

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR
12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-39928

Sendas Distribuidora S.A.
(Exact Name of Registrant as Specified in Its Charter)

Sendas Distributor S.A.

(Translation of Registrant's Name into English)

The Federative Republic of Brazil

(Jurisdiction of Incorporation or Organization)

Avenida Ayrton Senna, No. 6,000, Lote 2, Pal 48959, Anexo A
Jacarepaguá
22775-005 Rio de Janeiro, RJ, Brazil
(Address of Principal Executive Offices)

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Securities registered or to be registered pursuant to section 12(b) of the Act: None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Title of Each Class

Common Shares, without par value

American Depositary Share,
each representing five common shares

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2024:

1,352,215,647 common shares, without par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities.

Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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INTRODUCTION

Except where the context otherwise requires, in this annual report, “Sendas,” “we,” “our,” “us,” “our company” or like terms refer to Sendas Distribuidora S.A.

In addition, unless otherwise indicated or the context otherwise requires, all references to:

- “ABAAS” are to the Brazilian Cash and Carry Association (*Associação Brasileira dos Atacadistas de Autosserviço*);
- “ABRAS” are to the Brazilian Supermarket Association (*Associação Brasileira de Supermercados*);
- “ADSs” are to American Depositary Shares;
- “B3” or “São Paulo Stock Exchange” are to B3 S.A. – Brasil, Bolsa, Balcão;
- “Brazil” are to the Federative Republic of Brazil;
- “Brazilian Corporate Law” are to Brazilian Law No. 6,404/76, as amended;
- “Brazilian government” are to the federal government of Brazil;
- “Casino” are to Casino, Guichard-Perrachon S.A., a French corporation (*société anonyme*). Casino is our former controlling shareholder.
- “Casino Group” are to Casino and its subsidiaries;
- “CBD” are to Companhia Brasileira de Distribuição, a corporation (*sociedade anônima*) incorporated under the laws of Brazil;
- “Central Bank” are to the Central Bank of Brazil (*Banco Central do Brasil*);
- “CMN” are to the Brazilian National Monetary Council (*Conselho Monetário Nacional*);
- “CVM” are to the Brazilian Securities Commission (*Comissão de Valores Mobiliários*);
- “Éxito” are to Almacenes Éxito S.A., a Colombian corporation;
- “Exchange Act” are to the U.S. Exchange Act of 1934, as amended;
- “Extra Transaction” are to the transaction involving the assignment and conversion of 66 commercial points/stores operated by CBD under the *Extra Hiper* banner in several Brazilian states into cash and carry stores under the *Assai* banner, among other transactions. For more information about the Extra Transaction, see “Item 4. Information on the Company—A. History and Development of the Company—History—Extra Transaction”;
- “FIC” are to Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento, a Brazilian financial services company;
- “IBGE” are to the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*);
- “NYSE” are to the New York Stock Exchange;
- “SEC” or the “Commission” are to the U.S. Securities and Exchange Commission;
- “Securities Act” are the U.S. Securities Act of 1933, as amended;
- “Sendas ADSs” are to ADS, each representing five Sendas common shares;
- “Sendas ADS Custodian” are to Banco Itaú Corretora de Valores S.A., the Brazilian custodian of the Sendas common shares underlying the Sendas ADSs;
- “Sendas common shares” are to common shares of Sendas;
- “Sendas Deposit Agreement” are to the deposit agreement dated February 19, 2021, as amended on August 16, 2021, entered into between Sendas and the Sendas Depository and the owners and holders from time to time of Sendas ADSs issued thereunder;
- “Sendas Depository” means JPMorgan Chase Bank N.A., the depository for the Sendas ADSs;
- “Spin-Off” are to the distribution of substantially all of the issued and outstanding Sendas common shares to holders of CBD common shares, including the depository for the CBD ADS program, on a *pro rata* basis for no consideration. The Sendas common shares were distributed on March 3, 2021, and the Sendas ADSs were distributed on March 5, 2021. For more information about the Spin-Off, see “Item 4. Information on the Company—A. History and Development of the Company—History—Corporate Reorganization and Spin-Off.”

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references herein to “*real*,” “*reais*” or “R\$” are to the Brazilian *real*, the official currency of Brazil. All references to “U.S. dollars,” “dollars” or “US\$” are to U.S. dollars.

Financial Statements

Historical Financial Statements

We maintain our books and records in *reais*. This annual report includes financial information derived from our audited historical financial statements as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and the related notes thereto, which are included in this annual report. We refer to these financial statements and the related notes thereto collectively as our “audited financial statements.”

We have prepared our audited financial statements in accordance with the IFRS Accounting Standard, or IFRS, as issued by the International Accounting Standards Board, or the IASB. Our audited financial statements have been audited in accordance with the standards of the Public Company Accounting Oversight Board.

Translation of *Reais* into U.S. Dollars

We have translated certain amounts included in this annual report from *reais* into U.S. dollars. The exchange rate used to translate such amounts was R\$6.1923 to US\$1.00, which was the commercial selling rate at closing for the purchase of U.S. dollars on December 31, 2024, as reported by the Central Bank. The U.S. dollar equivalent information included in this annual report is provided solely for convenience of investors and should not be construed as representation that the *real* amounts represent, or have been or could be converted into, U.S. dollars at such rates or at any other rate.

Special Note Regarding Certain Operational Metrics

This annual report presents information regarding our:

- total selling area;
- average selling area per store;
- same store gross sales; and
- average monthly gross revenue per square meter.

We define total selling area as the sum of the selling area of each store at a period end. We define average selling area per store as the total selling area at a period end divided by total number of stores at a period end. Total selling area information and average selling area per store information are prepared and presented as important indicators of the size of our business. Moreover, we believe tracking average selling area per store enables our management to evaluate performance metrics per store and can provide useful information to investors, securities analysts and the public in their review of our operating performance.

We define same store gross sales as sales made in stores opened for at least 12 months and which have not been closed or remained closed for a period of seven or more consecutive days. Same store gross sales information is prepared and presented as an important indicator of the maturation of our stores. Tracking same store gross sales enable our management to evaluate the performance of our organic expansion and we believe can provide useful information to investors, securities analysts and the public in their review of our operating performance.

We define average monthly gross revenue per square meter as gross revenue for the period allocated by store divided by the average selling area (in square meters) for the period taking into account our store opening schedule. Average monthly gross revenue per square meter is an important indicator of our operating performance on a unit basis and the efficiency of our operations and we believe can provide useful information to investors, securities analysts and the public in their review of our operating performance.

Information regarding total selling area, average selling area per store, same store gross sales and average monthly gross revenue per square meter should be analyzed in conjunction with other operating and financial metrics, and should not be considered as a measure of performance in isolation. Additionally, our calculation of these measures may be different from the calculation used by other companies, including our competitors. Because other companies may not calculate these measures in the same manner as we do, our measures may not be comparable to those of other companies.

Market and Industry Data

We obtained the statistical data and information relating to the markets where we operate from reports prepared by government agencies and other publicly-available sources, including the ABAAS and the IBGE. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under “Cautionary Statement with Respect to Forward-Looking Statements” and “Item 3. Key Information—D. Risk Factors.”

Brands

This annual report includes trademarks, trade names and trade dress of other companies. Use or display by us of other parties’ trademarks, trade names or trade dress or products is not intended to and does not imply a relationship with, or endorsement or sponsorship of us by, the trademark, trade name or trade dress owners. Solely for the convenience of investors, in some cases we refer to our brand in this annual report without the ® symbol, but these references are not intended to indicate in any way that we will not assert our rights to our brand to the fullest extent permitted by law.

Rounding

We have made rounding adjustments to reach some of the figures included in this annual report. As a result, numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them.

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, principally in “Item 3. Key Information—D. Risk Factors,” “Item 4. Information on the Company—B. Business Overview” and “Item 5. Operating and Financial Review and Prospects.” We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting our business. These forward-looking statements are subject to risks, uncertainties and assumptions including, among other things:

- global economic, political and social conditions, including, for example, the military conflict around the world and their impacts on the global economy and consumer spending patterns, particularly in Brazil (including, but not limited to, unemployment rates, interest rates, monetary policies and inflation rates);
- competition in the sectors in which we operate;
- Brazilian government regulation and tax matters;
- adverse legal or regulatory disputes or proceedings;
- our ability to implement our strategy, including our digital transformation initiatives;
- credit and other risks of lending and investment activities;
- the political instability related to the election of the President of Brazil with a mandate that started in 2023, including uncertainties in relation to the implementation by the new government of monetary, fiscal and social security policies and the political climate after the result of the election, which has resulted in massive demonstrations and/or strikes;
- our ability to expand our operations outside of our existing markets; and
- other risk factors as set forth under “Item 3. Key Information—D. Risk Factors.”

The words “believe”, “may”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar words are intended to identify forward-looking statements. We undertake no obligation to update publicly or revise any forward-looking statements because of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking information, events and circumstances discussed in this annual report might not occur. Our actual results and performance could differ substantially from those anticipated in our forward-looking statements.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the risks described below, together with all of the other information included in this annual report, in evaluating our company, the Sendas common shares and the Sendas ADSs. The following risk factors could adversely affect our business, financial condition, results of operations and the price of the Sendas common shares and the Sendas ADSs.

Risks Relating to our Industry and Us

The Brazilian cash and carry industry is sensitive to decreases in consumer purchasing power and unfavorable economic cycles.

Historically, the Brazilian cash and carry industry has experienced periods of economic slowdown that led to declines in consumer expenditures. The success of operations in the cash and carry sector depends on various factors related to consumer expenditures and consumer income, including general business conditions, interest rates, inflation, consumer credit availability, taxation, consumer confidence in future economic conditions, employment and salary levels. Reductions in credit availability and more stringent credit policies adopted by us and credit card companies may negatively affect our sales, especially for small home appliances offered in our stores. Unfavorable economic conditions in Brazil, or unfavorable economic conditions worldwide reflected in the Brazilian economy, may significantly reduce consumer expenditure and available income, particularly for lower income classes, who have less access to credit than higher income classes, more limited debt refinancing conditions and more susceptibility to be affected by increases in the unemployment rate. These conditions may have a material adverse effect on our financial condition and results of operations.

We face significant competition and pressure to adapt to changing consumer habits, which may adversely affect our market share and net income.

We operate in the cash and carry sector of the Brazilian retail industry, which is highly competitive. We compete with other retailers based on price, product mix, store location, store layout and services. Consumer habits are constantly changing and we may not be able to anticipate and quickly respond to these changes. We face intense competition from small and regional retailers, especially from those that operate in the informal segment of the Brazilian economy. We also compete with large chains in the cash and carry sector. In addition, in our markets, and particularly in the São Paulo and Rio de Janeiro metropolitan areas, we compete in the food retail sector with a number of large food retailers, general merchandise and cash and carry chains, as well as local supermarkets and independent grocery stores. See “Item 4. Information on the Company—B. Business Overview—Competition.” Acquisitions or consolidations within the industry may also increase competition and adversely affect our market share and net income.

If we are unable to compete successfully in our target markets (including by adapting our store format mix or layout, identifying locations and opening stores in preferred areas, and quickly adjusting our product mix or prices) or otherwise adjust to changing consumer habits and preferences, such as shopping on mobile devices, we may lose market share, which would adversely affect our financial condition and results of operations.

Our indebtedness could adversely affect our business.

As of December 31, 2024, we had total borrowings and debentures and promissory notes of R\$16,175 million, of which R\$1,991 million was classified as current borrowings and debentures and promissory notes and R\$14,184 million was classified as non-current borrowings and debentures and promissory notes. If we are unable to repay or refinance our current or non-current borrowings and debentures as they mature, this would have a material adverse effect on our financial condition. Our combined indebtedness may:

- make it difficult for us to satisfy our obligations, including making interest payments on our debt obligations;
- limit our ability to obtain additional financing to operate our business;
- require us to dedicate a substantial portion of our cash flow to serve our debt, reducing our ability to use our cash flow to fund working capital, capital expenditures and other general corporate requirements;
- limit our flexibility to plan for, and react to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage relative to some of our competitors that have less debt than us;
- make us more vulnerable to increases in interest rates, resulting in higher interest costs in respect of our floating rate debt; and
- increase our vulnerability to general adverse economic and industry conditions, including changes in interest rates, lower cattle and hog prices or a downturn in our business or the economy.

In addition, any business that we acquire by borrowing additional funds may increase our leverage and make it more difficult for us to satisfy our obligations, limit our ability to obtain additional financing to operate our business, require us to dedicate a substantial portion of our cash flow to payments on our debt, reducing our ability to use our cash flow to fund working capital, capital expenditures and other general corporate requirements, and place us at a competitive disadvantage relative to some of our competitors that have less debt than us.

Certain of our debt instruments contain covenants that could limit our ability to operate our business and have other adverse consequences.

Certain of our debt instruments contain financial covenants that require us to maintain specified financial ratios, measured on a quarterly basis. See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Indebtedness—Long-Term Indebtedness” for more information. Complying with these financial covenants may require that we take action to reduce debt or to act in a manner contrary to our business objectives. Events beyond our control, including changes in general business and economic conditions, may affect our ability to meet these financial ratios. We may not meet these ratios, and our creditors may not waive any failure to meet them.

Moreover, certain of our debt instruments contain restrictive covenants that limit our distribution of dividends in excess of the statutorily required minimum dividend, the transfer of our share control and the acquisition of our share control by third parties, among others corporate decisions.

Our failure to comply with any of these covenants could result in an event of default under the relevant credit facility, and any such event of default or resulting acceleration under such credit facilities could result in an event of default under other debt agreements. Our assets or cash flow may not be sufficient to fully repay borrowings under our outstanding debt agreements if accelerated upon an event of default, which could compromise the continuity of our activities, and there is no guarantee that we would be able to repay, refinance or restructure the payments on those debt agreements.

Our systems are subject to cyberattacks and security and privacy breaches, which could cause a material adverse effect on our business and reputation. In addition, we may not be able to renew or maintain in force our software license agreements.

We are subject to a broad range of cyber threats, including attacks, with varying levels of sophistication. These cyber threats are related to the confidentiality, availability and integrity of our systems and data, including our employees' and customers' confidential, classified or personal information.

Our policy enforcement mechanisms, such as monitoring systems and management oversight to address these threats may not be sufficient to prevent, detect and respond to unauthorized activity in our systems, certain types of attacks, including cyberattacks.

Furthermore, some of our suppliers and service providers may have significant access to confidential and strategic data collected by our systems, including confidential information regarding our customers.

Any unauthorized access to, or release or violation of our systems and data or those of our customers, employees, suppliers or service providers could disrupt our operations, particularly our digital operations, cause information losses and cause us to incur significant costs, including the cost of retrieving lost information, which could have a material adverse effect on our business and reputation.

Our information systems may suffer interruptions due to factors beyond our control, such as natural disasters, hacking, failures in telecommunication and computer viruses, among other factors. Any of these types of interruption may adversely affect our operations, thereby impacting our cash generation and our financial condition.

We may not be able to renew or maintain in force our software license agreements. Such agreements may be suspended or terminated without cause, due to contract breaches by us (including late payments) or due to causes beyond our control, in which case we will be prevented from using the applicable software. We cannot ensure that we will be able to replace those software in a timely manner and without major impacts to our operations. The termination of any software license agreement, even if due to causes beyond our control, may result in material adverse impacts to our business, results of operations and financial condition.

Disruptions in our information technology systems, or the inability to update them, can adversely impact our operations and inventory control.

Our operations rely on our information systems, which serves as the primary tool for managing our manufacturing process, supply chain planning, sales tracking, and inventory management.

Accidents, human errors, malfunctions, or malicious acts can cause disruptions or failures in our information technology systems, which could have significant impacts on our corporate, commercial, and operational functions. This could cause a material adverse effect on our business, operational results and reputation.

We could be materially adversely affected by violations of the Brazilian Anti-Corruption Law, the U.S. Foreign Corrupt Practices Act and similar anti-corruption laws.

Law No. 12,846, of August 1, 2013, or the Brazilian Anti-Corruption Law, Law No. 8,429, of June 2, 1992, or Administrative Improbity Law, Law No. 9,613, of March 3, 1998, or Money Laundering Law, Decree No. 2,848, of December 7, 1940, or the Brazilian Penal Code, the U.S. Foreign Corrupt Practices Act of 1977, or the FCPA, and similar anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-corruption law enforcement activity, with more frequent and aggressive investigations and enforcement proceedings by both the U.S. Department of Justice and the SEC, as well as increased enforcement activity by non-U.S. regulators and increases in criminal and civil proceedings brought against companies and individuals.

The Brazilian Anti-Corruption Law, introduced the concept of strict liability for legal entities involved in harmful acts against the public administration, subjecting the violator to penalties both in administrative and civil law. The Brazilian Anti-Corruption Law considers that an effective implementation of a compliance program may be used to mitigate the administrative penalties to be applied as a consequence of a harmful act against the public administration.

Our policies mandate compliance with these anti-corruption laws. We cannot assure you that our internal control policies and procedures will protect us from reckless or criminal acts committed by our employees or third party intermediaries. In the event that we believe or have reason to believe that our employees or agents have or may have violated applicable anti-corruption laws, including the FCPA, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management.

Failure to comply with anti-corruption laws to which we are subject or any investigations of misconduct, or enforcement actions may result in criminal or civil sanctions, inability to do business with existing or future business partners (either as a result of express prohibitions or to avoid the appearance of impropriety), injunctions against future conduct, profit disgorgements, disqualifications from directly or indirectly engaging in certain types of businesses, the loss of business permits or other restrictions which could disrupt our business and have a material adverse effect on us and our reputation.

We may not be able to renew or maintain the lease agreements of certain stores or distribution centers on acceptable terms to maintain the operations of such stores or distribution centers, or we may not be able to obtain or renew the operational licenses of our stores or distribution centers in a timely manner.

All of our distribution centers and approximately 90% of our stores are leased from third parties. Our lease agreements are negotiated for specific terms ranging from five to 25 years, most of which have automatic renewal clauses after the end of the first contractual period, without prejudice to the right to renew the lease term for the remaining periods, pursuant to applicable law.

The strategic location of our stores and distribution centers is key to the development of our business activity and, as a result, we may be adversely affected in the event that a significant number of our lease agreements is terminated and we fail to renew these lease agreements on acceptable terms, or at all. In addition, in accordance with applicable law, rents are adjusted annually in accordance with the contractually provided index. A significant increase in the rent of our leased properties may adversely affect our financial position and results of operations.

Moreover, our lease agreements need to be annotated and registered in the relevant leased property's deed and registered with the competent real estate registry office to guarantee our contractual and preference rights if the leased properties is sold to a third party. Some of our leased properties do not have their respective lease agreements annotated and registered with the competent real estate registry offices, and, as a result, we may not be able to guarantee our right to continue using the leased properties if the acquirer (in the capacity of the new landlord) has no intention in continuing the lease agreement with us or if a potential renegotiated lease amount becomes extremely onerous for us.

Our owned or leased real estate properties are subject to liens, encumbrances or legal restrictions annotated in the relevant property's deed. In the event of default on the underlying obligations, creditors may proceed with the foreclosure of the guarantees, in which case the properties may be sold at auction or transferred to the name of the creditor itself to satisfy the underlying debt, resulting in the transfer of the property to third parties with whom we have no relationship whatsoever. In this sense, the continuity of our operations in these properties may not be possible and may cause a negative impact on our financial position and results of operations.

Each of our stores and distribution centers must obtain or renew certain operational licenses and inspection reports issued by the competent public authorities and are required for the development of our activities. Our inability to obtain or renew these operational licenses may result in certain losses, such as the loss of property insurance coverage, and, as the case may be, in the closing of stores or distribution centers. Given that smooth and uninterrupted operations in our stores and distribution centers are a critical factor for the success of our business strategy, we may be negatively affected in the case of their closing as a result of our inability to obtain or renew the necessary operational licenses.

Our product distribution is dependent on a limited number of distribution centers and we depend on the transportation system and infrastructure in Brazil to deliver our products, and any disruption at one of our distribution centers or delay related to transportation and infrastructure could adversely affect our supply needs and our ability to distribute products to our stores and customers.

As of December 31, 2024, approximately 27% of our products were distributed through our 12 distribution centers and warehouses located in the Southeast, Midwest, North and Northeast regions of Brazil. The transportation system and infrastructure in Brazil are underdeveloped and need significant investment to work efficiently and to meet our business needs.

Any significant interruption or reduction in the use or operation of transportation infrastructure in the cities where our distribution centers are located or in operations at one of our distribution centers, as a result of natural disasters, fire, landslides, accidents, systemic failures, political protests, strikes (such as the May 2018 and October and November 2022 Brazilian truckers' strike) or other unexpected causes, may delay or affect our ability to distribute products to our stores and may decrease our sales, which may have a material adverse effect on us.

Our growth strategy includes the opening of new stores which may require the opening of new distribution centers or the expansion of the existing ones to supply and meet the demand of additional stores. Our operations may be negatively affected if we are not able to open new distribution centers or expand our existing distribution centers in order to meet the supply needs of these new stores. For more information on our distribution and logistics operations, see "Item 4. Information on the Company—B. Business Overview—Distribution and Logistics."

We are dependent on credit card sales. Any changes in the policies of merchant acquirers may adversely affect us.

We are dependent on credit card sales. For the years ended December 31, 2024, 2023 and 2022, 50%, 49% and 49%, respectively, of our net operating revenue was represented by sales in installments, principally in the form of credit card sales. In order to offer credit card sales to our customers, we depend on the policies of merchant acquirers, including fees charged by acquirers. Any change in the policies of acquirers, including, for example, their merchant discount rate, may adversely affect us.

Labor shortages and increased turnover or increases in employee and employee-related costs could have adverse effects on our profitability.

To support our operations, we must hire and retain a sufficient number of workers and pay them sufficient compensation. Several factors have had and may continue to have adverse effects on the labor force available to us and our vendors, including government regulations, which include laws and regulations related to workers' health and safety, wage and hour practices and work authorization. Labor shortages and increased turnover rates have led to and could in the future lead to increased costs, such as increased overtime to meet demand and increased wage rates to attract and retain employees and could negatively affect our ability to efficiently operate our business. An overall or prolonged labor shortage, lack of skilled labor, increased turnover or labor inflation for any of the foregoing reasons could have a material adverse impact on our operations, results of operations, reputation, liquidity or cash flows.

Accidents in our stores and distribution centers could have a material adverse effect on our business, results of operations and image.

Our stores are public spaces and may be subject to a series of incidents on their premises and suffer consequences beyond our stores' management control. Accidents and other unforeseeable events beyond our control, caused by human, mechanical, technological or any other events, may occur at any time in our stores and distribution centers. If any accident or other unforeseeable event occurs, it could result in inventory losses and damage to our assets, customers, employees or any persons in circulation on our premises, and our image. We may also be subject to civil and/or criminal liability, as well as to the obligation to compensate customers, including through the payment of damages. Our business, results of operations and image may be adversely affected as a result of such accidents, or as a result of the manner in which we address such accidents and/or events.

Failure to protect our employees, commercial partners, suppliers and customers database could have an adverse effect on our business, financial condition or results of operations.

We maintain a database of information about our employees, commercial partners, suppliers and customers. In Brazil, the General Data Protection Law No. 13,709/18, or LGPD, regulates the processing and limitation of personal data usage, the role of data processing agents, and created the National Data Protection Authority (*Autoridade Nacional de Proteção de Dados*), or ANPD. Before the LGPD, the matter was protected by the Brazilian Federal Constitution, the Brazilian Consumer Protection Code (Law No. 8,708/90), the Brazilian Civil Rights Framework for the Internet (Law No. 12,965/14) and other Brazilian laws.

The LGPD establishes, among other things, a legal framework related to:

- Recording activities related to personal data processing, commonly referred to as data mapping. This involves surveying and organizing information on how personal data is collected, stored, and utilized;
- Identifying risks associated with these activities; and
- Implementing measures to mitigate these risks.

The ANPD has autonomy to establish rules, interact with public and private sectors and oversee the processing and use of personal data (whether through complaints or by deliberation). We must observe the LGPD in implementing security measures and processing of personal data (operations involving the collection, use, access, reproduction, processing, storage, and transfer of data that identify or make identifiable a particular person).

If we are not in compliance with the LGPD, we and our subsidiaries may be subject to penalties, separately or cumulatively, of a fine of up to 2% (two percent) of our, our group or our conglomerate revenue in Brazil considering our last fiscal year, excluding taxes, but up to the global amount of R\$50 million per violation. Furthermore, we may be held responsible for material, moral, individual or collective damages caused by us and be held jointly and severally liable for such damages caused by our subsidiaries due to non-compliance with the obligations established by the LGPD.

As of February 19, 2024, the ANPD had inspected and penalized four institutions: one entity from the private sector received a fine of R\$14,000.00 for non-compliance with ANPD directives, while three companies from the public sector were issued warnings and corrective measures for failing to implement security requirements and improper data usage.

Failures in our legal regime of personal data protection, as well as the non-compliance with the applicable legislation, may result in high fines, disclosure of the incident to the market, elimination of personal data from our database, and even the suspension of our activities, which may negatively affect our reputation, financial results and, consequently, the value of our securities.

We may be unable to attract or retain key personnel, which could have a material adverse effect on our operating and financial results.

Our ability to maintain a competitive position relies significantly on the services provided by our management. Therefore, we must attract and retain personnel with specific skills and knowledge. If we lose any of these key professionals, we may not be able to attract new professionals with the same qualifications. Our success also depends on the ability to identify, attract, hire, train, retain, motivate and manage highly qualified professionals in the technical, management, information technology, marketing and services areas. Competition for such highly qualified employees is intense, and we may not be able to successfully attract, hire, retain, motivate and manage such qualified professionals. If we are not capable of attracting or retaining qualified professionals to manage and expand our operations, we may not have the capacity to conduct our business successfully and, consequently, our operating and financial results may be adversely affected.

Our sales depend on our effectiveness of advertising and marketing campaigns, which can impact our sales and profitability.

We allocate significant resources to advertising and marketing campaigns, primarily on television, which we believe is the most effective medium for reaching our target audience and promoting attractiveness to our sales channels. We may experience negative impacts on our sales and profitability or fail to achieve the desired brand appreciation if these campaigns do not to meet our expected goals and objectives.

Additionally, considering that a large portion of our campaigns are aired on television, our profitability may be impacted if there is an increase in the costs of this type of advertising. Furthermore, our sales may be adversely affected as we encounter challenges in identifying changes in consumer behavior and preferences.

We may not be able to provide sufficient volume and variety of products at competitive prices or properly manage our inventory, which could cause a material adverse effect on us.

Our business depends on our ability to offer a diverse range of products at competitive prices. In our sector, we may purchase products in large quantities that we may not be able to sell efficiently and profitably, or in insufficient quantities to meet consumer demand, resulting in stockouts or unavailability of relevant merchandise.

Furthermore, we may face challenges associated with excess inventory, necessitating substantial discounts on products with limited market acceptance. We cannot guarantee that we will continue to accurately identify consumer demand and capitalize on purchasing opportunities, which could have a material adverse effect on our business and financial results.

Moreover, maintaining excessive inventory in our stores poses risks of product obsolescence, expiration, and damage due to improper handling. We are also exposed to theft and pilferage of goods in our distribution centers or during transport to our stores. The materialization of any of these risks could have a material adverse effect on our business and financial results.

We do not have a controlling shareholder or control group, which may leave us susceptible to shareholders' alliances, conflicts among shareholders and other events arising from the absence of a controlling shareholder or control group.

We do not have a controlling shareholder or control group, in fact or in law, and we have dispersed shareholding, which may make us more susceptible to the appearance of a new group of shareholders acting jointly that may exercise control and define our operations.

As such, we are susceptible to hostile takeover attempts and conflicts arising therefrom, and certain resolutions requiring a minimum quorum for installation or approval may have a lengthy approval process or may even not be approved at all, delaying our decision-making process. If a control group emerges and has decision-making power, we may experience sudden and unexpected changes in our corporate policies and strategies, including a possible replacement of directors. Any sudden or unexpected change in our management, business plan or strategic direction, any attempt to acquire control or any dispute among shareholders regarding their respective rights may adversely affect our business and results of operations.

In addition, in the event control over us is acquired by an investor or group of investors, certain of our debt obligations may be accelerated, which could materially and adversely affect our financial condition. For additional information about our indebtedness and the applicable covenants, see "Item 3. Key Information—D. Risk Factors—Risks Relating to our Industry and Us—Certain of our debt instruments contain covenants that could limit our ability to operate our business and have other adverse consequences" and "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Indebtedness—Long-Term Indebtedness".

Risks related to the financial situation of a shareholder may adversely affect the market price of our shares.

Some shareholders hold a significant equity interest in our share capital. The potential deterioration of the financial situation of any of these shareholders may necessitate the divestment of some of their assets, including our shares, adversely impacting their market price. Additionally, any strategic partnership or fundraising through the issuance of shares or securities convertible into or exchangeable for shares may result in changes to the market price of our shares and the dilution of the investor's equity interest in us.

We were previously part of Casino's economic group, which included other operational entities. We may be held jointly or severally liable in legal proceedings involving such entities.

Until June 2023, we were part of Casino's economic group, alongside other operational entities. These entities are involved in legal proceedings as part of their normal business activities. If there are adverse decisions in the legal proceedings, the outcome of such proceedings may impact us jointly or severally for actions or omissions that occurred during the period when we were under Casino's common control. If we are held jointly or severally liable for any such proceedings with adverse decisions, our operational and financial results and reputation may be adversely affected.

For instance, the agreements entered into between us and CBD in connection with the Spin-Off establish that we and CBD will not be jointly responsible for liabilities incurred prior to the Spin-Off, under the terms of article 233, sole paragraph, of the Brazilian Corporate Law, as each party agreed to be solely liable for its respective liabilities; however, Brazilian legislation provides that, in the case of tax contingencies or tax debts, tax authorities are not bound by agreements signed between parties and may demand payment of the debts jointly and severally from the entities involved, even in the administrative phase or before judicial execution. On September 27, 2024, we received a notice issued by the Brazilian Federal Revenue Service (*Receita Federal do Brasil*), or the RFB, containing a list of some of our assets, or Notice of Listing of Assets, in the aggregate amount of R\$1.265 billion, in connection with certain tax liabilities in dispute of CBD. A listing of assets is an administrative measure used by the RFB to monitor any transfer of assets owned by a tax debtor, aiming to ensure that a potential tax debtor owns sufficient assets to settle the tax liability under discussion. A listing of assets is not considered a lien or encumbrance under Brazilian law and does not prevent the owner of the listed assets from disposing of, encumbering or otherwise transferring these assets, subject to notification to the RFB. On October 11, 2024, we received a response from the RFB, accepting our administrative appeal and, thus, canceling the Notice of Listing of Assets. Although we closely monitor this matter together with CBD, which has reaffirmed its responsibility toward us in connection with its liabilities and contingencies generated up to the date of the Spin-Off, we cannot guarantee that we will not receive similar notices from the RFB in the future or that our appeals will be successful. Also, in the event of adverse decisions, CBD may face challenges in reimbursing us, particularly in the case of economic distress.

Additionally, we are still a guarantor of some contracts in which CBD is the debtor party, consisting substantially of lease agreements. These contracts were executed while the companies were related parties, and the guarantees provided therein are subject to the Separation Agreement. For more information about the Separation Agreement, see "Item 4. Information on the Company—A. History and Development of the Company—History—Corporate Reorganization and Spin-Off." In compliance with applicable accounting standards, we do not recognize a provision for such contingent obligations related to these guarantees. Nevertheless, these obligations are periodically assessed to determine whether an outflow of resources has become probable. If any of these contingent liabilities develop in a manner differently from initially expected, we may recognize a specific provision for such matter.

Unfavorable decisions in legal or administrative proceedings could have a material adverse effect on us.

We are party to legal and administrative proceedings related to civil, regulatory, environmental, tax and labor matters and may be a party to legal and administrative proceedings related to those or different matters in the future. We cannot assure you that pending legal proceedings will be decided in our favor. Our provisions (if made) may not be sufficient to cover the total cost arising from unfavorable decisions in legal or administrative proceedings. If all or a significant number of these proceedings have an outcome unfavorable to us, our business, financial condition and results of operations may be materially and adversely affected.

In addition, we are subject to oversight and review by federal, state and local authorities, including tax, labor and environmental authorities. These authorities may fine us, and such fines may become administrative proceedings and, subsequently, judicial proceedings, which, if decided unfavorably to us, may cause an adverse effect.

Similarly, CBD serves as the guarantor of certain agreements to which we are a party, including an amount of R\$1.4 billion related to a legal proceeding identified as a potential loss in notes 17.4 and 17.4.1 of our audited financial statements included in this annual report. This guarantee is a result of our previous corporate reorganization. In the event of adverse decisions, CBD may face challenges in reimbursing us, particularly in the case of economic distress.

In addition to financial provisions and the cost of legal fees associated with the proceedings, we may be required to post bonds in connection with the proceedings, which may adversely affect our financial condition. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal and Administrative Proceedings,” and note 17 to our audited financial statements included in this annual report for a description of our material litigation contingencies.

Our business depends on our brand Assai. We may not be able to maintain and enhance our brand, or we may receive unfavorable customer complaints or negative publicity, which could adversely affect our brand.

We believe that our brand, *Assai*, contributes significantly to the success of our business. We believe that maintaining and enhancing that brand is critical to expanding our base of customers, suppliers and vendors, which depends largely on our ability to continue to create positive customer experience, based on our competitive pricing and our large assortment of products. If we are unable to achieve it, our business and financial result may be adversely affected.

Customer complaints or negative publicity about our product offerings or services could harm our reputation and diminish consumer confidence in us. To maintain a good relationship with our customers, we must adequately train and manage our employees who are in a daily contact with our customers. We must also have a customer service team ready to efficiently and quickly solve problems and conflicts. The inability to manage or train our customer service team and our employees who are in a daily contact with our customers may compromise our ability to handle complaints effectively. If we do not effectively manage complaints, our reputation and business could be affected, as well as our customers’ confidence in us.

Publicity and media coverage have a significant influence on consumer behaviors. If we are the target of negative publicity that could cause our consumers to change their purchasing habits, either with respect to our stores or with respect to our products, including as a result of product recalls or scandals related to the handling, preparation or storage of food products in our stores, we may suffer a material adverse effect.

We may not be able to protect our intellectual property rights.

Our future success depends significantly on our ability to protect our intellectual property assets, including trademarks, domain names, trade secrets and know-how.

We cannot guarantee that trademark and patent registrations will be issued by the Brazilian Institute of Intellectual Property (*Instituto Nacional da Propriedade Intelectual – INPI*) with respect to any of our applications. There is also a risk that we could inadvertently fail to renew a trademark or a domain name on a timely basis or that our competitors will challenge, invalidate or circumvent any of our existing or future intellectual property rights. Although we have put in place appropriate actions to protect our portfolio of intellectual property rights (including trademark registration and domain names), we cannot be certain that the steps we have taken will be sufficient or that third parties will not infringe upon or misappropriate our proprietary rights. Any failure in our ability to protect our proprietary rights against infringement or misappropriation could adversely affect our business, results of operations, cash flows or financial condition, and in particular, on our ability to develop our business.

In addition, third parties may claim that our products or services violate their intellectual property rights, which may lead to disputes and/or litigation related to intellectual property assets that, even if without merit, may be costly and time-consuming. Any claim related to intellectual property that is relevant to our activities may have a negative effect on our results of operations and reputation.

Our business is subject to substantial fluctuation due to the seasonal buying patterns of our customers.

Our sales and operating results may vary from quarter to quarter in accordance with seasonal fluctuations. Historically, we generate more net sales in the fourth quarter of each year, which includes the weeks leading up to and immediately following Black Friday and the Christmas sales season. Consequently, a reduction in consumer confidence in the weeks leading up to and immediately following Black Friday and the Christmas selling season would have a significant impact on our business.

Seasonality also influences our own purchasing patterns as we increase purchases of goods for seasonal activities prior to a season, which directly impacts cash flow, accounts payable and inventory levels.

In addition, seasonality affects our level of debt and working capital as we generally incur more debt during the first half of the year to finance our increased cash flow needs as a result of: (1) the payments maturity to suppliers for inventory acquired prior to the peak selling seasons; and (2) a decrease in the sales volume, which typically occurs after the Christmas sales season that extends into the first half of the following year. If we miscalculate the demand for the amount of products we will sell or the variety of products during the fourth quarter, our net sales may decline and consequently our financial performance. If our fourth quarter net sales are not high enough to fully recover our employees and advertising expenses or are lower than the targets used to determine inventory levels, such shortfall could adversely affect our operating results.

Our quarterly operating results may also vary significantly as a result of various other factors, including, among others, the timing of new product introductions and advertising and changes in product assortment. Any seasonal or quarterly fluctuations that we report in the future may not meet the expectations of investors and market analysts, and may adversely affect the price of our shares.

We face competition from internet sales, which may negatively affect sales through traditional channels, and we might not have an effective response to this competition.

In recent years, sales of food, clothing and home appliances over the internet have increased significantly in Brazil, and we expect this trend to continue as more traditional retailers enter into the online retail field or expand their existing infrastructure related to internet sales. For example, a large multinational e-commerce company recently announced that it would focus more resources on its Brazilian business. Internet retailers are able to sell directly to consumers, reducing the importance of traditional distribution channels such as cash and carry stores, supermarkets and retail stores. Certain internet food retailers have significantly lower operating costs than traditional hypermarkets and supermarkets because they do not rely on an expensive network of retail points of sale or a large workforce. As a result, internet food retailers are able to offer their products at lower prices than we do and in certain cases are able to bypass intermediaries in the cash and carry segment and deliver products directly to consumers. We believe that our customers are increasingly using the internet to shop electronically for food and other retail goods, and that this trend is likely to continue.

Additionally, technology employed in retail sales of food and home appliances evolves constantly as part of a modern digital culture. We may not be able to adapt to these changes quickly enough to meet our customers' demands and preferences, as well as standards of the industry in which we operate.

We cannot provide any assurance that our strategy will be successful in meeting customer demands or maintaining our market share in light of our competitors' internet businesses. If internet sales in Brazil continue to grow, (i) consumers' reliance on traditional distribution channels such as our cash and carry stores could be materially diminished, and (ii) revenues from our distribution channels may be significantly reduced, which could have a material adverse effect on our financial condition and results of operations.

Losses not covered by our insurance may result in a material adverse effect on our business.

We cannot guarantee that our insurance coverage will always be available or will always be sufficient to cover any damages arising from any type of claim. In addition, there are certain types of risks that may not be covered by our policies, such as accidents, war, force majeure or certain business interruptions. We cannot guarantee that when our current insurance policies expire, we will be able to renew them on favorable and sufficient terms.

Claims that are not covered by our policies or the inability to renew our insurance policies may adversely and substantially affect us. In the case of insured events, insurance policy coverage is conditional upon the payment of the related premium. Our failure to pay these premiums coupled with the occurrence of a claim could place us at risk, given that damages, even if insured, would not be subject to coverage by the insurer.

We may encounter difficulties in opening and operating new stores, which may hinder our expansion plans and adversely affect our sales and results of operations.

Our growth depends on our success in opening and operating new stores, as well as in the conversion of some of our existing stores to new formats. We are subject to risks and uncertainties regarding future events that may limit or prevent the opening of new stores, which may adversely affect the trading price of our securities.

The ability to successfully open and operate new stores depends on a number of factors, some of which are beyond our control. These factors include our ability to negotiate leases on acceptable terms and to identify suitable locations for new stores, which involves properly collecting and analyzing demographic and market data to determine whether there is sufficient demand for our products in such chosen locations. We may not be able to obtain financing on acceptable terms once our decision is made to open a new store.

We may also face difficulties in offering the right merchandise that meets our customers' needs and preferences in those regions. In addition, the opening of new stores requires adjustments in stock levels, which may cause increase of our costs with new hiring, training and retention of qualified personnel for such stores. We may not be able to satisfactorily integrate new stores into existing operations or obtain the necessary government licenses. A failure to open new stores in a timely and cost-effective manner and in accordance with our strategic plans could adversely affect our business and results of operations.

Unfavorable decisions or unfolding of investigations in judicial or administrative proceedings involving members of our board of directors or executive officers may have a material adverse effect on us.

Members of our board of directors or executive officers may become defendants and/or be summoned to testify in administrative or judicial proceedings, in civil, criminal, tax and labor lawsuits not related to us, but such initiation and/or results may adversely affect them and negatively impacting our reputation. A conviction in criminal proceedings could prevent them from exercising their functions for us.

If any future investigations, unfolding of any ongoing investigations or allegations involving members of our board of directors or executive officers emerge, the results of our operations and the price of our shares may be adversely affected.

We cannot guarantee that our service providers or suppliers do not engage in irregular practices.

Given the decentralization and outsourcing of our service providers' operations and our suppliers' production chains, we cannot guarantee that they will not have issues regarding working conditions, ethical and environmental matters, sustainability, outsourcing the provision or production chain and improper safety conditions, or that they will not engage in these irregular practices to lower service or product costs.

Furthermore, some of our partners use online services and are subject to Brazilian regulations and laws specifically governing the internet and electronic commerce. These regulations and laws may also cover taxation, user privacy, data protection, pricing, content, copyright, distribution, electronic contracts and other communications, customer protection, provision of online payment services, home internet access in broadband and characteristics and quality of products and services.

If we fail to comply with these regulations and laws or our partners are held accountable for such non-compliance, our image, reputation and consumers' perception about our products could be damaged, which could adversely affect our net operating income, operating results, as well as the price of the Sendas common shares and the Sendas ADSs.

Some categories of products that we sell are principally acquired from a few suppliers and changes in this supply chain could adversely affect our business.

Some categories of products that we sell are principally acquired from a few suppliers. Notably, we procure our beverage and beef products mainly from five suppliers. The products provided by these suppliers represented approximately 13.9% of our total sales for the year ended December 31, 2024. If any of these suppliers is not able to supply the products in the quantity and at the frequency that we normally acquire them, and we are not able to replace the supplier on acceptable terms or at all, we may be unable to maintain our usual level of sales in the affected category of product, which may have a material adverse effect on our business and operations and, consequently, on our results of operations.

Restrictions of credit availability to consumers in Brazil and Brazilian government rules and interventions affecting financial operations may adversely affect our sales volumes and operations, and we are exposed to risks related to customer financing and loans.

Sales in installments are an important component of the result of operations for Brazilian non-food retailers. Despite a decrease in the unemployment rate in Brazil from 9.3% on December 31, 2022 to 7.8% on December 31, 2023 and 6.2% on December 31, 2024, such rate remained high. The high unemployment rate in Brazil, combined with relatively high interest rates (the basic interest rate in Brazil, the SELIC rate, reached 12.25% on December 31, 2024, as compared to 11.75% on December 31, 2023 and 13.75% on December 31, 2022) resulted in less credit availability to consumers in Brazil.

Our sales volumes, particularly for non-food products, and, consequently, our results of operations may be adversely affected if the credit availability to consumers is reduced, or if Brazilian government policy restricts the granting of credit to consumers.

Additionally, we are involved through FIC in extending credit to customers through our partnership with Itaú Unibanco Holding S.A. FIC exclusively offers credit cards, financial services and insurance coverage at our stores. For more information on FIC, see "Item 4. Information on the Company—B. Business Overview—FIC."

FIC is subject to the risks normally associated with providing financing services, including the risk of default on the payment of principal and interest and any mismatch of cost and maturity of our funding in relation to the cost and maturity of financing to customers, which could have a material adverse effect on us.

Furthermore, FIC is a financial institution regulated by the Central Bank and is therefore subject to extensive regulation. The regulatory structure of the Brazilian financial system is continuously changing. Existing laws and regulations may be amended, and their application or interpretation may also change, and new laws and regulations may be adopted. FIC and, therefore, we, may be adversely affected by regulatory changes, including those related to:

- minimum capital requirements;
- requirements for investment in fixed capital;
- credit limits and other credit restrictions;
- accounting requirements;
- intervention, liquidation and/or temporary special management systems; and
- interest rates.

Brazilian government rules and intervention may adversely affect our operations and profitability more than those of a competitor without financial operations.

We are subject to the risk of ratings reassessments.

If our operational performance deteriorates or there is a decline in our cash generation, our ratings may be negatively impacted. Downgrades in our ratings could lead to increased cost in raising new funds, reducing our investment capacity, which could negatively affect our operational results, reputation and the value of our securities.

We may be held responsible for consumer incidents involving adverse reactions after consumption of products sold by us.

