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 September 30, 2023

Contents

Corporate information / Capital composition

Number of Shares (Thousands)	Current quarter 9/30/2023
Share Capital	
Common	1,351,464
Preferred	-
Total	1,351,464
Treasury Shares	
Common	-
Preferred	-
Total	-

Individual Financial Statements / Balance Sheet - Assets
R$ (in thousands)

Account code	Account description	Current Quarter 9/30/2023	Prior year 12/31/2022
1	**Total Assets**	**41,341,000**	**40,618,000**
1.01	**Current Assets**	**13,215,000**	**14,179,000**
1.01.01	Statements of Cash Flows	4,417,000	5,842,000
1.01.03	**Statements of Changes in Shareholders' Equity**	**1,062,000**	**622,000**
1.01.03.01	Trade Receivables	839,000	570,000
1.01.03.02	Other Accounts Receivable	223,000	52,000
1.01.04	Inventories	6,600,000	6,467,000
1.01.06	Recoverable Taxes	960,000	1,055,000
1.01.08	**Other Current Assets**	**176,000**	**193,000**
1.01.08.01	**Non-current Assets Held for Sale**	**-**	**95,000**
1.01.08.01.01	Assets Held for Sale	-	95,000
1.01.08.03	**Others**	**176,000**	**98,000**
1.01.08.03.01	Derivative Financial Instruments	40,000	27,000
1.01.08.03.03	Other Current Assets	136,000	71,000
1.02	**Non-current Assets**	**28,126,000**	**26,439,000**
1.02.01	**Long-Term Assets**	**1,366,000**	**1,405,000**
1.02.01.04	**Accounts Receivables**	**106,000**	**-**
1.02.01.04.02	Other Accounts Receivable	106,000	-
1.02.01.07	**Deferred Taxes**	**179,000**	**6,000**
1.02.01.09	**Receivable From Related Parties**	**19,000**	**252,000**
1.02.01.09.04	Receivable from Others Related Parties	19,000	252,000
1.02.01.10	**Other Non-current Assets**	**1,062,000**	**1,147,000**
1.02.01.10.04	Recoverable Taxes	802,000	927,000
1.02.01.10.05	Restricted Deposits for Legal Proceedings	45,000	56,000
1.02.01.10.06	Derivative Financial Instruments	206,000	155,000
1.02.01.10.07	Other Non-current Assets	9,000	9,000
1.02.02	**Investments**	**849,000**	**833,000**
1.02.02.01	**Investments in Associates**	**849,000**	**833,000**
1.02.02.01.03	Joint Venture Participation	849,000	833,000
1.02.03	**Property, Plant and Equipment**	**20,785,000**	**19,183,000**
1.02.04	**Intangible Assets**	**5,126,000**	**5,018,000**

Individual Financial Statements / Balance Sheet - Liabilities
R$ (in thousands)

Account code	Account description	Current Quarter 9/30/2023	Prior year 12/31/2022
2	**Total Liabilities**	**41,341,000**	**40,618,000**
2.01	**Current Liabilities**	**16,630,000**	**16,416,000**
2.01.01	**Payroll and Related Taxes**	**683,000**	**584,000**
2.01.01.01	Social Taxes	76,000	75,000
2.01.01.02	Payroll Taxes	607,000	509,000
2.01.02	**Trade Payables**	**12,261,000**	**12,999,000**
2.01.02.01	**National Trade Payables**	**12,261,000**	**12,999,000**
2.01.02.01.01	Trade Payables	9,290,000	8,538,000
2.01.02.01.02	Trade Payables - Agreements	903,000	2,039,000
2.01.02.01.03	Trade payables - Agreements - Acquisition of Extra Stores	2,068,000	2,422,000
2.01.03	**Taxes and Contributions Payable**	**263,000**	**265,000**
2.01.04	**Borrowings and Financing**	**2,625,000**	**1,260,000**
2.01.04.01	Borrowings and Financing	536,000	829,000
2.01.04.02	Debentures	2,089,000	431,000
2.01.05	**Other Liabilities**	**798,000**	**1,308,000**
2.01.05.01	Payables to Related Parties	-	201,000
2.01.05.02	**Others**	**798,000**	**1,107,000**
2.01.05.02.01	Dividends and Interest on own Capital	-	111,000
2.01.05.02.09	Deferred Revenue	133,000	328,000
2.01.05.02.12	Other Current Liabilities	130,000	233,000
2.01.05.02.17	Lease Liability	373,000	435,000
2.01.05.02.19	Other Accounts Payable	162,000	-
2.02	**Non-current Liabilities**	**20,386,000**	**20,306,000**
2.02.01	**Borrowings and Financing**	**11,469,000**	**11,331,000**
2.02.01.01	Borrowings and Financing	1,244,000	737,000
2.02.01.02	Debentures	10,225,000	10,594,000
2.02.02	**Other Liabilities**	**8,626,000**	**8,779,000**
2.02.02.01	**Payable to Related Parties**	**-**	**60,000**
2.02.02.01.04	Payables to Other Related Parties	-	60,000
2.02.02.02	**Others**	**8,626,000**	**8,719,000**
2.02.02.02.04	Trade payables - Agreements - Acquisition of Extra Stores	-	780,000
2.02.02.02.07	Other Non-current Liabilities	14,000	14,000
2.02.02.02.09	Lease Liability	8,562,000	7,925,000
2.02.02.02.11	Other Accounts Payable	50,000	-
2.02.04	**Provision**	**251,000**	**165,000**
2.02.06	**Deferred Earnings and Revenue**	**40,000**	**31,000**
2.02.06.02	Deferred Revenue	40,000	31,000
2.03	**Shareholders' Equity**	**4,325,000**	**3,896,000**
2.03.01	**Share Capital**	**1,269,000**	**1,263,000**
2.03.02	**Capital Reserves**	**49,000**	**36,000**
2.03.04	**Earnings Reserves**	**3,012,000**	**2,599,000**
2.03.08	**Other Comprehensive Income**	**(5,000)**	**(2,000)**

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

Account code	Account description	Current quarter 7/1/2023 to 9/30/2023	Year to date current year 1/1/2023 to 9/30/2023	Same quarter of previous year 7/1/2022 to 9/30/2022	Year to date prior year 1/1/2022 to 9/30/2022
3.01	**Net Operating Revenue**	**17,002,000**	**48,082,000**	**13,832,000**	**38,566,000**
3.02	**Cost of Sales**	**(14,245,000)**	**(40,333,000)**	**(11,578,000)**	**(32,341,000)**
3.03	**Statements of Cash Flows**	**2,757,000**	**7,749,000**	**2,254,000**	**6,225,000**
3.04	**Statements of Changes in Shareholders' Equity**	**(1,870,000)**	**(5,506,000)**	**(1,506,000)**	**(4,243,000)**
3.04.01	Selling Expenses	(1,368,000)	(3,977,000)	(1,062,000)	(2,997,000)
3.04.02	General and Administrative Expenses	(209,000)	(592,000)	(211,000)	(572,000)
3.04.05	**Other Operating Expenses**	**(305,000)**	**(973,000)**	**(249,000)**	**(708,000)**
3.04.05.01	Depreciation/ Amortization	(370,000)	(1,024,000)	(232,000)	(649,000)
3.04.05.03	Other Operating Revenues (Expenses)	65,000	51,000	(17,000)	(59,000)
3.04.06	Share of Profit of Associates	12,000	36,000	16,000	34,000
3.05	**Profit from Operations Before Net Financial Expenses and Taxes**	**887,000**	**2,243,000**	**748,000**	**1,982,000**
3.06	**Net Financial Result**	**(737,000)**	**(1,995,000)**	**(440,000)**	**(1,070,000)**
3.06.01	Financial Revenues	83,000	212,000	70,000	217,000
3.06.02	Financial Expenses	(820,000)	(2,207,000)	(510,000)	(1,287,000)
3.07	**Income Before Income Tax and Social Contribution**	**150,000**	**248,000**	**308,000**	**912,000**
3.08	**Income Tax and Social Contribution**	**35,000**	**165,000**	**(27,000)**	**(98,000)**
3.08.01	Current	(8,000)	(6,000)	(29,000)	(74,000)
3.08.02	Deferred	43,000	171,000	2,000	(24,000)
3.09	**Net Income from Continued Operations**	**185,000**	**413,000**	**281,000**	**814,000**
3.11	**Net Income for the Period**	**185,000**	**413,000**	**281,000**	**814,000**
3.99	**Earnings per Share - (Reais/Share)**				
3.99.01	**Basic Earnings Per Share**				
3.99.01.01	Common	0.13750	0.30619	0.20891	0.60449
3.99.02	**Diluted Earnings Per Share**				
3.99.02.01	Common	0.13682	0.30506	0.20788	0.60139

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

Account code	Account description	Current quarter 7/1/2023 to 9/30/2023	Year to date current year 1/1/2023 to 9/30/2023	Same quarter of previous year 7/1/2022 to 9/30/2022	Year to date prior year 1/1/2022 to 9/30/2022
4.01	**Net Income for the period**	**185,000**	**413,000**	**281,000**	**814,000**
4.02	**Other Comprehensive Income**	**1,000**	**(3,000)**	**(2,000)**	**(2,000)**
4.02.04	Statements of Changes in Shareholders' Equity	2,000	(4,000)	(2,000)	(3,000)
4.02.06	Income Tax Effect	(1,000)	1,000	-	1,000
4.03	**Total Comprehensive Income for the period**	**186,000**	**410,000**	**279,000**	**812,000**

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

Account code	Account description	Year to date current year 1/1/2023 to 9/30/2023	Year to date prior year 1/1/2022 to 9/30/2022
6.01	**Net Cash Operating Activities**	**3,396,000**	**2,904,000**
6.01.01	**Cash Provided by the Operations**	**3,922,000**	**3,011,000**
6.01.01.01	Statements of Cash Flows	413,000	814,000
6.01.01.02	Statements of Changes in Shareholders' Equity	(171,000)	24,000
6.01.01.03	(Gain) Loss of Disposal of Property, Plant and Equipment and Leasing	(56,000)	32,000
6.01.01.04	Depreciation and Amortization	1,084,000	700,000
6.01.01.05	Financial Charges	2,170,000	1,204,000
6.01.01.07	Share of Profit of Associates	(36,000)	(34,000)
6.01.01.08	Provision (Reversal) for Legal Proceedings	125,000	(23,000)
6.01.01.10	Provision for Stock Option	13,000	11,000
6.01.01.11	Allowance for Doubtful Accounts	2,000	3,000
6.01.01.13	Provision for Allowance for Inventory Losses and Damages	378,000	280,000
6.01.02	**Variations in Assets and Liabilities**	**(526,000)**	**(107,000)**
6.01.02.01	Trade Receivables	(274,000)	(191,000)
6.01.02.02	Inventories	(511,000)	(1,947,000)
6.01.02.03	Recoverable Taxes	220,000	(406,000)
6.01.02.04	Other Assets	(68,000)	(21,000)
6.01.02.05	Related Parties	(1,000)	101,000
6.01.02.06	Restricted Deposits for Legal Proceedings	11,000	48,000
6.01.02.07	Trade Payables	365,000	2,114,000
6.01.02.08	Payroll and Related Taxes	99,000	191,000
6.01.02.09	Taxes and Social Contributions Payable	5,000	64,000
6.01.02.10	Payment for Legal Proceedings	(54,000)	(36,000)
6.01.02.11	Deferred Revenue	(186,000)	(78,000)
6.01.02.12	Other Liabilities	(152,000)	38,000
6.01.02.15	Dividends Received	20,000	16,000
6.02	**Net Cash of Investing Activities**	**(2,426,000)**	**(3,440,000)**
6.02.02	Purchase of Property, Plant and Equipment	(2,462,000)	(3,046,000)
6.02.03	Purchase of Intangible Assets	(36,000)	(629,000)
6.02.04	Receipt of Property, Plant and Equipment	17,000	-
6.02.09	Receipt of Sale of Assets Held for Sale	55,000	485,000
6.02.11	Purchase of Assets Held for Sale	-	(250,000)
6.03	**Net Cash of Financing Activities**	**(2,395,000)**	**2,196,000**
6.03.01	Capital Contribution	6,000	6,000
6.03.02	Proceeds from Borrowings	1,572,000	3,600,000
6.03.03	Payment of Borrowings and Financing	(658,000)	(119,000)
6.03.04	Payment of Interest on Borrowings and Financing	(733,000)	(426,000)
6.03.05	Dividends and interest on own equity, paid	(118,000)	(168,000)
6.03.09	Payment of Lease Liabilities	(217,000)	(142,000)
6.03.10	Payment of Interest on Lease Liabilities	(722,000)	(515,000)
6.03.11	Borrowing costs from borrowings	(129,000)	(40,000)
6.03.12	Payment of Acquisition of Extra Stores	(1,396,000)	-
6.05	**Increase (Decrease) in Cash and Equivalents**	**(1,425,000)**	**1,660,000**
6.05.01	Cash and Cash Equivalents at the beginning of the Period	5,842,000	2,550,000
6.05.02	Cash and Cash Equivalents at the end of the Period	4,417,000	4,210,000

Individual Financial Statements / Statements of Changes in Shareholders' Equity 1/1/2023 to 9/30/2023
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**	**1,263,000**	**36,000**	**2,599,000**	**-**	**(2,000)**	**3,896,000**
5.03	**Adjusted Opening Balance**	**1,263,000**	**36,000**	**2,599,000**	**-**	**(2,000)**	**3,896,000**
5.04	**Capital Transactions with Shareholders**	**6,000**	**13,000**	**-**	**-**	**-**	**19,000**
5.04.01	Capital Contribution	6,000	-	-	-	-	6,000
5.04.03	Stock Options Granted	-	13,000	-	-	-	13,000
5.05	**Total Comprehensive Income**	**-**	**-**	**-**	**413,000**	**(3,000)**	**410,000**
5.05.01	Net Income for the Period	-	-	-	413,000	-	413,000
5.05.02	**Other Comprehensive Income**	**-**	**-**	**-**	**-**	**(3,000)**	**(3,000)**
5.05.02.07	Fair Value of Receivables	-	-	-	-	(4,000)	(4,000)
5.05.02.09	Income Tax Effect	-	-	-	-	1,000	1,000
5.06	**Internal Changes of Shareholders' Equity**	**-**	**-**	**413,000**	**(413,000)**	**-**	**-**
5.06.05	Tax Incentive Reserve	-	-	413,000	(413,000)	-	-
5.07	**Closing Balance**	**1,269,000**	**49,000**	**3,012,000**	**-**	**(5,000)**	**4,325,000**

Individual Financial Statements / Statements of Changes in Shareholders' Equity 1/1/2022 to 9/30/2022
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**	**470,000**	**11,000**	**(464,000)**	**-**	**-**	**17,000**
5.04.01	Capital Contribution	470,000	-	(464,000)	-	-	6,000
5.04.03	Stock Options Granted	-	11,000	-	-	-	11,000
5.05	**Total Comprehensive Income**	**-**	**-**	**-**	**814,000**	**(2,000)**	**812,000**
5.05.01	Net Income for the Period	-	-	-	814,000	-	814,000
5.05.02	**Other comprehensive income**	**-**	**-**	**-**	**-**	**(2,000)**	**(2,000)**
5.05.02.07	Fair Value of Receivables	-	-	-	-	(3,000)	(3,000)
5.05.02.09	Income Tax Effect	-	-	-	-	1,000	1,000
5.06	**Internal Changes of Shareholders' Equity**	**-**	**-**	**540,000**	**(540,000)**	**-**	**-**
5.06.05	Tax Incentive Reserve	-	-	540,000	(540,000)	-	-
5.07	**Closing Balance**	**1,258,000**	**29,000**	**2,037,000**	**274,000**	**(3,000)**	**3,595,000**

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

Account code	Account description	Year to date current year 1/1/2023 to 9/30/2023	Year to date prior year 1/1/2022 to 9/30/2022
7.01	**Revenues**	**52,511,000**	**42,204,000**
7.01.01	Sales of Goods and Services	52,521,000	42,160,000
7.01.02	Statements of Cash Flows	(8,000)	47,000
7.01.04	Statements of Changes in Shareholders' Equity	(2,000)	(3,000)
7.02	**Products Acquired from Third Parties**	**(46,235,000)**	**(37,422,000)**
7.02.01	Cost of Sales	(43,975,000)	(35,504,000)
7.02.02	Materials, Energy, Outsourced Services and Others	(2,260,000)	(1,918,000)
7.03	**Gross Value Added**	**6,276,000**	**4,782,000**
7.04	**Retentions**	**(1,084,000)**	**(700,000)**
7.04.01	Depreciation, Amortization and Exhaustion	(1,084,000)	(700,000)
7.05	**Net Value Added Produced**	**5,192,000**	**4,082,000**
7.06	**Value Added Received in Transfer**	**258,000**	**262,000**
7.06.01	Share of Profit of Associates	36,000	34,000
7.06.02	Financial Revenues	222,000	228,000
7.07	**Total Value Added to Distribute**	**5,450,000**	**4,344,000**
7.08	**Value Added Distribution**	**5,450,000**	**4,344,000**
7.08.01	**Personnel**	**2,593,000**	**2,051,000**
7.08.01.01	Direct Compensation	1,749,000	1,341,000
7.08.01.02	Benefits	624,000	532,000
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	147,000	110,000
7.08.01.04	Others	73,000	68,000
7.08.02	**Taxes, Fees and Contribution**	**148,000**	**144,000**
7.08.02.01	Federal	(50,000)	61,000
7.08.02.02	State	81,000	19,000
7.08.02.03	Municipal	117,000	64,000
7.08.03	**External Financiers**	**2,296,000**	**1,335,000**
7.08.03.01	Interest	2,277,000	1,296,000
7.08.03.02	Rentals	19,000	39,000
7.08.04	**Shareholders' Remuneration**	**413,000**	**814,000**
7.08.04.03	Retained Earnings for the Period	413,000	814,000

EARNINGS

RELEASE

3Q23

EARNINGS CONFERENCE CALL

Tuesday, October 31, 2023

11:00 a.m. (Brasília) | 10:00: a.m. (New York) | 2:00 p.m. (London)

Videoconference call in Portuguese (simultaneous translation):click here

Information and links to access the call are available on our website and our quarterly earnings materials.

