the Company's capital stock, with the Company's capital stock divided into 1,346,499,295 (one billion, three hundred and forty-six million, four hundred and ninety-nine thousand, two hundred and ninety-five), all registered and without par value.

The table below sets forth the net income available to holders of common shares and the weighted average number of common shares outstanding used to calculate basic and diluted earnings per share in each period:

| | 6/30/2022 | 6/30/2021 | | |
|---|---|---|---|---|
| | | Originally presented | Split effect | Recasted |
| Basic number: | | | | |
| Allocated basic earnings and not distributed | **533** | 545 | - | 545 |
| Net income allocated available to common shareholders | **533** | 545 | - | 545 |
| Basic denominator (millions of shares) | | | | |
| Weighted average of the number of shares | **1,347** | 268 | 1,074 | 1,342 |
| Basic earnings per million shares (R$) | **0.395592** | 2.028540 | | 0.406110 |

| | 6/30/2022 | 6/30/2021 | | |
|---|---|---|---|---|
| | | Originally presented | Split effect | Recasted |
| Diluted number: | | | | |
| Allocated diluted earnings and not distributed | **533** | 545 | - | 545 |
| Net income allocated available to common shareholders | **533** | 545 | - | 545 |
| Diluted denominator (millions of shares) | | | | |
| Weighted average of the number of shares | **1,347** | 268 | 1,074 | 1,342 |
| Weighted average of stock options plan | **6** | - | - | - |
| Diluted weighted average of shares | **1,353** | 268 | 1,074 | 1,342 |
| Diluted earnings per million shares (R$) | **0.393694** | 2.028540 | | 0.406110 |

## 25 Non-cash transactions

The Company had transactions that did not represent a cash disbursement, and therefore, such transactions were not presented in the cash flow statements, as described below:

- Acquistion of intangibles with related parties, in notes 9.1 and 12.2.
- Acquistion of property, plant and equipment not yet paid, in note 11.4.
- Acquistion of assets held for sale with related parties, in note 26.1.

## 26 ASSETS HELD FOR SALE

| | 6/30/2022 | 12/31/2021 |
|---|---|---|
| Sale and leaseback | **147** | 147 |
| Extra Hiper stores (i) | **95** | 403 |
| | **242** | 550 |

(i) As of June 30, 2022, corresponds to 1 property owned by GPA, which is sold to the Barzel Properties real estate investment fund, see note 1.1.

### 26.1 Additions to assets held for sale for cash flow presentation purpose

| | 6/30/2022 |
|---|---|
| Additions | **797** |
| Acquisition of assets - Additions | **(797)** |
| Acquisition of assets - Payments | **250** |
| Total | **250** |

## 27 SUBSEQUENT EVENTS

### 27.1 Capital contribution

At the meeting of the Board of Directors held on July 27, 2022, the Company approved, observing the authorized capital limit, the capital contribution in the amount of R$4 through the issuance of 1,119,515 common shares.

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

# Sendas Distribuidora S.A.

Report on Review of Interim
Financial Information for the
Three and Six-month Period Ended June 30, 2022

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Sendas Distribuidora S.A.

**Introduction**

We have reviewed the accompanying interim financial information of Sendas Distribuidora S.A. ("Company"), included in the Interim Financial Information Form - ITR for the quarter ended June 30, 2022, which comprises the balance sheet as at June 30, 2022 and the related statements of operations and of comprehensive income for the three and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

The Board of Directors is responsible for the preparation of the interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of Interim Financial Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion on the interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the interim financial information referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of the ITR, and presented in accordance with the standards issued by the CVM.

**Other matters**

*Statement of value added*

The interim financial information referred to above includes the statement of value added - DVA for the six-month period ended June 30, 2022, prepared under the responsibility of the Company's Board of Directors and disclosed as supplemental information for purposes of the international standard IAS 34. This statement has been subject to review procedures performed together with the review of the ITR to reach a conclusion on whether it is reconciled with the interim financial information and accounting records, as applicable, and whether its form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that this statement of value added was not appropriately prepared, in all material respects, in accordance with the criteria set out in this pronouncement and consistently with the interim financial information taken as a whole.

*Corresponding figures audited and reviewed by other independent auditors*

The corresponding figures to the balance sheet as of December 31, 2021, presented for comparison purposes, were previously audited by other independent auditors who issued an unmodified audit opinion, dated February 21, 2022. The corresponding figures to the statements of operations, of comprehensive income, of changes in equity, of cash flows and of value added for the six-month period ended June 30, 2021, presented for comparison purposes, were reviewed by other independent auditors who issued an unmodified review conclusion, dated July 27, 2021.

The accompanying interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, July 27, 2022

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Eduardo Franco Tenório
Engagement Partner

**MANAGEMENT STATEMENT**

By means of this instrument, the officers below of **SENDAS DISTRIBUIDORA S.A.**, enrolled with the CNPJ/ME under No. 06.057.223/0001-71, with head offices at Avenida Ayrton Senna, No. 6.000, *Lote* 2, Pal 48959, *Anexo* A, Jacarepaguá, CEP 22775-005, in the City of Rio de Janeiro, State of Rio de Janeiro (the "Company"), state that they:

(i) have reviewed, discussed and agreed with the Independent Registered Public Accounting Firm Report over the Company's Interim Financial Information related to the six-month period ended June 30th, 2022; and

(ii) have reviewed, discussed and agreed with the Company's Interim Financial Information related to the six-month period ended June 30th, 2022.

Rio de Janeiro, July 27th, 2022.

**Belmiro de Figueiredo Gomes**
Chief Executive Officer

**Daniela Sabbag Papa**
Chief Financial and Administrative Officer

**Gabrielle Castelo Branco Helú**
Chief Investor Relations Officer