Products sold in our stores may cause consumers to suffer adverse reactions. Incidents involving these products may have a material adverse effect on our operations, financial condition, results of operations and reputation. Legal or administrative proceedings related to these incidents may be initiated against us, with allegations, among others, that our products were defective, expired, damaged, adulterated, contaminated, do not contain the properties advertised or do not contain adequate information about possible side effects or interactions with other chemical substances. Any actual or possible health risk associated with these products, including negative publicity related to these risks, may lead to a loss of confidence among our customers regarding the safety, efficacy and quality of the products sold in our stores. Any allegation of this nature made against our brand or products sold in our stores may have a material adverse effect on our operations, financial condition, results of operations and reputation.

Health risks related to the food industry may adversely affect our ability to sell food products.

We are subject to risks affecting the food industry generally, including contamination or spoilage of food, evolving nutritional and health concerns by our customers, product adulteration, and the public perception of product safety for the food industry as a whole, including as a result of disease outbreaks or the fear of such outbreaks. Even in a scenario where the products we sell are not affected by contamination, the food industry could face negative publicity if the food from producers or other retailers were to be contaminated, which can result in negative public perception about the safety of food products, a fear of outbreaks, and a reduction in demand for food products in the affected category. The widespread loss of consumer confidence in the safety and quality of food products, and any related real or perceived health risks, could have a material adverse effect on us.

Our inability to implement stakeholder- and community-oriented social measures where our stores are located, including promotion of respect, diversity and inclusion, could negatively affect our reputation.

In recent years, the regulatory and self-regulatory Brazilian capital markets authorities, investors and society have shown to be increasingly attentive to the adoption by the issuers of securities of: (1) environmental practices, as the implementation of measures to reduce impacts on the environment; (2) social practices, as the commitment toward their employees, suppliers and the community; and (3) governance practices, as the performance of actions to efficiently and responsibly apply financial and human resources (ESG). In the social aspect, the effective implementation of social practices depends on continuous, dynamic and systematic identification, as well as a thorough understanding of the main characteristics and demands of the stakeholders with whom the issuer relates and interacts, and with the communities that influence or are influenced by its business, in order to assess the potential risks and impacts generated by its operations on such people and communities.

If we are unable to implement effective social measures in the places where we operate, periodic training with employees to raise awareness about the importance of this subject, implement specific internal processes, hire and allocate teams dedicated to it, and perform coercive measures to prevent our stakeholders from practicing acts that are not aligned with the pillars of respect, diversity and inclusion, our reputation and our customers' perception about us may be negatively impacted, which may adversely affect the results of our operations.

If we are unable to implement effective stakeholder- and community-oriented social measures where we operate, including those listed above, our reputation and perception of our customers about us may be negatively affected, which may adversely affect the results of our operations.

We are subject to environmental laws and regulations and any non-compliance may adversely affect our reputation and financial position.

We are subject to several federal, state and municipal laws and regulations relating to the preservation and protection of the environment. Among other obligations, these laws and regulations establish environmental licensing requirements and standards for the release of effluents, gaseous emissions, management of solid waste and protected areas. We incur expenses for the disposal and handling of wastes at our stores, distribution centers and headquarters.

Any failure to comply with those laws and regulations may subject us (and our officers and directors) to administrative and criminal sanctions, in addition to the obligation to remediate or indemnify others for the damages caused. According to the Brazilian Federal Decree No. 6,514, of July 22, 2008, such sanctions may include, among others, the imposition of fines ranging from R\$50 to R\$50 million, the cancellation of our licenses or revocation of authorizations, and the temporary or permanent suspension of our activities, besides to the obligation to repair any environmental damage we may have caused. Those sanctions may adversely affect the operation of our stores, as well as our reputation, cash availability and operating results.

We cannot ensure that these laws and regulations will not become stricter. If they do, we may be required to increase, perhaps significantly, our capital expenditures and costs to comply with these environmental laws and regulations. Unforeseen environmental investments may reduce available funds for other investments and could materially and adversely affect us.

Combating risks related to climate change requires continuous improvement of our environmental management practices.

The focus on environmental issues and how companies manage possible negative impacts on business have increased due to the actions of developed countries and the interests of a new class of investors. We are subject to extensive federal, state and municipal legislation related to the preservation and protection of the environment and to the environmental licensing and management of our stores and distribution centers. Among other obligations, such legislation establishes requirements and standards for licenses or authorizations related to effluents, refrigerant gases, solid waste management and protected areas.

Compliance with legislation, as well as combating risks related to climate changes, requires continuous improvement of our environmental management practices and has to be incorporated into our expansion strategy, as well as the modernization of our equipment, cleaner energy sources and increased energy efficiency, with investments in tropicalized technologies and management of our service providers (national and regions) that reflect our current growth challenge.

We make use of refrigerated gases in the refrigeration systems in our stores. The maintenance required on the equipment and the replacement of gases results in emissions of gases that contribute to climate change. If we are questioned and eventually condemned as a result of such practices, we may be subject to sanctions, which may adversely affect our image and reputation.

In addition, when considering supply chain emissions, it is required extensive mapping and engagement regarding emissions calculation. We may be required to significantly increase our investments and costs in order to comply with such new standards and legislation, which may lead to significant disbursements for us.

Inadequate management of solid residues generated in our facilities and eventual contamination may adversely affect our business.

Pursuant to Brazilian Federal Law No. 12,305, of August 2, 2010, we are subject to the management of solid waste rules and are responsible for the segregation, storage, transportation and final disposal of our waste in an environmentally appropriate manner. We may have to repair any environmental damage resulting from the inadequate management of our waste.

If soil or underground water contamination is identified in the properties where we are located, we may be held liable and compelled to remediate such contamination, bearing the costs involved. The environmental legislation determines that the owner and/or possessor of a property that is located in a contaminated area may, regardless of whether it has actually caused such contamination, be held liable and compelled by both environmental agencies and the public prosecution service to perform the rehabilitation of the contaminated area through remediation and recovery of associated damage. Such remediation processes tend to extend over long periods of time and may involve the disbursement of significant amounts of money until it is concluded and a document is issued attesting the rehabilitation of the area for use, which may affect our business, operating results, and image.

Contracting third parties for collection, storage, transportation, treatment or final disposal of solid residues does not exempt us from the liability for damages that may be caused by their inadequate management. The non-fulfillment of any obligations related to the management of solid waste or the implementation of reverse logistics and/or cause pollution of any nature, may lead to the application of a fine, which may vary from R\$5 thousand to R\$50 million, as established in the Brazilian Federal Decree 6,514, of July 22, 2008, besides any potential liabilities and penalties established at the state or municipal level.

Risks Relating to Brazil

The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. Brazilian political and economic conditions may adversely affect us and the trading price of the Sendas common shares and the Sendas ADSs.

The Brazilian government has frequently intervened in the Brazilian economy and has occasionally made significant changes to monetary, credit, tariff, tax and other policies and regulations. The Brazilian government's actions to control inflation have often involved, among other measures, increases and decreases in interest rates, changes in tax and social security policies, price controls, currency exchange and remittance controls, devaluations, capital controls and limits on imports. Our business, financial condition, results of operations and the trading price of the Sendas common shares and the Sendas ADSs may be adversely affected by changes in Brazilian policy or regulations at the federal, state or municipal level involving or affecting various factors, such as:

- economic, political and social instability;
- increases in the unemployment rate;
- interest rates and monetary policies (such as restrictive consumption measures that could affect the income of the population and government measures that may affect the levels of investment and employment in Brazil);
- significant increases in inflation or strong deflation in prices;
- currency fluctuations;
- import and export controls;
- exchange controls and restrictions on remittances abroad (such as those that were imposed in 1989 and early 1990s);
- modifications to laws and regulations according to political, social and economic interests;
- efforts to reform labor, tax and social security policies and regulation (including the increase of taxes, both generally and on dividends);

- energy and water shortages and rationing;
- liquidity of domestic capital and lending markets; and
- other political, diplomatic, social and economic developments in or affecting Brazil.

Uncertainty over whether the Brazilian government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets and securities issued abroad by Brazilian companies. These uncertainties and other future developments in the Brazilian economy may adversely affect our business activities, and consequently our results of operations, and may also adversely affect the trading price of the Sendas common shares and the Sendas ADSs.

Such factors are compounded by the overall health and growth of the Brazilian economy. According to the IBGE, Brazil's gross domestic product, or GDP, sharply contracted by 4.1% in 2020 due to global effects of developments relating to the COVID-19 pandemic and grew by 4.8% in 2021, 3.0% in 2022 and 2.9% in 2023. Developments in the Brazilian economy may affect Brazil's growth rates and, consequently, the demand for our products and services, which may adversely affect the trading price of our common shares and ADSs.

Political instability in Brazil has adversely affected and may continue to adversely affect our business, results of operations and the trading price of the Sendas common shares and the Sendas ADSs.

The Brazilian economy has been and continues to be affected by political events in Brazil, which have also affected the confidence of investors and the public in general, adversely affecting the performance of the Brazilian economy and increasing the volatility of securities issued by Brazilian companies.

Recent economic instability in Brazil has contributed to a decrease of market confidence in the Brazilian economy and to the worsening of the Brazilian political scenario. In addition, Brazilian markets have experienced heightened volatility due to uncertainties from ongoing investigations into money laundering and corruption conducted by the Brazilian Federal Police and the Office of the Brazilian Federal Prosecutor, including the *Lava Jato* investigation. These investigations adversely affected the Brazilian economy and political scenario. The effects of the *Lava Jato* investigation and other investigations of corruption had and continue to have an adverse impact on the image and reputation of the implicated companies, and on the general market perception of the Brazilian economy, political environment and capital markets. We have no control over and cannot predict whether the ongoing investigations or allegations will result in further political and economic instability, or if new allegations against government officials and/or companies will arise in the future.

The Brazilian economy has experienced a sharp downturn in recent years due, in part, to the interventionist economic and monetary policies of the Brazilian government and the global decline in commodity prices. In addition, Brazil's federal government has failed to implement significant and/or structural changes in Brazilian policy, tax structure, or regulation that could contribute to long-term growth in Brazil.

Furthermore, Luiz Inácio Lula da Silva was elected president in October 2022 for a four-year term beginning in 2023. After the results of the presidential election were announced, certain groups formed by extreme supporters of the defeated candidate organized public protests against the use of electronic ballot boxes and alleged certain electoral conspiracies. Any deterioration of the political environment in Brazil could affect the confidence of investors and the general public.

The President of Brazil has the power to determine policies and issue governmental acts related to the conduct of the Brazilian economy and, consequently, affect the operations and financial performance of companies, including us. We cannot predict which policies the President will adopt, much less whether such policies or changes in current policies may have an adverse effect on us or on the Brazilian economy.

Such events may have a material adverse effect on our business, results of operations, financial condition and prospects. Historically, the Brazilian political scenario has influenced the performance of the Brazilian economy. In particular, political crises have affected the confidence of investors and the general public, which has adversely affected the Brazil economic development and may adversely affect the trading price of the Sendas common shares and the Sendas ADSs.

Changes in the Brazilian tax legislation, tax incentives, benefits, or different interpretations of Brazilian tax laws may adversely affect our operations.

Brazilian tax authorities frequently change tax regimes, potentially impacting us and influencing consumer demand for our products. These changes include adjustments in tax rates and the introduction of temporary or permanent taxes. Some of these changes may increase our tax burden, leading to higher prices for our products and restricting our ability to conduct business, which could adversely affect our profitability. We cannot guarantee that we will be able to maintain our projected cash flow and profitability after an increase in taxes, or if tax incentives we benefit from are not maintained or renewed.

On December 20, 2023, the Brazilian Congress enacted Constitutional Amendment No. 132, or EC 132, which provided a broad reform of the Brazilian tax system, with the extinction of a variety of taxes currently applicable to goods and services, including social contributions, federal tax on industrialized products, the municipal tax on services and the tax on the circulation of goods and services, or indirect taxes, for the creation of three new taxes on operations with goods and services: a goods and services tax, or IBS, a Federal Contribution on Goods and Services, or CBS, and an Excise Tax, or IS.

EC 132 will not be immediately effective, since there is a seven-year transition period, from 2026 to 2032, for the full implementation of the tax reform. The current indirect taxes (ICMS, IPI, ISS and PIS/COFINS) will coexist and will be gradually replaced by IBS, CBS and IS until completion of the tax reform by 2033. EC 132 provides that specific aspects of the new taxes (i.e., rates) will be determined by new laws, such as the recently published Complementary Law No. 214, dated January 16, 2025.

A tax reform on income and payroll taxation is also on the agenda of the Brazilian government. EC 132 provides that the executive branch must submit to the Brazilian Congress by the first half of 2024 (90 days as of the enactment of EC 132) bills of law with changes to income and payroll taxation. As of the date of this annual report, the executive branch has not yet submitted such respective bills of law.

An attempt to reform income taxation was also submitted when the Brazilian federal government introduced Bill of Law No. 2,337/2021, called the “second phase” of the Brazilian tax reform, which relates to income taxation, including dividend taxation, adjustments in calculation basis and corporate tax rates, changes in taxation of income and gains related to investments in the Brazilian capital markets (i.e., taxation of financial assets and investment funds, etc.), among others. Although the Brazilian House of Representatives approved this bill on September 2, 2021, it has since stalled in the Brazilian Senate, which will vote on it next. This initiative proposes significant changes to the income tax legislation, such as (i) repealing the exemption from income tax on the distribution of dividends by Brazilian companies (and imposing a general 15% income tax rate), (ii) the gradual decrease of the combined Brazilian corporate income tax rates, and (iii) extinguishing the possibility of deducting expenses from the payment of interest on shareholder’s equity (*juros sobre o capital próprio* – JCP). The income and payroll taxation reform resulting from EC 132 will probably include similar provisions as those attempted by Bill of Law No. 2,337/2021.

The implementation of the Brazilian tax reform is subject to the legislative process, which includes evaluation, voting, veto and amendments, all carried out by the legislative branch, the Brazilian national congress and the Brazilian president. Therefore, it is not possible to determine, at the outset, which proposed changes will be effectively implemented and how they may directly or indirectly affect our business and results, which would come into effect in the year following the conversion of such projects into law. If the Brazilian tax reform takes effect or if there are any changes in the applicable tax laws and regulations that alter the applicable taxes or special regimes during or after their effective periods, our business and results may be adversely affected.

Additionally, for the 2024 fiscal year, Article 30 of Law No. 12,973/2014 was repealed by Law No. 14,789/2023, eliminating the requirement for taxpayers to establish a tax incentive reserve as of January 1, 2024. This new law also modified the classification rules for subsidy benefits for the purposes of deducting Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL), which may impact the total tax benefit we realize.

Furthermore, certain Brazilian tax laws may be subject to controversial interpretation. If the Brazilian tax authorities interpret such tax laws in a manner inconsistent with our interpretations, our operations could be materially impacted.

Brazilian government efforts to combat inflation may hinder the growth of the Brazilian economy and could harm us and the trading price of the Sendas common shares and the Sendas ADSs.

Historically, Brazil has experienced high inflation rates. Inflation and certain actions taken by the Brazilian government to curb it, including the increase of the SELIC rate established by the Central Bank, together with the speculation about governmental measures to be adopted, have materially and adversely affected the Brazilian economy and contributed to economic uncertainty in Brazil, heightening volatility in the Brazilian capital markets and adversely affecting us. Brazil's General Price Index (*Índice Geral de Preços – Mercado*), or IGP-M index, recorded inflation of 6.24% in 2024, deflation of (3.2)% in 2023 and inflation of 5.5% in 2022. Brazil's Broad Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*) recorded inflation of 4.83% in 2024, 4.62% in 2023 and 5.79% in 2022, according to the IBGE.

Tight monetary policies with high interest rates have restricted and may restrict Brazil's growth and the availability of credit. Conversely, more lenient government and Central Bank policies and interest rate decreases have triggered and may trigger increases in inflation, and, consequently, growth volatility and the need for sudden and significant interest rate increases, which could negatively affect our business and increase the payments on our indebtedness. In addition, we may not be able to adjust the prices we charge our customers to offset the effects of inflation on our cost structure.

During recent years there has been significant volatility in the official Brazilian base interest rate (*Sistema Especial de Liquidação e Custódia*, or SELIC rate, set by the COPOM, which ranged from 14.25%, on December 31, 2015, to 2.00% as of December 31, 2020, and 12.25% as of December 31, 2024. Any future measures adopted by the Brazilian government, including reductions in interest rates, intervention in the exchange market and the implementation of mechanisms to adjust or determine the value of the Brazilian *real* may trigger inflation, adversely affecting the overall performance of the Brazilian economy.

Furthermore, Brazilian government measures to combat inflation that result in an increase in interest rates may have an adverse effect on us, as our indebtedness is indexed to the interbank deposit certificate (*Certificados de Depósito Interbancário*), or CDI, rate. Inflationary pressures may also hinder our ability to access foreign financial markets or lead to government policies to combat inflation that could harm us or adversely affect the trading price of the Sendas common shares and the Sendas ADSs.

Exchange rate volatility may adversely affect the Brazilian economy and us.

The *real* has historically experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. In May 2020, prompted by the COVID-19 crisis, the Brazilian *real* depreciated significantly in relation to the U.S. dollar, reaching R\$5.9372 to US\$1.00 on May 14, 2020. In 2020, the *real* depreciated against the U.S. dollar in comparison to 2019, reaching R\$5.1967 per US\$1.00 as of December 31, 2020. In 2021, the *real* further depreciated against the U.S. dollar in comparison to 2020, reaching R\$5.5805 per US\$1.00 as of December 31, 2021. In 2022, the *real* appreciated against the U.S. dollar in comparison to 2021, reaching R\$5.2177 per US\$1.00 as of December 31, 2022. In 2023, the *real* appreciated against the U.S. dollar in comparison to 2022, reaching R\$4.8413 per US\$1.00 as of December 31, 2023. In 2024, the *real* depreciated against the U.S. dollar in comparison to 2023, reaching R\$6.1923 per US\$1.00 as of December 31, 2024. On March 14, 2025, the *real*/U.S. dollar exchange rate was R\$5.7413 per US\$1.00. There can be no assurance that the *real* will not depreciate against the U.S. dollar.

Depreciation of the *real* against the U.S. dollar could create inflationary pressures in Brazil and cause increases in interest rates, which negatively affects the growth of the Brazilian economy as a whole, curtails access to foreign financial markets and may prompt government intervention, including recessionary governmental policies. Depreciation of the *real* against the U.S. dollar has also, including in the context of an economic slowdown, led to decreased consumer spending, deflationary pressures and reduced growth of the economy as a whole. Depreciation would also reduce the U.S. dollar value of distributions and dividends and the U.S. dollar equivalent of the trading price of the Sendas common shares and the Sendas ADSs. As a result, we may be materially and adversely affected by *real*/U.S. dollar exchange rate variations.

Monetary regulations imposed by the Brazilian federal government may adversely affect us.

To support monetary policy, the Brazilian federal government, through the CMN and the Central Bank, periodically introduces regulations aimed at controlling the inflation rate. These regulations include altering the reserve requirements on loans and deposits, regulating the maximum term of financing and imposing limitations on the amount that can be financed, among other tools. Such controls are used by the Brazilian federal government primarily to regulate credit availability and to reduce or increase consumption. At times, these regulations affect the ability of customers to obtain credit. Some of these controls are permanent and affect business over long periods. There is no guarantee that in the future the Brazilian federal government will not adopt new regulations that could affect our liquidity, financing strategy, loan growth or even profitability, as well as the solvency of our customers.

We are currently operating in a period of economic uncertainty, which has been significantly impacted by geopolitical instability due to the ongoing conflicts between Russia and Ukraine, Hamas and Israel and resultant tensions in the region involving the Gaza Strip, Iran, Hezbollah in Lebanon and the Houthi in Yemen. Our business, financial condition or results of operations may be materially adversely affected by any negative impact on the global economy and capital markets resulting from such conflicts or any other geopolitical tensions.

Our business could be adversely affected by unstable economic and political conditions and geopolitical conflicts, such as the start of military conflict between Russia and Ukraine, Hamas and Israel and resultant tensions in the region involving the Gaza Strip, Iran, Hezbollah in Lebanon and the Houthi in Yemen. While we do not have any customer or direct supplier relationships in a country with current military conflicts, and related sanctions, as well as export/import controls or actions that may be initiated by nations including Brazil and other potential uncertainties could adversely affect our business and/or our supply chain, business partners or customers, and could cause changes in our customers buying patterns and interrupt our ability to supply products.

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

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

Any further downgrading of Brazil's credit rating may adversely affect the trading price of the Sendas common shares and the Sendas ADSs.

Credit ratings affect investors' perceptions of risk and, as a result, the yields required on debt issuances in the financial markets. Rating agencies regularly evaluate Brazil and its sovereign ratings, taking into account a number of factors including macroeconomic trends, fiscal and budgetary conditions, indebtedness and the prospect of change in these factors.

Standard & Poor's, or S&P, downgraded Brazil's credit rating from BB to BB-minus in January 2018 with a stable outlook in light of doubts regarding the presidential election and social security reform efforts. In February 2019, S&P's affirmed Brazil's sovereign credit rating at BB-minus with a stable outlook. In December 2019, S&P's affirmed Brazil's sovereign credit rating at BB-minus with a positive outlook, further maintaining the sovereign credit rating at BB-minus, but revising the outlook on this rating from positive to stable in April 2020. As a result of the COVID-19 pandemic, in 2020, 2021 and 2022, S&P maintained the country's credit rating at BB- with a stable outlook. On December 19, 2023, S&P upgraded Brazil's sovereign credit rating at BB with a stable outlook.

Moody's maintained Brazil's sovereign debt credit rating at Ba2 in April 2018, but changed its prospect from negative to stable, maintaining it in September 2018, citing the expected new government spending cuts. In May 2019, Moody's affirmed Brazil's sovereign credit rating at Ba2 and changed the outlook to stable, which rating and outlook were further reaffirmed by Moody's in 2020, 2021 and 2022. In October 2024, Moody's upgraded Brazil's sovereign debt credit rating from Ba2 to Ba1.

Fitch downgraded Brazil's sovereign credit rating to BB-minus, citing, among other reasons, fiscal deficits, the increasing burden of public debt and an inability to implement reforms that would structurally improve Brazil's public finances. In November 2019, Fitch maintained Brazil's sovereign credit rating at BB-minus, citing the risk of tax and economic reforms and political instability. In 2020, 2021 and 2022, Fitch reaffirmed Brazil's sovereign credit rating at BB-minus and revised the outlook on this rating to negative as a result of the impact of the COVID-19 pandemic. On December 15, 2023, Fitch upgraded Brazil's sovereign credit rating at BB with a stable outlook. On June 27, 2024, Fitch affirmed Brazil's sovereign credit rating at BB with a stable outlook.

Any further downgrade of Brazil's credit rating could heighten investors' perception of risk and, as a result, increase the cost of debt issuances and adversely affect the trading price of our securities.

Developments and the perception of risk in other countries may adversely affect the price of securities of Brazilian issuers, including the Sendas common shares and the Sendas ADSs.

The market value of securities of Brazilian issuers is affected to varying degrees by economic and market conditions in other countries, including developed countries such as the United States and certain European and emerging market countries. Investors' reactions to developments in these countries may adversely affect the market value of securities of Brazilian issuers, including the Sendas common shares and the Sendas ADSs. Trading prices on B3, for example, have been historically affected by fluctuation in interest rates applicable in the United States and variation in the main U.S. stock indices. Any increase in interest rates in other countries, especially the United States, may decrease global liquidity and the interest of investors in the Brazilian capital markets, adversely affecting the ADSs and our common shares.

Moreover, crises or significant developments in other countries, such as: (1) the financial crisis and any political instability in the United States; (2) the conflict between Russia and Ukraine; (3) a trade war between the United States and China; and (4) crises in Europe and other countries that affect the global economy may produce effects that directly or indirectly affect the Brazilian capital markets and broader economy, including price volatility of the securities of Brazilian issuers, including the Sendas common shares and the Sendas ADSs, diminished credit availability, supply chain disruptions, and inflation, among other consequences, which may adversely affect us, including the trading price of our securities, limiting or preventing our access to capital markets and to funds to finance our future operations at acceptable terms.

The outbreak of communicable diseases around the world may lead to higher volatility in the global capital markets and recessionary pressure on the Brazilian economy. Any outbreak in Brazil could directly affect our operations, each of which may materially and adversely affect our business, financial condition and results of operations.

The outbreak of communicable diseases on a global scale may affect investment sentiment and result in higher volatility in global capital markets and may have a recessionary effect on the Brazilian economy.

Events beyond our control, including epidemics and pandemics, affect the prices of the products we sell, the lease paid by our tenants, alter labor contract regimes, reduce our personnel in operation, increase the rate of leaves of absence, among others, and may harm our operations and those of our suppliers, tenants and service providers, as well as have a negative effect on consumption or result in political or economic instability.

These events could cause the temporary or permanent closure of some of our stores and/or distribution centers, our tenants' stores, delay or affect our ability to distribute products to our stores and our consumers, including in online sales deliveries, reduce demand for the products we sell, increase their price and decrease our sales, which could have a material adverse effect on our business and results of operations.

Risks Relating to the Sendas Common Shares and the Sendas ADSs

The volatility and illiquidity of the Brazilian securities markets and of the Sendas common shares may substantially limit your ability to sell the Sendas common shares underlying the Sendas ADSs at the price and time you desire.

Investing in securities that are traded in emerging markets, including in Brazil, often involves greater risk and are generally considered to be more speculative in nature than investing in securities traded in the securities markets of more developed countries. These investments are subject to certain economic and political risks, including: (1) changes in the regulatory, tax, economic and political environment that may affect the ability of investors to obtain a total or partial return on their investments; and (2) restrictions on foreign investment and return of capital invested.

The Brazilian securities market is substantially smaller, less liquid, more volatile and more concentrated than major international securities markets, including the securities market of the United States. Furthermore, the regulations of B3 may differ from what foreign investors are accustomed to seeing in other international exchanges. The characteristics of the Brazilian securities market may substantially limit the ability of holders of the Sendas common shares underlying the Sendas ADSs to sell them at the time and price they desire and, consequently, may adversely affect the market price of the Sendas common shares and the Sendas ADSs. If a liquid and active trading market is not developed or maintained, the trading price of the Sendas common shares and the Sendas ADSs may be negatively affected.

We cannot assure you that an active trading market will be sustained for the Sendas common shares or the Sendas ADSs or that we will be able to maintain our listing on the B3. The trading volume of the Sendas common shares and the Sendas ADSs may be volatile, and holders of the Sendas common shares and the Sendas ADSs may not be able to sell their respective securities.

The Sendas common shares are listed on the *Novo Mercado* listing segment of the B3, and the Sendas ADSs are traded over-the-counter in the United States. The listing of the Sendas common shares on the B3 and the publication of quotations of the Sendas ADSs on the "pink sheets" operated by OTC Markets Group, Inc. does not guarantee that a market for the Sendas common shares or the Sendas ADSs will be sustained. In addition, trading in stock quoted on over the counter markets is often thin, volatile, and characterized by wide fluctuations in trading prices due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of the Sendas ADSs for reasons unrelated to operating performance. Moreover, the over the counter markets are not a stock exchange, and trading of securities on the over the counter markets is often more sporadic than the trading of securities listed on other stock exchanges such as the NYSE or NASDAQ. No assurance can be provided as to the demand for or trading price of the Sendas common shares or the Sendas ADSs.

The trading price of and demand for the Sendas common shares and the Sendas ADSs and the continued existence of a market and favorable price for the Sendas common shares and the Sendas ADSs will depend on a number of conditions, including:

- the risk factors described in this annual report;
- general social, economic and political conditions internationally and in Brazil, including fiscal and monetary policies to be adopted by the new government in Brazil, changes in interest and exchange rates and impacts on the global economy resulting from the ongoing military conflicts between Russia and Ukraine;
- actual or anticipated fluctuations in our quarterly and annual results and those of our competitors;
- our businesses, operations, results and prospects;

- future mergers and strategic alliances;
- market conditions in the Brazilian cash and carry industry;
- changes in government regulation, taxes, legal proceedings or other developments;
- shortfalls in our operating results from levels forecasted by securities analysts;
- investor sentiment toward the stock of companies in our industry in general;
- announcements concerning us or our competitors;
- maintenance of acceptable credit ratings or credit quality; and
- the general state of the securities markets.

Any of these factors may impair the sustainability of a liquid market for the Sendas common shares or the Sendas ADSs and the ability of investors to sell the Sendas common shares or the Sendas ADSs at an attractive price. These factors also could cause the market price and demand for the Sendas common shares and the Sendas ADSs to fluctuate substantially, which may negatively affect the price and liquidity of the Sendas common shares and the Sendas ADSs. Many of these factors and conditions are beyond our or our shareholders' control.

If securities or industry analysts publish inaccurate or unfavorable research about us or our businesses, the price and trading volume of Sendas common shares and Sendas ADSs could decline.

The trading market for the Sendas common shares and the Sendas ADSs depends in part on the research and reports that securities or industry analysts publish about us or our businesses. If one or more of the analysts who cover us downgrade our securities or publish inaccurate or unfavorable research about our businesses, the price of the Sendas common shares and the Sendas ADSs would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for the Sendas common shares and the Sendas ADSs could decrease, which might cause the price and trading volume of the Sendas common shares and the Sendas ADSs to decline.

Future sales, or the perception of future sales, of substantial amounts of the Sendas common shares on the B3 or the Sendas ADSs on the over-the-counter markets in the United States, or the anticipation of these sales, could adversely affect the market price of the Sendas common shares and the Sendas ADSs prevailing from time to time or their liquidity and could impair our ability to raise capital through the sale of equity securities.

None of us, our directors or officers or our shareholders are subject to any lock-up agreement that restrict or limit our or their ability to sell Sendas common shares or ADSs.

The market price of the Sendas common shares and the Sendas ADSs could decline significantly as a result of sales (or anticipated sales) of a large number of shares of the Sendas common shares on the B3 or the Sendas ADSs over-the-counter. The perception that these sales might occur could depress the market price of the Sendas common shares or the Sendas ADSs prevailing from time to time or adversely affect their liquidity. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. For more information about our principal shareholders, see "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders." As a result of, and immediately following, the Spin-Off, the shareholders of CBD became shareholders of Sendas.

If you exchange the Sendas ADSs for Sendas common shares, as a result of Brazilian regulations you may risk losing the ability to remit foreign currency abroad.

Holders of Sendas ADSs will benefit from the electronic certificate of foreign capital registration obtained by the Sendas ADS Custodian in Brazil for the Sendas common shares underlying the Sendas ADSs, which will permit the Sendas ADS Custodian to convert dividends and other distributions with respect to the Sendas common shares into U.S. dollars and remit the proceeds abroad. If you surrender your Sendas ADSs and withdraw Sendas common shares, you will be entitled to continue to rely on the Sendas ADS Custodian's electronic certificate of foreign capital registration for only five business days from the date of withdrawal. Thereafter, upon the disposition of or distributions relating to the Sendas common shares, you will not be able to remit abroad non-Brazilian currency unless you obtain your own electronic certificate of foreign capital registration or you qualify under Brazilian foreign investment regulations that entitle some foreign investors to buy and sell common shares on Brazilian stock exchanges without obtaining separate electronic certificates of foreign capital registration. If you do not qualify under the foreign investment regulations, you will generally be subject to less favorable tax treatment of dividends and distributions on, and the proceeds from any sale of, the Sendas common shares.

If you attempt to obtain your own electronic certificate of foreign capital registration, you may incur expenses or suffer delays in the application process, which could delay your ability to receive dividends or distributions relating to our common shares or the return of your capital in a timely manner. The depository's electronic certificate of foreign capital registration may also be adversely affected by future legislative changes. See "Item 10. Additional Information—D. Exchange Controls."

Holders of Sendas ADSs are not entitled to attend shareholders' meetings and may only vote through the Sendas Depository.

Under Brazilian law, only shareholders registered as such in Sendas's corporate books may attend Sendas's shareholders' meetings. All Sendas common shares underlying the Sendas ADSs are registered in the name of the Sendas Depository. Consequently, a holder of Sendas ADSs is not entitled to attend Sendas's shareholders' meetings. Holders of Sendas ADSs may exercise the voting rights with respect to Sendas common shares only in accordance with the deposit agreement relating to the Sendas ADSs. There are practical limitations upon the ability of holders of Sendas ADSs to exercise their voting rights due to the additional steps involved in communicating with holders of Sendas ADSs. For example, Sendas is required to publish a notice of Sendas's shareholders' meetings in certain newspapers in Brazil. To the extent that holders of Sendas common shares are entitled to vote at a shareholders' meeting, they will be able to exercise their voting rights by attending the meeting in person or voting by proxy. By contrast, holders of Sendas ADSs will receive notice of a shareholders' meeting by mail from the Sendas Depository following Sendas's notification to the Sendas Depository of the shareholders' meeting and Sendas's request that the Sendas Depository inform holders of Sendas ADSs of the shareholders' meeting. To exercise their voting rights, holders of Sendas ADSs must instruct the Sendas Depository on a timely basis. In addition, investors may hold Sendas ADSs through broker or financial institution nominees and therefore may be required to rely on their procedures to be able to vote. This voting process will take longer for holders of Sendas ADSs than for holders of Sendas common shares. If the Sendas Depository fails to receive timely voting instructions for all or part of the Sendas ADSs, the Sendas Depository will assume that the holders of those Sendas ADSs are instructing it to give a discretionary proxy to a person designated by us to vote their Sendas ADSs, except in limited circumstances. In addition, Sendas is not contractually required to request the Sendas Depository to inform holders of Sendas ADSs about the shareholders' meeting under the Sendas Deposit Agreement, which may result in holders of Sendas ADSs not being able to provide voting instructions to the Sendas Depository.

We cannot assure you that holders of Sendas ADSs will receive the voting materials in time to ensure that such holders can instruct the Sendas Depository to vote the Sendas common shares underlying their Sendas ADSs. In addition, the Sendas Depository and its agents are not responsible for failing to carry out voting instructions of the holders of Sendas ADSs or for the manner of carrying out those voting instructions. Accordingly, holders of Sendas ADSs may not be able to exercise voting rights, and they will have no recourse if the Sendas common shares underlying their Sendas ADSs are not voted as requested.

Holders of Sendas ADSs may not be entitled to a jury trial with respect to claims arising under the Sendas Deposit Agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The Sendas Deposit Agreement provides that, to the fullest extent permitted by law, holders of Sendas ADSs irrevocably waive, to the fullest extent permitted by applicable law, the right to a jury trial with respect to any claim that they may have against us or the Sendas Depository arising out of or relating to the Sendas common shares, the Sendas ADSs or the Sendas Deposit Agreement, including any claim under the U.S. federal securities laws.

If we or the Sendas Depository opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the Sendas Deposit Agreement, by a federal or state court in the City of New York, which has exclusive jurisdiction over matters arising under the Sendas Deposit Agreement with respect to any legal suit, action or proceeding brought by the holders of Sendas ADSs against or involving us or the Sendas Depository. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the Sendas Deposit Agreement and the Sendas ADSs. It is advisable that you consult your legal counsel regarding the jury waiver provision before entering into the Sendas Deposit Agreement.

If you or any other holders or beneficial owners of Sendas ADSs bring a claim against us or the Sendas Depository in connection with matters arising under the Sendas Deposit Agreement or the Sendas ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the Sendas Depository. If a lawsuit is brought against us or the Sendas Depository under the Sendas Deposit Agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the Sendas Deposit Agreement with a jury trial. No condition, stipulation or provision of the Sendas Deposit Agreement or the Sendas ADSs serves as a waiver by any holder or beneficial owner of Sendas ADSs or by us or the Sendas Depository of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

You might be unable to exercise preemptive rights with respect to the Sendas common shares underlying the Sendas ADSs, as a result of which your investment may be diluted.

You will not be able to exercise the preemptive rights relating to the Sendas common shares underlying the Sendas ADSs unless a registration statement under the Securities Act is effective with respect to the securities to be issued upon the exercise of those rights, or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement or to take any action to make preemptive rights available to holders of Sendas ADSs. Unless we file a registration statement or an exemption from registration applies, you may receive only the net proceeds from the sale of your preemptive rights by the Sendas Depository or, if the preemptive rights cannot be sold, they will lapse and you will not receive any value for them. In addition, we may issue a substantial number of common shares as consideration for future acquisitions or for any other fundraising needs, and we may choose not to extend preemptive rights to holders of Sendas ADSs.

To the extent that you are not able (or choose not) to exercise pre-emptive rights granted in connection with an issue of Sendas common shares, your proportional shareholding in our company would be diluted.

Holders of Sendas common shares and Sendas ADSs may not receive any dividends.

According to our bylaws, we must pay our shareholders at least 25% of our annual net income as dividends, as determined and adjusted under the Brazilian Corporate Law. This adjusted income may be used to absorb losses or otherwise be appropriated as permitted by the Brazilian Corporate Law and may not be available to be paid as dividends. We may not pay dividends to our shareholders in any particular fiscal year if our board of directors determines that such distributions would be inadvisable in view of our financial condition. For further information, see “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividends and Dividend Policy” and “Item 10. Additional Information—B. Bylaws—Allocation of Net Profits and Distribution of Dividends—Distribution of Dividends” and “—Interest on Shareholders’ Equity.”

We are also subject to additional restrictions on dividends distributions in excess of the statutorily required minimum dividend imposed by some of our financial instruments. For further information, see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Indebtedness—Long-Term Indebtedness.”

The Brazilian Congress is currently analyzing bills providing for the taxation on dividends and the alteration and/or extinction of the payment of interest on shareholders’ equity (*juros sobre o capital próprio*). Therefore, both distributed and received dividends may become taxed and the interest on shareholders’ equity (*juros sobre o capital próprio*) may be extinguished in the future, impacting the net amount to be received by our shareholders from our financial results.

U.S. securities laws do not require us to disclose as much information to investors as a U.S. issuer is required to disclose, and you may receive less information about us than you might otherwise receive from a comparable U.S. company.

We are a “foreign private issuer” under U.S. securities laws. Accordingly, the corporate disclosure requirements applicable to us may not be equivalent to the requirements applicable to a U.S. company and, as a result, you may receive less information about us than you might otherwise receive in connection with a comparable U.S. company. We are subject to the periodic reporting requirements of the Exchange Act that apply to foreign private issuers. The periodic disclosure required of foreign private issuers under the Exchange Act is more limited than the periodic disclosure required of U.S. issuers. For example, we are required only to file an annual report on Form 20-F, but we are not required to file any quarterly reports. A U.S. registrant must file an annual report on Form 10-K and three quarterly reports on Form 10-Q. In addition, we are required to furnish current reports on Form 6-K, but the information that we must disclose in those reports is governed primarily by Brazilian law disclosure requirements and may differ from Form 8-K’s current reporting requirements imposed on a U.S. issuer. Also, any information furnished to the SEC will be subject to more limited liability provisions compared to information generally filed with the SEC by domestic issuers. Finally, we are not subject to the proxy requirements of Section 14 of the Exchange Act and our officers, directors and principal shareholders are not subject to the short swing insider trading reporting and recovery requirements under Section 16 of the Exchange Act.

Our securities are not listed on a national securities exchange in the United States, and we are not required to implement various corporate governance measures that may be applicable to companies listed on such an exchange.

Neither Sendas common shares nor the Sendas ADSs are listed on any U.S. stock exchange, and we are therefore not subject to the listing standards, rules and requirements of any U.S. stock exchange. Accordingly, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers or whose securities are listed on a U.S. stock exchange, including: (1) a nominating and corporate governance committee that is composed entirely of independent directors and has a written charter addressing the committee’s purpose and responsibilities; (2) a compensation committee that is composed entirely of independent directors and has a written charter addressing the committee’s purpose and responsibilities; (3) an annual performance evaluation of the nominating and corporate governance and compensation committees; and (4) compliance with all independence requirements applicable to U.S. audit committees.

Holders of Sendas common shares and Sendas ADSs may face difficulties in serving process on or enforcing judgments against us and other persons.

Sendas is incorporated as a corporation under the laws of Brazil, and substantially all of our assets are located in Brazil. In addition, all of our directors and executive officers reside outside the United States and all or a significant portion of the assets of such persons may be located outside the United States. As a result, it may not be possible for holders of Sendas common shares or Sendas ADSs to effect service of process within the United States or other jurisdictions outside Brazil upon such persons, or to enforce against such persons judgments of U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions. Further, it is unclear if original actions against us, our directors or our officers predicated on civil liabilities based solely upon U.S. federal securities laws may be brought in courts outside the United States, including Brazil. In addition, payment must be made in *reais* in proceedings brought before the Brazilian courts seeking to enforce obligations against us and any judgment rendered in Brazilian courts in respect of any payment obligations would be payable in *reais*.

Holders of Sendas common shares are required to resolve disputes with us, our senior management and holders of Sendas common shares only through arbitration in Brazil.

In accordance with our bylaws, all disputes or claims based on our bylaws, the Brazilian Corporate Law or other relevant laws or administrative rules, and concerning matters between holders of Sendas common shares, us, or our directors or officers, must be submitted for arbitration at the Market Arbitration Chamber (*Câmara de Arbitragem do Mercado*) of the B3. The governing law for any such disputes or claims is Brazilian law. Accordingly, shareholders would be required to initiate such arbitration proceedings in Brazil, which could have the effect of discouraging shareholders located outside Brazil from bringing such claims. In addition, arbitration proceedings in Brazil are known to be costlier than other dispute resolution methods, such as court proceedings.

The protections afforded to minority shareholders in Brazil are different, and may be more difficult to enforce, than those in the United States and some European countries.

The protections afforded to minority shareholders in Brazil are different from those in the United States and some European countries. In particular, jurisprudence with respect to shareholder disputes is less developed in Brazil than in the United States and some European countries and there are different procedural requirements for bringing shareholder lawsuits, including shareholder derivative suits. There is also a substantially less active plaintiffs' bar for the enforcement of shareholders' rights in Brazil than there is in the United States. As a result, it may be more difficult in practice for our minority shareholders to enforce their rights against us, our directors or executive officers than it would be for shareholders of a U.S. or European company.

Acquisition, ownership and disposal of Sendas common shares or Sendas ADSs could result in substantial U.S. tax liability for you.

You may be subject to U.S. federal income taxation in connection with the acquisition, ownership and disposal of Sendas common shares or Sendas ADSs. For more information, see "Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Consequences."

We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. Holders of the Sendas common shares and the Sendas ADSs.

In general, a non-U.S. corporation will be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes in any taxable year in which the corporation satisfies either of the following requirements:

- at least 75% of its gross income is "passive income"; or
- at least 50% of the average gross fair market value of its assets is attributable to assets that produce "passive income" or are held for the production of "passive income."

Passive income for this purpose generally includes dividends, interest, royalties, rents and net gains from the disposition of property that gives rise to such income and of commodities. Based upon the composition of our income, our assets and the nature of our business, we believe that we were not treated as a PFIC for U.S. federal income tax purposes in 2024. However, there can be no assurance that we will not be considered to be a PFIC for any particular year. If we were considered to be a PFIC for any taxable year during which a U.S. Holder (as defined in "Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Consequences") owned our common shares or ADSs, such U.S. Holder could be subject to significant adverse tax consequences. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to their investment in our common shares or ADSs. For more information, see "Item 10. Additional Information—E. Taxation—Material U.S. Federal Income Tax Consequences—Passive Foreign Investment Company."

Acquisition, ownership and disposal of Sendas common shares or Sendas ADSs could result in substantial Brazilian tax liability for you.

You may be required to pay Brazilian capital gains or other taxes in connection with the acquisition, ownership and disposal of Sendas common shares or Sendas ADSs. For more information, see "Item 10. Additional Information—E. Taxation—Material Brazilian Tax Consequences."

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

General Corporate Information

Sendas Distribuidora S.A. is a corporation (*sociedade anônima*) organized under the laws of Brazil and registered with the Brazilian corporate taxpayers' registry (CNPJ/MF) under registration number 06.057.223/0001-71. Sendas was formed on December 18, 2003 for an indefinite duration.

Sendas is domiciled in Rio de Janeiro, RJ, Brazil, and our headquarters are currently located in Rio de Janeiro, Brazil at the following address: Avenida Ayrton Senna, No. 6,000, Lote 2, Pal 48959, Anexo A, Jacarepaguá, 22775-005, Rio de Janeiro, RJ, Brazil. Our telephone number is +55 11 3411 5042.

History

We were founded in 1974, with the opening of the first *Assai Atacadista* store, a wholesaler with a focus on supplying small businesses. In 2007, we were partially acquired by CBD, which was controlled by the Casino Group. In 2011, we became a wholly-owned subsidiary of CBD. Prior to CBD's acquisition of us in 2007, we operated exclusively in the state of São Paulo. Following CBD's acquisition, we began to expand geographically within Brazil. By the end of 2008, we expanded our operations to 28 stores in the states of São Paulo, Rio de Janeiro and Ceará, and by the end of 2011, we operated 59 stores in the states of São Paulo, Rio de Janeiro, Ceará, Tocantins, Pernambuco, Goiás and Federal District.