São Paulo, October 30, 2023* – *Assaí Atacadista *announces its results for the 3rd quarter of 2023. All comments on adjusted EBITDA exclude other operating expenses and income in the periods. 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.*

ASSAÍ REGISTERS HIGHEST PENETRATION IN BRAZILIAN HOMES, NOW PRESENT IN 1 IN EVERY 4 HOUSEHOLDS (1)
IN LESS THAN A YEAR, CONVERSIONS DELIVERED SALES UPLIFT OF OVER 2.7x AND EBITDA MARGIN (POST-IFRS16) IN LINE WITH COMPANY'S AVERAGE, REFLECTING ITS UNIQUE VALUE PROPOSITION

Gross sales grows 22%, with significant gains in market share (+2.7 p.p.)
Gross revenue of R$18.5 billion, with significant contribution from expansion (+23.7%)
Deflation in commodities affects **same-store sales** (-0.9%) with **volumes evolution throughout the quarter**
Gross sales reached **R$ 70bn in the last 12 months**, an increase of R$ 31 bn compared to 2020

Final phase of conversion project: 59 of the 66 stores acquired have already been inaugurated
Average monthly gross sales of R$25 million, 13% higher than of mature organic stores (R$22 million)
Sales uplift above 2.7x (vs. 2.5x in 2Q23)
EBITDA margin from the 47 conversions inaugurated in 2022: **above 7% Post-IFRS16 and 5.4% Pre-IFRS16**

Expansion continues with 7 openings in 3Q23 and 52 new stores opened in 12 months
Growth of over 29% in total sales area
Around 20 stores are currently under construction and are expected to open in 4Q23 and 2024

Highest levels of EBITDA Margin of the year: 5.4% pre-IFRS16 and 7.1% post-IFRS16
Gross margin and expenses remained stable despite food deflationary scenario, numerous stores in maturation and pre-operating expenses
Pre-IFRS16 margin stable in relation to 3Q22 and increased **30bps from 2Q23**

Net income of R$185 million reinforces resilience of Assaí's business model
Net income and net margin affected by high interest rates

Operating cash flow of R$4.9 billion (+54%) sustains investments of R$4.7 billion in 12 months
Since 2021, **the Company's operating cash generation totaled R$ 9.4bn and sustained 91% of the investments** (R$ 10.3bn, with 103 store openings, including the hypermarkets acquisition)

"Meu Assaí" app reaches +10 million customers in 5 months of operation, increasing 23% vs. 2Q23
Online sales via last mile operators grow 63% vs. 3Q22

(1) Source: Nielsen

FINANCIAL HIGHLIGHTS

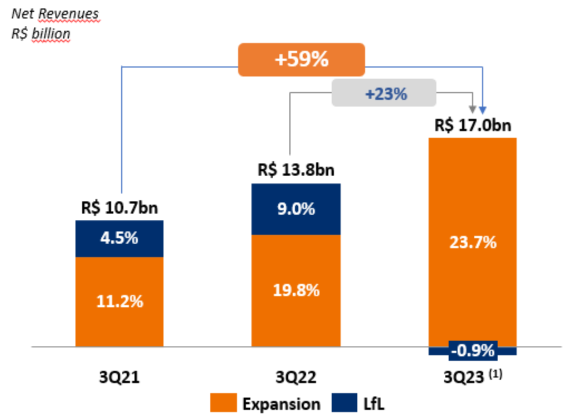
(R$ million)	3Q23	3Q22	Δ	9M23	9M22	Δ
Gross Revenue	18,503	15,185	21.9%	52,623	42,236	24.6%
Net Revenue	17,002	13,832	22.9%	48,082	38,566	24.7%
Gross Profit (1)	2,757	2,254	22.3%	7,749	6,225	24.5%
Gross Margin (1)	**16.2%**	**16.3%**	**-0.1 p.p.**	**16.1%**	**16.1%**	**0.0 p.p.**
Selling, General and Administrative Expenses	(1,577)	(1,273)	23.9%	(4,569)	(3,569)	28.0%
% of Net Revenue	**-9.3%**	**-9.2%**	**-0.1 p.p.**	**-9.5%**	**-9.3%**	**-0.2 p.p.**
Adjusted EBITDA (2)(3)	1,212	1,011	19.9%	3,276	2,741	19.5%
Adjusted EBITDA Margin (2)(3)	**7.1%**	**7.3%**	**-0.2 p.p.**	**6.8%**	**7.1%**	**-0.3 p.p.**
Net Financial Result	(737)	(440)	67.5%	(1,995)	(1,070)	86.4%
% of Net Revenue	**-4.3%**	**-3.2%**	**-1.1 p.p.**	**-4.1%**	**-2.8%**	**-1.3 p.p.**
Net Income	185	281	-34.2%	413	814	-49.3%
Net Margin	**1.1%**	**2.0%**	**-0.9 p.p.**	**0.9%**	**2.1%**	**-1.2 p.p.**
Pre-IFRS 16 (3)						
Adjusted EBITDA Pre-IFRS 16 (2)	911	747	21.9%	2,377	2,072	14.7%
Adjusted EBITDA Margin Pre-IFRS 16 (2)	**5.4%**	**5.4%**	**0.0 p.p.**	**4.9%**	**5.4%**	**-0.5 p.p.**

(1) Includes logistics depreciation (as shown in the Income Statement on page 16);
(2) Earnings before Interest, Taxes, Depreciation, Amortization;
(3) For more details, check page 12.

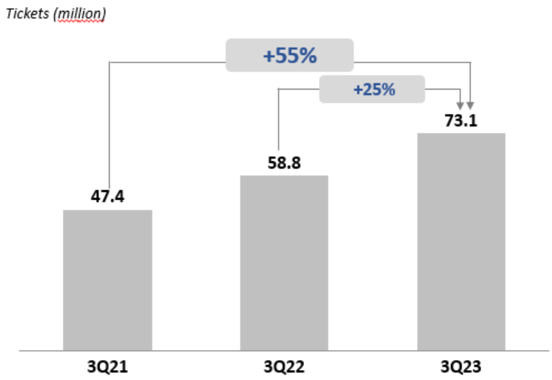
We proved the strength of our brand during one more quarter. According to a NielsenIQ Homescan survey, we are the most widely present food chain in Brazilian homes: 1 in 4 households shop at Assaí. Our customers' preference was also confirmed by the Marcas Mais Study published by Estadão newspaper, in which we were elected the most admired Cash and Carry player in Brazil. Our unique model continues to reap successes: in the quarter, we registered sales growth of over 20% and relevant gains in market share. Despite the context of high investments, the Company's operating cash generation totaled R$ 9.4bn since 2021, which reflects the quality of our expansion and the rapid maturation of converted stores – one of the biggest projects in the history of Brazilian retail. We have reached the final phase of the project: 90% of the converted stores are already operational, with sales uplift and margin evolution.
The Company continues to seek a prominent position in the cash and carry segment, reaching R$ 70bn of sales in the last 12 months. Given the intense cycle of investments related to the conversions project nearing completion, and with the maturation of new stores, we should move forward with our deleveraging process. Thank you for being with us!

Belmiro Gomes, CEO of Assaí

SALES GROW 23%, DRIVEN BY 25% GROWTH IN CUSTOMER TRAFFIC, REACHING 73 MILLION TICKETS



(1) Excluding calendar effect of +0.2%



Net sales in the quarter increased R$3.2 billion (23%) from 3Q22 to reach R$17.0 billion, up 59% from 3Q21. The continued growth pace of over 20%, despite the scenario of deflation in commodities and high levels of household debt, is mainly due to:

(i) the significant contribution from the expansion project (+23.7%), with 52 stores opened in the last 12 months;
(ii) the commercial actions, notably the "Festa em Dobro" campaign to mark Assaí's 49th anniversary; and
(iii) the continuous improvement in the shopping experience, with rapid adaptation of assortment and services to meet the customers' needs of each region, which is reflected in continued customer growth (73 million tickets in 3Q23, +25% vs. 3Q22).

Same-store sales (-0.9%) continued to improve (-2.0% in 2Q23) gradually during the quarter. The quarterly performance was affected by food deflation, mainly caused by agricultural commodities, and the closure of hypermarkets in 2022, which resulted in a strong comparison base. Same-store sales increased during the period to become positive in September, resulting from the recovery of volumes, which grew in August and September.

The Company's attractive value proposition was underscored by a recent survey published by Nielsen. Assaí was the brand with the highest penetration in Brazilian homes, being present in 1 in every 4 households. Additionally, significant market share gains were achieved in the quarter on both total (+2.7 p.p.) and same-store bases. The constant market share expansion in diverse regions prove the strength of the Assaí's brand and its unique differentials, which continues to attract new customers by continuously improving the shopping experience.

In 9M23, net sales totaled R$48.1 billion, up R$9.5 billion (25%) from 9M22, driven by the expansion in the last 12 months (24%), mainly by the strong performance of hypermarket conversions and same-store sales growth (0.9%).

EXPANSION MOVES AHEAD AND CONVERSIONS CONTINUE ACCELERATED MATURATION

Assaí ended 3Q23 with 276 stores in operation and total sales area of around 1.4 million square meters. In the last 12 months, 52 new stores were opened, representing growth of 29% in sales area.

During the quarter, 4 hypermarket conversions were inaugurated in the Southeast (Rio de Janeiro, São Paulo and Minas Gerais) and Northeast (Ceará) regions. The conversion process is in the final phase: 59 of the 66 acquired stores have been converted so far.

Operating for approximately 10 months on average, the conversions already register average monthly revenue of R$25 million in the quarter, 13% higher than registered by mature organic stores (R$22 million), with a sales uplift of over 2.7x (vs. 2.5x in 2Q23). Profitability continues its trajectory of natural and sustainable maturation: Post-IFRS16 EBITDA margin from the 47 conversions inaugurated in 2022 is above 7%, while Pre-IFRS16 margin reached 5.4%.

The performance of converted stores continues to improve in line with the project's expectations, despite a more challenging macroeconomic scenario than expected, given the exceptional location of commercial points, which demonstrates the highly attractive business model and the strength of the Assaí brand.

Organic expansion also advanced in 3Q23, with 3 new units opened, including one in Espírito Santo, marking Assaí's entry in the state and expanding the Company's nationwide footprint, with Assaí stores now present in 24 of the 26 Brazilian states, as well as in the Federal District.

Also, in October, 3 organic stores were inaugurated to bring the total new units in 2023 to 18 (including 12 conversions and 6 organic stores). Currently, about 20 stores are under construction, which should be opened in 4Q23 and 2024.

COMMERCIAL GALLERIES

Commercial galleries drive customer traffic at stores, contributing significantly to the maturation of conversions, and the dilution of rent and occupancy costs. At the end of 3Q23, 66% of total available gross leasable area was in operation, generating revenues of R$23 million, an increase of 64% from 3Q22. In 9M23, revenue from galleries totaled R$67 million, up 86% year on year.

EVOLVING "PHYGITAL" STRATEGY

The "Meu Assaí" app, which provides greater knowledge of the consumption habits of customers and greater integration in the shopping experience between physical and online stores, continues its growth trend. In just five months of operation, the app already has 10.1 million registered users, up 23% from 2Q23 and 44% since its launch.

Moreover, online sales via last mile operators, an important tool to offer greater convenience to Assaí customers, continue to grow, increasing 63% in relation to 3Q22.

EFFICIENT COMMERCIAL STRATEGY DELIVERS CONSISTENT RESULTS

Gross profit in the quarter reached R$2.8 billion, up 22%, with margin of 16.2%, similar to in 3Q22 (16.3%). The result was mainly driven by:

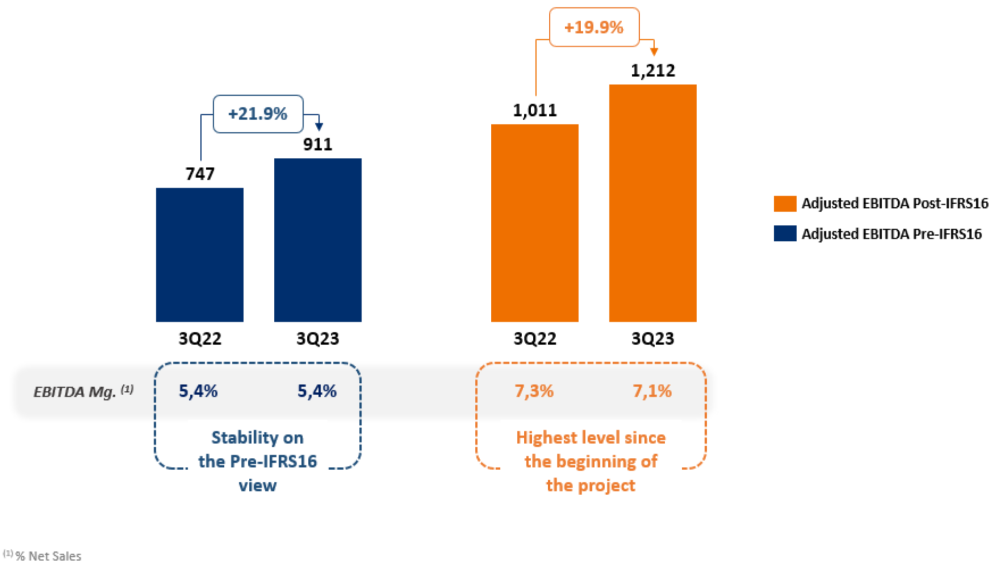
(i) the performance of conversions, which continue their accelerated and sustainable maturation;
(ii) the commercial strategy, notably the 49th Anniversary campaign, which attracted higher customer traffic to the stores, with a record 73 million tickets registered in a single quarter; and
(iii) the rapid adaptation of assortments and services at stores.

Selling, general and administrative expenses corresponded to 9.3% of net sales in 3Q23 (vs. 9.2% in 3Q22), underlining the control of expenses amid a food deflation scenario. Around 90% of the increase in expenses refers to the progress of expansion, with numerous stores in the maturation phase, and pre-operating expenses of stores under construction.

Equity income from Assaí's interest of approximately 18% in the capital of FIC came to R$12 million in the quarter. The number of Passaí cards issued exceeded 2.5 million, now accounting for more than 4% of gross sales.

Other Operating Income and Expenses recorded a positive (non-cash) accounting effect of R$65 million in the quarter, mainly due to the write-off of the terminated rental agreements. With the exit of the former controlling shareholder (Casino Group) and given the existence of a clause that establishes the possibility of early termination of rental agreements of 28 stores pertaining to the Península fund, it was necessary to negotiate new rental agreements. Detailed information is available in the section "Impacts of exit of controlling shareholder" on page 11 of this document.

Post-IFRS16 Adjusted EBITDA in the quarter was R$1.2 billion, up R$201 million (20%) from 3Q22. Post-IFRS16 EBITDA margin reached 7.1%, the highest in the year. Despite the 0.2 p.p. decline year on year, this is the lowest level of pressure since the launch of the conversion project. Pre-IFRS16 EBITDA margin was 5.4% at the end of the quarter, 0.3 p.p. higher than in 2Q23 and stable compared to 3Q22, which attests to the quality of expansion, despite the large number of stores in maturation.



FINANCIAL RESULT AFFECTED BY HIGH INTEREST RATES

(R$ million)	3Q23	3Q22	Δ	9M23	9M22	Δ
Cash and equivalents profitability	29	27	7.4%	103	108	-4.6%
Cost of debt	(486)	(245)	98.4%	(1,256)	(583)	65.9%
Cost of Receivables Discounted	(30)	(25)	20.0%	(79)	(70)	12.9%
Other financial revenues/expenses and Net Exchange Variation	(19)	(71)	-73.2%	(122)	(192)	577.8%
Net Financial Revenue (Expenses)	**(506)**	**(314)**	**61.1%**	**(1,354)**	**(737)**	**83.7%**
% of Net Revenue	*-3.0%*	*-2.3%*	*-0.7 p.p.*	*-2.8%*	*-1.9%*	*-0.9 p.p.*
Interest on lease liabilities	(231)	(126)	83.3%	(641)	(333)	92.5%
Net Financial Revenue (Expenses) - Post IFRS 16	**(737)**	**(440)**	**67.5%**	**(1,995)**	**(1,070)**	**86.4%**
% of Net Revenue - Post IFRS 16	*-4.3%*	*-3.2%*	*-1.1 p.p.*	*-4.1%*	*-2.8%*	*-1.3 p.p.*

The financial result, including interest on lease liabilities, totaled R$737 million in the quarter, corresponding to 4.3% of net sales.

Excluding the effect of interest on lease liabilities, financial expense in the quarter was R$506 million, equivalent to 3.0% of sales. Compared to the previous year, this result mainly reflects higher gross debt during the period (R$1.8 billion) and the lower impact of capitalized interest considering the progress of conversion project (R$53 million in 3Q23 vs. R$247 million in 3Q22).

The cost of debt includes a negative impact of R$ 6 million in the 3Q23 (R$ 9 million on 9M23) related to the waiver negotiations on the debt contracts. Detailed information is available in the section "Impacts of exit of controlling shareholder" on page 11 of this document.

NET INCOME GROWTH UNDERSCORES RESILIENCE OF ASSAÍ'S BUSINESS MODEL

Net income totaled R$185 million in 3Q23, with margin of 1.1%. In the year, net income reached R$413 million, with margin of 0.9%. The large number of stores under maturation and high interest rates continue to significantly affect the Company's profits and net margin.

The net income reported includes (i) the positive (non-cash) impact of around R$41 million related to the write-off of rental agreements terminated and (ii) negative impact of R$ 4 million in the 3Q23 (R$ 6 million in 9M23) related to waiver negotiations on the debt contracts. Detailed information is available in the section "Impacts of exit of controlling shareholder" on page 11 of this document.

GROWING NATIONWIDE FOOTPRINT THROUGH CONTINUED EXPANSION

(R$ million)	3Q23	3Q22	Δ	9M23	9M22	Δ
New stores and land acquisition	483	1,095	(612)	1,406	2,990	(1,584)
Store renovation and maintenance	95	87	8	222	190	32
Infrastructure and others	20	33	(13)	70	75	(5)
Gross Total Investments	**598**	**1,215**	**-617**	**1,698**	**3,255**	**-1,557**

Investments in the quarter totaled R$598 million due to the progress of expansion, with the opening of seven stores, including four conversions and three organic. With the entry in a new state (Espírito Santo), the 3rd quarter marks the expansion of nationwide presence of Assaí, which is now present in 24 of the 26 Brazilian states, plus the Federal District.

Investments in 9M23 reached R$1.7 billion with the opening of 15 stores in the period and around 20 stores under construction, with inaugurations expected for 4Q23 and 2024.

LEVERAGE REFLECTS INVESTMENTS IN EXPANSION

At the end of 3Q23, Pre-IFRS16 net debt/adjusted EBITDA was 2.71x, as shown in the table above. It is a recurring level, mainly due to the intense cycle of investments, with 52 stores opened in the last 12 months and around 20 stores currently under construction.

(R$ million)	30.09.2023	30.09.2022
Short Term Debt	(2,585)	(816)
Long Term Debt	(11,263)	(11,197)
Total Gross Debt	**(13,848)**	**(12,013)**
Cash and Equivalents	4,417	4,210
Net Debt	**(9,431)**	**(7,803)**
Balance of Receivables not discounted	839	454
Net Debt (+) Receivables not discounted	**(8,592)**	**(7,349)**
Adjusted EBITDA Pre-IFRS16 (1)	3,171	2,808
Net Debt (+) Receivables not discounted / Adjusted EBITDA Pre-IFRS16	**-2.71x**	**-2.62x**

(1) LTM

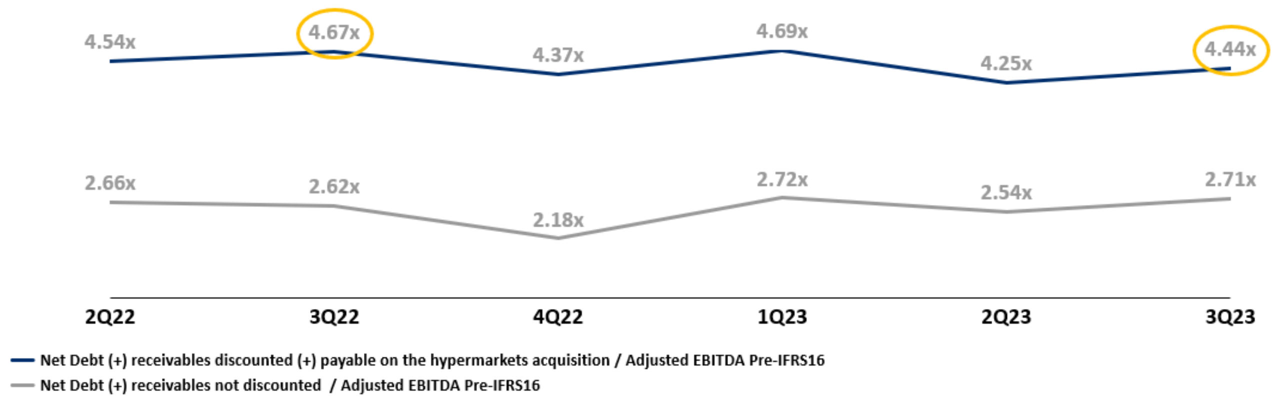
Moreover, the receivables discount is an operation typical to the retail sector and the Brazilian market. Discounted receivables on September 30, 2023 totaled R$2.6 billion, with an average term of 14 days, which added to the receivables not discounted (R$839 million) totaled R$3.4 billion.

The net debt added to the receivables discounted and the remaining installments on the acquisition of hypermarket commercial points divided by the Pre-IFRS16 Adjusted EBITDA reached 4.44x, down 0.2x from the same period the previous year. This reduction was supported by the operating cash generation of R$4.9 billion in the last 12 months, which represents 54% growth.

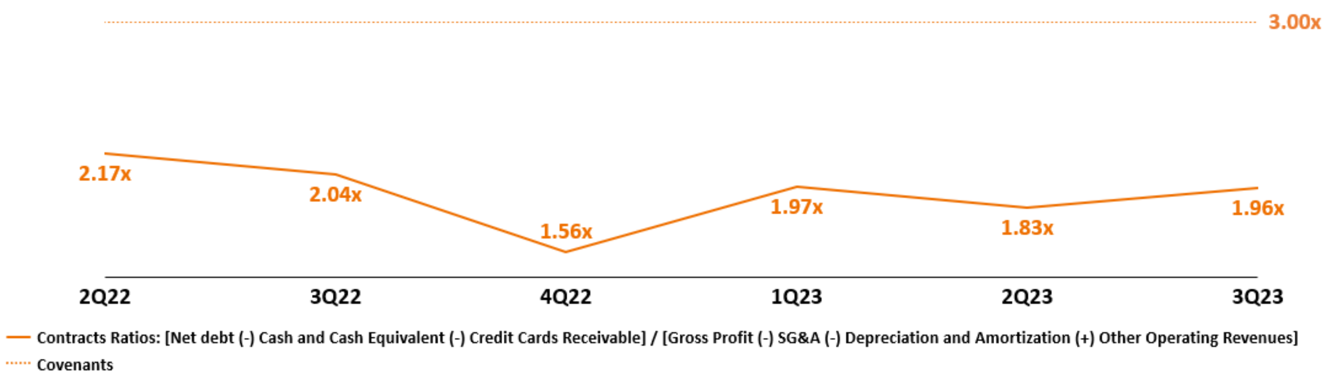
(R$ million)	30.09.2023	30.09.2022
Net Debt	(9,431)	(7,803)
Balance of Receivables discounted	(2,583)	(2,201)
Payables on the hypermarkets acquisition (2)	(2,068)	(3,103)
Net Debt (+) Receivables discounted (+) Payables on the hypermarkets acquisition	**(14,082)**	**(13,107)**
Adjusted EBITDA Pre-IFRS16 (1)	3,171	2,808
Net Debt (+) Receivables discounted (+) Payables on the hypermarkets acquisition / Adjusted EBITDA Pre-IFRS16	**-4.44x**	**-4.67x**

(1) LTM

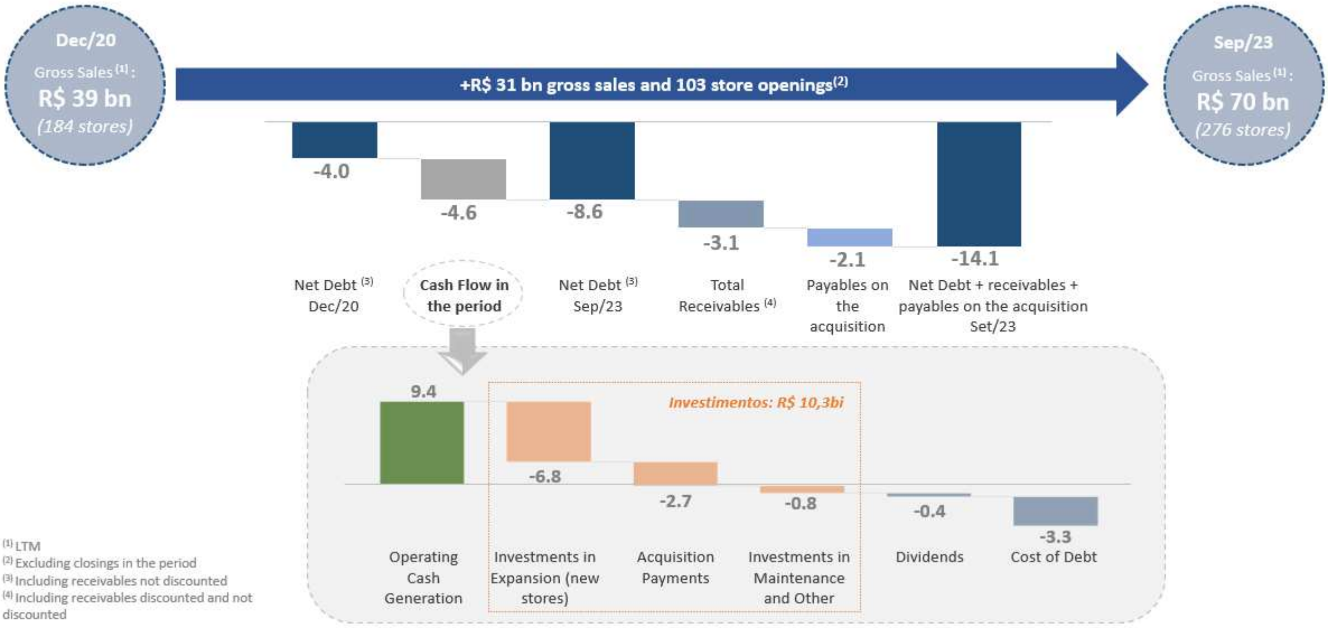
(2) End of payments for the acquisition of hypermarkets in 1Q24



The Company emphasizes that, in accordance with financial agreements, its leverage ratio is 1.96x, which is below the limits established in covenants (3.00x).



Since 2021, Assaí has increased gross sales by R$ 31 billion and has intensified the pace of expansion with the opening of 103 stores, which resulted in investments totaling R$10.3 billion (including the acquisition of 66 hypermarket commercial points). During the period, the Company's operating cash flow totaled R$9.4 billion which supported 91% of the total investments.



The current leverage level reflects the largest expansion project carried out by the Company, which is in the completion phase. The completion of this project, with the end of payments in 1Q24, will allow the Company to reduce its leverage.

This deleveraging process will be mainly supported by a growing cash generation with the maturation and quality of the expansion, readjustment in the level of investment in new stores, and the expectation of a reduction in interest rate leading to a lower cost of debt.

FORFAIT OPERATIONS

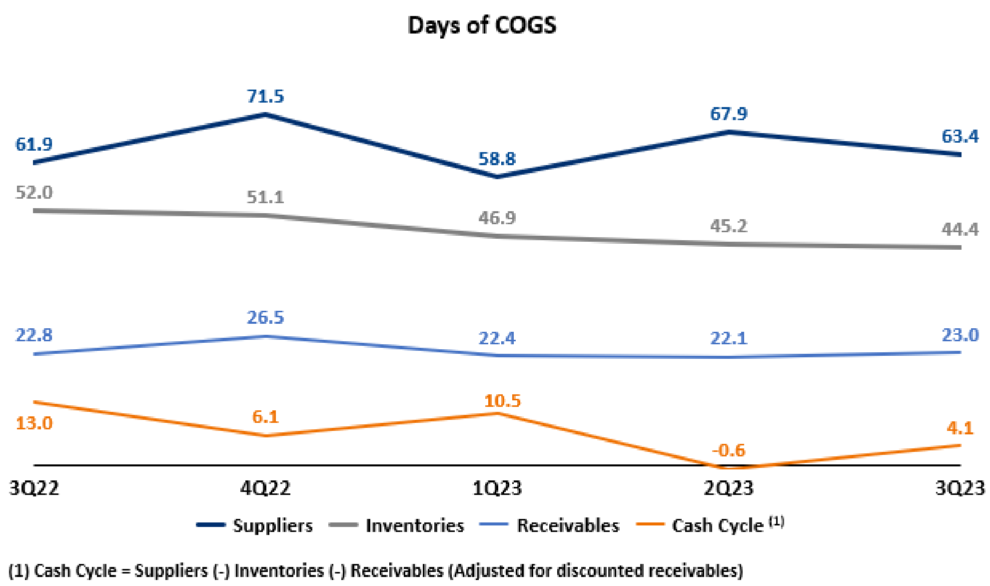
The sale of receivables to a financial institution is a common practice in the retail and the Brazilian market.

In such an operation the Company provides its suppliers the option to be paid in advance through agreements with financial institutions. These agreements aim to provide suppliers with earlier liquidity than they would get if they were paid directly by the Company. The decision of suppliers to enter into such arrangements, referred to as “forfait” or “risco sacado" in Portuguese, is at the sole discretion of the supplier.

If a supplier enters into such an arrangement the financial institution becomes the creditor, and the Company pays the financial institution (instead of the supplier) under the original terms agreed with the supplier. The Company receives a commission from the financial institution for this intermediation, which is recorded as financial revenue. The Supplier accepts to be paid at a discount to the invoiced amount by the financial institution. There is no obligation resulting in additional expenses for the Company, and the liability to the Financial Institution is not considered net debt.

In assessing this matter, the Company's management considered the guidance of CVM SNC/SEP Official Letter No. 01/2022. The Company assessed qualitative aspects of its forfait operations, and concluded that its forfait operations maintain the economic substance of the transaction and do not involve any changes to the originally agreed conditions with suppliers. On September 30, 2023, the balance payable on these operations was R$903 million, including R$479 million related to products and R$424 million to property and equipment.

IMPROVED CASH CONVERSION CYCLE WITH NORMALIZATION OF INVENTORIES



The cash conversion cycle in 3Q23 was 4.1 days, adjusted for discounted receivables, an improvement of 8.9 days from 3Q22 and is mainly explained by the normalization of inventory levels after the intense pace of store openings in 2022.