In 2011, we began to invest in a new store format, with a larger assortment of goods, self-checkout and improved ambiance including covered parking, in-store Wi-Fi, air conditioning and natural lighting. By 2017, we became Casino's largest brand worldwide (in terms of gross revenue), and in 2018 and 2019 we were named one of Brazil's Top 25 Brands by Interbrand.

In 2016, CBD underwent a corporate reorganization as a result of which CBD transferred all of its cash and carry stores to us, and we transferred our retail stores to CBD. Following this corporate reorganization, CBD's cash and carry operations were concentrated in our company.

In 2017, we launched *Cartão Passai*, a branded credit card associated with the *Assai* banner and began to offer financial services in our stores.

In 2019, we acquired 96.57% of the shares of *Éxito*, a food retailer operating in Colombia, Uruguay and Argentina, through the settlement of a cash tender offer for any and all of the outstanding shares of *Éxito* conducted through the Colombian Securities Exchange. We refer to this acquisition as the "Éxito Acquisition." At the time of the *Éxito* Acquisition, *Éxito* was a publicly-held company located in Colombia, with Casino as its controlling shareholder. Casino tendered all of its shares of *Éxito* (representing a 55.3% equity interest in *Éxito*) to us in the public tender offer. The total purchase price for the shares of *Éxito* in the tender offer was 7,780.6 billion Colombian *pesos*, equivalent to approximately R\$9.5 billion at the time of the acquisition. As a result of the *Éxito* Acquisition, we began to carry out retail operations in Colombia, Uruguay and Argentina.

Corporate Reorganization and Spin-Off

On December 31, 2020, CBD completed a corporate reorganization pursuant to which Sendas transferred all of its equity interest in *Éxito*, which included *Éxito*'s food retail businesses in Colombia, Uruguay and Argentina, to CBD. As a result of this corporate reorganization, our primary focus is our cash and carry business.

On March 3, 2021, CBD completed the Spin-Off, pursuant to which substantially all of the issued and outstanding Sendas common shares were distributed to holders of CBD common shares, including the depository for the CBD ADS program, on a *pro rata* basis for no consideration. The Sendas ADSs were distributed to holders of CBD ADSs on March 5, 2021. The Sendas common shares began to trade on the B3 under the ticker symbol "ASAI3". The Sendas ADSs began to trade on a "regular way" basis on the NYSE under the ticker symbol "ASAI" on March 8, 2021.

In connection with the Spin-Off, we entered into a Separation Agreement with CBD on December 14, 2020, as amended on June 30, 2021 and June 30, 2022, to effect our separation from CBD, which we refer to as the “Separation,” and provide a framework for our relationship with CBD following the Separation and the Spin-Off. The Separation Agreement provided, among other matters, that all agreements, arrangements, commitments and understandings with third parties that contemplate both CBD and us as parties, beneficiaries, guarantors and/or in any way create an obligation to both CBD and us, were to be terminated as soon as practically feasible after the completion of the Spin-Off. Although a majority of the obligations contemplated by the Separation Agreement have been fulfilled by us and CBD and a substantial part of the guarantees has already been released, a portion of the guarantees we provided to third parties in connection with CBD’s lease obligations, as well as a portion of the guarantees CBD provided to third parties in connection with our lease obligations are still in the process of being released and Assai has not incurred in any claims or losses in connection with such lease guarantee obligations. As a result of such guaranteed obligations, the party whose obligations are guaranteed must pay a remuneration to the guarantor on a quarterly basis corresponding to the unreleased guarantees and indemnify the guarantor for any amounts due in connection with the underlying obligations. The Separation Agreement is governed by the laws of Brazil. A copy of the Separation Agreement, including amendments, has been filed as an exhibit to this annual report.

Digital Partnerships

Our digital expansion journey began in 2021 with partnerships with third party last mile applications aimed at enhancing customer convenience. In September 2021, we partnered with Cornershop by Uber in over 25 cities across Brazil; in February 2022, we launched a pilot program with Rappi to sell our products through their website and app in six cities in the State of São Paulo; and in November 2024, we further expanded our reach by establishing a partnership with iFood. These partnerships enable customers to shop digitally for the main items in our product portfolio, with delivery drivers handling the selection, separation and delivery of the items identified by users. Currently, our digital partnerships with Cornershop and Rappi are available in over 70 cities across 17 states (plus the Federal District) in Brazil.

In 2024, our digital strategy made further advancements, with the goal of expanding purchasing options for customers by offering greater convenience and an enhanced shopping experience. As part of this effort, we expanded our partnership with last-mile delivery companies, including an expanded agreement with iFood. By the end of 2024, this partnership facilitated deliveries in over 40 stores.

Extra Transaction

In line with our expansion plan, on October 14, 2021, our board of directors approved a transaction involving the assignment and conversion of up to 70 commercial points/stores operated by CBD under the *Extra Hiper* banner in several Brazilian states into cash and carry stores under the *Assai* banner. We refer to this transaction as the “Extra Transaction.”

The *Extra Hiper* stores were located on 17 properties owned by and 53 properties leased by CBD (of which 28 were leased from the Península fund). To the extent the assigned stores were located on properties leased from third parties, CBD also assigned the respective lease agreements to Sendas. On December 16, 2021, as amended on February 24, 2022, we entered into a definitive agreement with CBD governing the terms of the Extra Transaction. At the time of the agreement, the total estimated price of the transaction was nearly R\$4.0 billion, payable by Sendas to CBD in installments between December 2021 and January 2024, adjusted by CDI + 1.2% per year, which may also involve the acquisition by Sendas of some store equipment.

On August 17, 2022, Sendas and CBD approved the conclusion of credit assignment agreements with a financial institution, in anticipation of the installments between 2023 and 2024 due by Sendas to CBD. On December 23, 2022, Sendas and CBD approved the postponement of the installment that would be paid on December 29, 2022, to CBD in the amount of R\$956 million to October 23, 2023. This postponement occurred for operational reasons, as the payment schedule of the installment to CBD considered the delivery of stores on certain dates and compliance with certain preconditions, such as obtaining consent from property owners and demobilization of stores by CBD. For this installment, a new credit assignment agreement with a financial institution was entered into by CBD and with our consent. Sendas, as the consenting party of the operation, evaluated the contractual terms of the assignment of receivables and, in accordance with IAS 1 - Presentation of financial statements, concluded that there was no modification in the conditions originally contracted with CBD, maintaining the characteristic of the terms, and the payments of the installments will be made directly by Sendas to the financial institution, maintaining the same due dates and interest previously agreed with CBD. Therefore, Sendas concluded that the characteristic of the operation was maintained as accounts payable for the acquisition of the commercial points of the *Extra Hiper* stores.

As of December 31, 2022, a total of 66 commercial points had been assigned by CBD to us, and CBD's management has decided not to assign the remaining 4 commercial points, reducing the total price of the transaction by R\$45 million. The Extra Transaction closed with a total of 66 commercial points, and the total price of the transaction was R\$3.9 billion. In 2022, 47 commercial points were converted into *Assai* stores, followed by 17 conversions in 2023. In 2024, we completed the process by converting the final two stores.

Additionally, in the context of the Extra Transaction, CBD and the real estate fund Barzel Retail Fundo de Investimento Imobiliário, or the Real Estate Fund, entered into a memorandum of understanding, with Sendas as guarantor, for the sale of up to 17 properties owned by CBD to the Real Estate Fund, for a total sale price of R\$1.2 billion. We guaranteed the Real Estate Fund's payment obligations to CBD and agreed to purchase up to 17 properties should the Real Estate Fund not be able to fulfill its obligations. On February 25, 2022, we entered into definitive agreements with the Real Estate Fund for the sale of up to 17 properties owned by CBD to the Real Estate Fund and subsequent lease of such properties for an initial term of 25 years, renewable for an additional 15 years. The closing of the agreements with the Real Estate Fund was subject to antitrust approval. On April 13, 2022, the Brazilian antitrust authority (*Superintendência-Geral do Conselho Administrativo de Defesa Econômica - CADE*) approved the sale of the 17 properties to the Real Estate Fund. Of the 17 properties that were recorded under "Assets held for sale," 16 properties were sold to the Real Estate Fund in 2022 and the remaining property was sold to the Real Estate Fund on July 11, 2023.

Our management believes that the Extra Transaction allowed us to accelerate our expansion through the conversion of stores in dense regions without significant overlap with our existing operations.

Casino Group Shareholding Interest

On December 2, 2022, Wilkes Participações S.A., Géant International B.V., and Helicco Participações Ltda., indirect subsidiaries of Casino, completed the sale of an aggregate of 140,800,000 our common shares, including 400,000 ADSs, through a global offering. Subsequently, the Casino Group's ownership in our common shares decreased from 41.0% to 30.5%.

On March 21, 2023, Wilkes Participações S.A. concluded the sale of an aggregate of 254,000,000 our common shares, including 2,340,957 ADSs, in a second global offering with both international and concurrent public offerings with restricted selling efforts in Brazil. Following this transaction, the Casino Group's ownership stake in our common shares decreased from 30.5% to 11.7%.

Additionally, on June 23, 2023, Wilkes Participações S.A., Géant International B.V., and Segisor S.A.S. finalized the sale of 157,582,580 our common shares, representing 11.67% of its share capital, through a block trade operation. This led to the Casino Group's ownership stake decreasing to less than 0.01%, and currently, we do not have a controlling shareholder or control group.

Election of New Board of Directors and Corporate Transformation

Following the divestiture of our common shares by the Casino Group in March 2023, we became a non-controlled corporation, marking a transformation in our governance structure. On April 27, 2023, we appointed a new board of directors, consisting of a majority independent members. For more information about the members of our board of directors and our corporate governance, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management."

Capital Increases due to Exercise of Stock Options

In 2024, our board of directors approved issuances of new Sendas common shares due to the exercise of stock options granted to certain employees under the terms of our share-based compensation plans (as detailed under “Item 6. Directors, Senior Management and Employees—B. Compensation—Share-Based Compensation”). The new Sendas common shares issued have the same characteristics and conditions and enjoy the same rights, benefits and advantages of existing Sendas common shares. Our board of directors approved the issuances as follows:

- on August 8, 2024, our board of directors approved the issuance of 256,799 new common shares due to the exercise of stock options granted to certain employees under the terms of our share-based compensation plans, increasing our total outstanding common shares to 1,352,089,999 common shares and our total capital stock by R\$2,568, from R\$1,271,691,249 to R\$1,271,693,817;
- on November 7, 2024, our board of directors approved the issuance of 54,881 new common shares due to the exercise of stock options granted to certain employees under the terms of our share-based compensation plans, increasing our total outstanding common shares to 1,352,144,880 common shares and our total capital stock by R\$548, from R\$1,271,693,817 to R\$1,271,694,365; and
- on December 11, 2024, our board of directors approved the issuance of 70,767 new common shares due to the exercise of stock options granted to certain employees under the terms of our share-based compensation plans, increasing our total outstanding common shares to 1,352,215,647 common shares and our total capital stock by R\$707, from R\$1,271,694,365 to R\$1,271,695,073.

Share Buyback Program

On June 25, 2024, our board of directors approved our first share buyback program, or the Buyback Program, pursuant to which we were authorized to acquire up to 3,800,000 Sendas common shares, representing up to approximately 0.28% of our total issued and outstanding share capital, on the B3 at prevailing market prices, during a period of 12 months from August 1, 2024 to July 31, 2025. The purpose of the Buyback Program was to enable the delivery of shares to participants of our Executive Partner Program and Long-Term Incentive Plan. For more information about our executive compensation plans, see “Item 6. Directors, Senior Management and Employees—B. Compensation.”

On December 10, 2024, we disclosed that the Buyback Program was concluded due to the acquisition, at market prices, of the maximum amount of 3,800,000 Sendas common shares authorized under the Buyback Program. For more information, see “Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.” The acquired shares were kept in treasury for subsequent delivery to the participants of our Executive Partner Program and Long-Term Incentive Plan.

Recent Developments

Delisting from the NYSE

On December 19, 2024, our board of directors approved the voluntary delisting of the Sendas ADSs from the *NYSE* and the conversion of the ADR program to a Level 1 program, allowing investors to retain their ADSs. On December 30, 2024, we filed a Form 25 with the *SEC* to delist the Sendas ADSs from the *NYSE*. The last day of trading of the Sendas ADSs on the *NYSE* was January 8, 2025, and the Sendas ADSs were delisted from the *NYSE* prior to the market opening on January 10, 2025. The Sendas ADSs remain eligible for trading in the over-the-counter markets in the United States and trade on the “pink sheets” operated by OTC Markets Group, Inc. under the ticker symbol “ASAIY.” Our common shares will continue to be listed and admitted to trading in the *Novo Mercado* segment of the B3.

Working Capital Facility

On January 13, 2025, we raised US\$100.0 million, equivalent to R\$608 million, with a maturity date of 3 years, with semiannual interest payments and principal payment at the end of the transaction. On the same date, we entered into a swap contract to hedge against exchange rate fluctuations, with a cost of CDI + 1.22% per year. The funds were allocated to reinforce our working capital.

Management Changes

On March 12, 2025, our board of directors announced the resignation of Mr. José Guimarães Monforte from his roles as vice chairman of our board of directors, as well as a member of the finance and investments committee and the corporate governance, sustainability and nominating committee.

In addition, on March 18, 2025, our board of directors appointed (i) Mr. José Roberto Meister Müssnich as vice chairman of our board of directors; (ii) Mr. Oscar de Paula Bernardes Neto as a member of our corporate governance, sustainability and nominating committee, with a term unified with the other members of the committee; and (iii) Mr. Julio Cesar de Queiroz Campos as the coordinator of our corporate governance, sustainability and nominating committee.

For more information about our board of directors, see “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board of Directors.”

Capital Increase, without the Issuance of Shares

On March 18, 2025, our board of directors approved a capital stock increase of R\$184,074,731, without the issuance of new shares, through the partial capitalization of our expansion reserve (*reserva para expansão*). As a result, our capital stock increased by R\$184,074,732, from R\$1,271,695,073 to R\$1,455,769,805, fully subscribed and paid-in. Our capital stock remains divided into 1,352,215,647 common shares with no par value.

Capital Increase due to Exercise of Stock Options

On March 18, 2025, our board of directors approved an issuance of 29,538 new common shares due to the exercise of stock options under Series B9, B10, and B11 of our Stock Option Plan. This issuance of our common shares increased our total outstanding common shares to 1,352,245,185 common shares and our total capital stock by R\$295.38, from R\$1,455,769,805 to R\$1,455,770,100.

Second Share Buyback Program

On March 18, 2025, our board of directors approved our second share buyback program, or the Second Buyback Program, pursuant to which we were authorized to acquire up to 8,000,100 Sendas common shares, representing up to approximately 0.59% of our total issued and outstanding share capital, on the B3 at prevailing market prices, during a period of 12 months from April 1, 2025 to March 31, 2026. The purpose of the Second Buyback Program was to enable the delivery of shares to participants of our Executive Partner Program and Long-Term Incentive Plan. For more information about our executive compensation plans, see “Item 6. Directors, Senior Management and Employees—B. Compensation.”

Proposed Amendments to our Bylaws

Our management has proposed amendments to our bylaws, to be voted on at the extraordinary general shareholders' meeting scheduled for April 25, 2025. Highlights of the proposed amendments to our bylaws include:

- amendments to Article 40, main section, and paragraphs 4th and subsequent, in order to complement the provisions related to public offerings in the event of reaching a relevant shareholding (poison pill) and its exceptions;
- amendment to include complementary activities in our corporate purpose, related to the agency and intermediation of communication services, advertising in general and publicity, the sale and lease of machinery and other equipment related to collections, payments or receipts in general, the generation of electricity for own consumption or commercialization, canteens, bakeries and patisseries, and the sale of meat, dairy products, and cold cuts;
- amendments to Article 4 to reflect capital increases approved at board meetings held on October 30, November 18, and December 8, 2023, August 8, November 7, and December 11, 2024, and March 18, 2025;
- inclusion of a provision in Article 8 clarifying that shareholder approval of related-party transactions at general meetings does not cover indemnities under D&O insurance or the execution of indemnity agreements;
- amendment to article 12, caput, and 2nd paragraph to: (i) reduce the maximum number of board members to seven; (ii) require that the majority of the board be composed of external members; and (iii) increase the minimum number of independent directors from 20% to 1/3 of the board;
- inclusion of additional paragraphs in Article 15 (paragraphs 4 and 5) specifying additional requirements for the election of board members;
- amendment to provisions regarding the preparation of balance sheets and financial statements for the declaration of interim and intercalary dividends and interest on equity;
- adjustments to align the statute of limitations for unreceived or unclaimed dividends with Brazilian law and define the payment period for declared interest on equity; and
- amendments to improve our corporate governance.

Proposed Changes to our Board of Directors

Our management has proposed a new composition for our board of directors, to be voted on at the ordinary general shareholders' meeting scheduled for April 25, 2025. The proposal includes the reappointment of certain current board members (Mr. Belmiro de Figueiredo Gomes, Mr. Enéas Cesar Pestana Neto, Mr. José Roberto Meister Müssnich, Mr. Julio Cesar de Queiroz Campos, Mrs. Leila Abraham Loria and Mr. Oscar de Paula Bernardes Neto) and the appointment of a new member, Mr. Miguel Maia Mickelberg, all with a term of office extending until the ordinary general shareholders' meeting that will vote to approve the financial statements for the year ended December 31, 2026. For more information about our board of directors, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board of Directors."

Capital Expenditures and Investment Plan

Our investments since January 1, 2022 have included:

Opening of new stores – From January 1, 2022 to December 31, 2024, we organically opened or converted 102 *Assai* stores in Brazil. For more information about our stores, see "—B. Business Overview—Sales Channels—Our Stores."

Renovation of existing stores – We usually remodel a number of our stores every year. Through our renovation program, we updated refrigeration equipment in our stores, created a more modern, customer-friendly and efficient environment and outfitted our stores with advanced information technology systems.

Improvements to information technology – We view technology as an important tool for efficiency and security in the flow of information among stores, distribution centers, suppliers and corporate headquarters. We have made significant investments in information technology in the last three years. For more information on our information technology, see “—B. Business Overview—Information Technology.”

Improvements to distribution facilities and others – We own and lease distribution centers and warehouses located in the southeastern, midwestern, northeastern and northern regions of Brazil. The improvement in storage space enables us to further centralize purchasing for our stores and, together with improvements to our information technology, improve the overall efficiency of our inventory flow.

Extra Transaction – In 2021, in line with our expansion plan, we entered into an agreement with CBD for the assignment and conversion of 66 commercial points operated by CBD under the *Extra Hiper* banner in several Brazilian states into cash and carry stores under the *Assaí* banner. As of December 31, 2022, a total of 66 commercial points had been assigned by CBD to us, and CBD’s management has decided not to assign the remaining 4 commercial points. For more information, see “—History—Extra Transaction.”

In addition, in July 2021, we entered into an agreement with a fund managed by TRX Gestora de Recursos Ltda. for the sale and leaseback of five real properties located in the States of São Paulo, Rio de Janeiro and Rondônia. By December 2021, we completed the sale of three such properties located in the States of São Paulo and Rondônia in the total amount of R\$192 million, and by December 2022, we completed the remaining sale of two properties located in the States of Minas Gerais and Rio de Janeiro in the total amount of R\$165 million. We subsequently entered into long-term lease agreements with respect to these properties. For more information, see “—History—Sale and Leaseback Transaction.”

In 2023, R\$2,609 million was paid for the acquisition of 66 *Extra Hiper* commercial points, currently being converted to *Assaí*. In 2023, we invested R\$2,705 million in our operations, a decrease of 50.8% compared to R\$5,496 million in 2022. This decrease was principally due to the reduction in the pace of expansion from 60 stores we opened in 2022 versus 27 stores opened in 2023, mostly explained by the conclusion of the majority of conversions from the acquired hypermarkets into *Assaí* stores. The 27 stores we opened in 2023 reinforced our confidence in the execution of our business strategy.

In 2024, R\$894 million was paid for the acquisition of hypermarket commercial points related to the Extra Transaction. In 2024, we invested R\$1,518 million in our operations, a decrease of 43.9% compared to R\$2,705 million in 2023. This decrease was principally due to the reduction in the pace of expansion from 27 stores we opened in 2023 versus 15 stores opened in 2024, mostly explained by our strategy to commence a cycle of net debt reduction and decrease in leverage.

Our gross capital expenditures and investment plan for 2025 aims at building new units, renovating existing stores, improving logistics and technology, as well as other projects aimed at improving the shopping experience.

The following table provides a summary description of our principal capital expenditures for the periods indicated:

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(in millions of R\$)</i>		
Opening of new stores	925	1,999	4,206
Renovation of existing stores	376	291	263
Information technology	114	130	163
Distribution facilities and other	58	28	89
Non-cash effects:			
Capitalized interests	46	257	775
Total investments	1,518	2,705	5,496
Acquisition of commercial points - Extra Hiper	—	95	3,130
Total investments (including acquisition of commercial points)	1,518	2,800	8,626

We have historically financed our capital expenditures and investments principally with cash generated from our operations and, to a lesser extent, third-party funds, including bank financing and capital markets transactions, including the issuance of debentures and promissory notes. For more information about our indebtedness, see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Indebtedness.”

We believe that existing resources and operating income will be sufficient for our capital expenditures and investment plan and to meet our liquidity requirements. However, our capital expenditures and investment plan is subject to a number of contingencies, many of which are beyond our control, including the continued growth and stability of the Brazilian economy. We cannot assure you that we will successfully complete all or any portion of our capital expenditures and investment plan. In addition, we may participate in acquisitions or divest asset that are not budgeted in the capital expenditures and investment plan and we may modify the plans.

Public Information

The SEC maintains an internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us. See “Item 10. Additional Information—H. Documents on Display.”

Our website is www.assai.com.br. Information contained on or obtainable through our website is not incorporated into, and does not constitute a part of, this annual report.

B. Business Overview

Overview

According to ABAAS, we were the largest pure cash and carry player in Brazil in terms of consolidated gross revenue in the year ended December 31, 2023 and the second largest retailer in Brazil. In 2023, we were recognized as the food company with the greatest presence in Brazilian households, found in one out of every four homes, an unprecedented achievement in the cash and carry sector. We were the most remembered brand in the sector in the Top of Mind award by Folha de S. Paulo and in the Marcas Mais award by Estadão in 2024. In addition, we were ranked as the 25th largest company in Brazil in 2023 (*Melhores e Maiores 2024*) according to the Exame magazine and recognized as one of the most valuable brands in Brazil, reaching the 17th place in the Brazil 100 ranking published by Brand Finance in 2024. Furthermore, we are the only food retail company recognized for the second consecutive year among companies with more than 10,000 employees for its safe and welcoming environment, respecting diversity, recognizing, developing and offering growth opportunities, according to Great Place to Work (GPTW).

We serve as an economic center for the regions in which we operate. Our cash and carry operations involve sales of more than 9,000 items of grocery, food, perishable, beverage, wrapping and hygiene products, among others. In addition, our stores offer ample parking, air-conditioned, well-lit environments and more than 250 stores have butcher services.

Our customers include prepared food retailers (including restaurants, pizzerias and snack bars), end users (including schools, small businesses, religious institutions, hospitals and hotels), conventional retailers (such as grocery stores and neighborhood supermarkets) and individuals.

We are evolving in our digital transformation through the development of a seamless buying experience. We are currently investing in: (1) Wi-Fi infrastructure in all of our stores; (2) self-check-out; (3) digital sales through partnerships with last-mile operators; and (4) developing the *Meu Assai* (My Assai) app, intensifying our “phygital” strategy to combine physical and digital experiences.

We also hold an indirect minority equity interest in FIC, a Brazilian company that operates financial services in our stores with exclusive rights to offer credit cards, financial services and insurance policies (except for extended warranties).

Selected Operating Data

	As of and for the year ended December 31,			
	2024	2024	2023	2022
	<i>(in US\$, except as otherwise indicated)⁽¹⁾</i>	<i>(in R\$, except as otherwise indicated)</i>		
Operating Data:				
Number of employees at period end ⁽²⁾	86,749	86,749	77,370	73,898
Number of stores at period end	302	302	288	263
Total square meters of selling area at period end ⁽³⁾ <i>(in thousand square meters)</i>	1,528,814	1,528,814	1,455,641	1,306,724
Net operating revenue <i>(in millions of R\$ or US\$, as the case may be)</i>	11,921	73,819	66,503	54,520
Net operating revenue per employee ⁽⁴⁾	137,420	850,847	859,540	737,774
Average ticket amount	38	237	229	233
Average number of tickets per month <i>(in millions)</i>	26.0	26.0	24.2	19.5

- (1) Solely for the convenience of the reader, Brazilian *real* amounts have been translated into U.S. dollars at an exchange rate of R\$6.1923 per US\$1.00, which was the commercial selling rate for U.S. dollars in effect on December 31, 2024, as reported by the Central Bank. The *real*/U.S. dollar exchange rate should not be construed as a representation that the *real* amounts represent, or have been or could be converted into, U.S. dollars at such rates or at any other rate as of that or any other date.
- (2) Based on the full-time number of employees at stores, distribution and administrative centers (including active and absent employees). In 2022, 2023 and 2024, the number excludes interns and underage apprentices.
- (3) Sum of the selling area of each store at period end.
- (4) Calculated by dividing net operating revenue by the number of employees at period end.

Principal Markets

We generate all of our operating revenue in Brazil.

Sales Channels

Our Stores

As of March 31, 2025, we operated a total of 302 stores under the *Assai* banner in Brazil.

We are constantly evolving our *Assai* standard stores, aiming to improve our customers' purchase experience, by investing in lighting, air conditioning, improved ambiance and location. Our stores are strategically located in Brazil and are characterized by wide aisles, high ceilings and larger cold rooms, which facilitate loading and increase up to six times the storage capacity for goods, allowing for more accessible prices and lower operational costs. Other characteristic features of these standard stores include a larger assortment of goods, larger parking and in-store Wi-Fi. In addition, our in-store processes are automated, lowering our operating costs, allowing a better inventory management and breakdown levels.

We operate in different store formats, tailored to different regions and customer profiles, accommodating our business to local practices and customs. Of the 302 stores we operated as of December 31, 2024, 29 stores ranged from 1,000 to 3,000 square meters of selling area, a format we believe is best suited to enable our food service provider customers to quickly replace their supplies; 106 stores ranged from 3,000 to 5,000 square meters of selling area, a format we believe is best suited to big families in urban centers; and 167 stores ranged from 5,000 to 9,000 square meters of selling area, a format we believe is best suited for bulk purchases.

The table below sets forth same store gross sales growth for the periods indicated. Same store gross sales are sales made in stores opened for at least 12 consecutive months and which have not been closed or remained closed for a period of seven or more consecutive days. For more information, see “Presentation of Financial and Other Information—Special Note Regarding Certain Operational Metrics.”

	For the year ended December 31,				
	2024	2023	2022	2021	2020
Same store gross sales	3.4%	1.5%	10.3%	4.8%	14.1%

The table below sets forth our average monthly gross revenue per square meter for the period indicated, which is defined as gross revenue for the period allocated by store divided by the average selling area (in square meters) for the period taking into account our store opening schedule. For more information, see “Presentation of Financial and Other Information—Special Note Regarding Certain Operational Metrics.”

	For the year ended December 31,				
	2024	2023	2022	2021	2020
Average monthly gross revenue per square meter	4.5	4.5	4.7	4.5	4.4

Number of Stores

The following table sets forth the evolution of our *Assaí* stores for the periods indicated:

	Number of Stores
As of December 31, 2021	212
During 2022:	
Opened	13
Closed	(4)
Converted	42
As of December 31, 2022	263
During 2023:	
Opened	10
Closed	(2)
Converted	17
As of December 31, 2023	288
During 2024:	
Opened	13
Closed	(1)
Converted	2
As of December 31, 2024	302

The following table sets forth the number of stores, the total selling area, the average selling area per store and the total number of employees for our *Assaí* stores as of the dates indicated. For more information, see “Presentation of Financial and Other Information—Special Note Regarding Certain Operational Metrics.”

	As of December 31,		
	2024	2023	2022
Number of Stores	302	288	263
Total Selling Area ⁽¹⁾ (in thousand square meters)	1,528,814	1,455,641	1,306,724
Average Selling Area per Store ⁽²⁾ (in square meters)	5,062	5,054	4,969
Total Number of Employees ⁽³⁾	86,749	77,370	73,898

(1) Sum of the selling area of each store at period end.

(2) Total selling area at period end divided by total number of stores at period end.

(3) Based on the full-time number of employees at stores, distribution and administrative centers (including active and absent employees). In 2022, 2023 and 2024, the number excludes interns and underage apprentices.

Geographic Distribution of Stores

Our stores are located throughout 24 Brazilian states and the Federal District. We operate mainly in the Southeast region of Brazil, in states of São Paulo, Rio de Janeiro and Minas Gerais. The Southeast region accounted for 58.3%, 57.4% and 55.7% of our net operating revenue for the years ended December 31, 2024, 2023 and 2022, respectively, while the other Brazilian regions (North, Northeast, Midwest and South), in the aggregate, accounted for 41.7%, 42.6% and 44.3% of our net operating revenue for the years ended December 31, 2024, 2023 and 2022, respectively.

The following table sets forth the number of our *Assaí* stores by region as of the dates indicated:

	As of December 31,		
	2024	2023	2022
North	20	17	17
Midwest	28	27	25
Southeast	162	152	138
Northeast	82	82	74
South	10	10	9
Total	302	288	263

Telesales (In-Store Pick-Up)

Our telesales channel is predominantly aimed at serving corporate customers, which allows our customers, when purchasing larger volumes, to directly negotiate better prices, volumes and payment terms. Selected products are separated and available for in-store pick-up. This channel represented approximately 10.0%, 9.9% and 9.6% of our total sales for the years ended December 31, 2024, 2023 and 2022, respectively.

Credit Sales

For the years ended December 31, 2024, 2023 and 2022, 49%, 49% and 49%, respectively, of our net operating revenue was represented by credit sales, principally in the form of credit card sales, as described below:

Credit card sales. All of our stores accept payment for purchases with major credit cards, such as MasterCard, Visa, Diners Club, American Express and co-branded credit cards issued by FIC. Our stores also accept virtual credit cards through methods such as Apple Pay. Sales to customers using credit cards accounted for 39%, 39% and 39% of our net operating revenue for the years ended December 31, 2024, 2023 and 2022, respectively. Of this total, sales through our FIC co-branded credit cards accounted for 4.4%, 4.2% and 4.4% of our net operating revenue for the years ended December 31, 2024, 2023 and 2022, respectively. An allowance for doubtful accounts is not required for these transactions as credit risks are assumed by the relevant credit card companies or issuing banks.

FIC

FIC is a Brazilian company that operates financial services in our stores with exclusive rights to offer credit cards, financial services and insurance policies, except for extended warranties. FIC has been operating for more than ten years, and as of December 31, 2024, 2023 and 2022, FIC had a portfolio of 2.9 million, 3.2 million and 3.7 million credit card accounts, respectively, from customers (including the portfolio of *Cartão Extra*, *Cartão Pão de Açúcar*, *Cartão Passaí* and *Cartão Ponto Frio*). *Cartão Passaí* is a branded credit card associated with the *Assaí* banner that offers cash and carry pricing on products for individual customers. As of December 31, 2024, approximately 3.1 million *Cartão Passaí* credit cards had been issued.

The table below sets forth the accumulated number of *Cartão Passaí* credit cards issued as of the dates indicated:

	As of December 31,		
	2024	2023	2022
Number of accounts	3,116	(in thousands) 2,721	2,273

We and CBD each hold 50% of Bellamar, a holding company the only asset of which is an investment in 35.76% of the shares of FIC. Itaú Unibanco and Casas Bahia hold 50% and 14.24%, respectively, of the shares of FIC. Itaú Unibanco determines the financial and operational policies of FIC and appoints the majority of its officers.

We maintain our strategy to increase the share of FIC's credit cards and financial services at our stores as an important loyalty tool and mechanism to increase sales and additional profitability. FIC's credit cards offer payment options for the cardholders at our stores, aiming to provide them with benefits and convenience.

Our Customers

Our customers include prepared food retailers (including restaurants, pizzerias and snack bars), end users (including schools, small businesses, religious institutions, hospitals and hotels), conventional retailers (such as grocery stores and neighborhood supermarkets) and individuals. We sell our products at our brick-and-mortar stores and via telesales (in-store pick-up).

We had approximately 312 million customers as of December 31, 2024, an increase of 7.6% from December 31, 2023.

The table below sets forth our total number of customers as of the dates indicated:

	As of December 31,		
	2024	2023	2022
Total number of customers	312.1	(in millions) 289.9	233.7

As of December 31, 2024, approximately 47% of our final customers were classified as Class C, 44% as Class A and Class B and 9% as Class D and Class E. For more information about the different income level classifications of Brazilian households, see "—Industry."

Marketing

Our marketing strategy aims to retain our customers and attract new customers through our value proposition focused on competitive prices, a pleasant shopping experience and a significant assortment of products tailored to the regions where our stores are located. To this end, we promote integrated marketing campaigns aimed at our target audience of traders, processors, large users and end consumers.

Our marketing teams are composed of specialists in branding, media, planning, promotions, events, market intelligence and trade marketing. They are dedicated to developing quality offline and digital marketing campaigns.

For the years ended December 31, 2024, 2023 and 2022, we spent R\$403.0 million, R\$339.0 million and R\$265.0 million, respectively, on advertising.

Suppliers

Aside from a few categories of products, as beverage and meat which we procure mainly from five suppliers, our purchasing of products is generally decentralized, with purchases being made directly from a large number of unrelated suppliers. As a result, we are not dependent on any single supplier.

Distribution and Logistics

To support the growth of our cash and carry business, we employ different store models adapted to operate in regions with challenging logistical realities in a country of continental dimensions such as Brazil. These models include stores whose products are entirely supplied directly by suppliers, as well as stores, usually in large urban centers, with 32% of their volume supplied by distribution centers. As of December 31, 2024, approximately 73% of our total product volume was supplied directly while 27% of our total product volume was supplied by our 12 distribution centers located in nine Brazilian states. Our distribution centers are strategically located within these states to allow us to supply low turnover items. These advantages are sustained by our distribution centers' total storage area of 256,797 square meters as of December 31, 2024.

Seasonality

We have historically experienced seasonality in our results of operations, principally due to traditionally stronger sales in the fourth quarter holiday season and "Black Friday" promotions, which are relatively new in Brazil, especially for the cash & carry segment, and help to boost fourth quarter sales. We also experience strong seasonality in our results for the months of March or April as a result of the Easter holiday, when we offer specialized products for the occasion, as well as during the month of our banner anniversary, when there is an increase in sales.

Information Technology

We invested R\$114.0 million, R\$130.0 million and R\$163.0 million in information technology in the years ended December 31, 2024, 2023 and 2022, respectively, in connection with our operations. We are identifying opportunities and mapping efficiency gains by integrating services and functions across our operating segments, focusing on governance and our customers.

Intellectual Property

We consider our brand *Assaí* to be our most valuable asset and we have worked extensively to define the characteristics of the *Assaí* banner with respect to the expectations, consumption patterns and purchasing power of the different types of customers and income levels in Brazil. We believe that Brazilian customers associate the *Assaí* banner with a specific combination of products, services and price levels.

In Brazil, it is necessary to officially register a trademark with the National Industrial Property Institute (*Instituto Nacional de Propriedade Industrial*), or INPI, in order to acquire trademark rights. This registration gives the owner the exclusive right to use the trademark throughout Brazil for a specific period of time, which may be renewable.

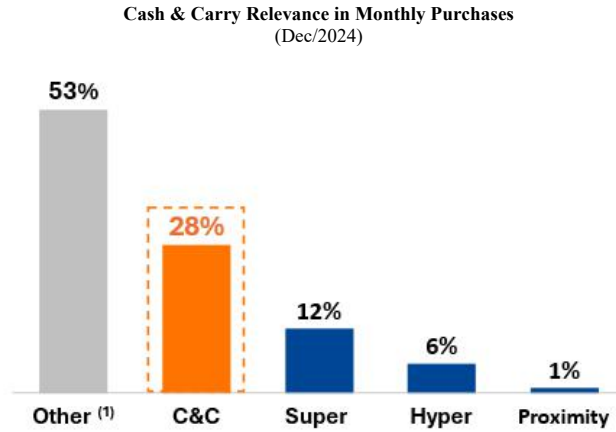
As of December 31, 2024, we had 257 trademarks duly registered with INPI, including our trademark (*Assaí*), and 28 trademarks in the process of being registered. We did not have any registered patents as of December 31, 2024.

Our business relies on intellectual property that includes the content of our websites, our registered domain names and our registered and unregistered trademarks.

Industry

According to the Nielsen, a consulting firm specializing in audience measurement, data, and analysis, 74.0% of Brazilian homes made at least one purchase from cash and carry stores in 2024, and the sales in the segment reported an increase of 14.0% in 2024, as compared to 2023. The market share of cash and carry stores improved by 12.1% in comparison to December 2019, mainly due to the macroeconomic context and the strong expansion throughout the last five years, a period when 683 cash and carry stores were opened. The segment has a high number of small players in Brazil, and thus, still offers plenty of growth opportunity. In terms of relevance, the cash and carry segment represented in December 2024 only 28.0% of the Brazilian monthly purchases in the retail food industry (considering others such as beverage distributors and small grocery stores and super and hypermarkets that do not belong to large groups), while other small players such as small grocery stores and super and hypermarket that do not belong to large groups represents 54.0%.

The chart below sets forth the importance of the cash and carry segment in monthly purchases in the retail food industry in December 2024:



Source: NielsenIQ – December 2024

(1) Beverage distributors and small grocery stores and super and hypermarkets that do not belong to large groups.

In addition, the market share of the cash and carry segment relative to total sales from the retail food industry reached 49.8% in December 2024, according to the Nielsen. The market share for this segment has increased 12.1 percentage points since December 2019 (only considering chains that report to Nielsen).

The chart below sets forth growth of the cash and carry segment in the last 48 months, only considering brands that report to Nielsen:



Source: NielsenIQ – December 2024

The cash and carry segment has been strengthening over the past few years in Brazil, with growth year after year. Such development has been achieved through major investments made by existing networks, as well as by the transformation of supermarkets and hypermarkets into wholesale stores.

Additionally, according to the Brazilian Supermarket Association (“ABRAS”), the Brazilian food retail sector represented approximately 7.0% of Brazil's GDP in 2023, with gross revenue of approximately R\$763.6 billion in 2023, compared to approximately R\$695.7 billion in 2022, representing an increase of 9.8%.

In addition, according to the ABAAS, there are more than 2,000 cash & carry stores operating in Brazil. The segment recorded total sales of more than R\$300 billion in 2023 and accounted for nearly 2.8% of Brazil's GDP during that period.

According to the CENSO IBGE survey of 2024, the total population of Brazil was approximately 213 million in December 2024, representing a 12.1% growth since December 2010. Also, according to the CENSO IBGE survey of 2022, 87% of the population lives in urban areas (where most of our operations are located). Our business is particularly well positioned to benefit from Brazil’s urban growth and economies of scale related to urban growth.

According to the CENSO IBGE survey of 2024, in 2024, the city of São Paulo had an estimated population of 11.9 million and the city of Rio de Janeiro had an estimated population of 6.8 million. These are the two largest cities in Brazil. The state of São Paulo has an estimated total population of 46 million, representing 21.6% of the Brazilian population and is our largest consumer market, with 111 stores as of December 31, 2024. The state of Rio de Janeiro is our second largest consumer market, with 40 stores as of December 31, 2024.

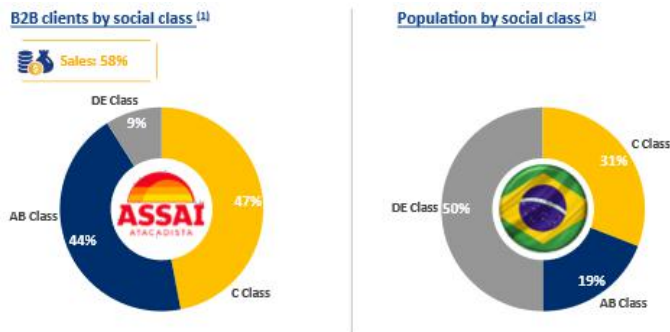
As of December 31, 2024, family consumption in Brazil increased 4.8% while the country's GDP increased 3.4%. This GDP increase was mainly due to growth in the services segment, which represents more than 70% of the country's GDP.

The following table sets forth the different income levels of Brazilian households, according to the 2023 Consumption Potential Index (*Índice de Potencial de Consumo*), or IPC Maps 2023, published by IPC Marketing Editora.

Income Level:	<u>Average Monthly Income</u> (in R\$)
A	26,812
B1	12,683
B2	7,018
C1	3,980
C2	2,403
D/E	1,088

As of December 31, 2024, approximately 47% of our customers were classified as Class C, 44% as Class A and Class B and 9% as Class D and Class E.

The charts below set forth the distribution of our customers by income levels as compared to the overall Brazilian population.



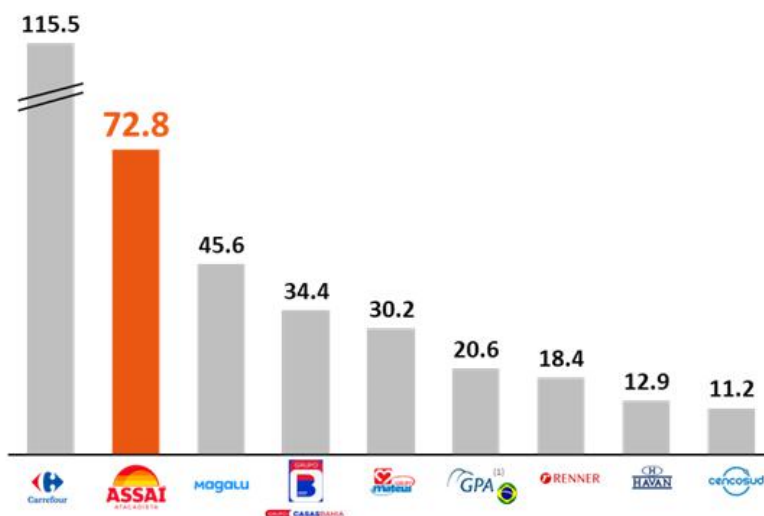
(1) Company data and Qualibest research
(2) Study from Tendências Consultoria 2024

Furthermore, a study by IPC Maps 2023, which focused on the population by social class specifically in urban centers, found that Class A households account for only 3.1% of urban households, Classes B1 and B2 collectively represent 21.5% of all urban households, Classes C1 and C2, the most representative in Brazil, collectively represent 47.0% of all urban households and Classes D and E collectively represent 28.4% of all urban households. In recent years, the average purchasing power and number of Class C, D and E urban households have increased.

We expect that increased consumption by the lower income levels will occur over time as a result of gradual salary increases and a steadily growing population. The Brazilian monthly minimum wage increased 7.50% from R\$1,412.0 in January 2024 to R\$1,518.0 in January 2025.

As set forth in the chart below, we were the second largest company in terms of total gross revenue in 2023, when compared with the main competitors in the Brazilian retail market.

Retail Ranking
Gross Revenue
for the year ended December 31, 2023
(in R\$ billions)



Sources: Publicly available information published by each relevant company.

(1) Excludes CBD the operations of Grupo Éxito.

The chart below sets forth the food retail ranking in terms of gross revenue in 2023:

Food Retail Ranking
Gross Revenue
for the year ended December 31, 2023
(in R\$ billions)



Source: ABAAS.

For more information on the Brazilian economic environment, see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Principal Factors Affecting Our Results of Operations—Brazilian Economic Environment.”

Competition

The Brazilian cash and carry industry is highly competitive and has grown over the past few years. This development has taken place through important investments made by existing chains, as well as the conversion of supermarkets and hypermarkets into cash and carry stores. For more information about risks related to competition, see “Item 3. Key Information—D. Risk Factors—Risks Relating to our Industry and Us—We face significant competition and pressure to adapt to changing consumer habits, which may adversely affect our market share and net income.”

Our main competitors are Atacadão, Grupo Mateus, GPA, Supermercados BH, Grupo Muffato (Max Atacadista) e Grupo Pereira (Fort Atacadista), as well as various regional players.

For more information about our competitive landscape, see “—Industry.”

Regulatory Overview

We are subject to a wide range of governmental regulation and supervision generally applicable to companies engaged in business in Brazil, including federal, state and municipal regulation, such as labor laws, public health and environmental laws. In order to open and operate our stores, we need a business permit and site approval and an inspection certificate from the local fire department, as well as health and safety permits. Our stores are subject to inspection by city authorities. We believe that we are in compliance with all material respects with all applicable statutory and administrative regulations with respect to our business. In addition, we have internal policies that in some instances go beyond what is required by law, particularly with respect to environmental and sustainability requirements and social and community matters.