CASH FLOW OF R$4.9 BILLION SUSTAINS INVESTMENTS OF R$4.7 BILLION

(R$ million)	3Q23 [1]	3Q22 [1]	Δ
EBITDA Pre-IFRS16	**3,171**	**2,808**	**363**
Change in WK	1,689	346	1,343
Operational Cash Generation	**4,860**	**3,154**	**1,706**
Capex	(3,414)	(2,852)	(562)
Commercial Points Acquisition	(1,320)	(1,367)	47
Free Cash Generation	**126**	**(1,065)**	**1,190**
Dividends	(89)	(197)	108
Cost of Debt	(1,664)	(1,271)	(393)
Total Cash Generation	**(1,627)**	**(2,532)**	**906**

[1] LTM

Operating cash flow totaled R$4.9 billion in the last 12 months, up 54% (R$1.7 billion) from 3Q22. The higher cash flow in the period reflects (i) efficient working capital management resulting from the normalization of inventory turnover to levels in line with historical levels, since 2022 was marked by an intense pace of expansion; and (ii) the increase of R$363 million in EBITDA, despite a scenario of deflation of commodities and the large number of stores under maturation.

Operating cash flow sustained the investments in expansion (R$4.7 billion) related to the hypermarket conversion project. However, cost of debt (-R$1.6 billion), which increased due to high interest rates during the period, negatively affected total cash flow in the period.

In the last 12 months, cash disbursement totaled R$906 million, showing that the maturation of new stores and the conclusion of acquisition payments in 2024 will contribute to increased cash flows for the Company.

IMPACTS OF EXIT OF CONTROLLING SHAREHOLDER

With the exit of the former controlling shareholder (Casino Group) and given the existence of a clause that establishes the possibility of early termination of rental agreements of 28 stores pertaining to the Península fund, it was necessary to negotiate new rental agreements. The new agreement is valid through 2045, which is longer than the Company's average.

The impacts booked in 3Q23 were:

(i) Non-cash effect of R$62 million in Other Operating Income and Expenses related to the write-off of agreements terminated, which had a positive impact on net income from the quarter of around R$41 million;

(ii) Effect on lease liabilities, at present value, of R$414 million and on assets of R$476 million over the duration of the agreements (22 years);

(iii) Increase in intangible assets of R$95 million, corresponding to the right of use during the rental period. This amount will be paid in 4Q23;

(iv) The negotiation included a gradual increase in payments until the fifth year of the agreement. The highest increase will be in 2027, representing between 10bps–20bps of rental expenses as a percentage of net sales of these stores. After this period, the amounts will be diluted by sales growth.

Moreover, the exit of the controlling shareholder resulted in waiver negotiations related to loan agreements, debentures and CRIs, with a total impact of R$93 million, R$44 million of which in 3Q23. In the Income Statement, the effects will be recognized until the end of the debt contracts. In the 3Q23, the financial result was negatively impacted by R$ 6 million (R$ 9 million in 9M23) and the net income by R$ 4 million (R$ 6 million in the 9M23). The negotiations were concluded.

There are no other contracts of any nature subject to the clause regarding the exit of the former controlling shareholder that could result in future costs for the Company.

IFRS-16 IMPACTS

With the adoption of IFRS 16 in January 2019, a few income statement lines are affected. The table shows the key changes:

(R$ million)	3Q23 Pre-IFRS 16	3Q23 Post-IFRS 16	3Q23 Δ	3Q22 Pre-IFRS 16	3Q22 Post-IFRS 16	3Q22 Δ
Selling, General and Administrative Expenses	(1,861)	(1,577)	284	(1,506)	(1,273)	232
Adjusted EBITDA	911	1,212	302	747	1,011	264
Adjusted EBITDA Margin	**5%**	**7%**	**-1.7 p.p.**	**5.4%**	**7.3%**	**-1.9 p.p.**
Depreciation and Amortization	(246)	(370)	(124)	(155)	(232)	(77)
Net Financial Result	(506)	(737)	(231)	(314)	(440)	(126)
Income Tax and Social Contribution	38	35	(3)	(9)	(27)	(18)
Net Income	180	185	4	248	281	33
Net Margin	**1.1%**	**1.1%**	**0.0 p.p.**	**1.8%**	**2.0%**	**-0.2 p.p.**

(R$ million)	9M23 Pre-IFRS 16	9M23 Post-IFRS 16	9M23 Δ	9M22 Pre-IFRS 16	9M22 Post-IFRS 16	9M22 Δ
Selling, General and Administrative Expenses	(5,416)	(4,569)	847	(4,173)	(3,569)	605
Adjusted EBITDA	2,377	3,276	899	2,072	2,741	669
Adjusted EBITDA Margin	**4.9%**	**6.8%**	**-1.9 p.p.**	**5.4%**	**7.1%**	**-1.7 p.p.**
Depreciation and Amortization	(689)	(1,024)	(335)	(435)	(649)	(214)
Net Financial Result	(1,356)	(1,995)	(640)	(738)	(1,070)	(332)
Income Tax and Social Contribution	156	165	10	(68)	(98)	(31)
Net Income	433	413	(19)	757	814	58
Net Margin	**0.9%**	**0.9%**	**0.0 p.p.**	**2.0%**	**2.1%**	**-0.1 p.p.**

SUCCESS OF ESG STRATEGY PROVEN BY INCLUSION IN NEW B3 INDEX

Assaí, as an inherent part of its business model, implements initiatives to foster a more responsible and inclusive society based on five strategic pillars:

1. **Combating climate change:** innovating and enhancing environmental management;
2. **Integrated management and transparency:** improving ESG practices through ethical and transparent relations;
3. **Transforming the value chain:** co-building value chains committed to the environment and people;
4. **Engaging with society:** acting as an agent of change to promote fair and inclusive opportunities; and
5. **Valuing our people:** being a reference in fostering diversity, inclusion and sustainability through our employees.

The ESG highlights in 3Q23 were:

- **Reduction of 1% in scope 1(1) and 2(2) emissions** from the same period in 2022, in line with the Company's strategy of combating climate change and its target to reduce emissions by 38% by 2030 (base year 2015).
- **"Selo Ouro"**, for the second consecutive year, **in the Public Emissions Register of the Program Brazilian GHG Protocol,** given only to companies that report their emissions complete and audited by an independent third party.
- **Inclusion in B3's IDiversa index.** Assaí is the only food retail company to join the ranking, which underlines its commitment to creating a diverse company with equal opportunities for all.
    - **24.5% of women in leadership positions (managers and above)**
    - **43.0% of black people in leadership positions (managers and above)**
- **New launches by Assaí Institute:**
    - **"Mais Escolha" Project,** which will distribute meal vouchers to more than 2,000 families in Santarém (Pará), Serrinha (Bahia) and São Paulo (SP); and
    - **Sports and Citizenship Program,** involving 50 civil society organizations in North and Northeast Brazil and the metropolitan region of São Paulo, with support in the form of teacher training, institutional structures, financial investment and strengthening of the social sports ecosystem.
- **Reuse of 43% (+2.2 p.p. vs. 3Q22) in waste treatment processes by recycling, composting and reducing food waste.** The Destino Certo program has already donated 430 tons of fruits and vegetables.

(1) Direct emissions from the company.
(2) Emissions from electricity consumption.

AWARDS AND RECOGNITIONS

For the second year in a row, Assaí was elected the most admired brand in the Cash and Carry segment by **Marcas Mais**, a publication of the O Estado de S. Paulo newspaper, based on a survey in partnership with TroianoBranding.
The Company was also featured in important indices disclosed this quarter, such as **Valor 1000** (21st among the 1,000 biggest companies in terms of gross sales); and **Best and Biggest** (2nd among retailers and 24th in the overall ranking, in gross sales).

Finally, the annual ranking published by Institutional Investor, one of the premier publications in the financial markets, elected Belmiro Gomes the best CEO in the Retail category, Daniela Sabbag the best CFO in the Retail category and Gabrielle Helú the 3rd best IR professional in the Retail segment.

ABOUT SENDAS DISTRIBUIDORA S.A.

Assaí is a Cash & Carry wholesaler serving small and midsized merchants as well as consumers in general seeking savings on unit items as well as large volumes. With gross sales of around R$60 billion in 2022, it is Brazil's 2nd largest retail company and the most pervasive food retail brand in Brazilian homes, according to NielsenIQ Homescan. Serving all five regions of the country, Assaí has over 275 stores across 24 states (and the Federal District) and more than 70,000 employees.

Since 2021, Assaí shares have been both traded on the São Paulo Stock Exchange (B3), under the ticker ASAI3, and the New York Stock Exchange (NYSE), making it the only company in the sector to be listed on both. It is also a corporation, that is, a Company with no single controlling shareholder. Assaí is part of the select portfolio of IDIVERSA B3, which recognizes publicly-held companies with the best indicators of racial and gender diversity.

In 2023, it was considered the most valuable food retail brand at the annual rankings compiled by Interbrand (20th overall) and by Brand Finance (13th overall) and, for the second straight year, it was awarded the Great Place To Work (GPTW) seal. In addition, in 2022, Assaí was Top of Mind in the "Wholesale" category, in a survey carried out by Datafolha Institute.

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APPENDICES

OPERATIONAL INFORMATION

I – Number of stores and sales area

# of Stores	3Q19	3Q20	3Q21	3Q22	4Q22	1Q23	2Q23	3Q23
Southeast	91	97	103	122	138	141	145	149
Northeast	37	46	51	65	74	74	74	76
MidWest	14	17	20	22	25	25	25	25
North	7	11	12	17	17	17	17	17
South	4	5	5	7	9	9	9	9
Total	**153**	**176**	**191**	**233**	**263**	**266**	**270**	**276**
Sales Area (thousand sqm meters)	**643**	**761**	**847**	**1,091**	**1,307**	**1,326**	**1,350**	**1,390**

In the last 12 months, six stores were closed: one each in 3Q22, 2Q23 and 3Q23, and three in 4Q22. During the period, the sales area of five stores in operation was expanded through the conversion project.

FINANCIAL INFORMATION

II - Income Statement

(R$ million)	3Q23	3Q22	Δ%	9M23	9M22	Δ%
Gross Revenue	**18,503**	**15,185**	**21.9%**	**52,623**	**42,236**	**24.6%**
Net Revenue	**17,002**	**13,832**	**22.9%**	**48,082**	**38,566**	**24.7%**
Cost of Goods Sold	**(14,225)**	**(11,564)**	**23.0%**	**(40,273)**	**(32,290)**	**24.7%**
Depreciation (Logistic)	(20)	(14)	42.9%	(60)	(51)	17.6%
Gross Profit	**2,757**	**2,254**	**22.3%**	**7,749**	**6,225**	**24.5%**
Selling Expenses	(1,368)	(1,062)	28.8%	(3,977)	(2,997)	32.7%
General and Administrative Expenses	(209)	(211)	-0.9%	(592)	(572)	3.5%
Selling, General and Adm. Expenses	**(1,577)**	**(1,273)**	**23.9%**	**(4,569)**	**(3,569)**	**28.0%**
Equity income	12	16	-25.0%	36	34	5.9%
Other Operating Expenses, net	65	(17)	-482.4%	51	(59)	n.d.
Depreciation and Amortization	(370)	(232)	59.5%	(1,024)	(649)	57.8%
Earnings Before Interest and Taxes - EBIT	**887**	**748**	**18.6%**	**2,243**	**1,982**	**13.2%**
Financial Revenue	83	70	18.6%	212	217	-2.3%
Financial Expenses	(820)	(510)	60.8%	(2,207)	(1,287)	71.5%
Net Financial Result	**(737)**	**(440)**	**67.5%**	**(1,995)**	**(1,070)**	**86.4%**
Income Before Income Tax	**150**	**308**	**-51.3%**	**248**	**912**	**-72.8%**
Income Tax and Social Contribution	35	(27)	-229.6%	165	(98)	-268.4%
Net Income	**185**	**281**	**-34.2%**	**413**	**814**	**-49.3%**
EBITDA - (Earnings before Interest, Taxes, Depreciation, Amortization)	**1,277**	**994**	**28.5%**	**3,327**	**2,682**	**24.0%**
Adjusted EBITDA (1)	**1,212**	**1,011**	**19.9%**	**3,276**	**2,741**	**19.5%**

% of Net Revenue	3T23	3T22	Δ p.p.	9M23	9M22	Δ p.p.
Gross Profit	**16.2%**	**16.3%**	**-0.1 p.p.**	**16.1%**	**16.1%**	**0.0 p.p.**
Selling Expenses	-8.0%	-7.7%	-0.4 p.p.	-8.3%	-7.8%	-0.5 p.p.
General and Administrative Expenses	-1.2%	-1.5%	0.3 p.p.	-1.2%	-1.5%	0.3 p.p.
Selling, General and Adm. Expenses	**-9.3%**	**-9.2%**	**-0.1 p.p.**	**-9.5%**	**-9.3%**	**-0.2 p.p.**
Equity Income	0.1%	0.1%	0.0 p.p.	0.1%	0.1%	0.0 p.p.
Other Operating Expenses, net	0.4%	-0.1%	0.5 p.p.	0.1%	-0.2%	0.3 p.p.
Depreciation and Amortization	-2.2%	-1.7%	-0.5 p.p.	-2.1%	-1.7%	-0.4 p.p.
EBIT	**5.2%**	**5.4%**	**-0.2 p.p.**	**4.7%**	**5.1%**	**-0.5 p.p.**
Net Financial Result	**-4.3%**	**-3.2%**	**-1.2 p.p.**	**-4.1%**	**-2.8%**	**-1.4 p.p.**
Income Before Income Tax	**0.9%**	**2.2%**	**-1.3 p.p.**	**0.5%**	**2.4%**	**-1.8 p.p.**
Income Tax	0.2%	-0.2%	0.4 p.p.	0.3%	-0.3%	0.6 p.p.
Net Income	**1.1%**	**2.0%**	**-0.9 p.p.**	**0.9%**	**2.1%**	**-1.3 p.p.**
Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA	**7.5%**	**7.2%**	**0.3 p.p.**	**6.9%**	**7.0%**	**0.0 p.p.**
Adjusted EBITDA (1)	**7.1%**	**7.3%**	**-0.2 p.p.**	**6.8%**	**7.1%**	**-0.3 p.p.**

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

III - Balance Sheet

ASSETS

(R$ million)	30.09.2023	31.12.2022
Current Assets	**13,215**	**14,179**
Cash and cash equivalent	4,417	5,842
Trade receivables	839	570
Inventories	6,600	6,467
Recoverable taxes	960	1,055
Derivative financial instruments	40	27
Assets held for sale	-	95
Dividends receivable	-	-
Other accounts receivable	223	52
Other current assets	136	71
Non-current assets	**28,126**	**26,439**
Deferred income tax and social contribution	179	6
Recoverable taxes	802	927
Derivative financial instruments	206	155
Related parties	19	252
Restricted deposits for legal proceedings	45	56
Other accounts receivable	106	-
Other non-current assets	9	9
Investments	849	833
Property, plan and equipment	20,785	19,183
Intangible assets	5,126	5,018
TOTAL ASSETS	**41,341**	**40,618**

LIABILITIES

(R$ million)	30.09.2023	31.12.2022
Current Liabilities	**16,630**	**16,416**
Trade payables, net	9,290	8,538
Trade payables - Agreements	903	2,039
Trade payables - Agreements - Acquisition of Extra stores	2,068	2,422
Borrowings	536	829
Debentures and promissory notes	2,089	431
Payroll and related taxes	683	584
Lease liabilities	373	435
Related parties	-	201
Taxes payable	255	265
Income tax and social contribution payable	8	-
Deferred revenues	133	328
Dividends and Interest on own Capital	-	111
Other accounts payable	162	-
Other current liabilities	130	233
Non-current liabilities	**20,386**	**20,306**
Trade payables - Agreements - Acquisition of Extra stores	-	780
Borrowings	1,244	737
Debentures and promissory notes	10,225	10,594
Provision for legal proceedings	251	165
Related parties	-	60
Lease liabilities	8,562	7,925
Deferred revenues	40	31
Other accounts payable	50	-
Other non-current liabilities	14	14
Shareholders' Equity	**4,325**	**3,896**
Capital stock	1,269	1,263
Capital reserve	49	36
Profit reserve	3,012	2,599
Other comprehensive results	(5)	(2)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**41,341**	**40,618**

IV – Cash Flow

(R$ million)	30.09.2023	30.09.2022
Net income for the period	**413**	**814**
Deferred income tax and social contribution	(171)	24
Loss on disposal of property, plant and equipment and lease	(56)	32
Depreciation and amortization	1,084	700
Interests and monetary variation	2,170	1,204
Share of profit and loss of associate	(36)	(34)
Provision of legal proceedings	125	(23)
Provision of stock option	13	11
Provision for inventory losses and damages	378	280
Provision of allowance for doubtful accounts	2	3
	3,922	**3,011**
Variation of operating assets		
Trade receivables	(274)	(191)
Inventories	(511)	(1,947)
Recoverable taxes	220	(406)
Dividends received	20	16
Other assets	(68)	(21)
Related parties	(1)	101
Restricted deposits for legal proceedings	11	48
	(603)	**(2,400)**
Variation of operating liabilities		
Trade payables	365	2,114
Payroll and related taxes	99	191
Taxes and social contributions payable	5	64
Other accounts payable	(152)	38
Payment for legal proceedings	(54)	(36)
Deferred revenues	(186)	(78)
	77	**2,293**
Net cash generated by operating activities	**3,396**	**2,904**
Cash flow from investment activities		
Purchase of property, plant and equipment	(2,462)	(3,046)
Purchase of intangible assets	(36)	(629)
Acquisition of assets held for sale	-	(250)
Proceeds from the sales of property, plant and equipment	17	-
Proceeds from sale of assets held for sale	55	485
Net cash used in investment activities	**(2,426)**	**(3,440)**
Cash flow from financing activities		
Capital contribution	6	6
Funding of borrowings and financing	1,572	3,600
Cost of funding of borrowings and financing	(129)	(40)
Payments of borrowings and financing	(658)	(119)
Payments of interest on borrowings and financing	(733)	(426)
Dividend and Interest on own Capital Paid	(118)	(168)
Payments of lease liabilities	(217)	(142)
Payment of interest on lease liability	(722)	(515)
Payment of Acquisition of Extra Stores	(1,396)	-
Net cash (used in) generated by financing activities	**(2,395)**	**2,196**
Cash and cash equivalents at the beginning of the period	5,842	2,550
Cash and cash equivalents at the end of the period	4,417	4,210
Net (decrease) increase in cash and cash equivalents	**(1,425)**	**1,660**

1 CORPORATE INFORMATION

Sendas Distribuidora S.A. (“Company” or “Sendas”) is a publicly held company listed in the Novo Mercado segment of B3 S.A. - Brasil, Bolsa, Balcão (B3), under ticker symbol "ASAI3" and on the New York Stock Exchange (NYSE), under ticker symbol "ASAI". The Company is primarily engaged in the retail and wholesale of food products, bazaar items and other products through its chain of stores, operated under “ASSAÍ” brand, since this is the only disclosed segment. The Company's registered office is at Avenida Ayrton Senna, 6.000, Lote 2 - Anexo A, Jacarepaguá, in the State of Rio de Janeiro. As of September 30, 2023, the Company operated 276 stores and 11 distribution centers in the five regions of the country, with operations in 24 states and in the Federal District.