Our business is primarily affected by a set of consumer protection rules regulating matters such as advertising, labeling and consumer credit. We believe we are in compliance with all material respects with these consumer protection regulations.

Environmental, Social and Governance Matters

For us, sustainability is a strategic and transversal approach that encompasses all our activities and projects. We seek to balance economic, social, and environmental dimensions in our operations and the value chain, adopting the United Nations (UN) Sustainable Development Goals as guiding principles for our initiatives. We consider the global scenario, sustainability issues and the main ESG indices in the market, as well as the expectations and interests of our stakeholders through our materiality study.

Due to the capillarity and scope of operations, our responsibility is even greater. Therefore, our strategy is based on driving prosperity for all people through responsible, transparent operations and lower environmental impact. All these aspects are part of a joint action with our different constituencies, through an ethical and transparent relationship.

ESG Indices and Recognitions

In 2024, for the second consecutive year, we continued to be part of the B3 Corporate Sustainability Index (ISE) portfolio, which highlights companies with management guided by corporate sustainability practices, reaffirming our commitment to our sustainability strategy.

We joined the B3's Carbon Efficient Index (ICO2), which demonstrates our commitment to transparency by disclosing carbon emissions and helps prepare our company for a low-carbon economy.

In 2024, we remained in IDIVERSA B3, the first index in Latin America focused on diversity. The index was launched in August 2023 and tracks publicly traded companies that stand out for their indicators related to gender and racial inclusion.

We were recognized as the best company in the wholesale and retail category in "Melhores e Maiores 2024" ranking by Exame, which recognizes the most outstanding companies in the Brazilian economic environment by evaluating several performance criteria.

In 2023, we achieved the Women on Board seal, meeting the requirement of having two women serving on our board of directors.

We received the Age-Friendly Employer (CAFE) Certificate granted in Brazil by Maturi, the official representative of the Age Friendly Institute program, which certifies companies committed to the inclusion of professionals aged 50 or over.

We received a renewed Great Place to Work (GPTW) seal for 2024. With the certification obtained by Great Place to Work (GPTW), in 2023 we were included in the IGPTW B3 index – that brings together all companies that were certified by GPTW and have assets traded on B3, the Brazilian stock exchange. In addition to expanding our visibility and credibility in the market, we further strength our employer brand.

We advanced in the evaluation of the CDP Climate Change, the largest global initiative for reporting climate risks. We improved our rating from C in 2021 to B in 2022 and maintained our consistency in 2023 and 2024.

Sustainability Strategy

At the end of 2023, we updated our Sustainability Strategy. The process was supported by a specialized consultancy and had the collaboration of a multidisciplinary team from our different hierarchical levels, including our board of directors and our executive board.

As a result, we have structured our sustainability strategy around the following purpose:

“Drive prosperity for all people with responsible, transparent operations and lower environmental impact” and which unfolds into the following pillars:

Efficient operations:

- Climate change: improvement of refrigeration technologies and energy efficiency
- Waste management
- Responsible supply chain: working conditions and impacts on biodiversity

People and Community Development:

- Qualification and training
- Diversity, inclusion and combating discrimination
- Assaí Institute: local development, through entrepreneurship, food security and sports
- Combating food wastage
- Strengthening small entrepreneurs
- People and Community Development

Ethical and Transparent Management:

- Ethics and Governance
- Personal data privacy and protection

Efficient operations:

- Climate change: improvement of refrigeration technologies and energy efficiency

Our operations are complex and involve numerous suppliers to ensure the best supply of our stores and meet the needs of our customers. With sustainability as a strategic part of our business, we seek to identify, monitor, and reduce vulnerabilities and environmental impact on the operation. This way, we aim to create strategies to reduce such risks and make activities more responsible and suitable to face the climate emergency, raising the awareness of our audiences, including practices and processes that reinforce our commitment beyond compliance with current legislation.

Our environmental management has as its main axis the fight against climate change, which is why we have targets for reducing carbon dioxide emissions by 38% (scopes 1 and 2) in our operations by 2030 in relation to our total emissions in 2015. These commitments are linked to the variable remuneration of all eligible leadership positions, which includes our CEO and other executive officers, in addition to the positions of consultants, coordinators and managers in our distribution centers and headquarters.

In line with our goals, 98% of our consumption energy was from renewable energy, including all store openings. As a complement to this strategy, we purchased I-REC (International Renewable Energy Certificate) which certifies part of the renewable energy consumed in our operations.

We have also invested in solar plants for the self-generation of distributed energy, taking advantage of areas (large store roofs) that are available but not useful for business, increasing our independence from local energy suppliers. There is a total of seven photovoltaic power plants in operation. We have also invested in the structures of the new stores, which feature eco-efficiency items such as electric vehicles charging stations and 100% of our stores operating with LED lighting, in addition to devices that save water and electricity.

Refrigerant gases have been replaced by other of lower global warming potential. In 2024, we reduced 20% of R-22 consumption in our stores, compared to 2021, which involves replacing (retrofit) old refrigeration systems with chillers that do not operate with R-22. This has allowed us to lower energy consumption due to thermal energy storage and better display of goods.

Waste Management

We are committed to reducing the environmental impacts generated by waste. In 2024, 43% of our waste was reused and stopped being sent to landfills, which allowed reductions in gas emissions, such as methane, around 55,820 tons of CO₂e, the result of internal negotiations that allowed the expansion of programs aligned with the accelerated pace of company growth.

Composting has been fundamental to achieving this goal. In 2024, we reached a total of 3,601 tons destined for composting, an increase of 62% compared to 2023. The number of stores that participated in this initiative reached 77.

We have been looking for other ways to optimize organic waste and, for this purpose, we developed a pilot project in 2023 using three different technologies in Bahia, Paraíba and São Paulo. Each pilot action had a context related to technologies and business models, which includes composting and biodigestion, circular economy models (which includes the use of the compost generated in for small-scale, commercial and agricultural systems or for subsistence). The results of the pilot projects are driving our plans to achieve zero landfills in the future.

Better waste management has also contributed to other benefits, such as combating waste. Through the *Destino Certo* Program, we donated to partner institutions 1.9 thousand tons of perishable fruits, vegetables and greens not suitable for sale, but suitable for consumption. In all, 284 of our stores participated in this project throughout the year.

We have also strived to make use of waste from our value chain and engage customers in recycling efforts. By December 2024, we had 44 active recycling stations in our stores. In addition, we offer recycling bins to specific waste, such as light bulbs and batteries.

In 2024, we published our Animal Welfare Policy to promote more ethical and sustainable product supply chains relating to animal welfare practices.

Responsible Supply Chain: Working Conditions and Biodiversity Impacts

We operate in a rich and complex value chain composed of numerous suppliers, including producers, industries, distribution companies and services. We seek to know in depth all the links in the chain, increasing the traceability and monitoring of the process and, thus, identifying and mitigating possible socio-environmental risks in the raw material extraction and production stages, in addition to contributing to boosting our positive impact.

Our relationship with suppliers is guided by standards to be followed in areas such as the promotion of human rights, occupational health and safety, food safety, anti-corruption practices, protection of biodiversity and the environment, which are contained in our Code of Ethics, Diversity and Human Rights, Environmental Management Policy and Socio-environmental Policy for Beef Purchasing, Ethics Charter for Suppliers and Animal Welfare Policy.

In 2024, we carried out social audits of working conditions at suppliers of our exclusive brands, some suppliers of fruits, vegetables and greens (FLV) and imported products whose production is in more critical countries, in accordance with the Compliance and Sustainability Initiative (ICS) protocol.

This protocol provides for visits to factories and analysis of documents, in addition to conducting anonymous interviews with employees on topics such as forced labor, human trafficking and immigrant workers, child labor, freedom of association, right to collective bargaining, discrimination, occupational health and safety, abuse and harassment, wages and benefits, hours worked and overtime. Each audit issues a report with the score obtained by the supplier, which determines whether or not it is able to establish a commercial relationship with Assaí.

In 2024, fourteen maintenance audits were carried out at the factories of our national exclusive brand suppliers. We ended the year with 100% of exclusive brand suppliers with valid ICS audits. Additionally, eighteen ICS audits of fruits, vegetables and greens suppliers (FLV) were actively valid in 2024.

During 2024, three maintenance audits were carried out at the factories of international suppliers located in socially vulnerable countries. At the end of 2024, 100% of our suppliers complied with our guidelines for monitoring working conditions, reaching our commitment's target.

Our Socio-Environmental Beef Purchasing Policy, published in 2016 and updated in 2023, establishes that all slaughterhouses and processors must fully comply with the document's guidelines to remain Assaí suppliers. This requirement guaranteed the commitment of 100% of eligible suppliers in 2024.

People and Community Development

At Assaí, career management is carried out throughout the employee's journey, from the candidate's first contact with Assaí. We use a system that manages our career management model – Avance, generating autonomy for managers and a structured method that includes skills assessment, performance mapping, adherence to culture, career conversation, as well as career committees, and individualized development plans for leaders and specialists.

Qualification and Training

Since 2013, we have invested in a structured model of corporate education, Assaí University. It was created with the purpose of disseminating knowledge about our business model – Self-Service Wholesale and preparing our people for the challenges of growth and expansion of our business, all through various development programs and online and in-person courses.

Assaí University continuously seeks innovations aligned with the trends in the evolution of organizational learning and digital transformation in education, always seeking to stay up to date with new ways and models of training and developing our more than 86,000 employees. Currently, Assaí University offers over 70 training programs and around 3,900 courses, covered in five learning schools, available for different hierarchical levels and business areas.

Assaí University also made strides in multichannel approaches to facilitate employee learning, providing content through digital platforms, an app, WebApp, and kiosks at physical locations. Additionally, it utilizes ZapUA, an educational channel featuring the Intelligent Learning Multiplier, Maia, a humanized robot that delivers personalized content and encourages pursuit of training.

Health and Safety

We believe that health and safety are non-negotiable and require an attentive, integrated approach that reflects Care for Our People.

Our Occupational Health and Safety Policy is aligned with the objectives and processes of SESMT (Specialized Service in Safety and Occupational Medicine). With the increase in the number of employees, we now have 11 healthcare clinics throughout Brazil. Each unit has an occupational physician and a nursing technician for occupational medical care.

In 2023, we launched VIVA+ Assaí - Health and Safety, a program composed of initiatives in the areas of health, medicine, security, benefits, and social services, which also supports employees on leave and provides social services.

In order to boost an organizational culture for workplace safety annually, we carry out MÉSPAT - Occupational Accident Prevention Month, a robust month-long program focused on the effectiveness of protocols and internal communication about safety.

In 2024, we held the 6th edition of MÉSPAT, covering 100% of our stores and DCs. MÉSPAT's programming went deeper into four specific fronts, distributed in: Correct Use of PPE; Safety in Machines and Equipment; Occupational Safety in Butchers and Ergonomics in Material Handling.

Diversity, inclusion and combating discrimination

Each year, we reinforce our focus on diversity, inclusion, and respect for human rights through a strategic agenda aimed at promoting inclusion, respecting and valuing diversity, and combating all forms of violence and discrimination internally and throughout our value chain.

We work with five priority themes, ensuring the rights, respect, appreciation, and equity of all:

- Racial Equity;
- Respect for LGBTQIA+ Rights;
- Gender Equity;
- Inclusion and Development of People with Disabilities;
- Age Diversity.

In 2024, we reinforced our diversity and inclusion actions and programs, including affirmative actions, training sessions, dialogues, and compliance with internal laws and regulations, achieving the following results:

- *Gender Equality*: Through inclusive hiring policies, training and development programs for women in middle management roles to advance their careers, and tailored benefits for mothers. In 2024, 25.7% of our leadership positions (management and above) were filled by women.
- *People with Disabilities*: We intensified our partnerships with consultants to expand and strengthen our actions. We also prepared a Normative Instruction with guidelines on hiring, inclusion and dismissal of people with disabilities. In 2024, 5.3% of our employees were people with disabilities.
- *Racial Equity*: In 2024, we intensified the hiring of Black employees in all positions and business units. 67.7% of our employees are self-declared Black and 45.8% of our management positions and above were held by Black employees.
- *LGBTQIA+*: In 2024, we increased the inclusion of trans people, with a growth of 5% compared to the same period in 2023.

Policies and Commitments

Our commitments and initiatives for promoting diversity and inclusion are guided by our internal policies, designed to ensure the rights, respect, appreciation, and equity of all. These policies include:

- *Diversity and Human Rights Policy*: Published in 2020, in line with the international human rights principles covered by the UN Universal Declaration of Human Rights, ensuring the rights of all individuals regardless of race, color, sexual orientation, gender identity, religion, nationality, economic and social condition, or any other identity marker.
- *Code of Ethics*: Updated in 2024, the document summarizes the fundamental principles and guidelines that guide our activities and decisions, defining obligations for leaders, employees, suppliers, and other stakeholders, addressing conduct in business, relationships, and anti-corruption policies, among other aspects. The document also establishes procedures for the ombudsman, disciplinary measures, and management of the Ethics Committee.
- *Diversity and Human Rights Clause*: Implemented in 2021, reinforcing the code of ethics and diversity and human rights policy, requiring contractors to orient and train their teams – working in the units – and establishing sanctions and contract termination in case of non-compliance, valid for all existing contracts with our service provider partners.
- *Ethnic Racial Equity Policy*: Developed in 2021, with the aim of transparently positioning us and providing guidelines for action in the face of ethnic racial issues to all our employees, service providers, suppliers, or any other relationship public present in our business units. The policy also presents definitions and role and responsibility guidelines for leaders and non-leaders, as well as expected behaviors and behaviors not tolerated.

Inclusive Culture

This front aims to intensify actions that promote knowledge, awareness and behavioral changes that impact self-development, people management and the relationship with employees, customers and stakeholders, expanding and consolidating the theme as strategy for the continuity and sustainability of our business, brand and reputation. Our programs and regular initiatives include: Diversity Program, Inclusive leadership and unconscious bias training, Dialogues about Diversity, Diversity Week, Women’s Week, Black Consciousness Month, Anti-Racism Guideline, among others.

Since 2021, we have been working with the Diversity Ambassadors Group, composed of employees from all hierarchical levels of our operations. The group discusses opportunities related to diversity, including LGBTQIA+ representation, beliefs, cultures, races, genders, generations, and people with and without disabilities. Ambassadors participate in workshops and online courses to deepen their knowledge on the subject.

In 2022, we conducted the first Diversity Census in partnership with the Instituto Identidades do Brasil (ID_BR) - a non-profit organization that assists in accelerating the promotion of racial equality in the job market. This census had a voluntary participation rate of 56.4% of employees. This allowed us to understand the profile and extent of our diversity, enabling the planning of specific actions based on the contributions of the employees themselves.

In 2023, we launched the Gender Self-Declaration Campaign. As a result, 65% of our employees have completed their gender self-declaration, contributing to the review and update of our people management systems with concepts that incorporate all gender diversity, generating visibility that will guide new awareness, literacy, equal opportunities, and rights actions for trans and non-binary individuals.

Since 2022, our employees have had access to the Assaí Diversity and Inclusion Guidebook, which covers content on best practices for the empowerment of marginalized groups, combating discrimination, and includes a chapter dedicated to gender equality and the fight against violence against women.

Partnerships and Associations

We are signatories of initiatives and movements that aim to contribute to a more responsible, fair and inclusive society. We work together to overcome the main challenges of sustainable development, adopting the best retail practices. We sign the following commitments:

- *Seal Yes to Racial Equity*: Since 2020, we have been part of this important initiative by the Brazilian Institute of Identities (ID_BR) and its objective is to strengthen the commitment and positioning of companies to eliminate discrimination, respect human rights and value racial diversity.
- *Women's Empowerment Principles*: Since 2021, we have been part of UN Women and the UN Global Compact. The seven women's empowerment principles have guidelines to further strengthen our gender equity practices for our employees and society.
- *LGBTI+ Business and Rights Forum*: This forum is a mobilization of companies committed to recognizing and promoting the rights of LGBTQIA+ people.
- *Business Coalition to Eliminate Violence Against Women and Girls*: The initiative, in which we have participated since 2021, aims to bring greater visibility to this issue and advance the agenda to combat violence against women.
- *REIS – Business Network for Social Inclusion*: This commitment reinforces our position in relation to the inclusion and development of the more than 4,500 employees with disabilities who are in our stores, distribution centers, offices, and corporate headquarters.
- *Movimento Mulher 360 (Business Movement for Women's Economic Development)*: Since 2022, we have been part of this movement, through which we intend to contribute to the discussion of the agenda on gender equity and female empowerment. We reinforce our commitment to respect, appreciation and inclusion among our employees and our relationship network.
- We adhere to the Open Letter to the Federal Executive Branch for the signing of Convention 190 for the Elimination of Violence and Harassment at Work, a movement led by the Business Coalition for the End of Violence against Women and Girls, of which we are a signatory.

Affirmative Action

This front aims to intensify actions to maintain and advance existing programs and minority groups and implement new actions that favor the inclusion of other minority groups, including, (i) gender equality; (ii) people with disabilities; and (iii) racial equity.

Instituto Assaí

Our operating strategy is built to promote opportunities and paths of prosperity for people and communities. Based on this objective, in 2022 we launched the Assaí Institute, which reflects the relevance of the Social Responsibility agenda for the company and our commitment to social impact.

The Assaí Institute allows us to act in an even more focused and structured way on three fronts: (1) fostering microentrepreneurs in the food; (2) fighting food insecurity; and (3) strengthening small institutions that promote sports activities.

In 2024, we worked on implementing each project, mapping challenges and partners and building our path, achieving the following results on each front:

(I) Entrepreneurship:

- Academia Assaí: Activities on the entrepreneurship front are led by Academia Assaí (platform we created in 2017 and incorporated into the activities of Instituto Assaí, after the creation of the social organization), with the aim of supporting small entrepreneurs in the food sector. In 2024, Academia Assaí, through its training programs, issued 25,493 certificates to entrepreneurs, the online platform obtained more than 5 million accesses to its various communication channels, a growth of 22% compared to 2023.
- Academia Assaí Award: In 2024, Academia Assaí promoted the seventh edition of the Academia Assaí Award, financially supporting 2,100 microentrepreneurs with more than R\$1.3 million.

(II) Food Safety:

- Food donation and fundraising campaigns: In 2024, we supported approximately 236 thousand families in vulnerable situations through our social impact actions, donating 2.7 thousand tons of food to 285 institutions and communities around our stores. The amount was donated through donations of basic food baskets, mobilizations with customers and the Destino Certo Program.
- Community Kitchens: This program was launched in 2023, with the aim of providing the extremely vulnerable population, especially those living on the streets, with access to ready-made, healthy and appropriate meals, delivered by small and medium-sized community kitchens. Through the initiative, we served 291,000 meals with the support of kitchens in São Paulo, Rio de Janeiro, Fortaleza (CE), Manaus (AM) and Dourados (MS).
- Mais Escolha Program: Implemented in 2023, the initiative consists of transferring income through the distribution of cards to, primarily, black women who raise children alone and who live in extreme poverty. In 2024, 2,112 families in the cities of Maceió (AL), Salvador (BA), Fortaleza (CE), Cabo Santo Agostinho (PE), Teresina (PI), Aracajú (CE), Manaus (AM), Boa Vista (RR) and Parauapebas (PA) benefited from receiving a food card with a monthly credit of R\$105.00 to buy food in Assaí stores for six months.

(III) Sport and Citizenship:

- Sport and Citizenship Notice: In 2023, the Assaí Institute published the first Sport and Citizenship Notice with the aim of identifying small social organizations that facilitate sports activities for children, teenagers and adults in vulnerable communities. 50 organizations from the north and northeast regions of Brazil, as well as the metropolitan region of São Paulo, were selected to participate in the first phase of training. For the second stage, 15 organizations participated until the end of 2025, receiving pedagogical training to develop activity plans, training for management development and financial resources of up to R\$90 thousand each, which must be contributed to the organization itself. In 2024, 15 organizations held a Sports and Citizenship Festival in 12 Brazilian cities, offering sports activities and citizenship services, serving the entire local population. In the same year, the first Sports and City Forum was held with the participation of sports professionals and partner organizations, with the goal of strengthening the sport ecosystem.

Integrated Management and Transparency

- We follow the highest corporate governance standards required by Novo Mercado, the B3 segment of which we are part. We also meet the requirements of companies listed on the NYSE. By establishing a high level of corporate governance, we intend to create a healthy and safe business environment for all our stakeholders, based on ethical and transparent relationships, thus providing greater predictability to our actions and projects.

- We also adopt sustainability practices and publish an annual Sustainability Report to report on our performance in the economic, social, and environmental areas. The themes and topics prioritized in this report are in accordance with the materiality study and the set of sustainability commitments aligned with the policies adopted globally, as well as the correspondence to the GRI themes (Global Reporting Initiative), the SASB (Sustainability Accounting Standards Board) indicators, the Task Force on Climate Related Financial Disclosures, to Integrated Report (IR) and to the following UN Sustainable Development Goals: zero hunger and sustainable agriculture, quality education, gender equality, decent work and economic growth, reduction of inequalities, sustainable cities and communities, responsible consumption and production, action against global climate change, life in the water, Earth life, and peace, justice, and effective institutions. An independent auditor performs a limited review of the indicators defined in our annual sustainability report.
- Since 2016, we have linked sustainability goals, through the ISD (Sustainability and Diversity Index), to the composition of the variable remuneration of leaders, including our chief executive officer and directors, managers, coordinators, consultants and specialists from corporate areas in addition to managers, assistant store managers, section heads, operations heads and those responsible for distribution centers.

ESG Risk Management

We follow the international standards established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the ISO 31000:2018 standard – Risk Management Principles and Guidelines to guide our risk identification, assessment, treatment, monitoring and communication processes.

Our corporate risk management process is known as Enterprise Risk Management (ERM) and begins with a meeting to understand the business scenario and context, considering factors linked to our short and long-term strategic planning and our areas, aligned with the environment in which these objectives are inserted.

We have a risk matrix that identifies the main risks to which we are exposed in the different areas and which is updated annually. New emerging concerns identified over a period of time are included among the prioritized themes. In 2024, we worked with 17 prioritized risks, 12 of which are traditional business risks and 5 are ESG-themed:

- Discrimination and lack of diversity;
- Food waste;
- Climate change and transition risks;
- Environmental impacts on the supply chain; and
- Atmospheric emissions due to refrigeration.

Assai Integrity Program

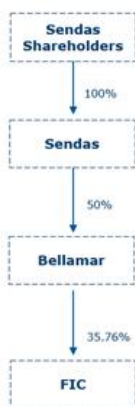
Our program was prepared following the manual of the Comptroller General of the Union (CGU) and is based on five pillars: commitment and support from senior management; responsible body; risk profile analysis; rules and instruments; continuous monitoring.

In 2023, we completed the process of reformulating the program, which began in 2021, with the improvement of its scope of activities and the inclusion of new components, thus adapting to our new structure and new moment.

The program is supervised by our senior management and complies with the Brazilian Anti-Corruption Law (Law No. 12,846/13) and the United States Foreign Corrupt Practices Act – FCPA, a North American law against corruption abroad.

C. Organizational Structure

The chart below sets forth our simplified corporate structure as of the date of this annual report. For information about our shareholders, see “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.”



D. Property, Plant and Equipment

As of December 31, 2024, we owned 30 stores. As of December 31, 2024, we leased the remaining 272 stores and the 12 distribution centers and warehouses we operate in Brazil and the real estate where our headquarters are located. Leases are for a term of five to twenty-five years, most of them being for twenty-year terms, renewable for the same period. We have six leases expiring in 2025, which are scheduled to expire in March, April, July, August and November 2025. These leases are subject to an automatic 10-year renewal unless we decide to terminate them prior to their expiration. We do not expect to terminate these lease agreements. Based on our prior experience on Brazilian real estate law, we do not anticipate any material change in the general terms of our leases or any material difficulty in renewing them. Based on our management’s experience and knowledge of the Brazilian market, our management believes that our leases follow market standards.

The following tables set forth the number and total selling area of our owned and leased stores, and the number and total storage area of our owned and leased warehouses as of the dates indicated:

	As of December 31, 2024					
	Owned		Leased		Total	
	Number	Area (in square meters)	Number	Area (in square meters)	Number	Area (in square meters)
Assai stores	30	137,565	272	1,391,249	302	1,528,814
Warehouses	—	—	12	256,797	12	256,797
Total	30	137,565	284	1,648,046	314	1,785,611

	As of December 31, 2023					
	Owned		Leased		Total	
	Number	Area (in square meters)	Number	Area (in square meters)	Number	Area (in square meters)
Assai stores	28	127,596	260	1,328,045	288	1,455,641
Warehouses	—	—	11	252,309	11	252,309
Total	28	127,596	271	1,580,354	299	1,707,950

	As of December 31, 2022					
	Owned		Leased		Total	
	Number	Area (in square meters)	Number	Area (in square meters)	Number	Area (in square meters)
Assai stores	27	121,889	236	1,184,835	263	1,306,724
Warehouses	1	3,700	11	253,976	12	257,676
Total	28	125,589	247	1,438,811	275	1,564,400

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read this discussion in conjunction with our audited financial statements prepared in accordance with IFRS as issued by IASB and the other financial information included in this annual report.

A. Operating Results

Principal Factors Affecting Our Results of Operations

Brazilian Economic Environment

All of our operations are located in Brazil. Accordingly, our results of operations are affected by macroeconomic conditions in Brazil, including inflation rates, interest rates, Brazilian GDP growth, employment rates, wage levels, consumer confidence and credit availability.

The economic environment remained challenging for our operations during throughout the last three years. The Brazilian GDP, as published by the IBGE, increased by 3.4% in 2024, increased by 2.9% in 2023, increased by 2.9% in 2022, increased by 4.6% in 2021 and decreased by 4.1% in 2020, the first year of the COVID-19 pandemic. Prior to 2020, Brazil was emerging from a prolonged recession after a period of a slow recovery, with only meager GDP growth in 2019 and 2018. Brazil's GDP growth rates were 1.1% in each of 2019 and 2018. The rate of growth of Brazilian GDP has a direct effect on consumer demand, which we believe affects demand for our products and services and, consequently, our net operating revenue.

In addition, our results of operations are affected by the level of Brazilian unemployment. As of December 31, 2024, Brazilian unemployment, as measured by the monthly National Household Sample Survey (*Pesquisa Nacional por Amostra de Domicílios Contínua*), or PNAD, published by the IBGE, was 6.2%, compared to 7.4% as of December 31, 2023 and 9.3% as of December 31, 2022. As with GDP, the level of Brazilian unemployment has a direct effect on consumer demand, which we believe affects demand for our products and services and, consequently, our net operating revenue.

In 2024, Brazilian inflation, as measured by the General Market Price Index (*Índice Geral de Preços - Mercado*), or IGP-M, published by Fundação Getúlio Vargas, or FGV, a private organization, recorded inflation of 6.5% during 2024, compared to deflation of (3.2)% during 2023 and inflation of 5.45% during 2022. In 2024, Brazilian inflation, as measured by the Broad Consumer Price Index (*Índice Nacional de Preços ao Consumidor Ampliado*), or IPCA, published by the IBGE, increased to 4.83%, compared to 4.62% during 2023 and 5.79% during 2022. Brazilian inflation has a direct effect on the final prices we charge our customers when they acquire our products, as well as effects on the cost to us of many of these products that we source in Brazil, our operating costs (in particular personnel costs), and our leasing costs as many of our lease agreements are partially indexed to Brazil's national inflation indexes.

Our results of operations are affected by changes in the exchange rates of the *real* against the U.S. dollar. During 2024, the *real* depreciated against the U.S. dollar by 27.9%, following an appreciation of 9.4% during 2023 and a depreciation of 6.5% during 2022. The depreciation of the *real* against the U.S. dollar may create inflationary pressures in Brazil, particularly in the category of food products. In periods of significant inflation, we may not be able to pass through our increased cost of goods to our customers and demand for our products may contract. As we do not have any indebtedness denominated in U.S. dollars, fluctuations in exchange rates do not have a direct impact on the carrying costs of our indebtedness or the cost of servicing our indebtedness.

A substantial portion of our indebtedness bears interest at rates linked to the CDI rate. As of December 31, 2024, the CDI rate was 10.88%, reflecting a decrease from the CDI rate of 13.03% as of December 31, 2023 and a decrease from the CDI rate of 12.39% as of December 31, 2022. Fluctuations in the CDI rate have direct effects on our debt service costs, as well as indirect effects on the Brazilian economy as a whole and consumer demand for our products and services.

An economic recession and growth of the unemployment rate could lead to a decline in household consumption which could adversely affect our results of operations and financial condition. In order to mitigate this risk, we emphasize the adaptation of our stores' mix of products in order to offer our customers products in line with the evolving economic environment.

The following table sets forth data on real GDP growth, unemployment, inflation and interest rates, and the U.S. dollar exchange rate for the indicated periods:

	As of and for the year ended December 31,				
	2024	2023	2022	2021	2020
GDP growth (%) ⁽¹⁾	3.4	2.9	2.9	4.6	(4.1)
Unemployment (%) ⁽²⁾	6.2	7.4	9.3	13.2	13.5
Inflation (IGP-M) (%) ⁽³⁾	6.5	(3.2)	5.5	10.8	23.1
Inflation (IPCA) (%) ⁽⁴⁾	4.8	4.6	5.8	10.1	4.5
CDI (%) ⁽⁵⁾	12.2	11.7	12.4	4.4	2.8
(Depreciation) appreciation of the <i>real</i> against the U.S. dollar (%)	(27.9)	9.4	(6.5)	(7.4)	(28.9)
Exchange rate (closing) of the <i>real</i> to the U.S. dollar ⁽⁶⁾	6.192	4.841	5.218	5.581	5.197
Average exchange rate the <i>real</i> to the U.S. dollars ⁽⁶⁾	5.393	4.995	5.165	5.395	5.158

(1) Source: IBGE.

(2) Source: IBGE.

(3) Source: FGV.

(4) Source: IBGE.

(5) Source: Central Bank.

(6) Source: Central Bank.

Our Expansion Plan

We began operating 2022 fully independently and with more visibility following our Spin-Off from CBD in 2021. We exceeded our announced expansion plan, opening 60 new stores during 2022, 47 of which by conversion of hypermarkets. The opening of those stores is a historic achievement for our company, as we believe that the conversion of 47 stores and the construction of 13 new large surface organic stores in a single year is unprecedented in the Brazilian cash and carry market.

As of December 31, 2022, we operated 263 stores, 12 distribution center and 11 regional offices. In addition, we operated 100 stores in the State of São Paulo, making us the largest self-service wholesale chain in the state. With our growth, we reached 1.3 million square meters in sales area as of December 31, 2022, an increase of 36% as compared to December 31, 2021.

Our commercial galleries also add value to our business model by driving customer traffic and diluting costs. As of December 31, 2023, our commercial galleries registered occupancy of approximately 70% of total gross leasable area available, generating revenues of R\$93.0 million in 2023, an increase of 69% as compared to 2022.

As of December 31, 2024, our commercial galleries reached an occupancy rate of approximately 81% of the total gross leasable area, generating revenues of R\$110 million in 2024, an increase of 18.3% as compared to 2023.

In a year marked by instability, we delivered robust growth and revenues with a gain in market share. We maintained a high level of profitability and improved our debt profile as a result of the Spin-Off, ensuring quality in the financial management of our business. We generated 16 thousand new jobs in 2022 (including active and absent employees, interns, and underage apprentices), as compared to 11 thousand in 2021.

In 2023, our strategic expansion also marked significant progress in our growth plan. We successfully converted 17 commercial points into *Assaí* stores and built 10 new organic stores, expanding our sales area by an additional 152 thousand square meters. As of December 31, 2023, our total sales area reached more than 1.4 million square meters, an increase of 15.4% as compared to December 31, 2022. This growth also led us to achieve more than 80,000 employees. Our commitment to fostering employment opportunities and supporting community development remained a core aspect of our expansion strategy.

In 2024, we met our goal of opening 15 new stores, expanding our sales area by an additional 76 thousand square meters. We completed the process of converting stores under the Extra Transaction with the successful conversion of the remaining 2 stores in Penha and Caraguatatuba, and also opened our first stores in São José do Rio Preto and Guarujá.

As of December 31, 2024, our operational network was comprised of 302 stores, reflecting a 5.2% increase from the previous year. Looking ahead, we are aware of the challenges of 2025. For this reason, we consider the maintenance of our characteristics essential, *i.e.* efficient, decentralized, and low-cost operations to offer the best prices and the best shopping experience to our diversified customer base. We aim to open approximately 10 new stores in 2025.

Financial Presentation and Accounting Policies

Presentation of Financial Statements

We have prepared our audited financial statements in accordance with IFRS as issued by the IASB. Our audited financial statements have been audited in accordance with the standards of the Public Company Accounting Oversight Board.

Business Segments and Presentation of Segment Financial Data

We evaluate and manage business segment performance based on information prepared in accordance with IFRS. As of the date of this annual report, we report our results as a single segment, which includes our cash and carry business in Brazil.

Significant Accounting Policies and Estimates

The preparation of our financial statements, in accordance with IFRS as issued by the IASB requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

For more information about the key assumptions and judgments concerning the future, and other key sources of uncertain estimates at the reporting date that have a significant risk of causing a material impact to the carrying amounts of assets or liabilities within the next financial year, see note 5 to our audited financial statements included elsewhere in this annual report.

Internal Control over Financial Reporting

We maintain internal control practices that seek to keep an adequate monitoring of our internal control environment related to operational and financial processes.

As of the date of this annual report, we have several internal control practices, such as training for employees about our main compliance rules, the development of action plans with our business areas to mitigate potential reputational risks and relevant future financial losses, the periodic assessment of the main risks related to our technological environment and operational processes, among others. Each of these practices is under the primary responsibility of one of our control areas.

Our internal audit area, which reports to our audit committee, acts independently and objectively to assess the quality and effectiveness of our risk management, control, and governance processes. The current audit plan is reviewed and validated by our chief executive officer and audit committee, and its compliance is supervised by our audit committee and reported to our board of directors.

Our risk management area periodically evaluates the risks inherent to our processes and maintains a matrix of risks and controls with the proper validations by the process owners and our management, which is submitted, annually, for evaluation of internal audit procedures.

In addition, we hire a consulting firm to perform the controls testing for Sarbanes-Oxley Act purposes under our management's supervision, in order to support the conclusion on internal controls.

Our management has concluded that our disclosure controls and procedures and internal control over financial reporting were effective as of December 31, 2024, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. In addition, the independent registered certified public accounting firm who audited our financial statements included elsewhere in this annual report has concluded that we maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO. For additional information, see "Item 15. Controls and Procedures."

Overview

Despite a challenging economic scenario in which consumption was affected by high interest rates, dollar appreciation and food inflation, our operations, which consist of our cash and carry business, continued to experience strong growth in 2024, demonstrated by an increase of 11.0% in net operating revenue to R\$73,819 million, from R\$66,503 million in 2023. This growth was driven by the performance of the 15 stores we opened in 2024, consisting of 13 new stores and 2 store conversions, and the maturation of stores opened in prior years, with a 4.4% growth in same store sales. As of December 31, 2024, our total sales area was 1,529 thousand square meters. Management expects stores to mature after approximately five years, depending on the region in which the store is located. As discussed below, our net income increased by 8.3% to R\$769 million in 2024 from R\$710 million in 2023.

Results of Operations for Years Ended December 31, 2024 and 2023

The following table sets forth the components of our income statement, as well as the percentage of revenue represented by each component and the change from the prior year, for the periods presented.

	For the year ended December 31,				
	2024		2023		% change
	(in millions of R\$)	% of net operating revenue	(in millions of R\$)	% of net operating revenue	
Net operating revenue	73,819	100.0	66,503	100.0	11.0
Cost of sales	(61,598)	(83.4)	(55,682)	(83.7)	(10.6)
Gross profit	12,221	16.6	10,821	16.3	12.9
Selling expenses	(5,995)	(8.1)	(5,411)	(8.1)	10.8
General and administrative expenses	(878)	(1.2)	(831)	(1.2)	5.7
Depreciation and amortization	(1,547)	(2.1)	(1,394)	(2.1)	11.0
Share of profit of associates	64	0.1	51	0.1	25.5
Other operating expenses (revenues), net	(21)	(0.0)	49	0.1	(142.9)
Operating profit	3,844	5.2	3,285	4.9	17.0
Financial revenues	324	0.4	281	0.4	15.3
Financial expenses	(3,233)	(4.4)	(3,012)	(4.5)	7.3
Net financial result	(2,909)	(3.9)	(2,731)	(4.1)	6.5
Income before income taxes	935	1.3	554	0.8	68.8
Income tax and social contribution	(166)	(0.2)	156	0.2	(206.4)
Net income for the year	769	1.0	710	1.1	8.3

Net operating revenue. Our net operating revenue consists mainly of gross revenue derived from our product sales reduced by taxes and products returns. Net operating revenue increased by 11%, or R\$7,316 million, to R\$73,819 million in 2024 from R\$66,503 million in 2023, mainly as a result of: (1) a 7.6% contribution from expansion during the period, due to the opening of 15 new stores in the last 12 months; and (2) a 3.4% increase in same store sales, boosted by the maturation of new stores. In addition, our attractive and successful business model with continuous advances in improving the shopping experience, revising the product mix and including services to meet the demand and the profile of the customers around each store, has resulted in increased store traffic.

Gross profit. Gross profit increased by 12.9%, or R\$1,400 million, to R\$12,221 million in 2024 from R\$10,821 million in 2023, mainly as a result of the maturation of stores opened in prior years and the expansion of in-store service offerings. Our gross margin increased by 0.3 percentage points, to 16.6% in 2024, from 16.3% in 2023, mainly as a result of: (1) the performance of new stores, which were opened within the last three years and are still in the maturation process, accounting for approximately 30% of the 302 units in operation; (2) our continuous innovation of the business model through the expansion of in-store services, as of December 31, 2024, we had 618 service units available, including 254 butcher shops, 191 deli counters and 173 bakeries, resulting in an enhanced shopping experience; and (3) our strategy to ensure an appropriate margin level amid intensified competition and the reduction in consumers' purchasing power, impacted by high interest rates and rising food inflation.

Selling expenses. Selling expenses increased by 10.8%, or R\$584 million, to R\$5,995 million in 2024, from R\$5,411 million in 2023, mainly as a result of the opening of 15 new stores in the last 12 months and expansion of the services offered in the store, leading to an improvement in the shopping experience. At the end of 2024, we had 618 service units available, including 254 butcher sections, 191 cold cuts sections, and 173 bakeries. As a percentage of the net operating revenue, selling expenses remained 8.1%, unchanged from 2023, primarily due to the maturation of new stores and cost-cutting efforts. We emphasize that the performance of the expense committee in 2024, through structured initiatives and rigorous cost monitoring, played an important role in the costs control.

General and administrative expenses. General and administrative expenses increased by 5.7%, or R\$47 million, to R\$878 million in 2024, from R\$831 million in 2023, mainly as a result of an increase in costs linked to inflation (especially personnel), which increased by 4.8% as measured by the IPCA. As a percentage of the net operating revenue, general and administrative expenses remained 1.2%, unchanged from 2023, primarily due to the maturation of new stores and cost-cutting efforts. We emphasize that the performance of the expense committee in 2024, through structured initiatives and rigorous cost monitoring, played an important role in the costs control.

Depreciation and amortization. Depreciation and amortization increased by 11.0%, or R\$153 million, to R\$1,547 million in 2024 from R\$1,394 million in 2023, mainly as a result of the process of opening of stores.

Other operating expenses (revenue), net. Other operating expenses (revenue), net, decreased by R\$70 million, to R\$21 million of expenses in 2024 from R\$49 million of revenue in 2023. In 2024, other operating expenses(revenue) consisted primarily of an impact of R\$12 million due to the write-off of the terminated rental agreement and property, plant and equipment.

Operating profit. Operating profit increased by 17.0%, or R\$559 million, to R\$3,844 million in 2024 from R\$3,285 million in 2023, mainly as a result of the maturation of new stores and the efficient and continuous control of expenses, even as the shopping experience was enhanced through the expansion of services and product assortments.

Net financial results. Net financial expenses increased by R\$178 million to R\$2,909 million in 2024 from R\$2,731 million in 2023, primarily as a result of: (1) an increased balance of total indebtedness (current and non-current borrowings plus current and non-current debentures and promissory notes), where such debt increased to R\$16,565 million as of December 31, 2024 from R\$15,184 million as of December 31, 2023; (2) an increase in interest rates, with an increase of the CDI in the period; and (3) a decreased effect of capitalized interest (R\$46 million in 2024, as compared to R\$257 million in 2023).

Income before income taxes. As a result of the foregoing, income before income taxes from continuing operations increased by 68.8%, or R\$381 million, to R\$935 million in 2024 from R\$554 million in 2023.

Income tax and social contribution. Our effective tax rate was 17.8% in 2024, compared to (28.2)% in 2023, resulting in a 206.4% increase in income tax and social contribution expenses, or R\$322 million, increasing from a R\$156 million benefit in 2023 to an expense of R\$166 million in 2024. The decrease in the effective tax rate was primarily due to the loss of access to tax incentives related to grants for investments, which were available in 2023 under Complementary Law No. 160/17 and Complementary Law No. 12,973. These incentives are excluded from the calculation of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) and totaled R\$939 million in 2023, compared to only R\$125 million in 2024.

Net income for the year. As a result of the foregoing, net income for the year increased by 8.3%, or R\$59 million, to R\$769 million in 2024, from R\$710 million in 2023.

Results of Operations for Years Ended December 31, 2023 and 2022

The following table sets forth the components of our income statement, as well as the percentage of revenue represented by each component and the change from the prior year, for the periods presented.

	For the year ended December 31,				
	2023		2022		% change
	(in millions of R\$)	% of net operating revenue	(in millions of R\$)	% of net operating revenue	
Net operating revenue	66,503	100.0	54,520	100.0	22.0
Cost of sales	(55,682)	(83.7)	(45,557)	(83.6)	22.2
Gross profit	10,821	16.3	8,963	16.4	20.7
Selling expenses	(5,411)	(8.1)	(4,379)	(8.0)	23.6
General and administrative expenses	(831)	(1.2)	(787)	(1.4)	5.6
Depreciation and amortization	(1,394)	(2.1)	(919)	(1.7)	51.7
Share of profit of associates	51	0.1	44	0.1	15.9
Other operating expenses, net	49	0.1	(72)	(0.1)	(168.1)
Operating profit	3,285	4.9	2,850	5.2	15.3
Financial revenues	281	0.4	394	0.7	(28.7)
Financial expenses	(3,012)	(4.5)	(1,909)	(3.5)	57.8
Net financial result	(2,731)	(4.1)	(1,515)	(2.8)	80.3
Income before income taxes	554	0.8	1,335	2.5	(58.5)
Income tax and social contribution	156	0.2	(115)	(0.2)	(235.7)
Net income for the year	710	1.1	1,220	2.2	(41.8)

Net operating revenue. Our net operating revenue consists mainly of gross revenue derived from our product sales reduced by taxes and products returns. Net operating revenue increased by 22.0%, or R\$11,983 million, to R\$66,503 million in 2023 from R\$54,520 million in 2022, mainly as a result of: (1) an increase in sales volume of 20.7% due to the opening of 27 new stores (including 17 hypermarket conversions) in the last 12 months, which accounted for a 12% growth in our sales area; (2) an increase in same store sales of 1.6%, boosted by the fast maturation of the converted stores; and (3) the maturation of stores opened in prior years. In addition, our attractive and successful business model with continuous advances in improving the shopping experience, revising the product mix and including services to meet the demand and the profile of the customers around each store, has resulted in increased store traffic.

Gross profit. Gross profit increased by 20.7%, or R\$1,858 million, to R\$10,821 million in 2023 from R\$8,963 million in 2022, mainly as a result of the fast maturation of stores opened in prior years. Our gross margin decreased by 0.1 percentage points, to 16.3% in 2023, from 16.4% in 2022, mainly explained by the lower expansion in the period, with 27 new stores in the last 12 months (compared to 60 new stores in the corresponding period in 2022).

Selling expenses. Selling expenses increased by 23.6%, or R\$1,032 million, to R\$5,411 million in 2023 from R\$4,379 million in 2022, mainly as a result of the opening of 27 new stores in the last 12 months. As a percentage of the net operating revenue, selling expenses increased by 0.1%, as compared to 2022, primarily due to the maturation of new stores and cost-cutting efforts.

General and administrative expenses. General and administrative expenses increased by 5.6%, or R\$44 million, to R\$831 million in 2023, from R\$787 million in 2022, mainly as a result of an increase in costs linked to inflation (especially personnel), which increased by 4.4% as measured by the IPCA. As a percentage of the net operating revenue, general and administrative expenses decreased by 0.2%, as compared to 2022, primarily due to the maturation of new stores and cost-cutting efforts.

Depreciation and amortization. Depreciation and amortization increased by 51.7%, or R\$475 million, to R\$1,394 million in 2023 from R\$919 million in 2022, mainly as a result of the accelerated process of opening of stores and the hypermarket conversions in 2021 and 2022.

Other operating expenses, net. Other operating revenue (expenses), net, increased by R\$121 million, to R\$49 million of revenue in 2023 from R\$72 million of expenses in 2022. In 2023, other operating revenue (expenses) consisted primarily of a positive (non-cash) accounting effect of R\$65 million due to the write-off of the terminated rental agreement. This effect was triggered by the exit of the former controlling shareholder (Casino Group), given the existence of a clause that establishes the possibility of early termination of rental agreements of 28 stores leased from the Peninsula fund that led to the negotiation of new rental agreements. Other operating revenue (expenses) also includes the sale of fixed assets. In 2022, our other operating revenue (expenses) included provisions related to (i) write-off of assets from closed stores due to the hypermarket conversions and (ii) the conclusion of certain asset sale.

Operating profit. Operating profit increased by 15.3%, or R\$435 million, to R\$3,285 million in 2023 from R\$2,850 million in 2022, mainly as a result of the R\$1,862 million increase in gross profit, which was partially offset by the increase of R\$1,035 million in selling expenses, as explained above.

Net financial results. Net financial results, expenses, increased by R\$1,216 million to R\$2,731 million in 2023 from R\$1,515 million in 2022, primarily as a result of: (1) an increase in interest rates, with an increase of the CDI in the period; (2) the lower effect of capitalized interest (R\$257 million in 2023, as compared to R\$694 million in 2022); and (3) an increased balance of total indebtedness (current and non-current borrowings plus current and non-current debentures and promissory notes), which debt increased to R\$15,183 million as of December 31, 2023 from R\$12,591 million as of December 31, 2022, primarily as a result of expansions in 2023, especially for the conversion of hypermarkets.

Income before income taxes. As a result of the foregoing, income before income taxes from continuing operations decreased by 58.5%, or R\$781 million, to R\$554 million in 2023 from R\$1,335 million in 2022.

Income tax and social contribution. Our effective tax rate was 28.2% in 2023 compared to 8.6% in 2022, resulting in a decrease of income tax and social contribution of 58.5%, or R\$271 million, to R\$156 million of benefit in 2023 from R\$115 million of expenses in 2022. The effective tax rate decreased primarily as a result of tax incentives related to grants for investments in 2023 which, under Complementary Law 160/17 and Law No. 12,973, are excluded from the calculation of our Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) and totaled R\$939 million in 2023.

Net income for the year. As a result of the foregoing, net income for the year decreased by 41.8%, or R\$510 million, to R\$710 million in 2023 from R\$1,220 million in 2022.

B. Liquidity and Capital Resources

Our principal cash requirements have historically consisted of the following:

- working capital requirements;
- servicing of our indebtedness;
- capital expenditures related to the expansion of our network of stores; and
- dividends on our shares, including in the form of interest attributable to shareholders' equity.

We have historically financed our capital expenditures and investments principally with cash generated from our operations and third-party funds, including bank financing and capital markets transactions, including the issuance of debentures and promissory notes.

We recorded cash and cash equivalents of R\$5,628 million as of December 31, 2024 and R\$5,459 million as of December 31, 2023. We had positive working capital (consisting of current assets minus current liabilities) of R\$136 million as of December 31, 2024 and a negative working capital of R\$1,810 million as of December 31, 2023. We maintain negative working capital as part of our merchandise management strategy. To the extent we maintain terms with our suppliers that are longer than our average inventory rotation period and average accounts receivable, we obtain a source of funding for our operations.

Management believes that our cash position and operating cash flows from the cash and carry segment will be enough to meet our short-term obligations as well to finance our capital expenditures aligned with our investment plan primarily related to the opening of new stores and store renovations. Additionally, as part of our cash management strategy, we can discount a portion of our credit card receivables with financial institutions in order to improve our cash position, without recourse or related obligation.

We anticipate that we will be required to spend approximately R\$57.7 billion to meet our long-term contractual obligations and commitments, including borrowings, debentures and promissory notes, derivative financial instruments, lease liabilities and trade payables. See “—Contractual Obligations” below for more information. We expect to meet these obligations primarily by refinancing our debt in the bank credit market and fixed income capital markets.

Cash Flows

The following table sets forth certain information about our cash flows for the periods presented.

	For the years ended December 31,		
	2024	2023	2022
		(in millions of R\$)	
Net cash generated by operating activities	4,932	5,963	5,144
Net cash used in investing activities	(1,670)	(3,055)	(3,790)
Net cash (used in) generated by financing activities	(3,093)	(3,291)	1,938
Net increase (decrease) in cash and cash equivalents	169	(383)	3,292
Cash and cash equivalents at the beginning of the year	5,459	5,842	2,550
Cash and cash equivalents at the end of the year	<u>5,628</u>	<u>5,459</u>	<u>5,842</u>

We have historically financed our capital expenditures and investments principally with cash generated from our operations and, to a lesser extent, third-party funds, including bank financing and capital markets transactions, including the issuance of debentures and promissory notes. For more information about our indebtedness, see “—B. Indebtedness.”

Year Ended December 31, 2024

Net cash generated by operating activities was R\$4,932 million for the year ended December 31, 2024 compared to net income of R\$769 million for the period, primarily due to: (1) our incurrence of interest and monetary variation charges of R\$3,117 million; (2) a net increase in accounts payable to suppliers of R\$635 million; and (3) our incurrence of non-cash depreciation and amortization charges of R\$1,640 million. The effects of these factors were partially offset primarily by: (1) an increase in the variation of trade receivables of R\$1,011 million due to our expansion; and (2) a net increase in the variation of inventory of R\$1,096 million in 2024, compared to R\$735 million in 2023, due to the increase of quantity in numbers of stores and a new distribution center.

Net cash used in investment activities was R\$1,670 million in 2024. In 2024, our primary use of cash for investment activities was related to: (1) the purchases of property, plant and equipment of R\$1,647 million related to our expansion of our network of stores, compared to R\$3,116 million in 2023; and (2) the purchases of intangible assets of R\$42 million related primarily to the acquisition of software. The effects of these factors were partially offset by the sale of assets held for sale of R\$16 million, including the sale of real estate assets to a real estate fund.

Net cash used in financing activities was R\$3,093 million in 2024. In 2024, we received R\$6,546 million of borrowings, principally consisting of our ninth, tenth, eleventh and twelfth issuances of debentures and bank loans. The effects of the new borrowings were partially offset by: (1) payments of R\$289 million with respect to our leasing liabilities; (2) payments of interest on leasing liabilities of R\$1,060 million; (3) payments of borrowings of R\$4,771 million; (4) payments of interest on borrowings of R\$2,583 million; and (5) payments related to the acquisition of hypermarket stores of R\$910 million.

Year Ended December 31, 2023

Net cash generated by operating activities was R\$5,963 million for the year ended December 31, 2023 compared to net income of R\$710 million for the period, primarily due to: (1) our incurrence of interest and monetary variation charges of R\$2,853 million; (2) a net increase in accounts payable to suppliers of R\$1,498 million; (3) our incurrence of non-cash depreciation and amortization charges of R\$1,476 million; and (4) a net decrease in inventory of R\$735.0 million in 2023 compared to R\$2,505 billion in 2022 due to the reduced number of stores opened in 2023 (27 stores) compared to 2022 (60 stores). The effects of these factors were partially offset primarily by: (1) an increase in recoverable taxes of R\$352.0 million in 2023 compared to R\$336.0 million in 2022, which reflects the monetization of ICMS, PIS, and COFINS; and (2) an increase in the variation of trade receivables of R\$640 million due to our expansion.

Net cash used in investment activities was R\$3,055 million in 2023. In 2023, our primary use of cash for investment activities was related to: (1) the purchases of property, plant and equipment of R\$3,116 million related to our expansion of our network of stores, compared to R\$3,524 million in 2022; and (2) the purchases of intangible assets of R\$169 million related primarily to the acquisition of commercial points from CDB in connection with the Extra Transaction and other commercial points. The effects of these factors were partially offset by the sale of assets held for sale of R\$211 million, including the sale of real estate assets to a real estate fund in connection with the Extra Transaction.

Net cash used in financing activities was R\$3,291 million in 2023. In 2023, we received R\$3,250 million of borrowings, principally consisting of our seventh and eighth issuances of debentures and bank loans. The effects of the new borrowings were partially offset by: (1) payments of R\$262 million with respect to our leasing liabilities; (2) payments of interest on leasing liabilities of R\$977 million; (3) payments of borrowings of R\$1,499 million; (4) payments of interest on borrowings of R\$1,085 million; (5) distribution of dividends and interest on shareholders' equity of R\$118 million; and (6) payments related to the acquisition of Extra stores of R\$2,609 million.

Year Ended December 31, 2022

Net cash generated by operating activities was R\$5,144 million for the year ended December 31, 2022 compared to net income of R\$1,220 million for the period, primarily due to: (1) our incurrence of non-cash interest and monetary variation charges of R\$1,827 million; (2) a net increase in accounts payable to suppliers of R\$3,175 million; (3) our incurrence of non-cash depreciation and amortization charges of R\$990 million; (4) a net increase in related party transactions payable of R\$196 million; and (5) an increase in non-cash provision for allowance for inventory losses and damages of R\$418 million. The effects of these factors were partially offset primarily by: (1) a net decrease in inventory of R\$2,505 million.

Net cash used in investment activities was R\$3,790 million in 2022. In 2022, our primary use of cash for investment activities was related to: (1) the purchases of property, plant and equipment of R\$3,524 million related to our expansion of our network of stores, compared to R\$2,231 million in 2021; (2) the purchases of intangible assets of R\$636 million related primarily to the acquisition of commercial points from CDB in connection with the Extra Transaction; and (3) the acquisition of assets held for sale in the amount of R\$250 million including the purchase of one property from CBD in connection with the Extra Transaction in the amount of R\$95 million, which we expect to sell to a real estate fund. The effects of these factors were partially offset by the sale of assets held for sale of R\$620 million, including the sale of real estate assets to a real estate fund in the amount of R\$505 million, in connection with the Extra Transaction.

Net cash generated by financing activities was R\$1,938 million in 2022. In 2022, we incurred R\$3,959 million in indebtedness under borrowings and financings, principally consisting of our fourth, fifth and sixth issuances of debentures, our first and second issuances of commercial paper notes and bank loans. The effects of the new borrowings were partially offset by: (1) payments of R\$126 million with respect to our leasing liabilities; (2) payments of interest on leasing liabilities of R\$772 million; (3) payments of borrowings of R\$183 million; (4) payments of interest on borrowings of R\$783 million; and (5) distribution of dividends and interest on shareholders' equity of R\$168 million.

Indebtedness

Our indebtedness was R\$16,175 million as of December 31, 2024, and R\$14,910 million as of December 31, 2023. Considering U.S. dollar-denominated debt that was converted to *real*-denominated debt using currency swaps, as of December 31, 2024, 100% of our indebtedness was denominated in *reais*, and as of December 31, 2023, 100% of our indebtedness was denominated in *reais*.

As of December 31, 2024, our *real*-denominated indebtedness bore interest at an average rate of CDI plus 1.35% per annum. As of December 31, 2024, 100% of our indebtedness bore interest at floating rates.

Short-Term Indebtedness

Our short-term debt was R\$1,991.0 million as of December 31, 2024 (or 12.3% of our total indebtedness) and R\$2,067.0 million as of December 31, 2023 (or 13.9% of our total indebtedness).

Long-Term Indebtedness

Our principal long-term borrowings and financings are:

- debentures issued in the Brazilian market;
- promissory notes issued in the Brazilian market;
- commercial notes issued in the Brazilian market; and
- a working capital facility incurred by Sendas.

Financial covenants

Our debentures, promissory notes, commercial notes and working capital facilities require that we maintain the following financial ratios on a quarterly basis:

- Net debt (defined as debt minus cash and cash equivalents and trade accounts receivable)/shareholders' equity ratio lower than or equal to 3.0; and
- Net debt/EBITDA ratio lower than or equal to 3.0.

Restrictive covenants

In addition, the instruments governing our debentures, promissory notes, commercial notes and other indebtedness contain restrictive covenants that limit our ability to sell assets, conduct certain corporate reorganizations (such as mergers and spin-offs) and distribute dividends in excess of the statutorily required minimum dividend should we not be able to fulfill our obligations under those instruments. Moreover, certain of our debt instruments contain cross-default and cross-acceleration provisions that provide for the acceleration of such debts as a result of a default or acceleration of indebtedness in amounts equal to or above certain amounts that vary between R\$50.0 million and R\$75.0 million.

The holders of debentures, including CRIs, promissory notes and commercial notes, in a meeting held between March 30, 2023 and April 11, 2023, approved the prior consent in case of an eventual change of control, provided that (1) we no longer have a controlling shareholder or (2) if we do have a new controlling shareholder: (i) our shares remain listed on the B3, (ii) the change of control does not imply a rating downgrade, (iii) the new controlling shareholder does not have a history of default; (iv) the new controlling shareholder has not violated anticorruption laws; (v) the new controlling shareholder complies with the laws related to the non-use of child labor, labor analogous to slavery, encouragement of prostitution and violation of the rights of forest dwellers, and adopts the best practices of protection to the environment, safety and health at work, including the compliance with the social and environmental legislation (vi) the new controlling shareholder is not engaged in practices contrary to anti-corruption laws; (vii) the new controlling shareholder is not a politically exposed entity or person; and (viii) as applicable, the new controlling shareholder is not a restricted counterparty or incorporated in a sanctioned territory or is not a subsidiary of a restricted counterparty.

Restrictions on the transfer of control

In March 2023, Casino Group divested our common shares, resulting in our status as a non-controlled corporation. Certain of our debt instruments included provisions for early maturity payment in the event of a transfer, sale, or acquisition of equity participation, should the Casino Group cease to be our controlling shareholder. These provisions applied irrespective of whether we secure a new controlling shareholder or experience dilution of our share capital.

Consequently, we were required to seek waivers from the holders of our debt instruments, which encompassed debentures, promissory notes, commercial papers, CRIs, and other bilateral loans, incurring an approximate cost of R\$93.0 million. Additionally, we obtained prior approval and executed contractual amendments with financial institutions such as The Bank of Nova Scotia, Banco do Brasil, Banco Safra, Banco BTG Pactual and Banco Itaú.

None of our significant long-term debt instruments are secured by pledges of our assets. For each of the years ended December 2024, 2023 and 2022, no default or event of default has resulted in the acceleration of our debt.

The table below sets forth our principal long-term indebtedness as of December 31, 2024 and 2023.

	As of December 31,		Maturity	Interest Rate
	2024	2023		
<i>(in millions of R\$)</i>				
Second issuance of debentures:				
1 st series	—	954	May 2026	CDI + 1.70%
2 nd series	669	670	May 2028	CDI + 1.95%
Third issuance of debentures:				
1 st series – CRI ⁽¹⁾	1,178	1,122	October 2028	IPCA + 5.15%
2 nd series – CRI ⁽¹⁾	620	591	October 2031	IPCA + 5.27%
Fourth issuance of debentures				
Single series	2,024	2,024	November 2027	CDI + 1.75%
Fifth issuance of debentures:				
Single series – CRI ⁽¹⁾	258	258	March 2025	CDI + 0.75%
Sixth issuance of debentures:				
1 st series – CRI ⁽¹⁾	75	76	September 2026	CDI + 0.60%
2 nd series – CRI ⁽¹⁾	58	58	September 2027	CDI + 0.70%
3 rd series – CRI ⁽¹⁾	534	508	September 2029	IPCA + 6.70%
Seventh issuance of debentures:				
1 st series – CRI ⁽¹⁾	154	154	July 2026	CDI + 1.00%
2 nd series – CRI ⁽¹⁾	925	921	July 2027	11.75%
3 rd series – CRI ⁽¹⁾	50	50	July 2028	CDI + 1.15%
Eighth issuance of debentures:				
1 st series	401	401	December 2027	CDI + 1.85%
2 nd series	401	401	December 2028	CDI + 1.95%
Ninth issuance of debentures				
Single series	516	—	March 2029	CDI + 1.25%
Tenth issuance of debentures				
Single series	1,805	—	June 2029	CDI + 1.25%
Eleventh issuance of debentures				
Single series	2,882	—	June 2029	CDI + 1.25%
Twelfth issuance of debentures				
Single series	804	—	December 2029	CDI + 1.25%
First issuance of promissory notes:				
5 th series	—	289	July 2024	CDI + 0.72%
6 th series	322	289	July 2025	CDI + 0.72%
Second issuance of promissory notes:				
1 st series	—	1,681	August 2024	CDI + 1.47%
2 nd series	—	1,683	August 2025	CDI + 1.53%
First issuance of commercial paper notes				
Single series	786	790	February 2025	CDI + 1.70%
Second issuance of commercial paper notes				
Single series	513	458	December 2025	CDI + 0.93%
Sendas working capital facilities	1,680	1,989		CDI + 1.48%

(1) These debentures were used as collateral for the issuance of Real Estate Receivables Certificates (*Certificados de Recebíveis Imobiliários*), or CRIs.

The following discussion briefly describes certain of our significant outstanding indebtedness as of December 31, 2024.

Debentures

Second Issuance

In June 2021, we concluded our second issuance of non-convertible, unsecured debentures in two series, in an aggregate amount of R\$1.6 billion, with restricted placement efforts in Brazil in accordance with Brazilian law. The proceeds of this issuance of debentures were used for general corporate purposes, including to reinforce our cash position. The first series was prepaid in October 2024. The principal amount for the second series is R\$660 million and accrues interest at a rate of CDI + 1.95% per annum, payable semi-annually through maturity in May 2028. The principal amount for the second series will be payable in two equal installments, one in 2027 and one at maturity.

Third Issuance

In October 2021, we concluded our third issuance of non-convertible, unsecured debentures in two series, in an aggregate amount of R\$1.5 billion. These debentures are a private placement between Sendas and True Securitizadora S.A, in accordance with Brazilian law, and were used as collateral for the issuance of Real Estate Receivables Certificates (*Certificados de Recebíveis Imobiliários*), or CRIs. The proceeds raised through the CRIs were used to reimburse real estate expenses and future investment in expansion, maintenance and construction of real estate projects owned by Sendas. The principal amount is R\$983 million for the first series and R\$517 million for the second series. The debentures of the first series accrue interest at a rate of IPCA + 5.1531% per annum, payable semi-annually through maturity in October 2028. The debentures of the second series accrue interest at a rate of IPCA + 5.2662% per annum, payable semi-annually through maturity in October 2031. The principal amount of the debentures of the second series will be payable in three equal installments, in October 2029, October 2030 and October 2031. Both series are swapped to CDI, with an average rate of CDI + 0.86% per annum.

Fourth Issuance

On January 7, 2022, we concluded our fourth issuance of non-convertible, unsecured debentures in a single series, in the amount of R\$2.0 billion, with restricted placement efforts in Brazil in accordance with Brazilian law. The proceeds of this issuance of debentures will be used for general corporate purposes, including to reinforce our cash position. These debentures accrue interest at a rate of CDI + 1.75% per annum, payable semi-annually through maturity in January 2028. The principal amount of the debentures will be paid in two equal installments, one in January 2027 and one at maturity.

Fifth Issuance

On March 5, 2022, our board of directors approved the fifth issuance of non-convertible, unsecured debentures in a single series, in the amount of R\$250 million, with restricted placement efforts in Brazil, entered into between the Sendas and True Securitizadora S.A., in accordance with Brazilian law. The net proceeds of this issuance of debentures were used entirely and exclusively by us to reimburse expenses and expenditures related to the expansion and/or maintenance of certain properties described in the relevant indenture. These debentures accrue interest at a rate of CDI + 0.75% per annum, payable semi-annually through maturity on March 28, 2025.

Sixth Issuance

On August 22, 2022, our board of directors approved the sixth issuance of non-convertible, unsecured debentures in three series, in an aggregate amount of R\$600 million, with restricted placement efforts in Brazil, entered into between Sendas and True Securitizadora S.A., in accordance with Brazilian law. The net proceeds of this issuance of debentures were used entirely and exclusively by us to reimburse expenses and expenditures related to the expansion and/or maintenance of certain properties described in the relevant indenture. The principal amount is R\$73.0 million for the first series, R\$55.2 million for the second series and R\$471.8 million for the third series. The first series debentures accrues interest at a rate of CDI + 0.60% per annum, payable semi-annually through maturity in September 2026. The second series debentures accrues interest at a rate of CDI + 0.70% per annum, payable semi-annually through maturity in September 2027. The third series debentures accrue interest at a rate of IPCA + 6.70% per annum, payable semi-annually through maturity in September 2029. The third series is swapped to CDI at an average rate of CDI + 1.19% per annum. The principal amount of the third series debentures will be paid in two installments, being 50% in September 2028 and 50% in September 2029.

Seventh Issuance

On June 26, 2023, our board of directors approved the seventh issuance of non-convertible, unsecured debentures in three series, in an aggregate amount of R\$1,000 million, with restricted placement efforts in Brazil, entered into between Sendas and True Securitizadora S.A., in accordance with Brazilian law. The net proceeds of this issuance of debentures were used entirely and exclusively by us to reimburse expenses and expenditures related to the expansion and/or maintenance of certain properties described in the relevant indenture. The principal amount is R\$145.7 million for the first series, R\$878.5 million for the second series and R\$46.6 million for the third series. The first series debentures accrues interest at a rate of CDI + 1.00% per annum, payable semi-annually through maturity in July 2026. The second series debentures accrues interest at a rate of 11.75% per annum, payable semi-annually through maturity in July 2027. The third series debentures accrue interest at a rate of CDI + 1.15% per annum, payable semi-annually through maturity in July 2028. The second series is swapped to CDI at an average rate of CDI + 1.31% per annum.

Eighth Issuance

On December 4, 2023, our board of directors approved the seventh issuance of non-convertible, unsecured debentures in three series, in an aggregate amount of R\$800.0 million, with restricted placement efforts in Brazil, in accordance with Brazilian law. The net proceeds of this issuance of debentures will be used for general corporate purposes, including to reinforce our cash position. The principal amount is R\$400.0 million for the first series and R\$400.0 million for the second series. The first series debentures accrues interest at a rate of CDI + 1.85% per annum, payable semi-annually through maturity in December 2027. The second series debentures accrues interest at a rate of CDI + 1.95% per annum, payable semi-annually through maturity in December 2028.

Ninth Issuance

On March 28, 2024, we concluded our ninth issuance of non-convertible, unsecured debentures in a single series, in the amount of R\$500.0 million, for distribution in Brazil to professional investors in accordance with Brazilian law. The proceeds of this issuance of debentures will be used for general corporate purposes, including to reinforce our cash position. These debentures accrue interest at a rate of CDI + 1.25% per annum, payable semi-annually through maturity in March 2029. The principal amount of the debentures will be paid in two equal installments, one in March 2028 and one at maturity.

Tenth Issuance

On May 29, 2024, our board of directors approved the tenth issuance of non-convertible, unsecured debentures in a single series, in the amount of R\$1,800 million, for public distribution in Brazil, in accordance with Brazilian law. The net proceeds of this issuance of debentures will be used for general corporate purposes, including to reinforce our cash position and manage our liabilities. The single series debentures accrues interest at a rate of CDI + 1.25% per annum, payable semi-annually through maturity in May 2029.

Eleventh Issuance

On September 10, 2024, our board of directors approved the eleventh issuance of non-convertible, unsecured debentures in a single series, in the amount of R\$2,800 million, for public distribution in Brazil, in accordance with Brazilian law. The net proceeds of this issuance of debentures were used for liability management, including the prepayment of the total amount of the first series of promissory notes from our second issuance, as well as the total amount of the first series of our second debenture issuance, which were integrally paid on October 10 and 11, 2024, respectively, in the total amount of R\$2,843 million. The single series debentures accrues interest at a rate of CDI + 1.25% per annum, payable semi-annually through maturity in September 2029.

Twelfth Issuance

On December 5, 2024, our board of directors approved the twelfth issuance of non-convertible, unsecured debentures in a single series, in the amount of R\$800 million, for public distribution in Brazil, in accordance with Brazilian law. The net proceeds of this issuance of debentures will be used by the company for general purposes, including cash reinforcement, but not limited to, liability management. The single series debentures accrues interest at a rate of CDI + 1.25% per annum, payable semi-annually through maturity in December 2029.

Promissory Notes

First Issuance

In June 2019, our officers approved the first issuance of commercial promissory notes in six series for public distribution with restricted efforts in Brazil. We are required to pay a waiver fee to the promissory note holders in connection with amendments to the promissory notes, in the amount of 0.73% per annum of the outstanding amount under the promissory notes, payable semi-annually.

The first five series of these promissory notes have been repaid. The sixth series, in the principal amount of R\$200 million, accrues interest at the rate of CDI + 0.72% and is payable at maturity in July 2025.

Second Issuance

In August 2021, we concluded our second issuance of commercial promissory notes in two series for public distribution with restricted efforts in Brazil, in the aggregate amount of R\$2.5 billion. The proceeds of this issuance of promissory notes were used to prepay the 4th series of the first issuance of debentures, in the amount of R\$2.0 billion, with the remainder to reinforce our cash position. The first series was paid at maturity in August 2024, and the second series was prepaid in October 2024.

Commercial Notes

First Issuance

On February 10, 2022, we completed our first issuance of unsecured commercial notes in a single series, in the total amount of R\$750 million, with restricted placement efforts in Brazil in accordance with Brazilian law. The proceeds of this issuance of commercial notes were used for general corporate purposes, including to strengthen our cash position in connection with our activities with producers of agricultural products or inputs. These commercial notes accrue interest at a rate of CDI + 1.70% per annum, payable semi-annually through maturity in February 2025. The principal amount will be paid in one installment at maturity.

Second Issuance

On December 26, 2022, we completed our second issuance of unsecured commercial notes in a single series, in the total amount of R\$400 million, with restricted placement efforts in Brazil in accordance with Brazilian law. The proceeds of this issuance of commercial notes were used for general corporate purposes, including to strengthen our cash position. These commercial notes accrue interest at a rate of CDI + 0.93% per annum, payable semi-annually through maturity in December 2025. The principal amount will be paid in one installment at maturity.

Sendas Working Capital Facilities

We have borrowed funds for working capital pursuant to credit facilities with several financial institutions. Loans under these facilities accrue interest at an average rate of CDI + 1.48% and contain the same financial and restrictive covenants as the debentures and promissory notes described above. As of December 31, 2024, the aggregate principal amount outstanding under these working capital facilities was R\$1,680 million. As of the date of this annual report, we do not have any unused credit lines available.

Recent Developments

Working Capital Facility

On January 13, 2025, we raised US\$100.0 million, equivalent to R\$608 million, with a maturity date of 3 years, with semiannual interest payments and principal payment at the end of the transaction. On the same date, we entered into a swap contract to hedge against exchange rate fluctuations, with a cost of CDI + 1.22% per year. The funds were allocated to reinforce our working capital.

Contractual Obligations

The following tables summarize our significant contractual obligations and commitments as of December 31, 2024.

Contractual obligations	As of December 31, 2024			Total
	Payments Due by Period			
	Less than 1 year	1 to 5 years	More than 5 years	
	<i>(in millions of R\$)</i>			
Borrowings	181	1,946	—	2,127
Debentures and promissory notes	3,659	12,986	4,439	21,584
Derivative financial instruments	215	(586)	(293)	(664)
Lease liabilities	1,522	5,558	15,746	22,826
Trade payables	10,710	12	—	10,722
Trade payables - Agreements	938	—	—	938
Other accounts payable	141	28	—	169
Total	17,366	19,944	20,392	57,702

The table above was prepared considering the undiscounted cash flows of financial liabilities based on the earliest date we may be required to make a payment or be eligible to receive a payment. To the extent that interest rates are floating, the non-discounted amount is obtained based on interest rate curves for the period ended December 31, 2024. Therefore, certain balances are not consistent with the balances reported in the balance sheet.

Off-Balance Sheet Arrangements

We do not maintain any off-balance sheet transactions, arrangements, obligations or other relationships with unconsolidated entities or others that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

C. Research and Development, Patents and Licenses, Etc.

We do not have any significant research and development activities.

D. Trend Information

The following discussion is based largely upon our current expectations about future events, and trends affecting our business. Actual results for our industry and performance could differ substantially. For further information related to our forward-looking statements, see “Cautionary Statement with Respect to Forward-Looking Statements” and for a description of certain factors that could affect our industry in the future and our own future performance, see “Item 3. Key Information—D. Risk Factors.”

The following list sets forth, in our view, the most important trends, uncertainties and events that are reasonably likely to continue to have a material effect on our revenues, income from operations, profitability, liquidity and capital resources, or that may cause reported financial information to be not necessarily indicative of future operating results or financial condition:

- macroeconomic conditions in Brazil, including inflation rates, interest rates, Brazilian GDP growth, employment rates, wage levels, consumer confidence and credit availability; and
- our expansion plan.

For more information, see “A. Operating Results—Principal Factors Affecting Our Results of Operations” above. See also “Item 4. Information on the Company—B. Business Overview” for trend information.

E. Critical Accounting Estimates

See “—A. Operating Results—Financial Presentation and Accounting Policies—Critical Accounting Policies and Estimates.”

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

Pursuant to our bylaws and the Brazilian Corporate Law, we are managed by a board of directors (*conselho de administração*) and a board of executive officers (*diretoria*). Our bylaws also provide for the establishment of an audit committee (*comitê de auditoria*) to advise our board of directors. Our board of directors may at any time create additional advisory committees to assist in the performance of its duties. As of the date of this annual report, our board of directors has approved the creation the following additional committees: people, culture and compensation committee; finance and investments committee; and corporate governance, sustainability and nominating committee.

Board of Directors

Our board of directors is the decision-making body responsible for determining the guidelines and general policies of our business, including our overall long-term strategy as well as controlling and overseeing our performance. Our board of directors is also responsible for, among other matters, supervising the activities of our executive officers.

Pursuant to our bylaws, our board of directors must be composed of three to nine members. The members of our board of directors are elected at a general shareholders’ meeting and serve two-year terms. They may be reelected, and they are subject to removal at any time by our shareholders. The board of directors shall have a Chairman and one Vice-Chairman, all appointed by the annual shareholders’ meeting. According to the *Novo Mercado* regulations, at least two or 20.0%, whichever is greater, of the members of the board of directors must be independent directors. Furthermore, the *Novo Mercado* regulations do not permit the same individual to simultaneously hold the positions of chairman of the board of directors and chief executive officer (or comparable position). See “Item 9. The Offer and Listing—C. Markets—Corporate Governance Practices.”

For more information about our board of directors, see “Item 10. Additional Information—B. Bylaws—Board of Directors.”

The following table sets forth the name, title, date of last election and date of birth for each current member of our board of directors:

Name	Title	Date of Last Election	Date of Birth
Oscar de Paula Bernardes Neto ⁽¹⁾	Chairman	April 27, 2023	August 5, 1946
José Roberto Meister Müssnich ⁽¹⁾⁽²⁾	Vice-Chairman	September 2, 2024	July 24, 1953
Belmiro de Figueiredo Gomes	Director	April 27, 2023	November 8, 1971
Enéas Cesar Pestana Neto ⁽¹⁾	Director	September 1, 2023	February 27, 1963
Andiara Pedroso Petterle ⁽¹⁾	Director	April 27, 2023	December 1, 1978
Júlio Cesar de Queiroz ⁽¹⁾	Director	April 27, 2023	May 5, 1963
Leila Abraham Loria ⁽¹⁾	Director	April 27, 2023	January 26, 1954
Leonardo Porciúncula Gomes Pereira ⁽¹⁾	Director	April 27, 2023	April 25, 1958

(1) Independent director (as defined under the *Novo Mercado* regulations).

(2) At a meeting of our board of directors held on March 18, 2025, José Roberto Meister Müssnich was appointed as the Vice-Chairman to our board of directors, replacing Mr. José Guimarães Monforte, who submitted his resignation on March 12, 2025.

The term of office of all of our directors will expire at the annual shareholder's meeting to be held in 2025. None of our directors and officers is party to an employment agreement providing for benefits upon termination of employment, except for those benefits provided by Brazilian labor law.

The following is a summary of the business experience of our directors:

Oscar de Paula Bernardes Neto. Mr. Bernardes Neto graduated in Chemical Engineering from the Federal University of Rio de Janeiro. He currently acts as a member of the Governance and Sustainability Committee at Localiza. Over the past years, he has held significant roles in various organizations: From 1996 to 1999, he was the CEO/COO of Bunge Internacional. Between 1999 and 2013, he was a member of the Advisory Board of Bunge Brasil, a food company. From 1999 to 2009, he served on the Board of Directors of Delphi Estados Unidos. From 2003 to 2015, he participated in the Advisory Board of Alcoa Brasil, a company in the aluminum sector. From 2005 to 2015, he was a member of the Board and the Audit Committee of Cia Suzano Papel e Celulose, active in the pulp and paper industry. Between 2010 and 2018, he contributed as a member of the Board and the Committees on Compensation and People Development and Finance at Praxair Inc. (United States), a company specializing in industrial gases. From 2001 to 2019, he served as Senior Consultant to the CEO of Johnson Electric Holdings Limited (Hong Kong), a company dedicated to electric motors, having been a member of the Board of Directors until 2011. Since 2011, he has served as a member of the Board of Directors of OMNI Táxi Aéreo, in the aviation sector. Between 2007 and 2018, he was a member of the Audit and Strategy Committees at Localiza. Since 2011, he has held the position of Vice-Chairman of the Board and Coordinator of the Human Resources Committee at DASA. From 2012 until February 2019, he served as Vice-Chairman of the Board of Directors and a member of the Strategy Committees at Marcopolo S.A., a company in the transportation sector. Since 2015, he has been a member of the Board of Directors of VPAR Participações (Votorantim Group). From 2003 to 2015, he was part of the Board and the Committees on Management and People and Corporate Governance at Gerdau S.A. From 2003 to 2016, he was a member of the Board of Directors of Metalúrgica Gerdau S.A. From 2012 to 2015, he participated in the Strategy Committee of Vanguarda S.A. From 2009 to 2017, he was a member of the Advisory Board of Amyris United States. Currently, he is a member of the Board of Directors, the People Committee, and the Audit Committee at Mosaic. Since 2019, he has been a member of the Board of Jalles Machado, assuming the position of Chairman of the Board of Directors in 2021.

José Roberto Meister Müssnich. Mr. Müssnich served as the CEO of Atacadão S.A. for 14 years, leading the company's sale to the Carrefour Group in 2007 and overseeing the management and expansion of the Atacadão brand in Brazil and abroad. Mr. Müssnich holds a Master's degree (MSc) in Business Management from PUCRS, a Postgraduate degree in Business Administration from MAN/PUCRS, a Specialization in Marketing (PPGA/UFRGS), a Postgraduate degree in Business Administration from PPGA/UFRGS, a degree in Business Administration from UFRGS, and a degree in Public Administration from UFRGS. Mr. Müssnich is a member of the Board of Directors of Groupe LabelVie SA, a company listed on the Moroccan stock exchange with operations in Morocco, Ivory Coast, and France. Throughout his career, he has held various management positions and provided consultancy services to several Brazilian and international groups and companies, including serving as a member of the Board of Directors of Dotz S.A. from 2021 to 2024. Additionally, he has had an academic career as a professor at PUC/RS, ULBRA, UCS, UCUDAL/Uruguay, among other universities, for over 20 years, and has received more than 40 academic honors in the areas of Marketing and Business Strategy. He was awarded the LIDE 2016 Award, recognized as one of the eight Brazilian executives contributing to the nation's development, promoted by the Business Leaders Group – LIDE.

Belmiro de Figueiredo Gomes. Mr. Gomes has been a member of our board of directors since October 2022 and our chief executive officer since February 2011. Previously, he served as our commercial director. Mr. Gomes was also an executive officer of CBD and head of its cash and carry business from 2012 to December 2020. He joined CBD in 2010. He has also served as a commercial executive officer and worked in several areas of *Atacadão* for 22 years. In 2007, Mr. Gomes coordinated the purchase of *Atacadão* by Carrefour. Since January 2016, Mr. Gomes has served as vice-president of the Brazilian Cash and Carry Association (*ABAAS – Associação Brasileira dos Atacadistas de Autosserviço*). He studied accounting at *Instituto de Educação Estadual de Maringá*.

Enéas Cesar Pestana Neto. Mr. Pestana is a professional with extensive experience in the retail food sector in Brazil. He recently served as the Chairman of the Board of Directors of Lopes Supermercados and held the position of CEO at Dia Supermercados, JBS América do Sul, and CBD. At CBD, his roles included CEO, CFO and Senior Executive Vice President of Operations. Furthermore, Mr. Pestana is a Founding Partner of a consultancy specializing in business management, focusing on companies in the Retail and Consumer Goods Industry sectors. He graduated in Accounting from the Pontifical Catholic University of the State of São Paulo and holds specializations in the areas of Controllershship, Finance, Leadership, and Management from both national and international institutions.

Andiara Pedroso Petterle. Mrs. Petterle holds bachelor's and master's degrees in social communication from the Pontifical Catholic University of Rio de Janeiro and is currently a Ph.D. candidate in Business Administration at Business School Lausanne. Since 2021, Mrs. Petterle has served as the Vice-Chair of the Board of Directors and leader of the Strategy Committee at Cia Melhoramentos de São Paulo. Since 2022, she has been a member of the Board of Directors, the Digital Transformation Committee, and the People Committee of Banco SICREDI and SicrediPar. Additionally, since 2022, she has been a member of the Board of Directors, the People Committee, and the GTM Strategy Committee at KNEWIN. Mrs. Andiara has been a Digital Transformation professor at IBGC since 2021 and has been the CEO of Kyrie Capital LLC since 2021. Her previous roles include serving as a member of the Board of Directors at Cia Melhoramentos de São Paulo from 2019 to 2021, a Counselor at ANJ from 2016 to 2021, and an Advisory Counselor at Cia de Talentos from 2013 to 2017. She also served as a Board member from 2012 to 2016 and as the CEO from 2014 to 2016 at Predicta.

Júlio Cesar de Queiroz. Mr. de Queiroz holds a degree in Engineering from Mauá School of Engineering and a degree in Administration from Mackenzie Presbyterian University. Additionally, he has a postgraduate degree in Education from the Singularidades Institute, and he has completed dozens of development courses at institutions such as Singularity and Hebrew University of Jerusalem, among others. He has held various roles at Unilever Brasil, covering areas such as Supply Chain, Trade Marketing, Regional Sales Leadership, Corporate Affairs, and served as Vice President of Sales for Brazil and Latin America from 2000 to 2021. He was also a member of the Board of the Women in Retail Institute until 2021. Currently, Mr. de Queiroz is a member of the Board of the Ser + Institute, an Emeritus Council Member of Conscious Capitalism Brazil, Founder of the Young Movement Institute of Brazil, and CEO of Compra Agora América Latina.

Leila Abraham Loria. Mrs. Loria holds a degree in Business Administration from Fundação Getúlio Vargas - FGV, with a Master's in Business Administration from COPPEAD-UFRJ (1978). She has a Post-MBA in Corporate Governance and Capital Markets for Executives from B.I. International (2015), a course for Board Members by IBGC (2015), Risk University KPMG (2018 and 2015/2016), and Sustainable Capitalism ESG Berkeley (2021). Currently, Mrs. Loria is a member of the Board of Directors and the Minority Committee of Companhia Paranaense de Energia - COPEL (since 2017), a member of the Advisory Board and the People and Remuneration Committee of Casas Pernambucanas (since 2018), a member of the Board of Directors, the Socio-Environmental Responsibility Committee, and the Diversity Committee of JBS (since 2021), alternate member of the President of the Advisory Board of ANACONDA (since 2021), member of the Ethics Council of ABRACOM (since 2021), and Co-Chair of Women Corporate Directors - WCD (since 2017). Previously, she was a member and President of the Board of Directors of the Brazilian Institute of Corporate Governance - IBGC (2018-2022), a member of the Board of Directors (2017), the Compliance and Governance Committee (2018-2019), the Investigation Committee (2018-2019), and the People Committee (2017-2021) of Madeira Energia - MESA and Santo Antônio Energia - SAE (2017-2021). She also served as a member of the Audit Committee of COPEL (2017-2021), a member of the Advisory Board of Costão do Santinho Resort (2016-2021), a member of the Advisory Board of INPLAC Indústria de Plástico (2016-2021), and a member of the Advisory Board of COPPEAD (2005-2018). Additionally, Mrs. Loria had experience as Executive Director of Telefonica Brasil and a member of the Board of Directors of Fundação Telefônica Vivo (2010-2015), President and General Director of TVA (Grupo Abril) and a Member of the Board of Tevecap (1997-2006), General Director and Member of the Board of Direct TV (1997-1999), Commercial Director of Walmart (1994-1997), and Director of Marketing, Sales, Business, Purchasing, and Human Resources of Mesbla (1978-1994).

Leonardo Porciúncula Gomes Pereira. Mr. Gomes Pereira graduated in Production Engineering from the Federal University of Rio de Janeiro in 1981 and in Economics from the Universidade Cândido Mendes in 1986. He participated in the Cross-Cultural Management Program - AOTS in 1986, the Strategic Finance Program - IMD in 1997, the Executive Development Program - Wharton Business School in 1998, the Senior Executive Program at Columbia University in 2005, and the Executive Programs at Singularity University in the USA and M&A at the London Business School in 2018. He holds the CFA ESG Investing Certificate and completed an MBA at the University of Warwick, England, in 1992. He worked for 13 years (from 1982 to 1995) in various positions at Citibank in Brazil, Asia, and the United States. Additionally, he served as Director of Planning and Investor Relations at Globopar from 1995 to 2000 and as Chief Financial Officer and Investor Relations Officer at Net Serviços from 2000 to 2007. In 2007, he became the President of Companhia Vale da Araguaia, a position he held until 2009 when he became Executive Vice President of Gol Linhas Aéreas and Managing Director of Smiles. Mr. Gomes Pereira also held the position of President of the Brazilian Securities and Exchange Commission (CVM) between 2012 and 2017. He has also served as a board member in both public and private companies, including coordinating the Independent Repair Committee of Vale formed after the Brumadinho tragedy, being a board member and member of the Audit and Risk Committees at CCR and Smiles, both listed on the Novo Mercado, a board member and member of the People Committee at FGC, Chairman of the Board of Directors of CBDN, and a member of the Advisory Board of the Mediare Institute. Since 2021, he has been serving as the Chairman of the Board of Directors of 2W Energia. Since 2022, he is a founding partner leading the governance and stewardship activities at Neuler Capital.

Executive Officers

Our executive officers are our legal representatives and are mainly responsible for our day-to-day management and for implementing the policies and general guidelines established by our board of directors.

According to our bylaws, our board of executive officers must be composed of three to eight officers, each of whom must be a resident of Brazil, as required by law, but need not own any of our shares. Our executive officers are elected at a meeting of our board of directors for two-year terms, re-election being permitted. Our board of directors may elect to remove officers at any time. Furthermore, the *Novo Mercado* listing rules do not permit the same individual to simultaneously hold the positions of chairman of the board of directors and chief executive officer (or comparable position). See “Item 9. The Offer and Listing—C. Markets—Corporate Governance Practices.”

For more information about our executive officers, see “Item 10. Additional Information—B. Bylaws—Executive Officers.”

The following table sets forth the name, title, date of first appointment and date of birth for each of our current executive officers:

Name	Title	Date of First Appointment	Date of Birth
Belmiro de Figueiredo Gomes	Chief Executive Officer	October 5, 2020	November 8, 1971
Vitor Fagá de Almeida	Vice-President of Finance and Investor Relations	March 13, 2024	April 23, 1975
Wlamir dos Anjos	Commercial and Logistics Vice-President	October 5, 2020	July 8, 1970
Anderson Barres Castilho	Vice-President of Operations	October 5, 2020	April 21, 1976

The term of office of all of our executive officers will expire at the first meeting of our board of directors following the annual shareholder's meeting to be held in 2026. None of our executive officers is party to an employment agreement providing for benefits upon termination of employment, except for those benefits provided by Brazilian labor law and our Executive Partner Program, a one-off grant of share rights for our CEO and Vice-Presidents of core areas. For more information, see “Item 6. Directors, Senior Management and Employees—B. Compensation—2024 Changes to Management Compensation Structure.”

The following is a summary of the business experience of our executive officers.