On November 29, 2022, the shareholder Helicco Participações Ltda ("Helicco"), a subsidiary of Casino Guichard Perrachon ("Casino"), sold all its ownership interest in the Company, comprising 140,800,000 shares. On March 21, 2023, the shareholder Wilkes Participações S.A. ("Wilkes"), a subsidiary of Casino, sold 254,000,000 shares held by it and Casino now holds 157,582,865 common shares, representing 11.7% of the Company's share capital.

On June 23, 2023, as per the Notice to the Market published on the same date, Casino, through its subsidiaries Wilkes, Geant International BV ("GIBV") and Segisor S.A.S ("Segisor"), sold 157,582,580 common shares issued by the Company, representing 11.67% of its share capital, through a block trade operation carried out on the same date (“Block trade”). As a result, the Casino Group now holds an ownership interest of less than 0.01% of Sendas' share capital, no longer being considered a related party of the Company. The balances with these companies and their subsidiaries, are presented under the line items Other accounts receivable and Other accounts payable in the balance sheet in the interim financial information for the period ended September 30, 2023.

2 BASIS OF PREPARATION AND DISCLOSURE OF THE INTERIM FINANCIAL INFORMATION

The interim financial information has been prepared in accordance with IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) and accounting standard CPC 21 (R1) – Interim Financial 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 has 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, where applicable. All significant information related to the interim financial information, is being disclosed and is consistent with the information used by Management in managing the Company's activities.

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

The interim financial information for the period ended September 30, 2023, was approved by the Board of Directors on October 30, 2023.

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, 2022, approved on February 15, 2023 and, therefore, it should be read together.

3.1 Standards, amendments and interpretations

In the period ended September 30, 2023, the new current standards were evaluated and produced no effect on the interim financial information disclosed, additionally the Company did not adopt in advance the IFRS issued and not yet current.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the interim financial information requires Management to makes judgments and estimates and adopt assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period, however, the uncertainties about these assumptions and estimates may generate results that require substantial adjustments to the carrying amount of the asset or liability in future periods.

The significant assumptions and estimates applied on the preparation of the interim financial information for the period ended September 30, 2023, were the same as those adopted in the financial statements for the year ended December 31, 2022, approved on February 15, 2023, disclosed in note 5.

5 CASH AND CASH EQUIVALENTS

	9/30/2023	12/31/2022
Cash and bank accounts	**230**	213
Cash and bank accounts - Abroad (i)	**23**	24
Financial investments (ii)	**4,164**	5,605
	4,417	5,842

(i) As of September 30, 2023, the Company had funds held abroad, of which R$23 in US dollars (R$24 in US dollars as of December 31, 2022).

(In million of Brazilian Reais, unless otherwise stated)

(ii) As of September 30, 2023, the financial investments refer to the repurchase and resale agreements and Bank Deposit Certificates - CDB, with a weighted average interest rate of 96.01% of the CDI - Interbank Deposit Certificate (92.80% of the CDI as of December 31, 2022).

6 TRADE RECEIVABLES

	Note	9/30/2023	12/31/2022
From sales with:			
Credit card operators	6.1	**324**	241
Credit card operators with related parties	9.1	**217**	49
Sales ticket and payment slips	6.2	**269**	249
Trade receivables with related parties	9.1	**-**	24
Trade receivables with suppliers/payment slips/others		**41**	18
		851	581
Expected credit loss for doubtful accounts	6.3	**(12)**	(11)
		839	570

The breakdown of trade receivables by their gross amount by maturity period is presented below:

	Total	Due	Overdue	
			Less than 30 days	> 30 days
9/30/2023	**851**	**846**	**2**	**3**
12/31/2022	581	576	4	1

6.1 Credit card operators

The Company, through a cash management strategy, advances receivables from credit card operators, 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 derived from transactions through receipts: (i) tickets and meal vouchers R$136 (R$134 as of December 31, 2022); and (ii) payment slips R$133 (R$115 as of December 31, 2022).

6.3 Expected credit loss for doubtful accounts

	9/30/2023	9/30/2022
At the beginning of the period	**(11)**	(6)
Additions	**(32)**	(25)
Reversals	**31**	23
At the end of the period	**(12)**	(8)

7 INVENTORIES

	Note	9/30/2023	12/31/2022
Stores		**5,848**	5,914
Distribution centers		**1,301**	1,139
Commercial agreements	7.1	**(495)**	(518)
Allowance for loss on inventory obsolescence and damages	7.2	**(54)**	(68)
		6,600	6,467

7.1 Commercial agreements

As of September 30, 2023, the amount of unrealized commercial agreements, presented as a reduction of inventory balance, totaled R$495 (R$518 as of December 31, 2022).

7.2 Allowance for loss on inventory obsolescence and damages

	9/30/2023	9/30/2022
At the beginning of the period	**(68)**	(37)
Additions	**(401)**	(294)
Reversals	**23**	14
Write-offs	**392**	287
At the end of the period	**(54)**	(30)

8 RECOVERABLE TAXES

	Note	9/30/2023	12/31/2022
State VAT tax credits - ICMS	8.1	**1,141**	1,210
Social Integration Program and Contribution for Social Security Financing - PIS/COFINS	8.2	**392**	587
Social Security Contribution - INSS		**95**	90
Whithholding taxes to be recovered		**106**	74
Others		**28**	21
Total		**1,762**	1,982
Current		**960**	1,055
Non-current		**802**	927

(In million of Brazilian Reais, unless otherwise stated)

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. This system entails the prepayment of ICMS of the whole commercial chain, upon goods outflow from an industrial establishment or importer or their inflow into each State. The expansion of this system to an increasingly wider range of products sold in the retail generates the prepayment of the tax and consequently a refund in certain operations.

The refund process requires evidence through tax documents and digital files of the transactions carried out that generated the right to refund for the Company. Only after its ratification by state tax authorities and/or the compliance with specific ancillary obligations to support such evidence that credits can be used by the Company, which occur in periods after their generation.

As the number of items sold in the retail subject to tax replacement has increased continuously, the tax credit to be refunded by the Company has also increased. The Company has realized these credits with authorization for immediate offset in view of its operation, by obtaining a special regime and also by means of other procedures regulated by state rules.

With respect to credits that cannot yet be immediately offset, the Company's management, according to a technical recovery study, based on the future expectation of growth and consequent offset against taxes payable from its operations, believes that its future offset is viable. The mentioned studies are prepared and periodically reviewed based on information obtained from the strategic planning previously approved by the Company's Board of Directors. For the interim financial information as of September 30, 2023, the Company's management has monitoring controls over the adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the recoverable ICMS balance, as shown in the table below:

Year	Amount
Within 1 year	518
From 1 to 2 years	218
From 2 to 3 years	119
From 3 to 4 years	92
From 4 to 5 years	54
More than 5 years	140
Total	1,141

8.2 PIS and COFINS credit

On March 15, 2017, the Federal Supreme Court ("STF") recognized, 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 thet taxpayers who distributed lawsuits before March 15, 2017 or who had administrative proceedings in progress before that same date, would have right 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, with the favorable judgment of the Supreme Court, has recognized the exclusion of ICMS from the PIS and COFINS calculation basis, based on the same assumptions above.

• Expected realization of PIS and COFINS credits

In relation to the recoverable PIS and COFINS credits, the Company's management, based on a technical recovery study, considering future growth expectations and consequent offset against debts from its operations, projects its future realization. The mentioned studies are prepared and periodically reviewed based on information obtained from the strategic planning previously approved by the Company's Board of Directors. For the interim financial information as of September 30, 2023, the Company's management has monitoring controls over the adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the recoverable PIS and COFINS balance, as shown in the table below:

Year	Amount
Within 1 year	254
From 1 to 2 years	138
Total	392

(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)	
	9/30/2023	**12/31/2022**	**9/30/2023**	**12/31/2022**	**9/30/2023**	**12/31/2022**	**9/30/2023**	**12/31/2022**	**9/30/2023**	**9/30/2022**
Associates (i)										
Casino Guichard Perrachon	**-**	-	**-**	**-**	**-**	**-**	**-**	21	**(20)**	(39)
Euris	**-**	-	**-**	**-**	**-**	**-**	**-**	1	**(1)**	(2)
Grupo Pão de Açúcar ("GPA")	**-**	24	**-**	234	**-**	8	**-**	237	**20**	(298)
Greenyellow	**-**	-	**-**	**-**	**-**	**-**	**-**	-	**-**	(25)
Wilkes Participações S.A.	**-**	-	**-**	-	**-**	-	**-**	2	**(6)**	(7)
Subtotal	**-**	24	**-**	234	**-**	8	**-**	261	**(7)**	(371)
Joint venture										
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento (“FIC”)	**217**	49	**19**	18	**20**	25	**-**	-	**19**	18
Subtotal	**217**	49	**19**	18	**20**	25	**-**	-	**19**	18
Total	**217**	73	**19**	252	**20**	33	**-**	261	**12**	(353)
Current	**217**	73	**-**	-	**20**	33	**-**	201		
Non-current	**-**	-	**19**	252	**-**	-	**-**	60		

(i) As a result of the sale of Casino's ownership interest in the Company, through Wilkes, as disclosed in note 1, the associates are no longer related parties.

9.2 Management compensation

Expenses referring to the executive board compensation recorded in the Company's statement of operations in the periods ended September 30, 2023 and 2022 as follows (amounts expressed in thousands reais):

	Base salary		Variable compensation		Stock option and virtual shares plan (i)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Board of directors	**8,464**	28,504	**-**	-	**5,250**	4,963	**13,714**	33,467
Statutory officers	**8,358**	6,916	**19,684**	17,395	**9,061**	6,542	**37,103**	30,853
Executives excluding statutory officers	**23,684**	15,989	**45,085**	22,675	**10,541**	4,740	**79,310**	43,404
Fiscal council	**408**	455	**-**	-	**-**	-	**408**	455
	40,914	51,864	**64,769**	40,070	**24,852**	16,245	**130,535**	108,179

(i) More details about virtual shares plan for the Statutory officers, see note 19.5.3.

The stock option plan, fully in shares, refers to the Company's and this plan has been treated in the Company's statement of operations. The corresponding expenses are allocated to the Company and recorded in the 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 investments at the end of the period are as follows:

			Participation in investments - %	
			Direct participation	
Investment type	Company	Country	9/30/2023	12/31/2022
Joint venture	Bellamar Empreendimento e Participações S.A.	Brazil	**50.00**	50.00

Summary of financial information of Joint Venture

	9/30/2023	12/31/2022
Current assets	**1**	1
Non-current assets	**552**	519
Shareholders´ equity	**553**	520

	9/30/2023	9/30/2022
Net income for the period	**72**	68

Investments composition and breakdown

	Bellamar
As of December 31, 2021	789
Share of profit of associates	34
As of September 30, 2022	823
As of December 31, 2022	833
Share of profit of associates	**36**
Dividends received	**(20)**
As of September 30, 2023	**849**

(In million of Brazilian Reais, unless otherwise stated)

11 PROPERTY, PLANT AND EQUIPMENT

11.1 Property, plant and equipment breakdown

	As of 12/31/2022	Additions (i)	Lease modification	Write-off	Depreciation	Transfers and others	As of 9/30/2023
Land	600	17	-	-	-	(41)	576
Buildings	730	1	-	-	(14)	21	738
Improvements	6,865	1,245	-	(26)	(320)	13	7,777
Machinery and equipment	1,440	363	-	(13)	(210)	417	1,997
Facilities	585	76	-	(2)	(33)	(189)	437
Furniture and appliances	755	125	-	(3)	(86)	115	906
Constructions in progress	543	31	-	(1)	-	(403)	170
Others	64	27	-	-	(29)	54	116
Subtotal	11,582	1,885	-	(45)	(692)	(13)	12,717
Lease - right of use:							
Buildings (ii)	7,593	2,456	226	(1,818)	(365)	(28)	8,064
Equipment	8	-	-	-	(4)	-	4
Subtotal	7,601	2,456	226	(1,818)	(369)	(28)	8,068
Total	19,183	4,341	226	(1,863)	(1,061)	(41)	20,785

	As of 12/31/2021	Additions (i)	Lease modification	Write-off	Depreciation	Transfers and others	As of 9/30/2022
Land	570	31	-	-	-	-	601
Buildings	656	188	-	-	(13)	(48)	783
Improvements	3,596	2,423	-	(25)	(202)	137	5,929
Machinery and equipment	828	428	-	(2)	(129)	71	1,196
Facilities	362	162	-	(4)	(25)	7	502
Furniture and appliances	416	132	-	(1)	(50)	74	571
Constructions in progress	235	477	-	(1)	-	(178)	533
Others	37	12	-	-	(12)	12	49
Subtotal	6,700	3,853	-	(33)	(431)	75	10,164
Lease - right of use:							
Buildings	3,604	3,005	479	(10)	(244)	(75)	6,759
Equipment	16	-	-	-	(4)	-	12
Subtotal	3,620	3,005	479	(10)	(248)	(75)	6,771
Total	10,320	6,858	479	(43)	(679)	-	16,935

(i) Includes interest capitalization in the amount of R$223 (R$617 as of September 30, 2022), see note 11.3.

(ii) As disclosed in note 1, on June 23, 2023, Casino, through its subsidiaries Wilkes, GIBV and Segisor, sold its common shares, changing the Company's shareholding structure. In view of the shareholding change, there was a need to renegotiate some rental contracts, resulting in a net increase in leasing in the amount of R$476. Management, based on CPC 06/IFRS 16 - Leases, evaluated and concluded this transaction as termination of the previous contract and recognition of a new contract, maturity in 2045, due to a substantive change in the scope, which mainly included changes to the assets subject to the contract and values of contracts. In the period ended September 30, 2023, the renegotiation process was completed.