Belmiro de Figueiredo Gomes. Mr. Gomes has been our chief executive officer since February 2011. Please see “—Board of Directors” for his biography.

Vitor Fagá de Almeida. Mr. Almeida has been our vice-president of finance and investor relations since March 2024. He is a professional with a distinguished leadership trajectory, with extensive experience in financial management, having served as chief executive officer and chief financial officer at prominent companies such as Sam’s Club Brasil, Grupo BIG, CBD, and Via Varejo/Casas Bahia. He has also worked as a strategy consultant at The Boston Consulting Group. Vitor is an Economist graduated from Unicamp and holds a Sloan Master’s in Strategy and Leadership from London Business School.

Wlamir dos Anjos. Mr. dos Anjos has been our commercial and logistics vice-president since May 2011. He has more than 33 years of experience in the wholesale sector, having served as regional director of *Atacadão* from December 1988 to May 2011. Mr. dos Anjos studied marketing management at *UNIP – Universidade Paulista* and human resources management at FGV.

Anderson Barres Castilho. Mr. Castilho has been our vice-president of operations since November 2012. He has more than 29 years of experience in the cash and carry sector, having served as store manager, regional manager and commercial manager for the states of Rio de Janeiro, Espírito Santo, Mato Grosso e Rondônia. Mr. Castilho worked at *Atacadão* from January 1992 to March 2012. Mr. Castilho studied business management at *UNIP – Universidade Paulista*.

Management Changes

On March 13, 2024, our board of directors announced the resignation of Mrs. Daniela Sabbag as our chief financial officer and appointment of Mr. Vitor Fagá de Almeida as our vice-president of finance and investor relations with a term of office until the first meeting of our board of directors following the annual shareholder's meeting to be held in 2026. In addition, Mrs. Gabrielle Helú remains in the position of Investor Relations Officer, which ceases to be a statutory position.

On April 26, 2024, the shareholders at the annual general meeting ratified the election of Mr. Enéas Cesar Pestana Neto as an independent member of the board of directors.

On May 8, 2024, our board of directors voted to re-elect Belmiro de Figueiredo Gomes, as Chief Executive Officer; Wlamir dos Anjos, as Commercial Vice-President Director; and Anderson Barres Castilho, as Vice-President of Operations, and ratify the election of Vitor Fagá de Almeida as Vice-President of Finance and Investor Relations. Our board of directors also voted to consolidate the terms of all our executive officers for a unified term of office of 2 years, to end at the first meeting of the board of directors that occurs after the ordinary general meeting that approves the accounts for the year 2025.

On May 10, 2024, Mr. Luiz Nelson Guedes de Carvalho submitted his resignation, from the positions of independent member of the Board of Directors and Coordinator of the Audit Committee. At a meeting of our board of directors held on September 2, 2024, José Roberto Meister Müssnich was elected to our board of directors, replacing Mr. Luiz Nelson Guedes de Carvalho, with a term of office unified with the other members of the board of directors, ending at the annual general meeting that approves the accounts for the fiscal year ending on December 31, 2024.

On May 16, 2024, our board of directors voted to elect Mr. Leonardo Porciúncula Gomes Pereira as a member of our audit committee with a unified term of office with the other members of the audit committee, replacing Mr. Luiz Nelson Guedes de Carvalho. In addition, our board of directors appointed Mr. Heraldo Gilberto de Oliveira as the coordinator of our audit committee.

On June 25, 2024 our board of directors were informed of the resignation of Mr. Júlio Cesar de Queiroz Campos as a member of our finance and investment committee. Additionally, our board of directors elected Mr. Júlio Cesar de Queiroz Campos as a member of our corporate governance, sustainability and nominating committee, with a term of office unified with that of the other members, ending at the annual ordinary general meeting that approves the financial statements for the fiscal year ending on December 31, 2024.

On September 2, 2024, our board of directors were informed of the resignation of Mr. Enéas Cesar Pestana Neto as a member of our people, culture and compensation committee, and elected Mr. Enéas Cesar Pestana Neto as a member of our audit committee. In addition, Mr. José Roberto Meister Müssnich was elected as a member of our finance and investment committee and our people, culture, and compensation committee. All such elections at this September 2, 2024 meeting are for a unified term of office with the other members of the mentioned committees, ending at the annual general meeting that approves the accounts for the fiscal year ending December 31, 2024.

Board Committees

As of the date of this annual report, our board of directors has approved the creation of the following four advisory committees: (1) audit committee; (2) people, culture and compensation committee; (3) finance and investments committee; (4) corporate governance, sustainability and nominating committee. The responsibilities of our committees are set by their respective internal regulations. The members of each committee will be appointed by our board of directors, and the board of directors also designates the chairman of each advisory committee. The committees may include one member who is external and independent, except for the audit committee, which has specific rules described below. Each special committee is composed of at least three and up to five members for a term of office of two years, re-election being permitted. In addition to these committees, the board of directors may create other committees with special roles.

Audit Committee

Brazilian publicly-held companies may, pursuant to CVM Resolution No. 23, as amended from time to time, adopt a statutory audit committee (*comitê de auditoria*). According to CVM Resolution No. 23, the audit committee is an advisory body of the board of directors and must have at least three members who shall be appointed by the board of directors, including at least one member who is also a member of the board of directors and not a member of management. A majority of the members must be independent, according to the independence requirements of the CVM. Members of our audit committee are appointed by our board of directors for two-year terms, re-election being permitted, and must meet certain requirements set forth by our bylaws, the audit committee's internal regulation and the CVM rules.

The main functions of our audit committee are to: (1) suggest amendments to its internal regulation by submitting the proposal to our board of directors; (2) propose the appointment of independent auditors as well as their replacement, being responsible for, at least, (a) giving its opinion on the appointment of the independent auditor to provide any other service to us; and (b) supervising the activities of the independent auditors, in order to assess (i) their independence; (ii) the quality of services provided; and (iii) the suitability of the services provided to our needs; (3) evaluate our quarterly information, financial statements and management report, making the recommendations it deems necessary to our board of directors, being responsible for, at least: (a) monitoring the quality and integrity of the quarterly information, the interim financial statements and the financial statements; and (b) monitoring the quality and integrity of the information and measurements disclosed based on adjusted accounting data and non-accounting data that may add elements not provided for in the usual financial statements reports; (4) monitor the activities of our internal audit and internal controls department; (5) evaluate and monitor our exposure to risk and request detailed information related to (a) management's compensation; (b) utilization of our assets; and (c) expenses incurred in our behalf; (6) verify if its recommendations are being followed; (7) evaluate the compliance by our management of the recommendations made by the independent and internal audits; (8) evaluate, monitor, and recommend to our board of directors the correction or improvement of our internal policies, including the policy of transactions with related parties; (9) prepare a summarized annual report, to be presented together with the financial statements, which must be kept at our headquarters and available to the CVM, for a period of five years, including, at least, the following information: (a) meetings held and the main issues that were discussed; (b) description of the recommendations presented to our management and evidence of their implementation; (c) evaluation of the effectiveness of the independent and internal audits; (d) evaluation of the quality of the financial, internal control and risk management reports; and (e) any situations in which there is any significant divergence between our management, the independent auditors and the committee in relation to our financial statements; (10) have the means to receive and handle information regarding non-compliance with legal and regulatory provisions adopted by us, including internal regulation; (11) evaluate and monitor the control and verification mechanisms for compliance with the Brazilian anticorruption law; (12) ensure the operationalization of our risk management; (13) advise our board of directors on the application of our risk management; (14) give support to our board of directors in defining the risks we are able to undertake and their priorities; (15) give support to our board of directors in the analysis and approval of the risk management strategy; (16) evaluate the effectiveness of the risk management process; (17) identify the risks arising from the strategic changes and directives determined by our board of directors; and (18) opine on any other matters submitted to it by our board of directors, as well as on those that it considers relevant.

Because Brazilian corporate law does not permit the board of directors to delegate responsibility for the appointment, retention and compensation of the external independent auditors and does not provide the board of directors with the authority to resolve disagreements between management and the external auditors regarding financial reporting, our audit committee cannot fulfill these functions. Therefore, our audit committee may only make recommendations to the board of directors with respect to these matters.

The following table sets forth the name, title, date of last appointment and date of birth for each member of our audit committee:

Name	Title	Date of Last Election	Date of Birth
Leonardo Porciúncula Gomes Pereira	Member	May 16, 2024	April 25, 1958
Andiara Pedroso Petterle	Member	April 27, 2023	December 1, 1978
Heraldo Gilberto de Oliveira	External specialist and Coordinator	April 27, 2023	May 4, 1964
Guillermo Oscar Braunbeck	External specialist	April 27, 2023	December 8, 1972
Enéas Cesar Pestana Neto	Member	September 2, 2024	February 27, 1963

The term of office of all of our audit committee members will expire at the annual shareholder's meeting to be held in April 2025.

The following is a summary of the business experience of the members of our audit committee.

Leonardo Porciúncula Gomes Pereira. Mr. Gomes Pereira has been a member of our audit committee since May 16, 2024. Please see “—Board of Directors” for his biography.

Andiara Pedroso Petterle. Mrs. Petterle has been a member of our audit committee since April 27, 2023. Please see “—Board of Directors” for her biography.

Heraldo Gilberto de Oliveira. Mr. Oliveira has been a member of our audit committee since January 2021 and took over the coordination of the committee in May 2024. He is an accounting expert and consultant specializing in accounting, corporate and tax matters. He is certified by the Brazilian Institute of Corporate Governance (*Instituto Brasileiro de Governança Corporativa – IBGC*) as an Experienced Management Advisor (CCA+ IBGC) and Experienced Audit Committee Member (CCoAud+ IBGC). Currently, Mr. Oliveira holds the following positions: coordinator of our Audit Committee; coordinator of the audit, risks and compliance committee of CLI – Corredor Logística e Infraestrutura S.A. since 2022; and chairman of the supervisory board (*conselho fiscal*) of Mangels Industrial S.A. since 2022. Previous positions include: independent board member (qualified by Central Bank of Brazil) and chairman of the audit committee of China Construction Bank (Brazil) Banco Múltiplo S.A. (from 2014 to January 2025); coordinator of the audit committee of Iguá Saneamento S.A. (from 2017 to August 2024) and member of its people and remuneration committee from 2018 to August 2024; and member of the audit committee of Auren Energia S.A. (from 2022 to April 2025).

Guillermo Oscar Braunbeck. Mr. Braunbeck holds a bachelor's degree in economic sciences from the State University of Campinas (UNICAMP) and a Ph.D. in control and accounting from the School of Economics, Administration, Accounting, and Actuarial Sciences at the University of São Paulo (FEA-USP). Currently, Mr. Braunbeck serves as a regular fiscal council member at Anima Holding S.A., CESP, CPqD, and Companhia de Navegação Norsul. He is also the vice-technical coordinator and voting member of the Accounting Pronouncements Committee (CPC) and has been the CFO of the CPC Support Foundation since March 2016. Additionally, he is active in academia, holding the position of professor-doctor at FEA-USP since 2014 and serving as a guest professor in the competitiveness management master's program at Fundação Getúlio Vargas since 2017.

Enéas Cesar Pestana Neto. Mr. Pestana Neto has been a member of our audit committee since September 2, 2024. Please see “—Board of Directors” for his biography.

People, Culture and Compensation Committee

Our people, culture and compensation committee must be composed of at least three and up to five members. Members are appointed by our board of directors for two-year terms, re-election being permitted, and must meet certain requirements set forth by the committee’s internal regulations.

The main functions of our people, culture and compensation committee are to: (1) suggest amendments to its internal regulation by submitting the proposal to our board of directors; (2) discuss and propose to our board of directors our organizational structure; (3) evaluate and propose to our board of directors management and personnel development policies, as well as guidelines for attracting and retaining talent; (4) identify, including within our subsidiaries, potential future leaders and monitor the development of their respective careers; (5) evaluate and discuss the recruitment and hiring methods adopted by us and by our subsidiaries, using similar Brazilian companies as a parameter; (6) analyze the candidates to be elected to as a member of our board of directors and as a member of the board of director's advisory committees, including independent members, based on their professional experience, technical training, as well as economic, social and cultural representativeness; (7) examine and recommend to our board of directors the candidates selected for our management; (8) evaluate and discuss the compensation policy for members of our management by proposing to our board of directors the criteria for compensation, benefits and other programs, including stock option plans; (9) periodically present to our board of directors its assessment of the effectiveness of the compensation policies adopted by us; (10) discuss and propose to our board of directors the criteria for the annual assessment of our management's performance, using similar Brazilian companies as a parameter; and (11) other duties that may be designated by our board of directors.

Our people, culture and compensation committee is currently composed of Leila Abraham Loria, Andriara Pedroso Petterle, Julio Cesar de Queiroz and José Roberto Meister Müssnich, all of whom are members of our board of directors. Please see “—Board of Directors” for their biographies.

Finance and Investments Committee

Our finance and investments committee must be composed of at least three and up to five members. Members are appointed by our board of directors for two-year terms, re-election being permitted, and must meet certain requirements set forth by the committee's internal regulation.

The main functions of our finance and investments committee are to: (1) suggest amendments to its internal regulation by submitting the proposal to our board of directors; (2) recommend and monitor the adoption of the best economic and financial standards and the process of implementing and maintaining such standards by proposing changes, updates and improvements to our board of directors; (3) analyze and review our budget; (4) analyze and review the economic and financial viability of our investment plans and programs; (5) analyze, review and recommend measures and actions related to any merger and acquisition or any similar transaction involving us or any of our subsidiaries; (6) monitor any transaction and negotiations mentioned in item (5) above; (7) analyze and review the economic and financial ratios, cash flow and indebtedness policy, and suggest changes and adjustments whenever deemed necessary; (8) monitor the average cost of our capital structure and suggest changes, whenever deemed necessary, as well as evaluate and discuss alternatives for attracting new investments; (9) analyze and recommend opportunities in relation to financing transactions that may improve our capital structure, in addition to analyzing and discussing working capital needs and their impacts on our capital structure; (10) assist our board of directors and management in the analysis of the Brazilian and global economic situation and its potential impact on our financial position, as well as in the preparation of scenarios and trends, in the assessment of opportunities and risks and in the definition of strategies to be adopted by us with respect to our financial policy; (11) monitor the trading patterns of our securities in the Brazilian and U.S. markets, as well as the opinions of the main investment analysts; and (12) other duties that may be designated by our board of directors.

Our finance and investments committee is currently composed of Miguel Maia Mickelberg, which a summary of his business experience is detailed below, and Leonardo Porciúncula Gomes Pereira, Enéas Cesar Pestana Neto, and José Roberto Meister Müssnich, all of whom are members of our board of directors. Please see “—Board of Directors” for their biographies.

Miguel Maia Mickelberg. Mr. Mickelberg holds a degree in Economics from UFRGS and an MBA from MIT Sloan School of Management, having obtained the Certificate in Finance from the same school. Mr. Mickelberg has been with Cyrela since 2007 and currently serves as Chief Financial Officer (CFO) and Investor Relations Director. He is currently responsible for the areas of controllership, financial planning, accounting, taxes, investor relations, corporate debt issuance, project-linked debt issuance, and information technology. Before assuming the role of CFO, Miguel was the Controller at Cyrela. Mr. Mickelberg is currently a member of the Board of Directors of Cury Construtora e Incorporadora S.A., Lavvi Empreendimentos Imobiliários S.A., and Plano & Plano Desenvolvimento Imobiliário S.A.

Corporate Governance, Sustainability and Nominating Committee

Our corporate governance, sustainability and nominating committee must be composed of at least three and up to five members. Members are appointed by our board of directors for two-year terms, re-election being permitted, and must meet certain requirements set forth by the committee's internal regulations.

The main functions of our corporate governance, sustainability and nominating committee are to: (1) suggest amendments to its internal regulation by submitting the proposal to our board of directors; (2) recommend and monitor the adoption of the best corporate governance and sustainability practices, as well as coordinate the process of implementing and maintaining such practices and analyze the effectiveness of the corporate governance and sustainability processes, proposing changes, updates and improvements when required; (3) ensure the proper functioning of our board of directors, management and the advisory committees of our board of directors and the relationship between such entities and between them and our shareholders, and, accordingly, periodically review and recommend to our board of directors changes with respect to their corresponding operation and duties; (4) periodically prepare or review, as the case may be, our bylaws, codes and policies, the committee's internal regulation, as well as any other documents related to our corporate governance; (5) keep our board of directors informed and updated with respect to laws and regulations, as well as monitor the implementation of regulations and recommendations in force and practiced in the market, including in relation to the rules that may be created and that could impact our corporate and capital market activities; (6) draft, submit to our board of directors and periodically review our transactions with related parties policy, as well as all other policies necessary for the adoption of the best management and corporate governance practices; (7) advise our board of directors on all aspects related to sustainability, including with regard to actions aimed at promoting conscious consumption by our customers, suppliers and employees; (8) advise and recommend the adoption of waste management programs, encouraging small producers and food security; and (9) acknowledge and analyze the transactions with related parties.

Our corporate governance, sustainability and nominating committee is currently composed of coordinator Júlio Cesar de Queiroz Campos and members Oscar de Paula Bernardes Neto and Leila Abraham Loria, all of whom are members of our board of directors. Please see “—Board of Directors” for their biographies.

Fiscal Council

Under the Brazilian Corporate Law, a fiscal council (*conselho fiscal*) is a separate governance body, independent of management and the independent auditors. The primary responsibility of the fiscal council is to review management's activities and financial statements and to report their findings to shareholders. The fiscal council is a non-permanent body that, according to our bylaws, may be formed with a minimum of three and a maximum of five members, who must all be residents of Brazil, regardless of whether they are shareholders or not. The fiscal council is required to be appointed at a shareholders' meeting upon the request of shareholders representing at least 10.0% of our outstanding common shares, pursuant to specific rules set forth by the CVM. On April 26, 2024, our shareholders voted to approve the constitution of our fiscal council at a general shareholders' meeting. The current members of our fiscal council are: Artemio Bertholini and his alternate Márcio Belli, Edson Fernandes and his alternate Ricardo Rodil, Leda Hahn and her alternate Rene Martins. The term of office of all of our fiscal council members will expire at the annual shareholder's meeting to be held in 2025. For more information about our fiscal council, see “Item 10. Additional Information—B. Bylaws—Fiscal Council.”

Indemnification of Directors and Executive Officers

Our bylaws provide that we shall indemnify and hold harmless our directors, executive officers, board committee members, fiscal council members and certain other key executives in case of damage or loss suffered by such persons in the regular exercise of their functions, even if such person no longer exercises the position or function for which he or she was elected or exercised in our company and/or any of our subsidiaries or affiliated companies. Indemnification will only be available after the application, and only in a supplemental manner, of any eventual coverage of the directors and officers (D&O) liability insurance provided by our company and/or any of our subsidiaries or affiliated companies. The payments to be made by the Company must correspond to the exceeding amount covered by any such D&O insurance policy and observe the limits provided in any indemnity agreement to be entered into between Sendas and such person. For more information about our D&O insurance coverage, see “—B. Compensation—Insurance.”

B. Compensation

Overview

For the year ended December 31, 2024, the aggregate compensation expense for our board of directors, executive officers and fiscal council was R\$58.1 million, composed of: (1) R\$10.3 million for our board of directors in fixed compensation; (2) R\$47.3 million for our executive officers (R\$12.2 million in fixed compensation, R\$11.7 million in variable compensation and R\$23.4 million in share-based compensation); and (3) R\$0.5 million for our fiscal council (composed entirely of fixed compensation). Our executive officers also received a package of benefits in line with market practices, including health and dental insurance, biannual medical check-ups, pension plan, life insurance, meal vouchers and purchase discounts.

For the year ended December 31, 2025, the aggregate compensation expense for our board of directors, executive officers and fiscal council is expected to be R\$76.0 million, composed of: (1) R\$10.7 million for our board of directors in fixed compensation; (2) R\$64.6 million for our executive officers (R\$13.8 million in fixed compensation, R\$19.4 million in variable compensation and R\$31.4 million in share-based compensation); and (3) R\$0.7 million for our fiscal council (composed entirely of fixed compensation). Our executive officers also receive a package of benefits in line with market practices, including health and dental insurance, biannual medical check-ups, pension plan, life insurance, meal vouchers and purchase discounts.

On April 26, 2024, our shareholders approved the establishment of the overall limit for the ordinary compensation of our managers for the fiscal year ending on December 31, 2024, at R\$ 61,137,396.00. This limit does not include expenses arising from the Executive Partner Program. In addition, shareholders also approved the compensation for the members of the fiscal council, corresponding to 10% of the average fixed compensation attributed to our statutory directors (excluding benefits, representation allowances, profit sharing, variable or stock-based compensation), as provided for in Article 162, §3 of the Brazilian Corporate Law.

Profit Sharing Plan

Sendas implemented a profit-sharing plan model for its management team through 2023. The board endorsed a performance indicator panel percentage range for our executive officers, with a minimum of 80% and a maximum of 120%. This range differed from that applicable to other officers, who had a range of 0% to 200%. This plan and its regulations were not extended to board members.

Sendas utilized performance indicators aligned with its strategic planning, encompassing both financial and non-financial outcomes. Financial indicators included net sales, net margin, general administrative and sales expenses, EBITDA, net profit, net debt, and an ESG index covering women in leadership and carbon emissions.

The total payout under the profit-sharing programs is constrained by predefined terms and conditions.

Calculation and Accounting

The People, Culture, and Compensation Committee is responsible for approving the performance indicators governing variable compensation for the chief executive officer and the other executives. These indicators encompass 50% business metrics (financial and ESG), 30% quantitative and qualitative criteria, and 20% individual assessment (discretionary). Each indicator carries a weight with a goal set at 100%, allowing for an achievement range of 80% to 120%.

Starting from October of the applicable preceding year, the calculation provisions for B0 are made, assuming a 100% achievement of performance indicators. Quarterly provisions are initiated from April of the applicable profit sharing plan exercise year. In October of the exercise year, a preliminary simulation is conducted based on indicator attainment until September 30. The final provision calculation occurs in December of the exercise year.

The People, Culture, and Compensation Committee validates the individual evaluation (discretionary) of the chief executive officer and other executives, subject to possible calibrations within the allocated budget.

Group and individual indicator results are assessed against pre-defined goals, approved by the People, Culture, and Compensation Committee and our board of directors, respectively. The weight assigned to each indicator determines the percentage applied to the goal, thereby influencing the profit sharing program outcome for each individual.

Per the plan terms, each eligible member is assigned an annual target calculated based on the base salary for profit-sharing plan valuation. The individual profit-sharing amount is contingent on: (1) Sendas aggregated results for individual metrics results; (2) business segment or department outcomes, as applicable; and (3) individual performance. The final amount is derived from multiplying the individual value. For the year ending on December 31, 2023, our executives received R\$11.5 million under this profit-sharing plan, constituting part of their variable compensation.

Stock-Based Compensation

Stock-Based Compensation Plans

At an extraordinary shareholders' meeting held on December 31, 2020, the shareholders of Sendas approved: (1) a stock-based compensation plan (the "Sendas Compensation Plan"); and (2) a stock option plan (the "Sendas Stock Option Plan").

The objectives of the Sendas Compensation Plan and the Sendas Stock Option Plan are as follows:

- (1) attracting and retaining highly qualified executives and professionals associated with Sendas;
- (2) enabling managers and employees of Sendas to actively participate in its capital structure and benefit from equity increases resulting from their contributions to Sendas; and
- (3) aligning the interests of managers with those of shareholders, thereby fostering the performance of these professionals and ensuring their continued commitment to the management of Sendas.

Sendas believed that by providing its directors and officers the opportunity to become investors, it not only incentivizes their performance but also aims to create value for Sendas and its shareholders. This model was effective until 2023, after which a new compensation model was approved for 2024. However, the Stock-Based Compensation Plan, as approved in 2020, will continue to grant stock-based compensation until the applicable vesting conditions are concluded.

In connection with our transformation into a non-controlled corporation (see "—Election of New Board of Directors and Corporate Transformation" above), we reviewed our management compensation structure to better align with the interests of our investors. The purpose of the new compensation model is to retain and motivate executives, rewarding the achievement of our performance goals aimed at creating value. To that end, our management has proposed a new compensation model that was approved at our ordinary and extraordinary general shareholders' meetings held on April 26, 2024, as further described below.

Sendas Compensation Plan

Until December 31, 2023, each series of options granted under the Sendas Compensation Plan received the letter "B" followed by a number. The exercise price of each stock option granted under the Sendas Compensation Plan was R\$0.01. Options granted to a participant may not be exercised for a period of 36 months from the grant date, or Grace Period, and may only be exercised from the 37th month from the date of the grant. The exercise window consists of 6 months from the 37th month.

At the end of the vesting period (*i.e.*, 36 months), the participant receives the exercise term of the option and Sendas shall inform: (1) the total exercise price to be paid; (2) the date of delivery to the participant of the shares subject to the exercise of the options, which shall occur after approval of the capital increase resulting from the exercise of the respective options by the board of directors; (3) the number of shares to be delivered to the participant; and (4) the period in which the participant must pay the total exercise price, in local currency, by means of a discount on the participant's payroll, with charges.

Sendas Stock Option Plan

Until December 31, 2023, each series of options granted under the Sendas Stock Option Plan received the letter “C” followed by a number. The strike price of each stock option granted under the Sendas Stock Option Plan corresponded to 80% of the average closing price of the trading of the common shares issued by Sendas held in the last 20 trading sessions of B3 prior to the date of convening the meeting of Sendas that deliberates the granting of the options of that series.

Options granted to a participant may not be exercised for a period of 36 months from the grant date, or Grace Period, and may only be exercised from the 37th month from the date of the grant. The exercise window consists of 6 months from the 37th month.

At the end of the vesting period (*i.e.*, 36 months) the participant received the exercise term of the option and Sendas shall inform: (1) the total exercise price to be paid, (2) the date of delivery to the participant of the shares subject to the exercise of the options, which shall occur after approval of the capital increase resulting from the exercise of the respective options by the board of directors; (3) the number of shares to be delivered to the participant; and (4) the lock-up period of 6 months from the date of payment.

Termination

The options granted under the Sendas Compensation Plan and the Sendas Stock Option Plan were automatically extinguished, ceasing all effects, in the following cases: (1) at the time of their full exercise; (2) after the end of the period of validity of the purchase option; (3) by the termination of the relevant option agreement by common agreement between Sendas and the participant; or (4) if Sendas is dissolved, liquidated or is declared bankrupt. In the event of a participant’s dismissal, with or without just cause, resignation or removal from office, retirement, permanent disability or death, the rights conferred upon a recipient in accordance with the Sendas Compensation Plan or Sendas Stock Option Plan may be extinguished or modified as follows:

- dismissal from Sendas without just cause or removal from office without violation of duties and duties of administrator, the participant may exercise, within 10 days from the date of termination, the number of options calculated *pro rata* in relation to the applicable Grace Period.
- dismissal from Sendas, for just cause or removal from office for violating the duties and duties of administrator, all purchase options already exercisable or not yet exercisable in accordance with the respective option agreement on the date of its termination will be automatically extinguished, in full right, regardless of notice or notice and without the right to any indemnification.
- upon resigning from Sendas or renouncement from management, all purchase options already exercised or not yet exercisable in accordance with the respective option agreement on the date of its termination will be automatically extinguished, in full, regardless of notice or notice and without the right to any indemnification.
- upon resigning from Sendas, voluntarily having retired in the course of the employment contract, within 15 days from the date of termination, the participant may exercise all purchase options in accordance with the option agreement, including the purchase options in the applicable Grace Period. If there is no exercise by the participant within the period mentioned above, all non-exercised purchase options will be automatically extinguished, in full, regardless of notice or notification and without the right to any indemnification.
- upon death or resigning from Sendas due to permanent disability, within 30 days as of the date of expedition of the inventory or of the competent court order empowering the participant’s legal heirs and successors in case of death or declaration of permanent disability issued by the Brazilian Institute of Social Security (INSS), the participant’s empowered legal heirs and successors, as the case may be, may exercise all of the call options under the relevant option contract, including the call options during the applicable vesting period. If the exercise is not made by the heirs or legal successors of the participant within the above-mentioned period, all the purchase options not exercised will be automatically extinguished, by operation of law, regardless of prior notice or notification, and without any right to any indemnification.

Maximum Number of Shares and Options

The combined total number of options available for grant under both the Sendas Compensation Plan and the Sendas Stock Option Plan, until 2023, could not exceed 2% of the total common shares issued by Sendas. This limitation applied with the exception of adjustments resulting from stock splits, reverse stock splits and bonuses.

Since December 31, 2023, we ceased to grant stock options to our executive officers within the scope of the Sendas stock-based compensation plans as approved in 2020. In addition, our board of directors intends to discontinue the use of such plans for our other employees as of 2025. Option awards already granted will remain in force without any change.

Stock Options Exercised and Shares Delivered

In 2023, no stock options were exercised by our directors or executive officers under the Sendas stock-based compensation plans.

Stock Ownership Guidelines

In connection with our transformation into a non-controlled corporation, we reviewed our management compensation structure to better align with the interests of our investors. Accordingly, a new compensation model was approved at our ordinary and extraordinary general shareholders' meetings held on April 26, 2024.

In this context, to encourage an ownership culture, our management has approved Stock Ownership Guidelines, which aim to establish certain guidelines regarding the maintenance by our management of full and legitimate ownership of our shares in a minimum determined amount. We expect that this policy will promote alignment of the long-term interests of our managers with those of our shareholders and encourage decision-making that seeks sustainable value creation, in a complementary and integrated manner with the long-term incentives, as further described below.

According to the policy, (a) the CEO must hold shares in an amount equivalent to 5 times their respective annual fixed remuneration, net of taxes (calculated by multiplying the base salary, net of taxes, by twelve); and (b) the other statutory officers must hold shares in an amount equivalent to 3 times their respective annual fixed remuneration, net of taxes (calculated by multiplying the base salary, net of taxes, by twelve), with the officers, in any case, having a period of 5 years to reach the aforementioned target amount of shares. Our CEO currently holds a number of shares that satisfies the requirement of this policy.

Our people and management department will monitor compliance with the policy, supporting and providing information to the board of directors or the people, culture and compensation committee, as the case may be, as requested, as well as taking the necessary measures to enforce the provisions of the policy.

Short-term incentives (STIs)

Effective from 2024, our STIs have the following characteristics:

- Short-term incentives, or STIs, in any given year will have a cut-off corresponding to the achievement of at least 80% of the pre-IFRS 16 EBITDA target, as a condition for the STI to be triggered. For example, if the pre-IFRS 16 EBITDA in 2024 is less than 80% of the pre-IFRS 16 EBITDA target for 2024, the initial trigger of the STI will not be reached, and therefore, no STI payment will be due to the directors. "Pre IFRS 16 EBITDA" means operating profit before interest, taxes, depreciation, and amortization, where operating lease expenses are treated as regular operating expenses, rather than being capitalized or excluded from the EBITDA calculation. It does not reflect the effects of the accounting changes introduced by IFRS 16, which requires operating leases to be recognized on the balance sheet as both assets and liabilities.

- If the pre-IFRS 16 EBITDA in any given year is equal to or greater than 80% of the pre-IFRS 16 EBITDA target for such year, the initial trigger of the STI will have been met, in which case the level of achievement of the targets set out in the STI scorecard will be assessed, with the consequent calculation of the percentage of the target amount that each manager is entitled to receive.
- The range of achievement of the target goals set out in the STI may vary from 80% to 120%, according to our internal strategy for each indicator, except for the “Net Sales” indicator, which has a range of 95% to 105%, with the payment curve being the same.
- The scorecard will establish corporate indicators (general company goals, with a weight of 50%), indicators for each area/department, evaluated in quantitative and qualitative aspects (weight of 30%), and individual qualitative and quantitative indicators (weight of 20%), as indicated in the table below:

	INDICATOR PROPOSALS	MIN	TARGET	MAX
CUT OFF				
Trigger for STI payment	pre-IFRS 16 EBITDA	80%	-	-
CORPORATE INDICATORS				
Representing 50% of the	Net Sales (same stores sales)	95%	100%	105%
Total Value of the Indicators	Net Profit	80%	100%	120%
	Net Debt	80%	100%	120%
	pre-IFRS 16 EBITDA (% of Net Sales for stores open until December/2022)	80%	100%	120%
	ESG Indicators	80%	100%	120%
DEPARTMENT INDICATORS				
Representing 30% of the	Specific quantitative and qualitative indicators for each Directorate (Examples: Percentage of Breakages on Net Sales; Expansion Plan; CAPEX - Cash-out; Turnover Percentage; Cash Margin Volume; Supplier Financing; Market Share)			
Total Value of the Indicators		80%	100%	120%
INDIVIDUAL INDICATORS				
Representing 20% of the	Individual qualitative and quantitative goals	80%	100%	120%
Total Value of the Indicators				
TOTAL				
100%				

The choice of indicators was based on the following reasons:

- **Net Sales (Same Stores):** This indicator is essential for evaluating our financial performance, providing insights into the revenue generated by sales from stores open until December 2023 after deductions such as returns and discounts.
- **Net Profit:** This is a key indicator of our profitability, representing total revenue minus all expenses and taxes. It is essential for evaluating operational efficiency and our ability to generate profit.
- **Net Debt:** This indicator is very important for assessing our financial health, calculated by subtracting net assets from total debt. It helps evaluate our ability to pay our short and long-term debts.
- **pre-IFRS 16 EBITDA (% of Net Sales) – stores open until December/2022:** This indicator was chosen to align compensation with shareholder expectations, as this indicator measures our operational profitability, excluding the effects of financial leasing. It is a useful metric for evaluating operational efficiency and our cash generation capacity.
- **ESG (Environmental, Social, and Governance) Indicators:** ESG indicators are important for measuring our performance in environmental, social, and governance spheres. Monitoring indicators such as the representation of women in leadership positions and total carbon emissions (scopes 1 and 2) is essential for assessing our social and environmental impact, as well as our corporate responsibility. In this regard, we remain engaged in the responsibility and commitment to operate based on ESG metrics, with a direct impact on the short-term variable compensation of our statutory directors. Part of these ESG indicators are strictly financial, while others are measurable factors that contribute to our results and, therefore, correlate with our financial performance.

For 2024, there will be the inclusion of a new STI payment curve, providing for the payment of 50% of the target amount in the event of achieving 80% of the individualized scorecard, and 150% of the target amount in the event of achieving 120% or more of the individualized scorecard, with a linear percentage between 50% and 150% of the target amount for scorecard achievements between 80% and 120%, except for the Net Sales indicator, which has a range of 95% to 105%, with the payment curve remaining the same. In 2023, the maximum payment curve was 120%, in case of achieving 120% or more of the target goals set out in the scorecard. The inclusion of the new payment curve aims to ensure that fixed compensation, short-term incentives and long-term incentives, considered together (total cash), remain competitive, aligned with the best practices of the Brazilian market, and aligned with the interests of our officers and shareholders.

For the year ended December 31, 2024, our executives received R\$11.5 million under our short-term incentive profit-sharing plan, constituting part of their variable compensation.

Long-term incentives (LTIs)

As explained above, in replacement of our stock option plans approved in 2020, our board of directors approved a standard long-term incentive in 2024, or Standard LTI. As part of the 2024 compensation for our officers, the Standard LTI grants the right to receive Sendas common shares, with (i) 30% of each officer's grant being conditioned only on the officer's continued employment during the vesting period (restricted shares – time vesting), and (ii) 70% of each officer's grant being conditioned, in addition to the vesting period, on the achievement of certain performance targets (performance shares – performance vesting), with an achievement and payment curve ranging from 90% to 110% of the target amount of shares, assuming the established target goals are met.

For our CEO, (i) 30% of their grant (composed of restricted shares – time vesting) will be subject to a vesting period of up to 5 years, with partial releases of 33% in the 3rd year, 33% in the 4th year, and 34% in the 5th year; and (ii) 70% of their grant (composed of performance shares – performance vesting) will be subject to a single (cliff) vesting period of 5 years, at the end of which the percentage of achievement of the established target goals will be verified.

For other officers, there will be a single (cliff) vesting period of three years, whether for the 30% of their grant (composed of restricted shares – time vesting) or for the 70% of their grant (composed of performance shares – performance vesting). At the end of the third year, the percentage of achievement of the established target goals in relation to the performance shares will be verified.

Regarding the grants of performance shares, the performance indicators will be defined considering the following main objectives:

- Preserve our relevance and positioning us in relation to our peers in the cash & carry sector;
- Ensure the sustainable value generation of our businesses;
- Guarantee the long-term profitability of our businesses; and
- Ensure the adequate level of profitability of our operations, maintaining healthy profit margin levels in relation to our historical performance.

Furthermore, for the definition of performance targets for each indicator, our board of directors will be guided by the following principles:

- The targets will be challenging in relation to our historical performance; and
- The targets will be defined in line with the budget and strategic planning approved by the board of directors, and there will be no adjustment or reduction of the targets during the measurement period, except in the case of budget and strategic planning revisions that distort the indicators and require a readjustment of the targets. In this situation, the target revision will aim to reflect the budget and strategic planning revisions, thus maintaining the initially aimed objectives.

For 2024, our board of directors used the following indicators for the performance goals of the directors, in line with our long-term strategy:

INDICATORS	WEIGHT	CONCEPT	CALCULATION
INDICATOR 1: Operational Cash Flow (OCF)	35.0%	Represents all monetary inflows and outflows related to our operations (core activity). Does not include activities related to investments and financing.	$OCF = \text{Sales Inflow} - \text{Merchandise Taxes} - \text{Suppliers and General Expenses} - \text{Income Tax and Social Contribution}$
INDICATOR 2: Return on Invested Capital (ROIC)	35.0%	Measures the efficiency with which we generate profits from the total capital invested in its business. It is represented as a percentage.	$ROIC = \text{NOPAT} / (\text{Total Working Capital Variation} + \text{Fixed Assets} + \text{Intangible Assets})$
INDICATOR 3: Black Employees in Leadership Positions (ESG)	5.0%	Determines the representation of black employees in leadership positions (managers and above), compared to the total number of active leaders (managers and above).	$\text{Percentage of Black Employees in Leadership Positions} = \text{Total Black Employees in Leadership Positions} / \text{Total Employees in Leadership Positions}$
INDICATOR 4: CO2 Emissions Reduction (ESG)	5.0%	Measures the percentage reduction in CO2 emissions from Scope 1 (Carbon Footprint) and Scope 2 (Tons of CO2 Equivalent).	$\text{Percentage of CO2 Reduction} = \text{Target Percentage of CO2 Emissions Reduction for the period} \times \text{Percentage of CO2 Emissions Reduction in the period}$
INDICATOR 5: Successor Development	20.0%	Mapping, monitoring, and developing employees to be future successors of our current executives.	Achievement of Successor Development Condition: Number of Successors mapped for each Executive ≥ 1
	100%		

The selection of indicators was based on the following reasons:

- **Operational Cash Flow (OCF):** OCF is a fundamental indicator for assessing our financial health as it demonstrates the ability to generate cash from its operations, which is essential for ensuring long-term financial viability and business sustainability.
- **Return on Invested Capital (ROIC):** ROIC is the key metric for evaluating the efficiency of our investments, as it demonstrates the ability to generate positive returns on invested capital, providing valuable insights into financial management and value creation for shareholders.
- **ESG (Environmental, Social, and Governance) Indicators:** ESG indicators are important for measuring our performance in the environmental, social, and governance spheres. Monitoring indicators such as the representation of black individuals in leadership positions and total carbon emissions (scopes 1 and 2) is essential for assessing our social and environmental impact, as well as its corporate responsibility.
- **Succession Planning:** The condition of Succession Planning reflects our commitment to talent development and the preparation of leaders for its future. Succession Planning is fundamental to ensuring the continuity and long-term success of our business, promoting a culture of learning and growth.

The final amount of performance shares that the director will be entitled to will depend on the degree of achievement of the goals set by our board of directors, which may vary from 90% to 110% of the target number of shares, assuming the target goals are achieved. In other words, the right to receive a target amount of performance shares will be granted, assuming the achievement of 100% of the set goals, which will be transferred to the participants only at the end of the vesting period and upon meeting the stipulated conditions. If the percentage of achievement of the goals is 90%, the director will receive 90% of the granted target amount. If the percentage of achievement of the goals is 110% or more, the director will receive 110% of the granted target amount. If the percentage of achievement of the goals is between 90% and 110%, a linear interpolation of the granted target amount will be calculated. If the percentage of achievement of the goals is less than 90%, the director will lose the right to the performance shares.

Phantom Shares Plan

At the extraordinary general shareholders' meeting held on July 14, 2023, our shareholders approved the implementation of a one-off cash-settled share-based payment plan specifically designed for our executive officers (the "phantom shares plan"). The total number of shares for 2023 was 1,989,465, calculated based on the salary of December 2022 and the new multiple of salary defined based on the survey conducted by Korn Ferry, divided by the closing price of the last 20 trading sessions prior to the date of June 1, 2023.

The phantom shares granted under this plan are subject to a phased vesting structure with release occurring gradually in installments. 20% of the shares will be released during the third year, another 20% in the fourth year, and the remaining 60% in the fifth year.

The distribution of phantom shares is delineated as follows: 50% for executive retention and the remaining 50% tied to performance indicators, as detailed in the table below:

Indicator:	Date of Calculation	Weight
	December 31,	
Percentage of people with disabilities employed in the Company	2026 2027 2028	30%
Percentage of women in leadership positions	2026 2027 2028	30%
Total carbon emissions (carbon footprint) of scope 1 and 2 (tons of CO equivalent)	2026 2027 2028	30%
Operational Cash flow	2026 2027 2028	70%

In the third year, an evaluation of performance indicators will be undertaken. Should the predetermined indicators not be attained, the corresponding value for that year has the option to be aggregated with the achievements of the fourth year or, alternatively, it may be carried forward to accumulate until the fifth year. However, if the fifth year is reached without the successful accomplishment of the indicator, the value corresponding to the proportion of this particular indicator will be reset to zero. This approach allows for flexibility in aligning performance outcomes with established timelines and provides a mechanism for reassessment if necessary.

Each phantom share represents the right to receive, in cash, the equivalent value of the average price of one share of our company over the 20 trading sessions immediately preceding each vesting date, provided that the beneficiary is still employed by us on the vesting date. The phantom shares will be subject to a total vesting period of five years, with partial vesting starting from the 3rd year, as follows: 20% in the 3rd year, 20% in the 4th year, and 60% in the 5th year. For the long-term incentives in 2023, we will allocate 50% with the goal of retaining executives and the remaining 50% based on performance scores.

The governance and monitoring of the phantom shares plan involve the following departments: (i) HR compensation department – management of the plan, HR indicators, calculation and payments, (ii) the sustainability department – sustainability indicators, (iii) management control department – financial indicators, (iv) accounting department – stock accounting; and (v) board of directors – final approval of the amounts to be paid.

Starting from the date of granting of the phantom shares in August 2023, the first payment is scheduled for 36 months later, followed by the second payment at the 48-month mark, and the third at the 60-month mark. All payments will be processed through the payroll, with the deduction of any applicable taxes.

Termination of the phantom shares plan will be as following:

- *Dismissal by the executive officer's own initiative:* All phantom shares will be immediately canceled and extinguished.
- *Dismissal from Sendas, for just cause:* All phantom shares will be immediately canceled and extinguished.
- *Dismissal from Sendas without just cause:* The proportional portion of phantom shares that would become vested at the end of the current vesting period may be retained, while the remaining non-vested phantom shares will be canceled and extinguished without any form of compensation or indemnification to the executive officer, regardless of prior notice or notification.
- *Upon death or resignation from Sendas due to permanent disability or retirement:* All vested phantom shares and the proportional portion of non-vested phantom shares that would become vested at the end of the current Vesting Period may be retained, while the remaining non-vested phantom shares will be canceled and extinguished without any form of compensation or indemnification to the executive officer, regardless of prior notice or notification.

As of December 31, 2024, the amount of the liability corresponding to the plan, including payroll charges, is recorded as "Cash-settled shared plan" in the amount of R\$5 million and the total expense recognized, including payroll charges, was R\$2 million and the fair value of this plan in that date was R\$16 million, including charges.

ASAI3 Stock Purchase Commitment

At the extraordinary general shareholders' meeting held on July 14, 2023, Sendas shareholders approved the ASAI3 stock purchase commitment for our executive officers. The acquisition of ASAI3 shares occurred on August 4, 2023.

Our executive officers signed an Investment Commitment Agreement in Shares on July 28, 2023, specifying the total amount that should be invested in the stock purchase. This agreement outlines the conditions and rules that must be followed.

The shares will be locked up as follows: (a) five-year lock-up for the chief executive officer; (b) three-year lock-up for the other executive officers; or (c) until they quit their respective positions as executive officers, whichever occurs first.