(In million of Brazilian Reais, unless otherwise stated)

11.2 Composition of property, plant and equipment

	9/30/2023			12/31/2022		
	Historical cost	Accumulated depreciation	Net amount	Historical cost	Accumulated depreciation	Net amount
Land	**576**	**-**	**576**	600	-	600
Buildings	**891**	**(153)**	**738**	859	(129)	730
Improvements	**9,148**	**(1,371)**	**7,777**	7,933	(1,068)	6,865
Machinery and equipment	**2,933**	**(936)**	**1,997**	2,160	(720)	1,440
Facilities	**604**	**(167)**	**437**	729	(144)	585
Furniture and appliances	**1,267**	**(361)**	**906**	1,043	(288)	755
Constructions in progress	**170**	**-**	**170**	543	-	543
Others	**237**	**(121)**	**116**	157	(93)	64
Subtotal	**15,826**	**(3,109)**	**12,717**	14,024	(2,442)	11,582
Lease - right of use:						
Buildings	**9,606**	**(1,542)**	**8,064**	8,924	(1,331)	7,593
Equipment	**54**	**(50)**	**4**	57	(49)	8
Subtotal	**9,660**	**(1,592)**	**8,068**	8,981	(1,380)	7,601
Total	**25,486**	**(4,701)**	**20,785**	23,005	(3,822)	19,183

(In million of Brazilian Reais, unless otherwise stated)

11.3 Capitalized borrowing costs and lease

The value of capitalized borrowing costs and lease directly attributable to the reform, construction and acquisition of property, plant and equipment and intangible assets within the scope of CPC 20 (R1)/IAS 23 - Borrowing Costs and the amount of 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)/IFRS 16 - Leases, amounted to R$223 (R$617 as of September 30, 2022). The rate used to calculate the borrowing costs eligible for capitalization was 111.46% (110.77% at September 30, 2022) 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

	9/30/2023	9/30/2022
Additions	**4,341**	6,858
Leases	**(2,456)**	(3,005)
Capitalized borrowing costs	**(223)**	(617)
Financing of property, plant and equipment - Additions	**(1,647)**	(2,914)
Financing of property, plant and equipment - Payments	**2,447**	2,724
Total	**2,462**	3,046

Additions related to the purchase 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 period with the amounts presented in the statement of cash flows net of items that did not impact cash flow.

11.5 Other information

As of September 30, 2023, the Company recorded in the cost of sales and services the amount of R$60 (R$51 as of September 30, 2022), relating to the depreciation of machinery, buildings and facilities of distribution centers.

12 INTANGIBLE ASSETS

	As of 12/31/2022	Additions	Amortization	As of 9/30/2023
Goodwill	618	**-**	**-**	**618**
Software	76	**19**	**(16)**	**79**
Commercial rights	4,267	**112**	**(6)**	**4,373**
Trade name	39	**-**	**-**	**39**
Subtotal	5,000	**131**	**(22)**	**5,109**
Lease - right of use:				
Assets and rights	18	**-**	**(1)**	**17**
Subtotal	18	**-**	**(1)**	**17**
Total	5,018	**131**	**(23)**	**5,126**

	As of 12/31/2021	Additions	Amortization	As of 9/30/2022
Goodwill	618	-	-	618
Software	75	11	(12)	74
Commercial rights (i)	1,136	3,141	(7)	4,270
Trade name	39	-	-	39
Subtotal	1,868	3,152	(19)	5,001
Lease - right of use:				
Assets and rights	19	-	(2)	17
Subtotal	19	-	(2)	17
Total	1,887	3,152	(21)	5,018

(i) In the period ended September 30, 2022, in the Additions column, are presented the amounts related to the acquisition of the 46 commercial points from Extra Hiper stores, in the amount of R$3,132.

	9/30/2023			12/31/2022		
	Historical cost	Accumulated amortization	Net amount	Historical cost	Accumulated amortization	Net amount
Goodwill	**871**	**(253)**	**618**	871	(253)	618
Software	**170**	**(91)**	**79**	151	(75)	76
Commercial rights	**4,410**	**(37)**	**4,373**	4,299	(32)	4,267
Trade name	**39**	**-**	**39**	39	-	39
	5,490	**(381)**	**5,109**	5,360	(360)	5,000
Lease - right of use:						
Assets and rights	**29**	**(12)**	**17**	29	(11)	18
Total	**5,519**	**(393)**	**5,126**	5,389	(371)	5,018

(In million of Brazilian Reais, unless otherwise stated)

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

The impairment test of intangible assets uses the same practices described in note 12.1 to the financial statements as of December 31, 2022.

The Company monitored the plan used to assess impairment test as of December 31, 2022, and concluded that there is no events which could indicate losses or the need for a new evaluation for the period ended September 30, 2023.

12.2 Additions to intangible assets for cash flow presentation purpose

	9/30/2023	9/30/2022
Additions	**131**	3,152
Financing of intangible assets - Additions	**(95)**	(3,132)
Financing of intangible assets - Payments	**-**	609
Total	**36**	629

13 TRADE PAYABLES AND TRADE PAYABLES - AGREEMENTS

	Note	9/30/2023	12/31/2022
Trade Payables			
Product suppliers		**9,342**	9,196
Suppliers - Acquisition of property, plant and equipment		**192**	140
Service providers		**146**	129
Service providers - related parties	9.1	**20**	33
Bonuses from suppliers	13.1	**(410)**	(960)
Total Suppliers		**9,290**	8,538
Trade Payables - Agreements			
Product suppliers	13.2	**479**	813
Suppliers - Acquisition of property, plant and equipment	13.2	**424**	1,226
Suppliers - Acquisition of Extra Stores	13.3	**2,068**	3,202
Total Suppliers - Agreements		**2,971**	5,241
Total		**12,261**	13,779
Current		**12,261**	12,999
Non-current		**-**	780

13.1 Bonuses from suppliers

These include commercial agreements and discounts obtained from suppliers. These amounts are defined in agreements and include discounts for purchase volume, joint marketing programs, freight reimbursements, and other similar programs. The receipt occurs by deducting trade notes payable to suppliers, according to conditions established in the supply agreements, so that the financial settlements occur for the net amount.

13.2 Agreements among suppliers, the Company and banks

The Company has agreements with financial institutions, through which, suppliers of products, capital goods and services, have the possibility of receiving in advance their amounts receivables, also named “forfait” / “confirming”. The financial institutions become creditors of the operation and the Company settles the payments under the same conditions as those originally agreed with the supplier.

The Company’s Management, based on CVM Circular Letter SNC/SEP n°01/2022, assessed that the economic substance of the transaction is operational, considering that receiving in advance is an exclusive decision of the supplier and, for the Company, there are no changes in the original term negotiated with the supplier, nor changes in the contracted amounts. Management evaluated the potential effects of adjusting these operations to present value and concluded that the effects are immaterial for measurement and disclosure.

These balances are classified as "Trade Payables - Agreements". Cash flow from these operations is presented as operating in the statement of cash flows.

Additionally, there is no exposure to any financial institution individually related to these operations and these liabilities are not considered net debt and do not have restrictive covenants (financial or non-financial) related and for the Company, the revenue obtained from the award for the referral of suppliers to the receiving in advance operations recognized in the statement of operations was R$26 as of September 30, 2023 (R$30 as of September 30, 2022).

As of September 30, 2023, the balance payable related to these operations is R$903 (R$2,039 as of December 31, 2022).

13.3 Suppliers - Acquisition of Extra stores

In September and December, 2022, GPA realized the assignment of its receivables on the sale of Extra stores to the Company with a financial institution corresponding to the installments due between 2023 and 2024. The Company's management, as the consenting party of the operation, evaluated the contractual terms of the assignment of receivables and in accordance with CPC 26 (R1)/IAS 1 - Presentation of financial statements, concluded that there was no modification in the conditions originally contracted with GPA, maintaining the characteristic of the terms and the payments of the installments will be made directly by the Company to the financial institution, maintaining the same due dates and monetary correction equivalent of the CDI + 1.2% per year, previously agreed with GPA. Therefore, Management concluded that the characteristic of the operation was maintained as accounts payable for the acquisition of the commercial points of the Extra Hiper stores.

(In million of Brazilian Reais, unless otherwise stated)

As of September 30, 2023, the balance is R$2,068 (R$3,202 as of December 31, 2022).

14 FINANCIAL INSTRUMENTS

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

	Note	9/30/2023	12/31/2022
Financial assets			
Amortized cost			
Cash and cash equivalents	5	**4,417**	5,842
Related parties	9.1	**19**	252
Trade receivables and other accounts receivable		**708**	198
Fair value through income			
Gain of financial instruments at fair value	14.6.1	**246**	182
Fair value through other comprehensive income			
Trade receivables with credit card companies and sales tickets		**460**	424
Financial liabilities			
Amortized cost			
Related parties	9.1	**-**	(261)
Other accounts payable		**(212)**	-
Trade payables and trade payables - Agreements	13	**(12,261)**	(13,779)
Borrowings	14.6.1	**(1,733)**	(1,217)
Debentures and promissory notes	14.6.1	**(10,097)**	(8,903)
Lease liabilities	16.1	**(8,935)**	(8,360)
Fair value through income			
Borrowings and debentures, including derivatives	14.6.1	**(2,260)**	(2,435)
Loss of financial instruments at fair value	14.6.1	**(4)**	(36)
Net exposure		**(29,652)**	(28,093)

The fair value of other financial instruments detailed in the table above approximates the carrying amount based on the existing payment terms and conditions. The financial instruments measured at amortized cost, the fair values of which differ from the carrying amounts are disclosed in note 14.4.

14.1 Considerations on risk factors that may affect the business of the Company

14.1.1 Credit risk

• Cash and cash equivalents

In order to minimize the credit risk, the investment policies adopted establish in financial institutions approved by the Company's Financial Committee, considering the monetary limits and evaluations of financial institutions, which are regularly updated.

• Trade receivables

The credit risk related to trade receivables is minimized by the fact that a large part of installment sales are made with credit cards. These receivables may be advanced at any time, without right of recourse, with banks or credit card companies, for the purpose of providing working capital, generating the derecognition of the accounts receivable. In addition, the main acquirers used by the Company are related to first-tier financial institutions with low credit risk. Additionally, mainly for trade receivables collected in installments, the Company monitors the risk for the granting of credit and for the periodic analysis of the expected credit loss balances.

The Company also incurs counterparty risk related to derivative instruments. This risk is mitigated by carrying out transactions, according to policies approved by governance bodies.

There are no amounts receivable that individually, account for more than 5% of the accounts receivable or revenues.

14.1.2 Interest rate risk

The Company obtains borrowings and financing with major financial institutions in order to meet cash requirements for investments. Accordingly, the Company is mainly exposed to the risk of significant fluctuations in the interest rate, especially the rate related to derivative liabilities (foreign currency exposure hedge) and debts indexed to CDI. The balance of cash and cash equivalents, indexed to CDI, partially offsets the risk of fluctuations in the interest rates.

14.1.3 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 makes adjustments considering the changes in the economic conditions.

The capital structure is as follows:

	9/30/2023	12/31/2022
Borrowings, debentures and promissory notes	**(14,094)**	(12,591)
(-) Cash and cash equivalents	**4,417**	5,842
(-) Derivative financial instruments	**246**	182
Net debt	**(9,431)**	(6,567)
Shareholders' equity	**4,325**	3,896
% Net debt over Shareholders' equity	**218%**	169%

(In million of Brazilian Reais, unless otherwise stated)

14.1.4 Liquidity risk management

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

The table below summarizes the aging profile of the Company's financial liabilities as of September 30, 2023.

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	762	1,272	-	2,034
Debenture and promissory notes	2,987	10,940	2,690	16,617
Derivative financial instruments	143	81	(791)	(567)
Lease liabilities	1,375	5,008	15,573	21,956
Trade payables	9,290	-	-	9,290
Trade payables - Agreements	903	-	-	903
Trade payables - Agreements - Acquisition of Extra stores	2,106	-	-	2,106
Total	17,566	17,301	17,472	52,339

The information was prepared considering the undiscounted cash flows of financial liabilities based on the earliest date the Company may be required to make the payment or be eligible to receive the payment. To the extent that interest rates are floating, the undiscounted amount is obtained based on interest rate curves for the period ended September 30, 2023. Therefore, certain balances presented do not agree with the balances presented in the balance sheets.

14.2 Derivative financial instruments

	Notional value		Fair value	
	9/30/2023	12/31/2022	9/30/2023	12/31/2022
Swap of hedge				
Hedge purpose (debt)	2,956	2,360	3,202	2,542
Long Position				
Fixed rate	106	106	109	109
USD + Fixed	-	282	-	282
Hedge - CRI	2,850	1,972	3,093	2,151
Short Position	(2,956)	(2,360)	(2,960)	(2,396)
Net hedge position	-	-	242	146

Realized and unrealized gains and losses on these contracts during the period ended September 30, 2023, are recorded as net financial results and the balance receivable at fair value is R$242 (balance receivable of R$146 as of December 31, 2022). The assets are recorded as "derivative financial instruments" and the liabilities as "borrowings".

The effects of the hedge at fair value through income for the period ended September 30, 2023, resulted in a loss of R$78 (gain of R$47 as of September 30, 2022), recorded under cost of debt, see note 23.

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.

The fair values are calculated based on projected future cash flow, using the future CDI curves released by B3, plus the operation spreads, and discounting them to present value using the same CDI curves by B3.

In order to calculate the coupon of CDI indexed-positions, the exponential convention - 252 business days was adopted.

14.3 Sensitivity analysis of financial instruments

According to Management's assessment, the possible reasonable changes was, on the maturity date of each transaction, the market curves (currencies and interest) of B3.

To determine the possible relevant change in the relevant risk variable, Management considered the economic environment in which it operates. Therefore, in (I) there is no impact on the fair value of financial instruments. For scenarios (II) and (III), for the exclusive purpose of sensitivity analysis, Management considered a deterioration of 5% and 10%, respectively, in the risk variables, up to one year of the financial instruments, with the aim of demonstrating the sensitivity of the Company's results in an adverse scenario.

For the probable scenario the weighted interest rate (CDI) was 11.03% per year.

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

(In million of Brazilian Reais, unless otherwise stated)

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

				Market projections		
Transactions	Note	Risk (Rate Increase)	As of 9/30/2023	Scenario (I)	Scenario (II)	Scenario (III)
Borrowings	14.6.1	CDI + 1.61% per year	(1,739)	(212)	(222)	(233)
Borrowings (fixed rate)	14.6.1	TR + 9.80%	(43)	(5)	(5)	(6)
Debentures and promissory notes	14.6.1	CDI + 1.33% per year and Pre 11.75% per year	(12,509)	(1,479)	(1,553)	(1,627)
Total net effect (loss)			(14,291)	(1,696)	(1,780)	(1,866)
Cash equivalents	5	96.01% of CDI	4,164	491	516	540
Net exposure loss			(10,127)	(1,205)	(1,264)	(1,326)

14.4 Fair value 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 amounts, pursuant to CPC 46/IFRS 13, which address the concepts of measurement and disclosure requirements. The fair value hierarchy levels are defined below:

Level 1: fair value measurement at the balance sheet date using quoted prices (unadjusted) in active markets for identical assets or liabilities to which the entity may have access at the measurement date.

Level 2: fair value measurement at the balance sheet date using other significant observable assumptions for the asset or liability, either directly or indirectly, except quoted prices included in Level 1.

Level 3: fair value measurement at the balance sheet date using non-observable data for the asset or liability.

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 and of financial instruments measured at amortized cost, for which the fair value has been disclosed in the interim financial information:

	Carrying amount		Fair value		
	9/30/2023	12/31/2022	9/30/2023	12/31/2022	Level
Trade receivables with credit card companies and sales tickets	460	424	460	424	2
Interest rate swaps between currencies	-	(36)	-	(36)	2
Interest rate swaps	(2)	2	(2)	2	2
Interest rate swaps - CRI	244	180	244	180	2
Borrowings and debentures (fair value)	(2,260)	(2,435)	(2,260)	(2,435)	2
Borrowings and debentures (amortized cost)	(11,830)	(10,120)	(11,582)	(9,974)	2
	(13,388)	(11,985)	(13,140)	(11,839)	

There were no change between fair value measurement hierarchy levels during the period ended September 30, 2023.

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 prime financial institutions.