After the share acquisition of the shares, the executive officer forwarded proof of the mercantile operation to our executive management area for monitoring and control. After each quarterly closing, our compensation department will inform our Chief Human Resources Officer (CHRO) of the share ownership position of each statutory director, using brokerage statements.

This stock purchase commitment aligns with our strategy of establishing Stock Ownership Guidelines governance model to ensure the alignment of interests between shareholders and executive officers.

Outstanding Stock Options and Shares Granted under Compensation Plans

The chart below sets forth the stock options outstanding as of December 31, 2024, which were granted to our executive officers under the Sendas stock-based compensation plans, as well as the phantom shares and shares awarded under the Standard LTI plan:

	Options B9 Series	Options C9 Series	Phantom Shares	Phantom Shares	Phantom Shares	Standard LTI	Standard LTI	Standard LTI
Date of grant/award date	May 31, 2022	May 31, 2022	August 1, 2023	August 1, 2023	August 1, 2023	May 31, 2024	May 31, 2024	May 31, 2024
Number of options/shares granted	820,83	820,83	397,89	397,89	1,193,679	648,694	49,013	397,052
Deadline for options to become exercisable	June 1, 2025	June 1, 2025	N/A	N/A	N/A	N/A	N/A	N/A
Deadline for the exercise of options/delivery of shares	November 30, 2025	November 30, 2025	August 1, 2026	August 1, 2027	August 1, 2028	June 1, 2027	June 1, 2028	June 1, 2029
Blocking period	N/A	180 days	N/A	N/A	N/A	N/A	N/A	N/A
Weighted average exercise price for each of the following stock groups:								
Strike price on the grant date (in R\$ per share)	0.01	12.53	0.00	0.00	0.00	0.00	0.00	0.00
Losses in the year (R\$ per share)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Exercised during the year (R\$ per share)	0.01	12.53	0.00	0.00	0.00	N/A	N/A	N/A
Expired during the year (R\$ per share)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fair value of options granted as of December 31, 2024/market value of shares on award date, excluding any tax costs (in R\$ per share)	15.27	7.35	5.99	5.99	5.99	11.90	11.81	11.72

In 2024, 88,600 stock options under Series B8 were exercised by our directors and officers and an equal number of shares was delivered to them pursuant to the new Sendas stock-based compensation plans.

Executive Partner Program

In 2024, we made a one-off grant of share rights to our CEO and Vice-Presidents of core areas (Operations and Commercial & Logistics), with a vesting period of seven years, followed by a subsequent three-year lock-up, totaling a ten-year period. Total grants are limited to up to 2% of our capital stock and consists of: 20% in restricted stock (retention) and 80% in performance shares. The final number of performance shares granted will depend on the degree of achievement of the Earnings per Share (EPS) target, adjusted by the Brazilian Consumer Price Index (IPCA), considering a minimum EPS growth target of IPCA + 20% per annum (CAGR).

The chart below sets forth the grants made in 2024 pursuant to the Executive Partner Program:

	Sendas Executive Partner Program Shares
Date of grant/award date	May 1, 2024
Number of options/shares granted	27,044,313
Deadline for options to become exercisable	N/A
Deadline for the exercise of options/delivery of shares	May 1, 2031
Lock-Up	3 years
Weighted average exercise price for each of the following stock groups:	
Strike price on the grant date (in R\$ per share)	0.00
Losses in the year (R\$ per share)	N/A
Exercised during the year (R\$ per share)	0.00
Expired during the year (R\$ per share)	N/A
Fair value of options granted as of December 31, 2024/market value of shares on award date (in R\$ per share)	13.12

Insurance

We maintain officers' and directors' liability insurance, covering all of our managers against damages attributed to them in the good faith exercise of their functions, up to a maximum liability of R\$250 million.

C. Board Practices

For information about our board practices, including our board committees, see "—A. Directors and Senior Management."

D. Employees

As of December 31, 2024, we had 86,749 employees (based on the full-time number of employees at stores, distribution and administrative centers, including active and absent employees, but excluding interns and underage apprentices), all of which were located in Brazil. As of December 31, 2023 and 2022, we had 77,370 employees and 73,898 employees, respectively (including active and absent employees), all of which were located in Brazil.

The following table sets forth the number of our employees by function as of December 31, 2024:

	As of December 31, 2024
Operational	79,180
Administrative ⁽¹⁾	7,448
Technical	121
Total	86,749

(1) Includes officers, managers and other leaders.

All of our employees are covered by union agreements. The agreements are renegotiated annually as part of industry-wide negotiations between a management group representing the major participants in the food industry, including our management, and unions representing employees in the food industry. Our management believes that our relations with our employees and their unions are good.

We believe we compensate our employees on a competitive basis, and we have developed incentive programs to motivate our employees and reduce employee turnover. Our turnover rates for the years ended December 31, 2024, 2023 and 2022 were 39.9%, 29.4% and 26.0%, respectively.

We offer our employees more than 3,966 professional development courses through Assai University, which is primarily an online platform that offers free courses, skills development and strengthening programs and training in sales, financial management and production, among others. In 2024, we invested 2.7 million hours and R\$23.4 million in employee training.

E. Share Ownership

For information about the share ownership of our directors and officers, see “Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.”

F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information concerning the ownership of Sendas common shares as of March 14, 2025, by each person whom we know to be the owner of more than 5% of the outstanding Sendas common shares, and by all of Sendas’s directors and executive officers as a group. Except for the shareholders listed below, we are not aware of any other shareholder holding more than 5% of Sendas’s common shares. Sendas’s principal shareholders have the same voting rights as other holders of Sendas’s common shares.

We have not sought to verify any information provided to us by our principal shareholders. The principal shareholders may hold, acquire, sell or otherwise dispose of Sendas common shares at any time and may have acquired, sold or otherwise disposed of Sendas common shares since the date of the information reflected herein. Other information about our principal shareholders may also change over time.

Shareholder	Common Shares		Total Shares	
	Number	%	Number	%
Orbis Investment Management Limited	156,625,672	11.58	156,625,672	11.58
Antipodes	69,387,826	5.13	69,387,826	5.13
Conifer Management, LLC	67,700,000	5.01	67,700,000	5.01
Wishbone Management, LP	67,700,000	5.01	67,700,000	5.01
Directors and Officers ⁽¹⁾	2,547,679	0.19	2,547,679	0.19
Others	916,576,659	67.78	916,576,659	67.78
Total	1,352,215,647	100.00	1,352,215,647	100.00

(1) Refers to the amount of Sendas common shares that our directors and officers own directly. For more information about our directors and officers, see “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management.”

As of March 14, 2025, Sendas had 37,418 record holders in Brazil. On March 14, 2025, 52,406,635 Sendas common shares were held in the form of ADSs, representing 3.88% of the total of Sendas’s common shares.

Changes in Share Ownership

Casino Group

On December 2, 2022, Wilkes Participações S.A., Géant International B.V. and Helicco Participações Ltda. concluded the sale of an aggregate 140,800,000 Sendas common shares, including 400,000 ADSs, at a price of R\$19.00 per common share (and US\$17.90 per ADS) in a global offering which consisted of an international offering outside Brazil and a concurrent public offering with restricted selling efforts in Brazil. The international offering included a registered offering of ADSs in the United States with the SEC under the Securities Act. As a result of the global offering, the Casino Group's ownership stake in Sendas decreased from 41.0% to 30.5%.

On March 21, 2023, Wilkes Participações S.A. concluded the sale of an aggregate 254,000,000 Sendas common shares, including 2,340,957 ADSs, at a price of R\$16.00 per common share (and US\$15.13 per ADS) in a global offering which consisted of an international offering outside Brazil and a concurrent public offering with restricted selling efforts in Brazil. The international offering included a registered offering of ADSs in the United States with the SEC under the Securities Act. As a result of the global offering, the Casino Group's ownership stake in Sendas decreased from 30.5% to 11.7%.

Additionally, on June 23, 2023, Wilkes Participações S.A., Géant International B.V. and Segisor S.A.S. concluded the sale of an aggregate 157,582,580 Sendas common shares, representing 11.67% of its share capital, through a block trade operation. The Casino Group's ownership stake in Sendas decreased to less than 0.01% and Sendas currently does not have a controlling shareholder or control group.

BlackRock

On January 11, 2022, we received a letter from BlackRock, stating that BlackRock, on behalf of certain clients, in its capacity as investment manager, had acquired Sendas common shares and Sendas ADSs. As a result of such acquisitions, on January 6, 2022, BlackRock's aggregated holdings totaled (1) 67,779,983 Sendas common shares, representing 5.03% of the total common shares issued by Sendas, consisting of 66,870,998 Sendas common shares and 181,796 Sendas ADSs (representing 908,985 Sendas common shares); and (2) 213,245 cash settled derivatives, representing approximately 0.01% of the total common shares issued by Sendas.

On August 1, 2023, we received a letter from BlackRock, stating that BlackRock, on behalf of certain clients, in its capacity as investment manager, had acquired Sendas common shares and Sendas ADSs. As a result of such acquisitions, on July 28, 2023, BlackRock's aggregated holdings totaled (1) 144,818,814 Sendas common shares, representing 10.725% of the total common shares issued by Sendas, consisting of 142,073,364 Sendas common shares and 549,090 Sendas ADSs (representing 2,745,450 Sendas common shares); and (2) 5,289,534 cash settled derivatives, representing approximately 0.391% of the total common shares issued by Sendas.

On August 27, 2024, we received a letter from BlackRock stating that BlackRock, on behalf of certain clients, in its capacity as investment manager, has disposed of Sendas common shares. As a result of such dispositions, on August 23, 2024, BlackRock's aggregated holdings totaled (1) 134,857,531 Sendas common shares, representing 9.974% of the total common shares issued by Sendas, consisting of 133,035,266 Sendas common shares and 364,453 Sendas ADSs (representing 1,822,265 Sendas common shares); and (2) 1,515,466 cash settled derivatives, representing approximately 0.112% of the total common shares issued by Sendas.

On September 3, 2024, we received a letter from BlackRock, stating that BlackRock, on behalf of certain clients, in its capacity as investment manager, had acquired Sendas common shares and Sendas ADSs. As a result of such acquisitions, on August 30, 2024, BlackRock's aggregated holdings totaled (1) 143,666,514 Sendas common shares, representing 10.625% of the total common shares issued by Sendas, consisting of 141,826,284 Sendas common shares and 368,046 Sendas ADSs (representing 1,840,230 Sendas common shares); and (2) 1,022,241 cash settled derivatives, representing approximately 0.075% of the total common shares issued by Sendas.

On September 20, 2024, we received a letter from BlackRock stating that BlackRock, on behalf of certain clients, in its capacity as investment manager, has disposed of Sendas common shares. As a result of such dispositions, on September 18, 2024, BlackRock's aggregated holdings totaled 133,810,504 Sendas common shares, representing 9.896% of the total common shares issued by Sendas, consisting of 131,477,584 Sendas common shares and 466,584 Sendas ADSs (representing 2,332,920 Sendas common shares).

On October 22, 2024, BlackRock filed a Schedule 13G/A with the SEC, in which it reported that, as of September 30, 2024, it beneficially owned, through several subsidiaries, 124,274,335 Sendas common shares, representing 9.2% of the total common shares issued by Sendas as of September 30, 2024.

On February 13, 2025, we received a letter from BlackRock stating that BlackRock, on behalf of certain clients, in its capacity as investment manager, has disposed of Sendas common shares. As a result of such dispositions, on February 10, 2025, BlackRock's aggregated holdings totaled 67,519,543 Sendas common shares, representing 4.993% of the total common shares issued by Sendas, consisting of 64,413,508 Sendas common shares and 621,207 Sendas ADSs (representing 3,106,035 Sendas common shares).

Orbis

On March 17, 2023, we received a letter from Orbis Investment Management Limited and affiliated entities (collectively, "Orbis"), stating that Orbis had acquired Sendas common shares and Sendas ADSs. As a result of such acquisitions, March 17, 2023, Orbis's aggregated holdings totaled (1) 59,452,528 Sendas common shares; and (2) 3,968,761 ADSs, representing approximately 5.88% of the total common shares issued by Sendas.

On November 27, 2023, we received a letter from Orbis, stating that Orbis had acquired Sendas common shares and Sendas ADSs. As a result of such acquisitions, November 27, 2023, Orbis's aggregated holdings totaled (1) 101,307,801 Sendas common shares; and (2) 6,783,358 ADSs, representing approximately 10.0% of the total common shares issued by Sendas.

On November 14, 2024, Orbis filed a Schedule 13G/A with the SEC, in which it reported that, as of September 30, 2024, it beneficially owned (1) 120,284,953 Sendas common shares; and (2) 6,887,254 ADSs (representing 34,436,270 common shares), representing an aggregate of 11.4% of the total common shares issued by Sendas, as of September 30, 2024.

On February 14, 2025, Orbis filed a Schedule 13G/A with the SEC, in which it reported that, as of December 31, 2024, it beneficially owned 156,625,672 Sendas common shares, representing 11.6% of the total common shares issued by Sendas, consisting of 122,189,402 Sendas common shares and 6,887,254 Sendas ADSs (representing 34,436,270 Sendas common shares).

Wishbone

On June 5, 2024, we received a letter from Wishbone Management, LP and affiliated entities (collectively, "Wishbone"), stating that Wishbone had acquired Sendas common shares. As a result of such acquisitions, June 5, 2024, Wishbone's aggregated holdings totaled 67,700,000 Sendas common shares, representing approximately 5.01% of the total common shares issued by Sendas.

Sharp

On October 11, 2024, we received a letter from Sharp Capital Gestora de Recursos Ltda. and the funds managed by Sharp Capital Gestora de Recursos Ltda. (collectively, "Sharp"), stating that Sharp had acquired Sendas common shares. As a result of such acquisitions, Sharp's aggregated holdings totaled 67,709,962 Sendas common shares, representing approximately 5.01% of the total common shares issued by Sendas. Sharp also is a part to a share lending agreements equivalent to 8,225,000 shares, representing approximately 0.61% of the total common shares issued by Sendas.

On November 19, 2024, we received a letter from Sharp, stating that Sharp had disposed of Sendas common shares. As a result of such dispositions, Sharp’s aggregated holdings totaled 57,021,794 Sendas common shares, representing approximately 4.22% of the total common shares issued by Sendas. Sharp also is a party to share lending agreements equivalent to 23,181,368 shares, representing approximately 1.71% of the total common shares issued by Sendas.

On November 28, 2024, we received a letter from Sharp, stating that Sharp had acquired Sendas common shares. As a result of such acquisitions, Sharp’s aggregated holdings totaled 69,479,153 Sendas common shares, representing approximately 5.14% of the total common shares issued by Sendas. Sharp also is a party to share lending agreements equivalent to 8,541,171 shares, representing approximately 0.63% of the total common shares issued by Sendas.

On December 23, 2024, we received a letter from Sharp, stating that Sharp had disposed of Sendas common shares. As a result of such dispositions, Sharp’s aggregated holdings totaled 60,398,489 Sendas common shares, representing approximately 4.47% of the total common shares issued by Sendas. Sharp also is a party to share lending agreements equivalent to 15,238,528 shares, representing approximately 1.13% of the total common shares issued by Sendas.

Dynamo

On January 24, 2025, we received a letter from Dynamo Administração de Recursos Ltda. and Dynamo Internacional Gestão de Recursos Ltda. (collectively, “Dynamo”), stating that Dynamo had acquired Sendas common shares. As a result of such acquisitions, Dynamo’s aggregated holdings totaled 67,877,811 Sendas common shares, representing approximately 5.02% of the total common shares issued by Sendas. Dynamo also is a party to share lending agreements equivalent to 2,809,289 common shares issued by Sendas.

Antipodes

In February 2025, we received a letter from Antipodes Partners Limited, stating it had acquired Sendas common shares. As a result of such acquisitions, Antipodes Partners Limited’s aggregated holdings totaled 69,387,826 Sendas common shares, representing approximately 5.13% of the total common shares issued by Sendas.

B. Related Party Transactions

As a result of the Casino Group’s disposition of our common shares in 2022 and 2023, as further described above under “—A. Major Shareholders—Changes in Share Ownership,” the Casino Group and CBD are no longer considered our related parties.

For the period from January 1, 2024 to the date of this annual report, we were not party to any material or unusual transactions with related parties, and no such transactions are presently proposed.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Reference is made to Item 19 for a list of all financial statements filed as part of this annual report.

Legal and Administrative Proceedings

We are party to legal and administrative proceedings that are incidental to the normal course of our business. These include general civil, tax and labor litigation and administrative proceedings. We cannot estimate the amount of all potential costs that we may incur or penalties that may be imposed on us other than those amounts for which we have made provisions. See note 17 to our audited financial statements included in this annual report.

We have identified and made provisions for the following probable losses that may result from legal and administrative proceedings to which we are a party as of the dates indicated.

	As of December 31, 2024
	<i>(in millions of R\$)</i>
Tax proceedings	16
Labor proceedings	174
Civil proceedings	33
Total	223

Tax Proceedings

Tax proceedings are subject to monthly monetary correction (*correção monetária*), which involves adjusting the amount of provisions for litigation in accordance with the indexing rates used by each tax jurisdiction. The indexing is required by law for all tax amounts, including the provision for judicial deposits. In certain cases, we are also subject to fines in connection with these proceedings. We have made provisions for interest charges and fines, when applicable.

We are party to tax proceedings that were deemed probable losses by our legal counsel, including: (1) a 2011 disagreement regarding the non-application of Accident Prevention Factor (*Fator Acidentário de Prevenção*); (2) a disagreement with the Finance Department of the Brazilian federal government, regarding the tax rate known as IPI, related to the resale of imported goods, and (3) other issues. As of December 31, 2024, we had provisioned R\$16 million (compared to R\$62 million as of December 31, 2023) with respect to our tax proceedings.

Exclusion of ICMS from the Calculation Basis of PIS and COFINS

We requested the right to exclude the ICMS amount from the calculation basis of our PIS and COFINS tax liability. In July 2021, the Brazilian Supreme Court (*Supremo Tribunal Federal*), or STF, ruled a final decision in our favor, in accordance with the thesis we presented to the court. Accordingly, in 2021, we processed the tax credit calculation in accordance with the rules defined by the STF, and we recognized the asset related to the tax credits in the amount of R\$216 million (R\$175 million recorded in net revenue and R\$41 million recorded in the net financial result arising from inflation adjustment). These credits were realized during 2022.

Labor Proceedings

We are party to numerous lawsuits involving disputes with our employees, primarily arising from layoffs in the ordinary course of business. As of December 31, 2024, we had provisioned R\$174 million (R\$163 million as of December 31, 2023) with respect to our labor proceedings.

Civil Proceedings

We are party to numerous lawsuits involving civil, regulatory, consumer and real estate matters. As of December 31, 2024, we had provisioned R\$33 million (R\$38 million as of December 31, 2023) with respect to our civil proceedings, including the lawsuits described below.

We file and respond to various lawsuits requesting the review of lease amounts. In these lawsuits, the judge determines a provisional lease amount, which is then paid by the stores until the final lease amount is defined. We recognize a provision for the difference between the original amount paid by the stores and the amounts requested by the opposing party (owner of the property) in the lawsuit, when internal and external legal advisors agree on the likelihood of a change to the lease paid by the entity. As of December 31, 2024, we had recorded provisions for these lawsuits in the amount of R\$26 million (R\$32 million as of December 31, 2023).

We are party to lawsuits relating to penalties applied by municipal, state and federal regulatory agencies, including the Consumer Protection Agency (*Procuradoria de Proteção e Defesa do Consumidor*) and National Institute of Metrology, Standardization and Industrial Quality (INMETRO), as well as discussions relating to the termination of agreements with our suppliers. We, with the aid of or internal and external legal advisors, record provisions for the probable cash disbursement we will have to make according to the outcome of these legal proceedings. As of December 31, 2024, we had recorded provisions for these lawsuits in the amount of R\$7 million (R\$6 million as of December 31, 2023).

Administrative Proceedings

Our investor relation officer is a defendant in two administrative proceedings initiated by CVM involving alleged disclosures of information about us in violation of the Brazilian capital markets regulations. We have proposed commitment agreements, and as of December 31, 2024, we had settled these proceedings and no further provisions were recorded.

Contingent Liabilities for which No Provision has been Recorded

We are defendants in several legal and administrative proceedings for which the probability of loss is deemed possible. Accordingly, we do not record provisions in connection with these proceedings. As of December 31, 2024, the aggregate amount involved in our legal and administrative proceedings with a possible risk of loss was R\$3,331 million (compared to R\$3,090 million as of December 31, 2023). Out of such amount, R\$1,390 million (comprised of R\$1,096 million related to tax, R\$1 million civil and others matters and R\$293 million income tax) is subject to reimbursement from our former controlling shareholders, CBD.

These proceedings include tax proceedings (including tax assessment notices relating to tax offsetting proceedings, goodwill disallowance, disagreements regarding payments and overpayments and fines due to non-compliance with ancillary obligations, among other less relevant issues) and civil proceedings (including lawsuits requesting the review of lease amounts). In addition, we are party to two civil proceedings relating to alleged collective moral and social damage inflicted on the Black population by us, relating to alleged incidents that occurred at one of our stores in the cities of Mauá and Limeira, State of São Paulo, in July and August 2021. These proceedings are under court review. For more information about these legal and administrative proceedings, see notes 17.4 and 17.4.1 to our audited financial statements included in this annual report.

Dividends and Dividend Policy

General

Pursuant to the Brazilian Corporate Law, Brazilian corporations are required to hold an annual shareholders' meeting in the first four months of each fiscal year to resolve the allocation of the results of operations in any year and the distribution of an annual dividend. Under Brazilian corporate law, shareholders of a Brazilian corporation have the right to receive, as a mandatory dividend for each fiscal year, a part of the corporation's net profits as established under its bylaws or, if not provided under such bylaws, an amount equal to 50% of the company's adjusted net profits, calculated pursuant to Brazilian Corporate Law. Currently, Brazilian Corporate Law generally requires that each Brazilian corporation distribute, as a mandatory dividend, an aggregate amount equal to at least 25% of the adjusted net profits, adjusted according to Brazilian Corporate Law. Pursuant to Brazilian Corporate Law, in addition to the mandatory dividend, the board of directors may recommend the payment of interim dividends and payment of dividends from other legally available funds to shareholders. Also pursuant to Brazilian Corporate Law, a Brazilian company is allowed to suspend the distribution of mandatory dividends in any year in which its management reports at its shareholders' general meeting that the distribution would be incompatible with the company's financial condition.

Pursuant to our bylaws, we may prepay our dividend distribution on a quarterly basis, subject to approval by our board of directors, at meetings usually held during the first quarter of each fiscal year. At the end of each fiscal year, we pay our shareholders the minimum mandatory dividend, calculated in accordance with Brazilian Corporate Law and our bylaws, less the dividend payments paid in advance during the year. For each of the years ended December 31, 2022 and 2021, we paid dividends to our shareholders. Our management proposed that the income for the year ended December 31, 2023 be allocated to the tax incentive reserve, and therefore, no dividends were distributed and no interest on own capital was paid during 2024. For the year ended December 31, 2024, management approved the payment of interest on own capital and proposed dividends to be paid during 2025. The approved payments were charged to the minimum mandatory dividend related to the respective fiscal years. See “—History of Payments of Dividends and Interest on Shareholders’ Equity” below.

According to Brazilian Corporate Law and our bylaws, we must pay declared dividends within 60 days after the approval of the distribution of dividends in the shareholders’ meeting.

For further information, see “Item 10. Additional Information—B. Bylaws—Allocation of Net Profits and Distribution of Dividends—Distribution of Dividends” and “—Interest on Shareholders’ Equity.”

In addition, the instruments governing our debentures, promissory notes and commercial notes contain restrictive covenants that limit our ability to distribute dividends in excess of the statutorily required minimum dividend should we not be able to fulfill our obligations under those instruments. For further information, see “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Indebtedness—Long-Term Indebtedness.”

History of Payments of Dividends and Interest on Shareholders’ Equity

The table below summarizes our history of dividends paid as dividends and/or shareholders’ equity for the periods indicated. The distribution of dividends is recognized as a liability at the end of the applicable fiscal year, based on the minimum mandatory dividends defined in our bylaws. Any amounts exceeding this minimum are recorded only on the date on which such additional dividends are approved by our shareholders. There can be no assurance that we will be able to distribute dividends in the future. See “Item 3. Key Information—D. Risk Factors—Risks Relating to the Sendas Common Shares and the Sendas ADSs—Holders of Sendas common shares and Sendas ADSs may not receive any dividends.”

	For the Year Ended December 31,		
	2024	2023	2022
	<i>(in millions of R\$)</i>		
Dividends and interest on own capital paid	—	118	168

There will be a payment of dividends and interest on own capital related to the income from the year ended December 31, 2024, in the amount of R\$129 million. Of this amount, R\$109 million in interest on equity was paid on February 28, 2025, and R\$20 million in dividends will be paid on June 23, 2025.

Shareholders who are not residents of Brazil must generally register with the Central Bank to have dividends and/or interest on shareholders’ equity, sales proceeds or other amounts with respect to their shares eligible to be remitted in foreign currency outside of Brazil. See “Item 10. Additional Information—D. Exchange Controls.” The Sendas common shares underlying the Sendas ADSs will be held in Brazil by the Sendas ADS Custodian, as agent for the Sendas Depository, the registered owner on the records of the Sendas ADS Custodian for the Sendas common shares underlying the Sendas ADSs.

Payments of cash dividends and distributions, if any, will be made in Brazilian *reais* to the Sendas ADS Custodian on behalf of the Sendas Depository, which will then convert the payments from Brazilian *reais* into U.S. dollars and thereafter will cause the U.S. dollars to be delivered to the Sendas Depository for distribution to holders of Sendas ADSs as described above. In the event that the Sendas ADS Custodian is unable to immediately convert the Brazilian *reais* received as dividends and/or interest on shareholders’ equity into U.S. dollars, the amount of U.S. dollars payable to holders of Sendas ADSs may be adversely affected by any devaluation of the Brazilian *real* that occurs before the distributions are converted and remitted. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Brazil—Exchange rate volatility may adversely affect the Brazilian economy and us.” Dividends and interest on shareholders’ equity in respect to the shares paid to shareholders, including holders of Sendas ADSs, are subject to the tax treatment outlined in “Item 10. Additional Information—E. Taxation—Material Brazilian Tax Consequences.”

B. Significant Changes

Other than as disclosed in this annual report under “Item 4. Information on the Company—A. History and Development of the Company—Recent Developments,” no significant change has occurred since December 31, 2024.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

The Sendas common shares are listed on the *Novo Mercado* listing segment of the B3 under the ticker symbol “ASAI3.”

In connection with the listing of the Sendas common shares on the B3, we entered into a *Novo Mercado* Participation Agreement (*Contrato de Participação no Novo Mercado*) with the B3. Pursuant to the *Novo Mercado* Participation Agreement, we undertake to comply with all requirements related to the corporate governance practices set forth by the B3 in order to meet the listing requirements for the listing of the Sendas common shares on the *Novo Mercado* segment of B3, which we refer to as the “*Novo Mercado* regulations.”

The Sendas ADSs trade on the “pink sheets” operated by OTC Markets Group, Inc. under the ticker symbol “ASAIY.”

We do not have any other equity securities outstanding apart from our common shares.

B. Plan of Distribution

Not applicable.

C Markets

Trading on the B3

The B3, formerly BM&FBOVESPA, is a Brazilian publicly held company formed in 2008 through the merger of the São Paulo Stock Exchange (*Bolsa de Valores de São Paulo*) and the Brazilian Mercantile and Futures Exchange (*Bolsa de Mercadorias & Futuros*). The B3 is one of the largest exchanges in the world in terms of market capitalization, the second in the Americas and the leader in Latin America.

Trading on the B3 may only be performed by or through intermediary institutions. B3 trading sessions are conducted every business day, from 10:00 a.m. to 5:55 p.m. or from 10:00 a.m. to 4:55 p.m. during daylight savings time in the United States on an automated system known as PUMA (*Plataforma Unificada Multiativos*) Trading System. Trading is also conducted between 6:25 p.m. and 6:45 p.m. or between 5:30 p.m. and 6:00 p.m. during daylight savings time in the United States, in an “aftermarket” trading session, which is connected to traditional and online brokers. Trading on the “aftermarket” is subject to regulatory limits on price volatility and on the volume of shares transacted through Internet brokers.

When investors trade shares on the B3, settlement occurs two business days after the trade date, with no adjustments on the purchase price for inflation. Generally, the seller is expected to deliver the shares to the B3 on the second business day after the trading date. Delivery and payment of shares are made through the facilities of a clearinghouse, the B3 Central Depository (*Central Depositária da B3*), which handles the multilateral central counterparty settlement of both financial obligations and transactions involving securities.

To better control the excess of volatility in market conditions, B3 has adopted a “circuit breaker” pursuant to which trading sessions may be suspended for a period of 30 minutes or one hour whenever the stock exchange broad based index falls below the limits of 10% and 15%, respectively, compared to the close of trading of the previous trading session. In the event the stock exchange index falls below the limit of 20% in comparison to the previous trading session, the B3 may suspend trading for a certain period of time to be defined at its sole discretion. The exchange has also adopted single stock trading halts to deal with certain high volatility situations.

Trading on B3 by non-residents of Brazil is subject to certain limitations under Brazilian foreign investment and tax legislation.

Regulation of the Brazilian Securities Markets

The Brazilian securities market is regulated and supervised by the CVM (which has general authority over the stock exchanges and securities markets) as provided for by Law 6,385, dated December 7, 1976, or the Brazilian Securities Exchange Act, and the Brazilian Corporate Law. The Brazilian National Monetary Council (*Conselho Monetário Nacional*), or CMN, is responsible for supervising the CVM's activities, granting licenses to brokerage firms to govern their incorporation and operation, and regulating foreign investment and exchange transactions, as provided for by the Brazilian Securities Exchange Act and Law No. 4,595 of December 31, 1964. These laws and regulations provide for, among other things, disclosure requirements to issuers of securities listed on stock exchanges, criminal sanctions for insider trading and price manipulation, protection of minority shareholders, the procedures for licensing and supervising brokerage firms and the governance of Brazilian stock exchanges.

Under Brazilian Corporate Law, a company is either publicly held (*companhia aberta*), like us, or privately held (*companhia fechada*). All public companies are registered with the CVM, and are subject to periodic reporting requirements and the public disclosure of material facts. A company registered with the CVM may have its securities traded either on the B3 or on the Brazilian over-the-counter market. The shares of a company listed on the B3 may also be traded privately, subject to certain limitations. To be listed on the B3, a company must apply for registration with the CVM and with the B3. Trading of securities of a publicly held company on the B3 may be suspended at the request of such company in anticipation of a material announcement. Trading may also be suspended upon the initiative of the B3 or the CVM, based on or due to, among other reasons, a belief that a company has provided inadequate information regarding a material fact or has provided inadequate responses to inquiries made by the CVM or the B3.

The Brazilian Securities Exchange Act, Brazilian Corporate Law and the laws and regulations issued by the CVM, the CMN, and the Central Bank provide for, among other matters, disclosure requirements applicable to issuers of traded securities, restrictions on insider trading and price manipulation, protection of minority shareholders, licensing procedures, supervision of brokerage firms, and the governance of the Brazilian stock exchanges.

Corporate Governance Practices

In 2000, B3, introduced three special listing segments, known as Level 1 (*Nível 1*) and Level 2 (*Nível 2*) of differentiated Corporate Governance Practices and the *Novo Mercado*. *Novo Mercado* rules were amended in in 2006, 2011, 2018, and 2023. These stock market segments have the purpose of prompting public companies to: (1) disclose information to the market and their shareholders in connection with their business in addition to other disclosures required by law; and (2) adopt corporate governance practices, such as best practices for management, transparency standards and protection of minority shareholders.

Our common shares are listed on the Novo Mercado. To list its shares on the Novo Mercado, a company and the B3 must enter into the *Novo Mercado* Participation Agreement and the company's bylaws must comply with the rules of the *Novo Mercado*, which are stricter than those provided for under Brazilian Corporate Law, such as requirements to: (1) issue common shares only; (2) maintain a free float of at least 20.0% of their outstanding common shares or at least 15.0% of their outstanding shares for companies that have an average daily trading volume of at least R\$20.0 million considering the 12 previous months; (3) agree to adopt and disclose (a) a code of conduct that establishes the principles and values that guide the company, (b) a trading policy that applies to the issuer, its controlling shareholder, the members of its board of directors, board of executive officers and fiscal council, as well as the members of other corporate bodies that have a technical or consultative role as may be created from time to time by the company's bylaws and any employees and third parties hired by the company that have permanent or sparse access to relevant information; (c) a related party transactions policy, (d) a risk management policy, (e) a compensation policy, and (f) a policy that determines the criteria and the proceedings to nominate the management of the Company, and (g) resolve and require the issuer, its shareholders, members of its board of directors, board of executive officers and fiscal council to resolve any and all disputes among them by arbitration before the Chamber of Market Arbitration (*Câmara de Arbitragem do Mercado*).

Moreover, at least two or 20.0%, whichever is greater, of the members of the board of directors must be independent directors. Furthermore, the *Novo Mercado* regulations do not permit the same individual to simultaneously hold the positions of chairman of the board of directors and chief executive officer (or comparable position), except in the event of a vacancy. Should such vacancy occur, a company must: (1) disclose the accumulation of responsibilities of chairman and chief executive officer in the same person on the business day subsequent to the occurrence of the vacancy; and (2) disclose, within 60 days of the vacancy, the measures taken to fill the position.

In addition, prior to taking office, newly-elected members of the board of directors, board of executive officers and fiscal council (and their respective alternates) of companies listed on the *Novo Mercado* must adhere to arbitration clauses set forth in the company's bylaws.

Periodic and Occasional Disclosure Requirements

According to Brazilian Corporate Law and CVM regulations, a publicly held company must submit certain periodic information to the CVM and the B3, including financial statements, quarterly information, management discussion and analysis and independent audit reports. This legislation also requires us to file our shareholders' agreements, notices of shareholders' meetings and copies of the related minutes and communications regarding material acts or facts with the CVM and the B3.

The CVM rules also provide for requirements regarding the disclosure and use of information related to material acts or facts, including the disclosure of information in the trading and acquisition of securities issued by publicly held companies.

Such requirements include provisions that:

- establish the concept of a material act or fact that gives rise to reporting requirements. Material acts or facts include decisions made by the controlling shareholders, resolutions of the general shareholders' meeting or of the company's management, or any other political, administrative, technical, financial or economic acts or facts related to the company's business (whether occurring within the company or otherwise somehow related thereto) that may influence the price of its publicly traded securities, or the decision of investors to trade or maintain such securities or to exercise any of such securities' underlying rights;
- specify examples of acts or facts that are considered to be material, which include, among others, the execution of agreements providing for the transfer of control of a publicly held company, the entry or withdrawal of shareholders that maintain any managing, financial, technological or administrative function with or contribution to the company, and any corporate restructuring undertaken among related companies;
- oblige the publicly held company to disclose material acts or facts to the CVM, to the B3 and through the publication of such acts in the newspapers or news websites chosen and disclosed by such company;
- require the acquirer of a controlling stake in a publicly held company to publish a material fact, including its intentions as to whether or not to de-list the corporation's shares within one year;
- require management, members of the fiscal council, if installed, or of any technical or advising body of a publicly held company, to disclose to the company, to the CVM and to the B3 the number, type and form of trading of securities issued by the company, its subsidiaries and controlling public companies that are held by them or by persons closely related to them, and any changes in their respective ownership positions;
- require that any person who increases or decreases participation in our share capital directly or indirectly that crosses the threshold of any multiple of 5.0% (*i.e.*, 5.0%, 10.0%, 15.0% and so forth) of our share capital must disclose information regarding such acquisition or disposition; and
- forbid trading on the basis of insider information.

Under the terms of CVM Resolution No. 44, dated August 23, 2021, public companies may, under exceptional circumstances, submit a request for confidential treatment to the CVM concerning a material act or fact when a controlling shareholders or member of the management consider that such disclosure will pose a risk to the company's legitimate interest.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Pursuant to the *Novo Mercado* rules and for so long as we are listed on the *Novo Mercado*, our share capital must consist exclusively of common shares.

On December 31, 2024, our capital stock was represented by 1,352,215,647 common shares with no par value.

Our board of directors is authorized to increase our capital stock up to the limit of 2,000,000,000 shares, regardless of any amendment to our bylaws, upon resolution of the board of directors, which will establish the applicable terms and conditions.

B. Bylaws

Below is a brief summary of certain significant provisions of our bylaws and the Brazilian Corporate Law. This description does not purport to be complete and is qualified by reference to our bylaws (an English translation of which is attached as an exhibit to this annual report) and to the Brazilian Corporate Law.

Corporation Objects and Purposes

We are a publicly held corporation with our principal place of business and jurisdiction in the city and state of Rio de Janeiro, Brazil, governed by Brazilian laws (including the Brazilian Corporate Law), CVM and SEC regulations and our bylaws.

Our main business purpose is to sell manufactured, semi-manufactured and natural products of both Brazilian and foreign origin, of any and all kinds and description, nature or quality, provided that they are not forbidden by law. Furthermore, we may also engage in a wide range of activities as set forth in article 2 of our bylaws.

Common Shares

Our common shares are listed on the *Novo Mercado* listing segment of the B3, the highest level of corporate governance of B3.

Pursuant to our bylaws and the *Novo Mercado* Participation Agreement that we entered into with the B3, we cannot issue shares without voting rights or with restricted voting rights. In addition, our bylaws and the Brazilian Corporate Law provide that holders of our common shares are entitled to dividends or other distributions made in respect of our common shares ratably in accordance with their respective participation in the total amount of our issued and outstanding common shares. See “—Allocation of Net Profits and Distribution of Dividends—Interest on Shareholders’ Equity” for a more complete description of payment of dividends and other distributions on our common shares. In addition, upon our liquidation, holders of our common shares are entitled to share our remaining assets, after payment of all of our liabilities, ratably in accordance with their respective participation in the total amount of our issued and outstanding common shares. Holders of our common shares are not obligated to subscribe to future capital increases and are generally entitled to preemptive rights to subscribe for new shares as provided by the Brazilian Corporate Law. See “—Preemptive Rights on Increases in Share Capital.”

Allocation of Net Profits and Distribution of Dividends

Allocation of Net Profits

At each annual shareholders' meeting, our board of executive officers and our board of directors are required to recommend how to allocate our net profit, if any, from the preceding fiscal year. This allocation is subject to deliberation by our shareholders.

The Brazilian Corporate Law defines "net profit" for any fiscal year as the net profit of the relevant fiscal year after income and social contribution taxes for that fiscal year, net of any accumulated losses from prior fiscal years and any amounts allocated to employees' and management's participation in our net profit in that fiscal year pursuant to our profit sharing plans. Our bylaws allow us to implement a profit-sharing plan for employees and managers and a stock option plan. The amount to be paid in connection with both plans is determined by our board of directors and must not exceed an amount equal to 15% of our net profit. Under the Brazilian Corporate Law, this profit sharing may only be paid to managers with respect to a fiscal year in which the mandatory dividend has been declared.

Our calculation of "net profits" and allocations to reserves for any fiscal year are determined based on our financial statements. Our management's and our shareholders' discretion to determine the allocation of our net profit is limited by certain rules that determine whether such net profit should be distributed as dividends or allocated to certain profit reserves or carried forward to future fiscal years, as follows:

Mandatory Minimum Dividend. Under the Brazilian Corporate Law and our bylaws, we must allocate a specified percentage of our net income as a mandatory minimum dividend to be paid with respect to all shares of our capital stock. Our bylaws establish the minimum percentage at 25% of our adjusted net profit. The mandatory dividend may be made in the form of dividends or interest attributable to shareholders' equity, which may be deducted by us in calculating our income and social contribution obligations. Adjusted net profit is net profit following the addition or subtraction of:

- amounts allocated to the formation of a legal reserve account; and
- amounts allocated to the formation of a contingency reserve account and the return of any amounts in any contingency reserve accounts deposited in previous years.

The payment of our mandatory dividends may be limited to the profits actually realized in the fiscal year, if the portion of the profits not realized is allocated to the unrealized income reserve account (as described below). The balance of the reserve accounts, except for the contingency reserve account and unrealized profit reserve account, may not exceed our share capital. If this occurs, a shareholders' meeting must resolve whether the excess will be applied to pay in the subscribed and unpaid capital, to increase and pay in the subscribed share capital or to distribute dividends.

Under the Brazilian Corporate Law, however, we are allowed to suspend the distribution of the mandatory dividends for any year in which our management reports at our shareholders' general meeting that the distribution would be incompatible with our financial condition. The fiscal council, if in place, must issue its opinion in relation to the suspension. In addition, our management must file a justification for such suspension with the CVM within five days from the date of the relevant general shareholders' meeting. If the mandatory dividend is not paid, the unpaid amount must be attributed to a special reserve account and, if not absorbed by subsequent losses, those funds must be paid out as dividends as soon as our financial condition permits.

Legal reserve account. Under the Brazilian Corporate Law and our bylaws, we are required to maintain a legal reserve to which we must allocate 5% of our net profit for each fiscal year until the aggregate amount of our legal reserve equals 20% of our share capital. Our legal reserve may only be used to increase our share capital or to offset accumulated losses, if any. We are not required to make any allocations to our legal reserve for any fiscal year in which such reserve, when added to our capital reserves, exceeds 30% of our share capital. The legal reserve account is not available for the payment of dividends.

Contingency reserve account. A portion of our net profit may also be allocated to a contingency reserve for an anticipated loss that is deemed probable in future years. Any amount so allocated in a prior year must either be reversed in the fiscal year for which the loss was anticipated if the loss does not occur or be charged off if the anticipated loss occurs.

Tax incentives reserve account. Our shareholders' meeting, upon a justified proposal of our board of directors or board of executive officers or according to the rules of the benefit granted, may decide to allocate a percentage of our net profit resulting from government donations or subventions for investment purposes to a tax incentives reserve account.

Statutory Reserve. Under the Brazilian Corporate Law, our bylaws may create reserves provided that the purpose of the reserve is determined along with the allocation criteria and the maximum amount to be maintained in it. Currently, our bylaws provide for an expansion reserve (*reserva para expansão*) which will be made of up to 100% of the remaining adjusted net profit after the establishment of the legal reserve account, contingency reserve account and the payment of the mandatory dividend. The total amount of this reserve may not exceed the amount of our share capital. Our shareholders may also amend our bylaws to establish other discretionary reserves. The allocation of our net profit to discretionary reserve accounts may not be made if it prevents the distribution of our mandatory dividends.

Unrealized profit reserve account. The portion of the mandatory dividends that exceeds the net profit actually realized in any year may be allocated to the unrealized profit reserve account. Unrealized profit results from investments measured by the equity method and/or the profits of earnings of any transaction, the financial satisfaction of which takes place in the subsequent fiscal year. The unrealized profit reserve account, when realized, must be used first to offset accumulated losses, if any, and the remaining portion must be used for the payment of mandatory dividends.

Retained profit reserve. Our shareholders can decide to retain a portion of the net profit provided that such portion has been contemplated in the capital budget previously approved by the shareholders.

Distribution of Dividends

Under the Brazilian Corporate Law and our bylaws, we may pay dividends only from:

- our "net profit" earned in a given fiscal year, which is our results from the relevant fiscal year, reduced by accumulated losses of prior fiscal years; provisions for income tax and social contribution for such fiscal year; and amounts allocated to employees' and managers' participation in the results in such fiscal year pursuant to our profit sharing plans. Our bylaws allow us to implement a profit-sharing plan for employees and managers and a stock option plan. The amount to be paid in connection with both plans is determined by our board of directors and must not exceed an amount equal to 15% of our net profit. Under the Brazilian Corporate Law, this profit sharing may only be paid to managers with respect to a fiscal year in which the mandatory dividend has been declared;
- our net profits accrued in previous fiscal years or in any six-month and/or quarterly interim period of a fiscal year; or

- our profit reserves set aside in previous fiscal years or in the first six months of a fiscal year. For these purposes, “profit reserves” means any discretionary reserve account, contingency reserve account, amounts allocated to our capital expenditure budget approved by our shareholders’ resolution or unrealized profit reserve account, not including the legal reserve account.

Dividends are generally to be declared at general shareholders’ meetings in accordance with the board of directors’ recommendation. Our board of directors may declare interim dividends to be deducted from the accrued profit recorded in our annual or semiannual financial statements. In addition, our board of directors may pay dividends from the net profit based on our unaudited quarterly financial statements. The interim dividends may be declared and debited to the profit reserve amount registered at the most recent annual or semiannual financial statement. These semiannual or quarterly interim dividends may not exceed the amounts accounted for in our capital reserve accounts. Any payment of interim dividends may be set off against the amount of mandatory dividends relating to the net profit earned in the year the interim dividends were paid.