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

Description	Notional value	Due date	9/30/2023	12/31/2022
Debt				
USD - BRL	USD50	2023	-	(36)
Debt				
IPCA - BRL	R$1,972	2028, 2029 and 2031	234	180
Interest rate swaps registered at CETIP				
Pre-fixed rate x CDI	R$879	2027	6	-
Pre-fixed rate x CDI	R$54	2027	1	1
Pre-fixed rate x CDI	R$52	2027	1	1
Derivatives - Fair value hedge - Brazil			242	146

(In million of Brazilian Reais, unless otherwise stated)

14.6 Borrowings

14.6.1 Debt breakdown

	Weighted average	9/30/2023	12/31/2022
Current			
Debentures and promissory notes	CDI + 1.48 per year and Pre 11.75% per year	**2,144**	454
Borrowing costs		**(55)**	(23)
Total debentures and promissory notes		**2,089**	431
Borrowings			
In domestic currency			
Working capital	TR + 9.80%	**12**	12
Working capital	CDI + 1.16% per year	**526**	523
Borrowing costs		**(3)**	(4)
Total domestic currency		**535**	531
In foreign currency			
Working capital	USD + 1.06% per year	**-**	262
Total in foreign currency		**-**	262
Total of borrowings		**535**	793
Derivative financial instruments			
Swap contracts	CDI + 0.82% per year	**(40)**	(27)
Swap contracts	CDI + 1.32% per year	**1**	36
Total derivative financial instruments		**(39)**	9
Total current		**2,585**	1,233

	Weighted average	9/30/2023	12/31/2022
Non-current			
Debenture and promissory notes	CDI + 1.30% per year and Pre 11.75% per year	**10,365**	10,669
Borrowing costs		**(140)**	(75)
Total debentures and promissory notes		**10,225**	10,594
Borrowings			
In domestic currency			
Working capital	TR + 9.80%	**31**	39
Working capital	CDI + 1.80% per year	**1,213**	700
Borrowing costs		**(3)**	(2)
Total of domestic currency		**1,241**	737
Total of borrowings		**1,241**	737
Derivative financial instruments			
Swap contracts	CDI + 0.82% per year	**(206)**	(155)
Swap contracts	CDI + 1.32% per year	**3**	-
Total derivative financial instruments		**(203)**	(155)
Total non-current		**11,263**	11,176
Total		**13,848**	12,409
Current asset		**40**	27
Non-current asset		**206**	155
Current liabilities		**2,625**	1,260
Non-current liabilities		**11,469**	11,331

14.6.2 Roll forward of borrowings

	Value
Balance as of December 31, 2021	8,001
Funding	3,600
Borrowing costs	(40)
Interest provision	1,034
Swap contracts	45
Mark-to-market	(92)
Exchange rate and monetary variation	(9)
Borrowing costs amortization	19
Interest amortization	(426)
Principal amortization	(58)
Swap amortization	(61)
Balance as of September 30, 2022	12,013

	Value
Balance as of December 31, 2022	12,409
Funding	**1,572**
Borrowing costs (i)	**(129)**
Interest provision	**1,313**
Swap contracts	**64**
Mark-to-market	**(6)**
Exchange rate and monetary variation	**(16)**
Borrowing costs amortization	**32**
Interest amortization	**(733)**
Principal amortization	**(503)**
Swap amortization	**(155)**
Balance as of September 30, 2023	**13,848**

(i) Include costs related to negotiation of waiver in the change of the shareholding control in the amount of R$93, as disclosed in note 1, in capital market operations carried out during the period, without changes to other contractual clauses with financial institutions.

14.6.3 Schedule of non-current maturities

Maturity	Value
From 1 to 2 years	**4,234**
From 2 to 3 years	**1,447**
From 3 to 4 years	**2,265**
From 4 to 5 years	**1,323**
More than 5 years	**2,137**
Total	**11,406**
Borrowing cost	**(143)**
Total	**11,263**

14.7 Debentures and promissory notes

	Issue amount (in thousands)	Outstanding debentures (units)	Date: Issue	Date: Maturity	Annual financial charges	Unit price (in Reais)	9/30/2023	12/31/2022
First Issue of Promissory Notes - 4th series	250	5	7/4/2019	7/4/2023	CDI + 0.72% per year	-	**-**	317
First Issue of Promissory Notes - 5th series	200	4	7/4/2019	7/4/2024	CDI + 0.72% per year	70,155,958	**281**	254
First Issue of Promissory Notes - 6th series	200	4	7/4/2019	7/4/2025	CDI + 0.72% per year	70,155,958	**281**	254
Second Issue of Debentures - 1st series	940,000	940,000	6/1/2021	5/20/2026	CDI + 1.70% per year	1,053	**990**	957
Second Issue of Debentures - 2nd series	660,000	660,000	6/1/2021	5/22/2028	CDI + 1.95% per year	1,054	**696**	672
Second Issue of Promissory Notes - 1st series	1,250,000	1,250,000	8/27/2021	8/27/2024	CDI + 1.47% per year	1,303	**1,629**	1,467
Second Issue of Promissory Notes - 2nd series	1,250,000	1,250,000	8/27/2021	2/27/2025	CDI + 1.53% per year	1,305	**1,631**	1,468
Third Issue of Debentures - 1st series - CRI	982,526	982,526	10/15/2021	10/16/2028	IPCA + 5.15% per year	1,147	**1,127**	1,072
Third Issue of Debentures - 2nd series - CRI	517,474	517,474	10/15/2021	10/15/2031	IPCA + 5.27% per year	1,148	**594**	565
Fourth Issue of Debentures - single series	2,000,000	2,000,000	1/7/2022	11/26/2027	CDI + 1.75% per year	1,051	**2,102**	2,028
First Issue of Commercial Paper Notes - single series	750,000	750,000	2/10/2022	2/9/2025	CDI + 1.70% per year	1,020	**765**	793
Fifth Issue of Debentures - single series - CRI	250,000	250,000	4/5/2022	3/28/2025	CDI + 0.75% per year	1,000	**250**	258
Sixth Issue of Debentures - 1st series - CRI	72,962	72,962	9/28/2022	9/11/2026	CDI + 0.60% per year	1,005	**73**	75
Sixth Issue of Debentures - 2nd series - CRI	55,245	55,245	9/28/2022	9/13/2027	CDI + 0.70% per year	1,005	**56**	57
Sixth Issue of Debentures - 3rd series - CRI	471,793	471,793	9/28/2022	9/13/2029	IPCA + 6.70% per year	1,052	**496**	485
Second Issue of Commercial Paper Notes - single series	400,000	400,000	12/26/2022	12/26/2025	CDI + 0.93% per year	1,109	**444**	401
Seventh Issue of Debentures - 1st series - CRI	145,721	145,721	7/25/2023	7/15/2026	CDI + 1.00% per year	1,025	**149**	-
Seventh Issue of Debentures - 2nd series - CRI	878,503	878,503	7/25/2023	7/15/2027	Pre 11.75% per year	1,021	**897**	-
Seventh Issue of Debentures - 3rd series - CRI	46,622	46,622	7/25/2023	7/17/2028	CDI + 1.15% per year	1,026	**48**	-
Borrowing cost							**(195)**	(98)
							12,314	11,025
Current							**2,089**	431
Non-current							**10,225**	10,594

The Company issues debentures to strengthen its working capital, maintain its cash strategy, lengthen its debt and investment profile. The debentures issued are non-preemptive, non-convertible into shares, do not have renegotiation clauses and do not have guarantees.

(In million of Brazilian Reais, unless otherwise stated)

14.8 Borrowings in foreign currencies

As of September 30, 2023, due to the settlement of the agreement with Scotiabank, the Company has no borrowing in foreign currency.

14.9 Guarantees

As of September 30, 2023, the Company has no guarantees related to its borrowing agreement.

14.10 Swap contracts

The Company uses swap operations for 100% of its borrowings denominated in fixed interest rates and IPCA, exchanging these liabilities for to the CDI (floating) interest rates. The annual average rate of the CDI at September 30, 2023 was 13.50% (12.43% at December 31, 2022).

14.11 Financial covenants

In connection with the debentures and promissory notes issued and part of borrowing operations in foreign currency, the Company is required to maintain certain financial ratios. These ratios are calculated quarterly based on the Company's interim financial information prepared in accordance with accounting practices adopted in Brazil, as follows: (i) consolidated net debt / equity less than or equal to 3.00; and (ii) consolidated net debt/EBITDA Last Twelve Months ("LTM") ratio should be lower than or equal to 3.00.

As of September 30, 2023, the Company had fulfilled all contractual obligations and was compliant with these ratios.

15 PROVISION FOR LEGAL PROCEEDINGS

The provision for legal proceedings is estimated by the Company and supported by its legal counsel and was established in an amount considered sufficient to cover the considered probable losses.

	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2021	109	69	27	205
Additions	5	54	10	69
Reversals	(69)	(20)	(3)	(92)
Payments	-	(23)	(13)	(36)
Monetary correction	5	5	3	13
Balance as of September 30, 2022	50	85	24	159
Restricted deposits for legal proceedings	(10)	(40)	(3)	(53)
Net provision of judicial deposits	40	45	21	106

	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2022	55	86	24	165
Additions	**14**	**134**	**17**	**165**
Reversals	**-**	**(36)**	**(4)**	**(40)**
Payments	**(4)**	**(44)**	**(6)**	**(54)**
Monetary correction	**2**	**9**	**4**	**15**
Balance as of September 30, 2023	**67**	**149**	**35**	**251**
Restricted deposits for legal proceedings	**(1)**	**(16)**	**(9)**	**(27)**
Net provision of judicial deposits	**66**	**133**	**26**	**224**

15.1 Tax claims

Tax claims are subject by law to monthly monetary adjustment, which refers to an adjustment to the provision based on indexing rates adopted by each tax jurisdiction. Both interest 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 counsel's analysis, were provisioned, namely: (i) discussions on the non-application of the Accident Prevention Factor (FAP); (ii) discussions with State tax authorities on ICMS tax rate calculated in electricity bills; (iii) IPI in the resale of imported products; and (iv) other matters.

The amount provisioned for these matters as of September 30, 2023, is R$67 (R$55 as of December 31, 2022).

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. As of September 30, 2023, the Company recorded a provision of R$149 (R$86 as of December 31, 2022), referring to a potential risk of loss relating to labor claims. Management, with the assistance of its legal counsel, assesses these claims and records provisions for losses when reasonably estimated, considering previous experiences in relation to amounts claimed.

15.3 Civil

The Company is a party to civil proceedings (indemnifications, collections, among others) that are in different procedural phases and at various 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 counsel consider the probability of changing the lease amount paid by the entity. As of September 30, 2023, the amount of the provision for these lawsuits is R$29 (R$19 as of December 31, 2022), 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, with the assistance of its legal counsel, assesses these claims recording provisions for probable cash disbursements, according to the estimate of loss. As of September 30, 2023, the amount of provision for these lawsuits is R$6 (R$5 as of December 31, 2022).

The Company's total civil, regulatory and property claims as of September 30, 2023, is R$35 (R$24 as of December 31, 2022).

15.4 Contingent liabilities not accrued

The Company is a party to other litigations for which the risk of loss was classified by its legal counsel to be possible, therefore, not accrued, totaling an updated amount of R$2,680 as of September 30, 2023 (R$2,443 as of December 31, 2022), 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 tax amortization disallowance, disagreements regarding payments and overpayments, fines for non-compliance with ancillary obligation, among other less relevant issues. The amount involved corresponds to R$645 as of September 30, 2023 (R$612 as of December 31, 2022).

PIS and COFINS (federal taxes on gross revenues) – The Company has been questioned about discrepancies in payments and overpayments; fine for non-compliance with ancillary obligation, disallowance of PIS and COFINS credits, among other issues. These proceedings are pending judgment at the administrative and judicial levels. The amount involved in these tax assessments is R$699 as of September 30, 2023 (R$650 as of December 31, 2022).

ICMS (State VAT) – The Company received tax assessment notices from State tax authorities in connection with credits from purchases from suppliers considered unqualified by the registry of the State Revenue Service, among other matters. These tax assessments amount to R$1,183 as of September 30, 2023 (R$1,084 as of December 31, 2022). These proceedings are pending 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 for non-compliance with ancillary obligations, ISS – refund of advertising expenses and various fees, totaling R$16 as of September 30, 2023 (R$16 as of December 31, 2022). These proceedings are pending judgment at the administrative and judicial levels.

INSS (national institute of social security) – The Company was assessed for divergences in the FGTS and Social Security form (GFIP), offsets not approved, among other matters, with possible losses of R$24 as of September 30, 2023 (R$23 as of December 31, 2022). Proceedings have been discussed in the administrative and judicial level.

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 in 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$94 as of September 30, 2023 (R$44 as of December 31, 2022).

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 were duly answered. One of them has already been extinguished by the judiciary without major effects. As of September 30, 2023, there are still two lawsuits in progress and, given the subjectivity of the matter, it is still not possible to reasonably estimate the amounts involved. A significant impact on the interim financial information is not yet expected.

The Company engages external legal counsel to represent it in tax matters, whose fees are contingent on the final outcome of the lawsuits. Percentages may vary according to qualitative and quantitative factors of each proceeding, as of September 30, 2023, the estimated amount, in case of success of all lawsuits, was approximately R$19 (R$14 as of December 31, 2022).

(In million of Brazilian Reais, unless otherwise stated)

15.5 Guarantees

The Company provided bank guarantees and insurance guarantees for judicial proceedings of a civil, tax and labor nature, described below:

Lawsuits	9/30/2023	9/30/2022
Tax	**964**	666
Labor	**77**	90
Civil and others	**536**	412
Total	**1,577**	1,168

The cost of guarantees as of September 30, 2023 is approximately 0.20% per year of the amount of the lawsuits (0.31% at September 30, 2022) and is recorded as a financial expense.

15.6 Restricted deposits for legal proceedings

The Company is challenging the payment of certain taxes, contributions, and labor liabilities and made judicial deposits in amounts equivalent to the final court decisions, as well as judicial deposits related to the provision for legal claims.

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

Lawsuits	9/30/2023	12/31/2022
Tax	**17**	12
Labor	**18**	34
Civil and others	**10**	10
Total	**45**	56

16 LEASE LIABILITIES

16.1 Minimum future payments and potential right of PIS and COFINS

Lease contracts totaled R$8,935 as of September 30, 2023 (R$8,360 as of December 31, 2022). The minimum future payments, according to lease agreements, with the present value of minimum lease payments, are as follows:

	9/30/2023	12/31/2022
Lease liabilities - minimum payments		
Less than 1 year	**373**	435
From 1 to 5 years	**1,325**	1,646
More than 5 years	**7,237**	6,279
Present value of lease liabilities	**8,935**	8,360
Current	**373**	435
Non-current	**8,562**	7,925
Future financing charges	**13,021**	12,318
Gross amount of financial lease agreements	**21,956**	20,678
PIS and COFINS embedded in the present value of lease agreements	**543**	508
PIS and COFINS embedded in the gross value of lease agreements	**1,335**	1,257

Lease liabilities interest expense is stated in note 23. The Company´s average incremental interest rate at the agreement signing date was 12.09% in the period ended September 30, 2023 (12.20% at December 31, 2022).

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 projected for year would be approximately 6.73% (8.74% at December 31, 2022). The average term of the agreements analyzed is 17.90 years (19.41 years as of December 31, 2022).

16.2 Lease liability roll forward

	Amount
As of December 31, 2021	4,051
Addition - Lease	3,005
Lease modification	479
Interest provision	547
Principal amortization	(142)
Interest amortization	(515)
Write-off due to early termination of agreement	(9)
As of September 30, 2022	7,416

	Amount
As of December 31, 2022	8,360
Addition - Lease (i)	**2,456**
Lease modification	**226**
Interest provision	**731**
Principal amortization	**(217)**
Interest amortization	**(722)**
Write-off due to early termination of agreement (i)	**(1,899)**
As of September 30, 2023	**8,935**

(i) The variation for the period mainly refers to the renegociation of rental contracts as disclosed in note 11.2.

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

	9/30/2023	9/30/2022
(Expenses) revenues of the period:		
Variables (1% to 2% of sales)	**(15)**	(25)
Subleases (i)	**67**	36

(i) Refers mainly to the revenue from lease agreements receivable from commercial galleries.

(In million of Brazilian Reais, unless otherwise stated)

16.4 Additional information

In accordance with OFÍCIO-CIRCULAR/CVM/SNC/SEP/N°02/2019 the Company adopted as an accounting policy the requirements of CPC 06 (R2)/IFRS16 - Leases, in the measurement and remeasurement of its right of use, using the discounted cash flow model, without considering inflation.

To safeguard the faithful representation of information to meet the requirements of CPC 06 (R2)/IFRS16 - Leases, and the guidelines of the CVM technical areas, the balances of assets and liabilities without inflation, effectively accounted for (real flow x real rate) are provided, and the estimate of inflated balances in the comparison periods (nominal flow x nominal rate).

Other assumptions, such as the maturity schedule of the liabilities and the interest rates used in the calculation, are disclosed in other items of this same explanatory note, as well as the inflation indexes are observable in the market, so that the nominal flows can be prepared by the users of interim financial information.

	9/30/2023	12/31/2022
Real flow		
Right of use assets	**8,084**	7,619
Lease Liabilities	**21,956**	20,678
Embedded interest	**(13,021)**	(12,318)
	8,935	8,360
Inflated flow		
Right of use assets	**12,498**	11,955
Lease Liabilities	**34,825**	33,354
Embedded interest	**(19,072)**	(18,500)
	15,753	14,854

Below we present the flow of payments according to the average term weighted with the respective nominal and inflation rates for each period presented:

As of September 30, 2023

Year	Value	Nominal tax	Projected inflation
Within 1 year	**1,375**	**12.17%**	**3.26%**
From 1 to 2 years	**1,261**	**12.20%**	**3.93%**
From 2 to 3 years	**1,274**	**12.23%**	**3.72%**
From 3 to 4 years	**1,263**	**12.27%**	**3.70%**
From 4 to 5 years	**1,210**	**12.31%**	**3.70%**
More than 5 years	**15,573**	**12.56%**	**3.70%**
Total	**21,956**		

As of December 31, 2022

Year	Value	Nominal tax	Projected inflation
Within 1 year	1,356	12.22%	4.61%
From 1 to 2 years	1,192	12.26%	4.26%
From 2 to 3 years	1,190	12.30%	4.24%
From 3 to 4 years	1,192	12.35%	4.24%
From 4 to 5 years	1,159	12.41%	4.24%
More than 5 years	14,589	12.73%	4.24%
Total	20,678		

17 DEFERRED REVENUES

	9/30/2023	12/31/2022
Sale and leaseback	**-**	3
Rental of spaces in stores (i)	**75**	259
Checkstand (ii)	**30**	45
Commercial agreement - payroll (iii)	**50**	39
Marketing and others	**18**	13
Total	**173**	359
Current	**133**	328
Non-current	**40**	31

(i) Rental of backlight panels.
(ii) Supplier product exhibition modules, or check stands, rental of point of sale displays.
(iii) Commercial agreement with a financial institution for exclusivity in payroll processing.

(In million of Brazilian Reais, unless otherwise stated)

18 INCOME TAX AND SOCIAL CONTRIBUTION

18.1 Reconciliation of income tax and social contribution expense

	9/30/2023	9/30/2022
Income before income tax and social contribution	**248**	912
Expense of income tax and social contribution, for nominal rate (34%)	**(84)**	(310)
Adjustments to reflect the effective rate		
Tax fines	**(2)**	(1)
Share of profits	**12**	12
ICMS subsidy - tax incentives (i)	**231**	176
Monetary correction credits	**9**	25
Other permanent differences	**(1)**	-
Effective income tax and social contribution	**165**	(98)
Income tax and social contribution for the period		
Current	**(6)**	(74)
Deferred	**171**	(24)
Benefits (expense) tax and social contribution	**165**	(98)
Effective rate	**-66.5%**	10.7%

(i) The Company has tax benefits that are characterized as investment subsidies as provided for in Complementary Law n°160/17 and Law n°12,973/14. In the period ended September 30, 2023, 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

The main components of deferred income tax and social contribution in the balance sheets are the following:

	9/30/2023			12/31/2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Deferred income tax and social contribution						
Tax losses	**361**	**-**	**361**	213	-	213
Provision for legal proceedings	**77**	**-**	**77**	44	-	44
Exchange rate variation	**-**	**(52)**	**(52)**	-	(28)	(28)
Goodwill tax amortization	**-**	**(317)**	**(317)**	-	(317)	(317)
Fair value adjustment	**-**	**(31)**	**(31)**	-	(29)	(29)
Property, plant and equipment and intangible assets	**27**	**-**	**27**	30	-	30
Unrealized gains (losses) with tax credits	**4**	**-**	**4**	-	(6)	(6)
Provision for restructuring	**10**	**-**	**10**	12	-	12
Provision of inventory	**21**	**-**	**21**	26	-	26
Borrowing costs	**-**	**(66)**	**(66)**	-	(35)	(35)
Lease net of right of use	**111**	**-**	**111**	101	-	101
Others	**34**	**-**	**34**	-	(5)	(5)
Gross deferred income tax and social contribution assets (liabilities)	**645**	**(466)**	**179**	426	(420)	6
Compensation	**(466)**	**466**	**-**	(420)	420	-
Net deferred income tax and social contribution assets (liabilities), net	**179**	**-**	**179**	6	-	6

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

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

Years	Amounts
Up to 1 year	**148**
From 1 year to 2 years	**285**
From 2 years to 3 years	**79**
From 3 years to 4 years	**6**
More than 5 years	**127**
	645

18.3 Roll forward of deferred income tax and social contribution

	9/30/2023	12/31/2022
At the beginning of the period	**6**	45
Benefits (expenses) in the period	**171**	(40)
Income tax effect	**2**	1
At the end of the period	**179**	6

19 SHAREHOLDERS' EQUITY

19.1 Capital stock and stock rights

The capital stock, fully subscribed and paid-up as of September 30, 2023, is R$1,269 (R$1,263 as of December 31, 2022), represented by 1,351,463,542 common shares (1,349,165,394 as of December 31, 2022), all registered and without par value. According to the Company's bylaws, the Company's authorized capital may be increased up to 2 billion common shares.

On February 15, 2023, the Board of Directors approved a capital contribution in the amount of R$1, through the issuance of 59,870 common shares.

On March 28, 2023, the Board of Directors approved a capital contribution in the amount of R$1, through the issuance of 1,031,232 common shares.

On August 18, 2023, the Board of Directors approved a capital contribution in the amount of R$4, through the issuance of 1,207,046 common shares.

19.2 Distribution of dividends and interest on own capital

At a meeting of the Board of Directors held on December 23, 2022, the advance payment of interest on own capital in the gross amount of R$50 was approved, on which the withholding tax was deducted in the amount of R$7, corresponding to the net amount of R$43. The effective payment occurred on February 17, 2023.

At the Annual General Meeting ("AGM") of shareholders held on April 27, 2023, shareholders voted for the approval of the minimum mandatory dividend in the amount of R$68, calculated in accordance with Brazilian Corporate Law. The total amount relating to dividends corresponding to R$0.0500185431139003 per common share was paid in June 2023.

19.3 Expansion reserve

At the AGM held on April 27, 2023 the constitution of the expansion reserve in the amount of R$325 was approved, against the profit reserve of the year 2022.

19.4 Tax incentive reserve

The tax incentive reserve by the States started are considered subsidiary for investment, deductible for the calculation of income tax and social contribution. Thus, for the period ended September 30, 2023, the Company allocated the amount of R$679 (R$540 as of September 30,2022) to the tax incentive reserve, of which R$413 refers to tax incentives generated in 2023 and R$266 to be recognized when the Company demonstrates income in subsequent periods.

As provided for in article 30 of Law 12,973/14, the tax incentive reserve may be used to absorb losses, or for an increase in capital. Within the same legal provision, the tax incentive reserve is 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:

				30/09/2023			
				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	(20)	(45)	298
C8	5/31/2021	6/1/2024	13.39	363	(20)	(45)	298
B9	5/31/2022	6/1/2025	0.01	2,163	(358)	-	1,805
C9	5/31/2022	6/1/2025	12.53	1,924	(119)	-	1,805
B10 (i)	5/31/2023	6/1/2026	0.01	1,390	-	-	1,390
C10 (i)	5/31/2023	6/1/2026	11.82	1,390	-	-	1,390
				7,593	(517)	(90)	6,986

(i) Shares granted to executives excluding statutory officers.

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 a maximum of 2% of the total shares issued by the Company.

The table below shows the maximum percentage of dilution to which current shareholders could eventually be subject to in the event that all options granted are exercised until September 30, 2023 of all options granted:

	9/30/2023 (in thousands)
Number of shares	1,351,464
Balance of effective stock options granted	6,986
Maximum percentage of dilution	0.52%

The fair value of each option granted is estimated on the grant date, by using the Black-Scholes options pricing model "Black-Scholes" taking into account the following assumptions:

Granted series	Weighted average of fair value option's granted (in reais)	Dividends expectation	Approximate volatility expectation	Risk-free weighted average interest rate	Exit rate	Remaining average life expectancy
B8	17.21	1.28%	37.06%	7.66%	8.00%	8 months
C8	7.69					
B9	15.27	1.20%	37.29%	12.18%	8.00%	20 months
C9	7.35					
B10	10.33	1.31%	35.32%	10.87%	8.00%	32 months
C10	3.28					

	Shares	Weighted average of exercise price	Weighted average of remaining contractual term
	in thousands	R$	
As of December 31, 2022	4,651	6.01	2.28
As of September 30, 2023			
Granted during the period	**2,780**	**5.92**	
Cancelled during the period	**(32)**	**5.97**	
Exercised during the period	**(413)**	**5.97**	
Outstanding at the end of the period	**6,986**	**5.97**	**1.98**
Total to be exercised September 30, 2023	**6,986**	**5.97**	**1.98**

The amount recorded in the statement of operations for the period ended September 30, 2023 was R$22 (R$9 as of September 30, 2022).

19.5.3 Cash-settled share-based payment in the form of Virtual Shares

At the Extraordinary General Meeting held on July 14, 2023, the cash-settled share-based payment plan in the form of Virtual Shares was approved, only for the Company's Statutory Officers, this plan does not make officers a partner of the Company, they only acquire the right to receive a cash compensation corresponding to the average price of the Company's shares traded on B3 under the ticker ASAI3.

The calculation methodology is the linear average of the share price considering the last 20 trading sessions, including the base date of August 1, 2023 (grant date), until the end of the plan on July 31, 2028. The payment will be made in local currency, considering the vesting periods of the virtual shares.

1,989,465 virtual shares were granted to the Company's officers and the premium related to 50% of the virtual shares will be conditional on compliance with the service condition (virtual shares conditioned on time) and the other 50% of the virtual shares will be conditional on the cumulative compliance with the service condition and the performance condition (virtual shares conditioned on time and performance).

For virtual shares conditioned on time to become vested, Offices must remain with the Company from the grant date to the dates below (vesting period):

a) 20% (twenty percent) on the 3-year anniversary from the grant date;
b) 20% (twenty percent) on the 4-year anniversary from the grant date; and
c) 60% (sixty percent) on the 5-year anniversary from the grant date.

For virtual shares conditioned on time and performance to become vested, Officers must comply with the vesting periods above and achieving the goals, segregated between: a) Environmental, Social and Governance ("ESG") goal with weight 30%: i) percentage of people with disabilities employed by the Company; ii) percentage of women in Company leadership and iii) total carbon emissions – Scope 1 and 2; and b) Operational goal with weight 70%: i) operating cash flow.

The targets above will be reviewed annually by the Board of Directors and non-achievement of them at December 31, 2026 and 2027 may be compensated by achievement on subsequent measurement dates.

At the end of each vesting period, virtual shares conditioned on time that have become vested virtual shares will be automatically settled, for virtual shares conditioned on time and performance the goals listed above must be achieved.

If the Officer is terminated on his/her own initiative, the Officer will lose the right to receive unvested virtual shares, which will be immediately canceled and extinguished, without any compensation and/or indemnity, regardless of prior notice or notice. If the Officer is terminated at the initiative of the Company, through dismissal and removal from office due to serious misconduct, all his/her virtual shares will be extinguished, without any compensation and/or indemnity, regardless of prior notice or notice. If the Officer is terminated due to mutual agreement between the Company and the Officer or on the Company's initiative, through dismissal and removal from office without serious misconduct, the Officer will have the right, subject to compliance with restrictive obligations, to settlement of all vested virtual shares at the termination date and to maintain a portion of the unvested virtual shares as agreed between the parties.

As at September 30, 2023, the amount of the liability corresponding to the plan, including payroll charges, is recorded as "Other non-current liabilities" in the amount of R$1 and the total expense recognized, including payroll charges, was R$1 and the fair value of this plan in that date was R$33, including payroll charges.

20 NET OPERATING REVENUE

	9/30/2023	9/30/2022
Gross operating revenue		
Goods	**52,441**	42,113
Services rendered and others	**182**	123
	52,623	42,236
(-) Revenue deductions		
Returns and sales cancellation	**(102)**	(76)
Taxes	**(4,439)**	(3,594)
	(4,541)	(3,670)
Net operating revenue	**48,082**	38,566

21 EXPENSES BY NATURE

	9/30/2023	9/30/2022
Inventory cost	**(39,606)**	(31,817)
Personnel expenses	**(3,047)**	(2,313)
Outsourced services	**(248)**	(167)
Selling expenses	**(772)**	(597)
Functional expenses	**(857)**	(649)
Other expenses	**(372)**	(367)
	(44,902)	(35,910)
Cost of sales	**(40,333)**	(32,341)
Selling expenses	**(3,977)**	(2,997)
General and administrative expenses	**(592)**	(572)
	(44,902)	(35,910)

22 OTHER OPERATING REVENUES (EXPENSES), NET

	9/30/2023	9/30/2022
Result with property, plant and equipment and lease	**56**	(32)
Expense related to legal proceedings	**(1)**	(2)
Restructuring expenses and others	**(4)**	(25)
Total	**51**	(59)

23 NET FINANCIAL RESULT

	9/30/2023	9/30/2022
Financial revenues		
Cash and cash equivalents interest	**103**	108
Monetary correction assets	**75**	100
Other financial revenues	**34**	9
Total financial revenues	**212**	217
Financial expenses		
Cost of debt	**(1,256)**	(583)
Cost and discount of receivables	**(79)**	(70)
Monetary correction liabilities	**(215)**	(274)
Interest on leasing liabilities	**(641)**	(333)
Other financial expenses	**(16)**	(27)
Total financial expenses	**(2,207)**	(1,287)
Total	**(1,995)**	(1,070)

24 EARNINGS PER SHARE

The Company calculates earnings per share by dividing the net income for the period, relating to each class of shares, by the total number of common shares outstanding in the period.

The table below presents the determination of the net income for the period available to holders of common shares outstanding to calculate the basic earnings and diluted earnings per share in each period presented:

	9/30/2023	9/30/2022
Basic number:		
Allocated basic earnings and not distributed	**413**	814
Net income allocated available to common shareholders	**413**	814
Basic denominator (millions of shares)		
Weighted average of the number of shares	**1,350**	1,347
Basic earnings per million shares (R$)	**0.306192**	0.604492

	9/30/2023	9/30/2022
Diluted number:		
Allocated diluted earnings and not distributed	**413**	814
Net income allocated available to common shareholders	**413**	814
Diluted denominator (millions of shares)		
Weighted average of the number of shares	**1,350**	1,347
Weighted average of stock options plan	**5**	7
Diluted weighted average of shares	**1,355**	1,354
Diluted earnings per million shares (R$)	**0.305063**	0.601392

(In million of Brazilian Reais, unless otherwise stated)

25 NON-CASH TRANSACTIONS

The Company had transactions that did not represent cash disbursements, and, therefore, these were not presented in the Statement of Cash Flows, as follows:

• Write-off of provisions for the acquisition of points of sale against trade payables, in note 11.1.

• Acquisition of property, plant and equipment not yet paid, in note 11.4.

• Acquisition of intangible assets not yet paid, in note 12.2.

• Sale of assets held for sale that have not yet been received, in note 26.

26 ASSETS HELD FOR SALE

	9/30/2023	12/31/2022
Extra Hiper stores (i)	-	95
	-	95

(i) As of July 11, 2023, the process of selling 1 property owned by GPA to the real estate investment fund Barzel Properties was completed.

27 SUBSEQUENT EVENTS

27.1 Capital contribution

At the meeting of the Board of Directors, held on October 30, 2023, the Company approved, observing the authorized capital limit, the capital contribution in the amount of R$2 through the issuance of 213,458 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 Period Ended
September 30, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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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 Quarterly Information Form (ITR) for the quarter ended September 30, 2023, which comprises the balance sheet as at September 30, 2023 and the related statements of operations and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management 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 Quarterly 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 quarterly 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 Quarterly Information (ITR), and presented in accordance with the standards issued by the CVM.

Other matters

Statement of value added

The interim financial information includes the statement of value added ("DVA") for the nine-month period ended September 30, 2023, prepared under the responsibility of the Company's Management and disclosed as supplementary information for the purposes of international standard IAS 34. This statement has been subject to review procedures performed in conjunction with the review of the ITR to reach a conclusion on whether it is reconciled with the interim financial information and the accounting records, as applicable, and if its form and content are in accordance with the criteria defined 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 prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and consistently with the interim financial information taken as a whole.

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

São Paulo, October 30, 2023

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Eduardo Franco Tenório
Engagement Partner

2023SP026595

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 nine-month period ended September 30th, 2023; and

(ii) have reviewed, discussed and agreed with the Company's Interim Financial Information related to the nine-month period ended September 30th, 2023.

Rio de Janeiro, October 30th, 2023.

Belmiro de Figueiredo Gomes
Chief Executive Officer

Daniela Sabbag Papa
Chief Financial Officer

Gabrielle Castelo Branco Helú
Chief Investor Relations Officer