Under the Brazilian Corporate Law and our bylaws, dividends must be available to the shareholders within 60 days after the date the dividends were declared. The amount is subject to monetary correction (*correção monetária*), as determined by our board of directors.

A shareholder has a three-year period following the dividend payment date to claim a dividend with respect to its shares. After the expiration of that period, we are no longer liable for the payment of such dividend.

Interest on Shareholders’ Equity

We are allowed to pay interest on shareholders’ equity (*juros sobre o capital próprio*) as an alternative form of payment to shareholders. We may treat these payments as deductible expenses for income tax and social contribution purposes. Payments of interest on shareholders’ equity may be made at the discretion of our board of directors, subject to the approval of our shareholders in a shareholders’ meeting. The amount distributed to our shareholders as interest on shareholders’ equity, net of any withholding tax, may be included as part of the mandatory distribution. This rate applied in calculating interest attributable to shareholders’ equity cannot exceed the daily *pro rata* variation of the Long-Term Interest Rate (*Taxa de Juros de Longo Prazo*), or TJLP, a long-term interest rate, as determined by the Central Bank, from time to time, and cannot exceed, for tax purposes, the greater of (1) 50% of net profit (after deduction of social contribution on net profits, but before taking into account the provision for corporate income tax and the amount of the interest on shareholders’ equity) for the year with respect to which the payment is made; or (2) 50% of the sum of retained profit and profit reserves in the beginning of the period with respect to which the payment is made.

Any payment of interest on common shares to shareholders, whether Brazilian residents or not, including holders of Sendas ADSs, is subject to Brazilian withholding tax at the rate of 15% or at the rate of 25% if the beneficiary is resident or domiciled in a Low or Nil Taxation Jurisdiction (generally a country or location that does not impose income tax or where the maximum income tax rate is lower than 17%). See “—E. Taxation—Material Brazilian Tax Consequences—Material Brazilian Tax Consequences for Non-Resident Holders of Sendas Common Shares and Sendas ADSs—Distribution of Interest on Shareholders’ Equity.” The amount distributed to shareholders as interest on shareholders’ equity, net of any withholding tax, may be included as part of the minimum mandatory dividend. In accordance with applicable law, we are required to pay to shareholders an amount sufficient to ensure that the net amount they receive in respect of interest attributable to shareholders’ equity, after payment of any applicable withholding tax, plus the amount of declared dividends is at least equivalent to the mandatory dividend amount.

Board of Directors

Our board of directors is the main decision-making body responsible for determining the direction of our business operations. Our bylaws outline the general attributes of our board of directors. The members of our board of directors are elected at our shareholders’ meeting. They may be reelected and are subject to removal at any time by our shareholders.

Our board of directors shall ordinarily meet at least six times a year to review the financial and other results of our company and to review and follow-up on the annual operating plan, and shall extraordinarily meet whenever necessary.

Decisions of the board of directors are made by an affirmative vote of the majority of its members present at a meeting. In accordance with Brazilian Corporations Law, a member of the board of directors is prohibited from voting in any meeting, or participating in any business operation or activity, in which such member has a conflict of interest with the company.

Election of Members of Our Board of Directors

Pursuant to our bylaws, our board of directors must be composed of three to nine members. The members of our board of directors are elected at a general shareholders' meeting and serve two-year terms. They may be reelected, and they are subject to removal at any time by our shareholders. The board of directors shall have a Chairman and one Vice-Chairman, all appointed by the annual shareholders' meeting.

According to the *Novo Mercado* regulations, at least two or 20.0%, whichever is greater, of the members of the board of directors must be independent directors, meaning that none of these directors: (1) is, directly or indirectly, our controlling shareholder; (2) is subject to the provisions relating to voting rights under a shareholders' agreement in respect of our Company; (3) has been an employee or director of our Company or of our controlling shareholder; or (4) is a spouse or at least second-degree relative of a controlling shareholder, any executive of our Company or any executive of the controlling shareholder. Furthermore, the *Novo Mercado* regulations do not permit the same individual to simultaneously hold the positions of chairman of the board of directors and chief executive officer (or comparable position).

Brazilian Corporations Law permits the adoption of cumulative voting upon a request by shareholders representing at least 10.0% of our voting capital, according to which each share receives a number of votes corresponding to the number of members of the board of directors. Shareholders holding, individually or jointly, at least 10.0% of our common shares are entitled to vote separately to appoint one director. As prescribed by CVM Resolution No. 70/2022, the threshold to trigger cumulative voting rights may vary from 5.0% to 10.0% of the total voting share capital. Taking into consideration our current capital, shareholders representing 5.0% of our voting share capital may request the adoption of cumulative voting to elect the members of our board of directors. If cumulative voting is not requested, our directors will be elected by the majority vote of the holders of our common shares, in person or represented by a proxy.

In addition, in accordance with the *Novo Mercado* regulations, prior to taking office, newly-elected members of our board of directors must adhere to arbitration clauses set forth in our bylaws.

Conflict of Interest

Brazilian Corporations Law prohibits any member of our board directors or our executive officers from:

- performing any charitable act at our expense, except for such reasonable charitable acts for the benefit of our employees or of the community in which we participate, upon approval by the board of directors;
- receiving, by virtue of his or her position, any direct or indirect personal benefit from third parties without authorization in our bylaws or in a shareholders' meeting;
- taking part in a corporate transaction in which he or she has an interest that conflicts with our interests or in the deliberations undertaken by our directors on the matter;

- borrowing money or property from us or use our property, services or credit for his or her own benefit or for the benefit of a company or third party in which he or she has an interest, without the prior approval at a shareholders' meetings or of our board of directors;
- taking advantage of any business opportunity for his or her own benefit or for the benefit of a third party at the expense of the company when he or she learned of such opportunity through his or her position as a director;
- neglecting to protect our rights by failing to disclose a business opportunity in our interests with a view to exploiting the opportunity for personal gain, or for the benefit of a third party; and
- acquiring, in order to resell for profit, a good or right that is essential to our business operations, or that we intend to acquire for ourselves.

The compensation of our directors is determined by our shareholders at the annual shareholders' meeting that approves the previous fiscal year's financial statements.

In addition, in accordance with the *Novo Mercado* regulations, prior to taking office, newly-elected board members must adhere to arbitration clauses set forth in our bylaws.

For more information about our board of directors, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board of Directors."

Executive Officers

Our executive officers are our legal representatives, and are mainly responsible for our day-to-day management and for implementing the policies and general guidelines established by our board of directors. According to our bylaws, our board of executive officers must be composed of three to eight officers, each of whom must be a resident of Brazil, as required by law. Our executive officers are elected at a meeting of our board of directors for two-year terms, reelection being permitted. Our board of directors may elect to remove officers at any time.

In addition, in accordance with the *Novo Mercado* regulations, prior to taking office, newly-elected executive officers must adhere to arbitration clauses set forth in our bylaws.

For more information about our executive officers, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Executive Officers."

Fiscal Council

The Brazilian Corporate Law requires our fiscal council (*conselho fiscal*) to be independent of management and our external independent auditors. The primary responsibility of the fiscal council is to supervise our management's activities and financial statements and to report their findings to shareholders.

Our fiscal council is a non-permanent body that can be formed with three to five members, and an equal number of alternates, who must all be residents of Brazil.

According to the Brazilian Corporate Law, our fiscal council is required to be appointed at a shareholders' meeting upon the request of shareholders representing at least 10.0% of our outstanding common shares, and its term ends at the first annual shareholders meeting following its creation. As prescribed by CVM Resolution No. 70/2022, this percentage may be reduced to 2.0% of each company's voting capital, depending on the company's capital stock. Taking into consideration our current capital, shareholders representing 2.0% of our voting share capital may request the installation of the fiscal council. The request to install a fiscal council can be submitted during any shareholders' meeting, at which time the election of members of the fiscal council would occur.

The fiscal council may not include executive officers or members of the board of directors, or employees of a subsidiary or a company that forms part of the same economic group, or spouses or relatives of any member of our management. Moreover, according to Brazilian Corporate Law, fiscal council members are entitled to at least 10.0% of the average compensation paid to executive officers, excluding benefits, representation fees and profit sharing.

On April 26, 2024, our shareholders voted to approve the constitution of our fiscal council at a general shareholders' meeting. For more information about our executive officers, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Fiscal Council."

Indemnification of Directors and Executive Officers

Our bylaws provide that we shall indemnify and hold harmless our directors, executive officers, board committee members, fiscal council members and certain other key executives in case of damage or loss suffered by such persons in the regular exercise of their functions, even if such person no longer exercises the position or function for which he or she was elected or exercised in our company and/or any of our subsidiaries or affiliated companies. Indemnification will only be available after the application, and only in a supplemental manner, of any eventual coverage of the directors and officers (D&O) liability insurance provided by our company and/or any of our subsidiaries or affiliated companies. The payments to be made by the Company must correspond to the exceeding amount covered by any such D&O insurance policy and observe the limits provided in any indemnity agreement to be entered into between Sendas and such person. For more information about our D&O insurance coverage, see "Item 6. Directors, Senior Management and Employees—B. Compensation—Insurance."

Board Committees

Audit Committee

Our bylaws provide for a statutory audit committee (*comitê de auditoria*), which is an advisory body directly associated to our board of directors. The main functions of our audit committee are: (1) analyze and monitor the quality and integrity of our quarterly information, financial statements and management reports; (2) evaluate the effectiveness and sufficiency of our internal control structure, risk management and internal and independent audit processes; (3) acknowledge and analyze transactions with related parties; (4) evaluate and monitor our exposure to risk; (5) propose the appointment of independent auditors as well as their replacement; and (6) prepare the annual report, to be presented jointly with the financial statements. According to our bylaws, our audit committee must be composed of at least three members who shall be appointed by the board of directors, including at least one member who is also a member of the board of directors and not a member of management. A majority of the members must be independent, according to the independence requirements of the CVM.

For more information about our statutory audit committee, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board Committees—Audit Committee."

Other Committees

Our board of directors may at any time create additional advisory committees to assist in the performance of its duties. As of the date of this annual report, our board of directors has approved the creation the following additional committees: (1) people, culture and compensation committee; (2) finance and investments committee; and (3) corporate governance, sustainability and nominating committee.

For more information about our board committees, see "Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board Committees."

Voting Rights

At our shareholders' meetings, each common share entitles the holder thereof to one vote. Pursuant to our bylaws and the *Novo Mercado* Participation Agreement that we entered into with the B3, we cannot issue shares without voting rights or with restricted voting rights. In addition, our bylaws and the Brazilian Corporate Law provide that holders of our common shares are entitled to dividends or other distributions made in respect of our common shares ratably in accordance with their respective participation in the total amount of our issued and outstanding common shares. See "—Allocation of Net Profits and Distribution of Dividends" for a more complete description of payment of dividends and other distributions on our common shares. In addition, upon our liquidation, holders of our common shares are entitled to share our remaining assets, after payment of all of our liabilities, ratably in accordance with their respective participation in the total amount of our issued and outstanding common shares. Holders of our common shares are not obligated to subscribe to future capital increases and are generally entitled to preemptive rights to subscribe for new shares as provided by the Brazilian Corporate Law. See "—Preemptive Rights on Increases in Share Capital."

According to the Brazilian Corporate Law, if we have a controlling shareholder, holders of our common shares that are not controlling shareholders and represent at least 15% of our total voting stock will have the right to elect one member of our board of directors. Only shareholders that can prove that they have held the common shares for at least three continuous months immediately prior to the respective general shareholders' meeting may exercise such right.

The Brazilian Corporate Law permits the adoption of cumulative voting upon a request by shareholders representing at least 10% of our voting capital. CVM Resolution No. 70, of March 22, 2022, allows the minimum voting capital percentage required for the adoption of the cumulative vote in publicly held companies to be reduced from 10% to as low as 5% depending on the value of the company's capital stock. Taking into consideration our current capital stock, shareholders representing 5% of the voting capital may request the adoption of cumulative voting to elect the members of our board of directors.

According to the Brazilian Corporate Law, neither our bylaws nor actions taken at a shareholders' meeting may deprive a shareholder of the following rights:

- the right to participate in the distribution of profits;
- the right to participate equally and ratably in any remaining residual assets in the event of liquidation of our company;
- preemptive rights in the event of the issuance of shares, convertible debentures or warrants, except in certain specific circumstances under Brazilian law described under "—Preemptive Rights on Increases in Share Capital;"
- the right to supervise our management in accordance with the provisions of the Brazilian Corporate Law; and
- the right to withdraw from our company in the cases specified in the Brazilian Corporate Law, which are described under "—Withdrawal Rights."

Shareholders' Meetings

Pursuant to the Brazilian Corporate Law, our shareholders are generally empowered at our shareholders' meetings to take any action relating to our corporate purposes and to pass resolutions that they deem necessary to our interests and development at duly called and convened general meetings. Shareholders at our annual shareholders' meeting, which is required to be held during the first four months following the end of our fiscal year, have the exclusive right to approve our audited financial statements and to determine the allocation of our net profits and the distribution of dividends with respect to the fiscal year ended immediately prior to the relevant shareholders' meeting and to elect the members of our board of directors and fiscal council, as the case may be.

An extraordinary shareholders' meeting may be held concurrently with the annual shareholders' meeting and at other times during the year whenever necessary. Pursuant to our bylaws and the Brazilian Corporate Law, the following actions, among others, may be taken only at a shareholders' meeting:

- the amendment of our bylaws;
- the appointment or removal of members of our board of directors;
- the appointment or removal of the Chairman or the Vice Chairman of our board of directors;
- the approval of annual management's accounts and our annual financial statements;

- the approval of any issuance of shares, bonuses, debentures convertible into our shares or securities or other rights or interests which are convertible or exchangeable into or exercisable for our shares, without limiting the authorization granted to our board of directors to approve such issuances within the limit of our authorized capital (2,000,000,000 common shares);
- the approval of any appraisals of assets offered by a shareholder in consideration for the subscription of shares of our capital stock;
- the approval of any proposal to change our corporate, amalgamate, merge our company with or into another company, spin-off or split our company, or any other form of restructuring of our company;
- the approval of any proposal for the dissolution or liquidation of our company, or for the appointment or replacement of the liquidator;
- the approval of the accounts of the liquidator;
- the establishment of the global annual compensation of the members of our board of directors and board of executive officers; and
- approve the execution of transactions with related parties, as defined in the applicable accounting rules, the individual or aggregate amount of which throughout a fiscal year exceeds one hundred million reais, observed that the shareholders representing related parties in the transaction shall abstain from voting.

Call of Shareholders' Meeting

The Chairman of our board of directors may call shareholders' meetings. In his absence, the meeting may be called by the Vice Chairman of our board of directors or, in their absence, by an Officer appointed by the Chairman of our board of directors. Pursuant to the Brazilian Corporate Law, shareholders' meetings may also be called by:

- any shareholder, if our management fails to call a shareholders' meeting within 60 days after the date which it is required to do so under applicable law and our bylaws;
- shareholders holding at least five percent of our shares, if our management fails to call a meeting within eight days after receipt of a justified request to call the meeting by those shareholders indicating the proposed agenda;
- shareholders holding at least five percent of our shares if our management fails to call a meeting within eight days after receipt of a request to call the meeting for the establishment of the fiscal council; and
- our fiscal council, when installed, if our management fails to call an annual shareholders' meeting within one month after the date it is required to do so under applicable law and our bylaws. The fiscal council may also call an extraordinary general shareholders' meeting if it believes that there are important or urgent matters to be addressed.

Notice of our Shareholders' Meetings

Under the Brazilian Corporate Law, notice of our shareholders' meetings must be published at least three times in a widely circulated newspaper, which is currently *O Estado de São Paulo*. Such notice must contain the agenda for the meeting and, in the case of an amendment to our bylaws, a summary of the proposed amendment. The first notice must be published no later than 21 days before the date of the meeting on the first call, and no later than 8 days before the date of the meeting in the case of a second call. However, in certain circumstances, the CVM may require that the first notice be published no later than 30 days before the date of the meeting. In addition, upon request of any shareholder, the CVM may suspend for up to 15 days the required prior notice of an extraordinary shareholders' meeting so that the CVM may become familiar with and analyze the proposals to be voted upon at the meeting and, as the case may be, inform our company at the end of this period the reasons why any proposal submitted to the shareholder violates applicable legislation.

Conditions of Admission to Shareholders' Meeting

Shareholders attending a shareholders' meeting must produce proof of their status as shareholders and proof that they hold the common shares that they intend to vote. A shareholder may be represented at a shareholders' meeting by a proxy appointed less than a year before, which must be a shareholder, a corporate officer, a lawyer or a financial institution. An investment fund must be represented by its investment fund officer or a proxy.

Quorum and Voting at Shareholders' Meeting

Generally, the Brazilian Corporate Law provides that the quorum for our shareholders' meetings consists of shareholders representing at least 25% of our issued and outstanding common shares on the first call and, if that quorum is not reached, any percentage on the second call. If a shareholders' meeting is called to amend our bylaws, a quorum at that shareholders' meeting consists of shareholders representing at least two-thirds of our issued and outstanding common shares on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of our issued and outstanding common shares present in person or represented by proxy at a shareholders' meeting is required in order to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing more than one-half of our issued and outstanding common shares is required in order to, among other things:

- reduce the percentage of mandatory dividends;
- change our corporate purpose;
- consolidate with or merge our company with or into another company;
- spin off a portion of our assets or liabilities;
- approve our participation in a group of companies (as defined in the Brazilian Corporate Law);
- apply for cancellation of any voluntary liquidation;
- merge all of our shares into another Brazilian company, so that we become a wholly owned subsidiary of such company; and
- approve our dissolution.

Remote Voting

In accordance with CVM Resolution No. 81, dated March 23, 2022, we allow our shareholders to submit voting ballots before each shareholders' meeting. We must receive a shareholder's remote voting ballot (*boletim de voto à distância*) up to four days before the applicable shareholders' meeting. We will inform each shareholder within three days of receipt of the remote voting ballot whether the documents received are sufficient for the vote to be considered valid.

Preemptive Rights on Increases in Share Capital

Under the Brazilian Corporate Law, each shareholder has a general preemptive right to subscribe for shares in any capital increase, in proportion to its shareholding, except in the event of the grant and exercise of any option to acquire shares of our capital stock under our stock option plans. A shareholder has a general preemptive right to subscribe for debentures convertible into our shares and subscription warrants that we may issue. A minimum period of 30 days following the publication of the notice of a capital increase must be respected to exercise this right, except if otherwise determined by the bylaws or a shareholders' meeting. This right is negotiable.

Our board of directors is authorized to eliminate preemptive rights with respect to the issuance of shares, debentures convertible into shares and subscription warrants, provided that the distribution of such shares is effected (i) through a stock exchange or in a public offering; or (ii) through an exchange of shares in a public offering, the purpose of which is to acquire control of another company.

In the event of a capital increase, which maintains or increases the proportion of capital, holders of ADSs may, under the circumstances described above, exercise preemptive rights to subscribe for newly issued shares. In the event of a capital increase which would reduce the proportion of capital, holders of ADSs may, under the circumstances described above, have preemptive rights to subscribe for shares in proportion to their shareholdings. For risks associated with preemptive rights, see "Item 3. Key Information—D. Risk Factors—Risks Relating to the Sendas Common Shares and the Sendas ADSs—You might be unable to exercise preemptive rights with respect to the Sendas common shares underlying the Sendas ADSs, as a result of which your investment may be diluted."

Withdrawal Rights

Our common shares are not redeemable. Any of our shareholders who dissent from certain actions taken by our shareholders in a shareholders' meeting have the right to withdraw from our company and to receive the value of their common shares. According to the Brazilian Corporate Law, the withdrawal rights of a dissenting shareholder may be exercised in the event that the shareholders' meeting approves the following matters:

- a reduction in the percentage of mandatory dividends;
- a change in our corporate purposes;
- the merger of all of our shares into another Brazilian company, so that we become a wholly owned subsidiary of such company or vice versa;
- our merger into or with another company, including if we are merged into one of our controlling companies, or are consolidated with another company;
- our participation in a group of companies as defined under the Brazilian Corporate Law and subject to the conditions set forth therein;
- the conversion of our company to another corporate form; and
- a spin-off of our company if it entails (1) a change in our corporate purpose, (2) a reduction in mandatory dividends, or (3) our participation in a group of companies as defined under the Brazilian Corporate Law.

Withdrawal rights may not be exercised in the event of:

- the merger of all of our shares into another Brazilian company, so that we become a wholly owned subsidiary of such company or vice versa;
- our merger into or with another company, including if we are merged into one of our controlling companies, or are consolidated with another company; and
- our participation in a group of companies as defined under the Brazilian Corporate Law and subject to the conditions set forth therein,

if our shares (1) are “liquid,” which means that they are part of the IBOVESPA Index or another traded stock exchange index, as defined by the CVM, and (2) are widely held, such that our controlling shareholders and their affiliates hold less than 50% of the type or class of shares that are being withdrawn.

Dissenting shareholders also have a right of withdrawal in the event that the entity resulting from (1) a merger of all of our shares into another company so that we become a wholly-owned subsidiary of such company; (2) a spin-off; or (3) a merger or a consolidation of a Brazilian publicly listed company, fails to become a Brazilian publicly listed company within 120 days of the general shareholders’ meeting in which such decision was taken.

The right to withdraw lapses 30 days after publication of the minutes of the relevant shareholders’ meeting. We are entitled to reconsider any action giving rise to withdrawal rights within 10 days following the expiration of this period if we determine that the withdrawal of shares of dissenting shareholders would jeopardize our financial stability.

Any shareholder that exercises withdrawal rights is entitled to receive book value for its shares, based on our most recent audited balance sheet approved by our shareholders. However, if the resolution giving rise to the withdrawal rights is adopted more than 60 days after the date of our most recent audited approved balance sheet, a shareholder may request that its shares be valued on the basis of a special balance sheet dated no more than 60 days prior to the date of the adoption of the resolution. In such case, we are obligated to immediately pay 80% of the book value of the shares according to our most recent audited approved balance sheet, and the balance must be paid within 120 days after the date of the resolution of the shareholders’ meeting that gave rise to withdrawal rights.

Form and Transfer of Shares

Our shares are in book-entry form, and the transfer of such shares is made by the registrar in our books, by debiting the share account of the transferor and crediting the share account of the transferee. We maintain book entry form services with a custodian, which performs all of the services of safekeeping and transfer of our shares and related services.

The transfer of shares by a foreign investor is made in the same way and is requested by the investor’s local agent on the investor’s behalf. If the original investment is registered with the Central Bank pursuant to CMN Resolution 373, the foreign investor should also seek amendment of the electronic registration to reflect the new ownership through its local agent, if necessary.

The B3 has a department responsible for clearing (*Central Depositária B3*), which is also responsible for settlement and custody of the shares. The payment of dividends, bonuses and other corporate events is also managed by the Central Depositary (*Central Depositária*).

Other Dispositions

In addition to the provisions already described in this annual report, the Brazilian Corporate Law, our bylaws, and current regulations set forth, among others, that:

- upon a sale of control, the acquirer is required to launch a tender offer to purchase all minority voting shares at a price equal to at least 100% of the control price;
- if provided for in the bylaws, as it is our case, disputes among shareholders will be subject to arbitration;

- upon the occurrence of a tender offer aiming at delisting our company or through which our controlling shareholders acquire more than one-third of the float shares, the purchase price will be equal to the fair value of the shares taking into account the total number of outstanding shares;
- members of our board of directors elected by the non-controlling shareholders will have the right to veto the choice of the independent auditor made by the members elected by the controlling shareholders;
- the chairman of any shareholders' or board of directors' meeting may disregard any vote that is rendered against provisions of any shareholders' agreement if that shareholders' agreement has been duly filed with us.

We are required to be represented either: (i) jointly by two executive officers; (ii) by two attorneys-in-fact; (iii) by one executive officer and one attorney-in-fact; or (iv) by one executive officer or one attorney-in-fact, in special circumstances and always in accordance with the powers provided to each.

In case of acts that entail any kind of acquisition, sale, disposal or creation of any lien on any of our assets, including any real estate, as well as, for the granting of powers-of-attorney for the practice of such acts, we are required to be represented either: (i) jointly by two executive officers; (ii) by two attorneys-in-fact; (iii) by one executive officer and one attorney-in-fact of whom one must always be the chief executive officer; or (iv) an attorney-in-fact duly appointed by two executive officers of whom one must be the chief executive officer.

Sale of Control of Our Company

In the event of a sale of our company's corporate control directly or indirectly, through single or successive transactions, the acquirer must conduct a public tender offer to buy all of the shares held by the remaining shareholders in order to assure equal treatment of all shareholders (tag-along right). The tender offer will be subject to the terms and conditions terms set forth under applicable laws and the rules of the *Novo Mercado*.

Acquisition of a Significant Equity Interest in our Company

Our bylaws contain provisions that have the effect of avoiding concentration of our shares in the hands of a small group of investors, in order to promote more widespread ownership of our shares. These provisions require any person, shareholder or Group of Shareholders (as defined in Article 40 of our bylaws) that acquires, whether through a single transaction or through a series of transactions: (1) direct or indirect ownership of more than 25% of our shares (excluding treasury shares); or (2) any other shareholders rights, including usufructuary enjoyment or establishment of a trust, concerning more than 25% of our shares (excluding treasury shares) (each, a "Significant Equity Interest"), to, within 30 days from the date of such acquisition, commence a public tender offer to purchase any and all of our outstanding shares in accordance with the regulations of the CVM and B3 and our bylaws. The purchase price offered in the tender offer must be not less than the greater of:

- the economic value of our company, determined pursuant to Article 40 of our bylaws;
- the highest price paid by the acquiring person, shareholder or Group of Shareholders during the 12 months prior to the acquisition of the Significant Equity Interest; and
- 125% of the weighted average unit price of the common shares during the period of 120 trading sessions prior to the commencement of the tender offer.

The obligation to commence a tender offer will not apply to a person, shareholder or Group of Shareholders that acquires a Significant Equity Interest:

- as a result of a merger of our company with another company or a merger of shares of another company into our company;
- if our company purchases another company through a private increase in corporate capital or subscription of shares by primary offering by any person who has pre-emption rights;

- if our company purchases another company through a private increase in corporate capital or subscription of shares by primary offering due to the lack of full payment by any person who has pre-emption rights or did not have enough interested parties in the respective offer; or
- in the event of a public offering (including a public offering with restricted selling efforts).

Involuntary increases of equity interest resulting from cancellation of treasury shares, repurchases of shares by our company or capital reductions with cancellation of shares will not be considered in the calculation of a Significant Equity Interest.

The commencement of a public tender offer by the holder of a Significant Equity Interest does not prevent any other person from commencing a competing public tender offer in accordance with applicable regulations.

The obligation of the holder of a Significant Equity Interest to commence a public tender offer may be waived in a general shareholders' meeting by the affirmative vote of the majority of our outstanding shares present in such meeting, excluding shares held by the holder of a Significant Equity Interest. The quorum requirement for a general shareholders' meeting called to deliberate on such a waiver is a minimum of 2/3 of our outstanding shares, excluding shares held by the holder of a Significant Equity Interest, on first call, and any number of our outstanding shares on a subsequent call.

Arbitration

In accordance with our bylaws, we, our shareholders, directors, officers and members of our fiscal council, effective or alternates, if any, agree to resolve through arbitration before the Market Arbitration Chamber (*Câmara de Arbitragem do Mercado*) of the B3 any disputes or controversies that may arise between us relating to or arising from our status as issuer, shareholders, directors, officers or members of the fiscal council, especially arising from the provisions established in the Law 6,385, of December 7, 1976, in the Brazilian Corporate Law, in our bylaws, in the regulation issued by the CMN, the Central Bank and the CVM, as well as in any regulation applicable to the operation of capital markets in general, in addition to those contained in the *Novo Mercado* regulations, other regulations of the B3, and the *Novo Mercado* Participation Agreement.

C. Material Contracts

Not applicable.

D. Exchange Controls

The ownership of common shares by individuals or legal entities domiciled outside Brazil is subject to certain conditions established under Brazilian law.

The right to convert dividend payments and proceeds from the sale of common shares into foreign currency and to remit those amounts outside Brazil is subject to exchange control restrictions and foreign investment legislation which generally requires, among other things, obtaining an electronic registration with the Central Bank.

CMN Resolution No. 4,373, dated as of September 29, 2014, provides for the issuance of depositary receipts in foreign markets with respect to shares of Brazilian issuers.

An electronic registration is issued in the name of the depositary with respect to the ADSs and is maintained by the custodian on behalf of the depositary.

This electronic registration is carried out through the Central Bank's system (*Sistema do Banco Central*), or SISBACEN, a database of information provided by financial institutions to the Central Bank. Pursuant to the electronic registration, the custodian is able to convert dividends and other distributions, with respect to the common shares represented by the ADSs, into foreign currency and remit the proceeds outside Brazil. In the event that a holder of ADSs exchanges those ADSs for common shares, that holder will be entitled to continue to rely on the depository's electronic registration for only five business days after that exchange, after which time that holder must seek to obtain its own electronic registration. Thereafter, unless the common shares are held pursuant to CMN Resolution No. 4,373, a holder of common shares who applies for and obtains a new electronic registration may not be able to obtain and remit abroad U.S. dollars or other foreign currencies upon disposal of the common shares, or distributions with respect thereto, and generally will be subject to less favorable tax treatment on the proceeds arising from any sale of common shares. In addition, if the foreign investor is domiciled in a Low or Nil Taxation Jurisdiction (as defined under "—E. Taxation—Material Brazilian Tax Consequences"), the investor will also be subject to less favorable tax treatment, even if its registry before the Central Bank is in accordance with the provisions of CMN Resolution No. 4,373. See "—E. Taxation—Material Brazilian Tax Consequences."

Under CMN Resolution No. 4,373, foreign investors may invest in almost all financial assets and engage in almost all transactions available in the Brazilian financial and capital markets, provided that the requirements described below are fulfilled. In accordance with CMN Resolution 4,373, the definition of foreign investor includes individuals, legal entities, mutual funds and other collective investment entities domiciled or headquartered outside Brazil.

Pursuant to CMN Resolution No. 4,373, foreign investors must fulfill the following requirements before engaging in financial transactions:

- appoint at least one representative in Brazil with powers to perform actions relating to the foreign investment;
- appoint an authorized custodian in Brazil for the investments, which must be a financial institution duly authorized by the Central Bank and the CVM;
- complete the appropriate foreign investor registration form;
- through its representative, register as a foreign investor with the CVM; and
- register its foreign investment with the Central Bank.

In addition, an investor operating under the provisions of CMN Resolution No. 4,373 must be registered with the Brazilian Internal Revenue Service (*Receita Federal do Brasil*) pursuant to Normative Instruction No. 1,863/2018, as amended, which also provides specific obligations regarding the disclosure of information on individuals authorized to legally represent a foreign investor in Brazil as well as the chain of corporate interest up to the individual deemed as their ultimate beneficiary or up to one of the entities mentioned in the corresponding legislation, which includes publicly-held companies domiciled in Brazil.

This registration process is undertaken by the investor's legal representative in Brazil. Non-Brazilian investors should consult their own tax advisors regarding the consequences of Normative Instruction No. 1,863/2018.

Securities and other financial assets held by foreign investors pursuant to CMN Resolution No. 4,373 must be registered or maintained in deposit accounts or under the custody of an entity duly licensed by the Central Bank or the CVM. In addition, securities trading is restricted to transactions carried out on stock exchanges or through organized over-the-counter markets licensed by the CVM, except for subscription, bonification, conversion of debentures into common shares, securities indexes, purchase and sale of investment funds quotas and, if permitted by the CVM, going private transactions, canceling or suspension of trading, public offerings of securities, etc., as detailed by CVM Resolution No. 13, dated November 18, 2020. Moreover, the offshore transfer or assignment of the securities or other financial assets held by foreign investors pursuant to CMN Resolution No. 4,373 is prohibited, except for transfers resulting from a corporate reorganization, or occurring upon the death of an investor by operation of law or will.

Investors under CMN Resolution No. 4,373 who are not resident in a Low or Nil Taxation Jurisdiction (i.e., a country that does not impose income tax or where the maximum income tax rate is lower than 20%) are entitled to favorable tax treatment.

Foreign investors may also invest directly under Law No. 4,131/1962, and may sell their shares in both private and open market transactions, but these investors are subject to less favorable tax treatment on gains than investors under CMN Resolution No. 4,373. A foreign direct investor under Law No. 4,131/1962 must: (1) register as a foreign direct investor with the Central Bank; (2) obtain a Brazilian identification number from the Brazilian tax authorities; (3) appoint a tax representative in Brazil; and (4) appoint a representative in Brazil for service of process in respect of suits based on Brazilian Corporate Law. For additional information on Brazilian tax consequences of investing in the Sendas common shares, see “—E. Taxation—Material Brazilian Tax Consequences.”

E. Taxation

The following discussion contains a description of the material Brazilian and U.S. federal income tax consequences of the acquisition, ownership and disposition of the Sendas common shares or the Sendas ADSs. The following discussion is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of our common shares. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

Material Brazilian Tax Consequences

The following discussion describes the material Brazilian tax consequences relating to the purchase, ownership and disposal of Sendas common shares and Sendas ADSs by persons that are not domiciled in Brazil for tax purposes (“Non-Resident Holders”).

It does not purport to be a comprehensive discussion of all the tax consequences that may be relevant to these matters, and it is not applicable to all categories of investors, some of which may be subject to special tax rules not specifically addressed herein. It is based upon the tax laws of Brazil, in effect as of the date of this annual report, which are subject to change and to differing interpretations. Any change in the applicable Brazilian laws and regulations may impact the consequences described below.

The tax consequences described below do not take into account tax treaties entered into by Brazil and other countries. The discussion also does not address any tax consequences under the tax laws of any state or locality of Brazil, except if otherwise stated herein.

Although there is presently no income tax treaty between Brazil and the United States, the tax authorities of the two countries have had discussions that may culminate in such a treaty. No assurance can be given, however, as to whether or when a tax treaty will enter into force or how such a treaty would affect a U.S. holder of Sendas common shares or Sendas ADSs.

You are advised to consult your own tax advisor with respect to the Spin-Off or an investment in Sendas common shares or Sendas ADSs in light of your particular investment circumstances.

Taxation of Dividends

Dividends paid by a Brazilian corporation, such as us, to a Non-Brazilian Holder of common shares or ADSs are currently exempt from withholding income tax (“WHT”) in Brazil to the extent that such amounts are related to profits generated on or after January 1, 1996. Dividends paid from profits generated before January 1, 1996 may be subject to WHT at variable rates, according to the tax legislation applicable to each corresponding year.

Law No. 11,638, dated December 28, 2007 (“Law No. 11,638”) significantly changed the Brazilian Corporate Law in order to align Brazilian generally accepted accounting principles with IFRS. Nonetheless, Law No. 11,941, dated May 27, 2009, introduced the Transitory Tax Regime (“RTT”), in order to render neutral, from a tax perspective, all the changes provided by Law No. 11,638. Under the RTT, for tax purposes, legal entities should observe the accounting methods and criteria that were effective on December 31, 2007.

Profits determined pursuant to Law No. 11,638 (“IFRS Profits”), may differ from the profits calculated pursuant to the accounting methods and criteria as effective on December 31, 2007 (“2007 Profits”).

While it was general market practice to distribute exempted dividends with reference to the IFRS Profits, Rule No. 1,397, issued by the Brazilian tax authorities on September 16, 2013, established that legal entities should observe the 2007 Profits in order to determine the amount of profits that could be distributed as exempted income to their beneficiaries.

Any profits paid in excess of said 2007 Profits (“Excess Dividends”), should, in the tax authorities’ view and in the specific case of Non-Resident Holders, be subject to the following rules of taxation: (1) 15.0% WHT, in case of beneficiaries domiciled abroad, but not in a Low or Nil Tax Jurisdiction, and (2) 25.0% WHT, in the case of beneficiaries domiciled in a Low or Nil Tax Jurisdiction.

In order to mitigate potential disputes on the subject, Law No. 12,973, dated May 13, 2014 (“Law No. 12,973”), in addition to revoking the RTT, introduced a new set of tax rules (the “New Brazilian Tax Regime”), including new provisions with respect to Excess Dividends. Under these new provisions: (1) Excess Dividends related to profits assessed from 2008 to 2013 are exempt; (2) potential disputes remain concerning the Excess Dividends related to 2014 profits, since Law No. 12,973 has not expressly excluded those amounts from taxation and Rule No. 1,492, issued by the Brazilian tax authorities on September 17, 2014, established they are subject to taxation when distributed by companies which have not elected to apply the New Brazilian Tax Regime in 2014; and (3) as of 2015, as the New Brazilian Tax Regime is mandatory and has completely replaced the RTT, dividends calculated based on IFRS Profits should be considered fully exempt.

Finally, there is currently legislation pending before the Brazilian Congress discussing the taxation of dividends. It is not possible to predict if the taxation of dividends will be effectively approved by the Brazilian Congress and how such taxation would be implemented. Thus, there can be no assurance that the current tax exemption on dividends distributed by Brazilian companies will continue in the future. At any case, any potential taxation being imposed upon dividends would become effective only in the year following the enactment of the relevant law.

Distribution of Interest on Shareholders’ Equity

Law No. 9,249, dated December 26, 1995, as amended, allows a Brazilian corporation, such as us, to make payments to shareholders of interest on shareholders’ equity as an alternative to carrying out dividend distributions and treat those payments as a deductible expense for the purposes of calculating Brazilian corporate income tax and social contribution on net income.

For tax purposes, this interest is limited to the daily variation of the *pro rata* variation of the long term interest rate as determined by the Central Bank from time to time applied to certain equity accounts, and the amount of the distribution may not exceed the greater of:

- 50% of net income (after the deduction of the social contribution on net income and before taking into account the provision for corporate income tax and the amounts attributable to shareholders as interest on shareholders’ equity) for the period in respect of which the payment is made; or
- 50% of the sum of retained profits and profits reserves for the year prior to the year in respect of which the payment is made.

Payments of interest on shareholders’ equity to a Non-Resident Holder are subject to WHT at the rate of 15.0%, or 25.0% if the Non-Resident Holder is domiciled in a Low or Nil Tax Jurisdiction.

These payments may be included, at their net value, as part of any mandatory dividend. To the extent that such payments are accounted for as part of the mandatory dividend, under current Brazilian law, we are obliged to distribute to shareholders an additional amount sufficient to ensure that the net amount received by the shareholders, after payment by us of applicable WHT, plus the amount of declared dividends, is at least equal to the mandatory dividend. The distribution of interest on shareholders' equity must be proposed by our board of directors and is subject to subsequent ratification by the shareholders at the shareholders' meeting.

Please note that there is currently legislation pending before the Brazilian Congress discussing the repeal of interest on shareholders' equity. It is not possible to predict whether such a repeal will effectively occur or if the tax regime applicable to the payment of interest on shareholders' equity will undergo changes, and what the changes will be.

Capital Gains

Sale of Sendas ADSs

According to Law No. 10,833, dated December 29, 2003 ("Law No. 10,833"), capital gains earned on the disposal of assets located in Brazil by a Non-Resident Holder, whether to another Non-Resident Holder or to a Brazilian Resident Holder (defined as a person that is domiciled in Brazil for tax purposes, as defined by the applicable Brazilian tax legislation) are subject to taxation in Brazil.

Our understanding is that ADSs do not qualify as assets located in Brazil for the purposes of Law No. 10,833 because they represent securities issued and renegotiated in an offshore exchange market and, therefore, should not be subject to the Brazilian WHT. However, considering the lack of any judicial court ruling in respect thereto, we cannot assure you of how tax authorities and Brazilian courts would interpret the definition of assets located in Brazil in connection with the taxation of gains realized by a Non-Resident Holder on the disposal of Sendas ADSs. If the Sendas ADSs are deemed to be assets located in Brazil, gains recognized by a Non-Resident Holder from the sale or other disposition to either a non-resident or a resident in Brazil may be subject to income tax in Brazil as further described below.

Conversion of Sendas ADS into Sendas Common Shares

Although there is no clear regulatory guidance, the cancellation of Sendas ADSs and receipt of the underlying Sendas common shares should not subject a Non-Resident Holder to Brazilian tax. Non-Resident Holders may cancel their Sendas ADSs, receive the underlying Sendas common shares, sell such Sendas common shares on a Brazilian stock exchange and remit abroad the proceeds of the sale, according to the regulations of the Central Bank.

Upon receipt of the underlying Sendas common shares upon the cancellation of Sendas ADSs, a Non-Resident Holder may also elect to register with the Central Bank the U.S. dollar value of such Sendas common shares as a foreign portfolio investment under Resolution No. 4,373, which will entitle them to the tax treatment described below.

Alternatively, a Non-Resident Holder is also entitled to register with the Central Bank the U.S. dollar value of such Sendas common shares as a foreign direct investment under Law No. 4,131/62, in which case the respective sale would be subject to the tax treatment applicable to transactions carried out of by a Non-Resident Holder that is not registered before Brazil's Central Bank and CVM in accordance with Resolution No. 4,373.

Sale of Sendas Common Shares

Capital gains assessed on a Non-Resident Holder on the disposition of Sendas common shares carried out on a Brazilian stock exchange are:

- exempt from income tax when realized by a Non-Resident Holder that: (1) has registered its investment in Brazil with the Central Bank under the rules of CMN Resolution No. 4,373 (a "4,373 Holder"); and (2) is not resident or domiciled in a Low or Nil Tax Jurisdiction;
- subject to income tax at a rate of 15.0% in the case of gains realized by a Non-Resident Holder that: (1) is a 4,373 Holder; and (2) is resident or domiciled in a Low or Nil Tax Jurisdiction. In this case, a withholding income tax of 0.005% of the sale value shall be applicable and withheld by the intermediary institution (i.e., a broker) that receives the order directly from the Non-Resident Holder, which can be later offset against any income tax due on the capital gain earned by the Non-Resident Holder; or

- subject to income tax at a rate of up to 25.0% in the case of gains realized by a Non-Resident Holder that: (1) is not a 4,373 holder; and (2) is resident or domiciled in a Low or Nil Tax Jurisdiction. In this case, a withholding income tax of 0.005% of the sale value shall be applicable and withheld by the intermediary institution (i.e., a broker) that receives the order directly from the Non-Resident Holder, which can be later offset against any income tax due on the capital gain earned by the Non-Resident Holder.

Any other gains assessed on a sale or disposition of Sendas common shares that is not carried out on a Brazilian stock exchange are subject to: (1) income tax at a rate ranging from 15.0% up to 22.5% when realized by a Non-Resident Holder that (A) has registered its investment as a foreign direct investment under Law No. 4,131/62 (a “4,131 Holder”); and (B) is not resident or domiciled in a Low Tax Jurisdiction; and (2) income tax at a rate of 25.0% when realized by a 4,131 Holder that is domiciled or resident in a Low Tax Jurisdiction. If these gains are related to transactions conducted on the Brazilian non-organized over-the-counter market with intermediation, a WHT of 0.005% on the sale value will also apply and can be used to offset the income tax due on the capital gain.

Under Brazilian legislation, there are legal grounds to support that the disposition of shares of a Brazilian entity by a 4,373 Holder outside the Brazilian stock exchange should be subject to a rate of 15.0%. This is mainly because Section 81 of Law No. 8,981, dated January 20, 1995, as extended by Section 16 Provisional Measure 2,189-49/01, provides for a Special Tax Regime to 4,373 Holders by means of which: (1) capital gains earned by 4,373 Holders are exempt, to the extent capital gains are considered to be the positive results obtained from transactions carried out on the stock exchange; and (2) in all other cases applies the taxation at the 15.0% WHT rate. Notwithstanding, Brazilian custodian agents usually do not accept this view and require the tax treatment applicable to 4,131 Holders (i.e., progressive WHT rates ranging from 15.0% up to 22.5%) on disposition of Brazilian assets carried out outside the stock exchange. There is a Ruling surrounding the matter, but it still leaves room for interpretation. Administrative and judicial precedents are inexistant.

Any exercise of preemptive rights relating to Sendas common shares or Sendas ADSs will not be subject to Brazilian withholding income tax. Any gain on the sale or assignment of preemptive rights relating to Sendas common shares by the Sendas Depository on behalf of holders of Sendas ADSs will be subject to Brazilian income taxation according to the same rules applicable to the sale or disposal of Sendas common shares.

In the case of a redemption of common shares or a capital reduction by a Brazilian corporation, such as us, the positive difference between the amount received by a Non-Resident Holder and the acquisition cost of the common shares redeemed, including common shares underlying common ADSs, is treated as a capital gain derived from the sale or exchange of shares not carried out on a Brazilian stock exchange market, and is therefore subject to income tax at the specific rates detailed above, depending on the nature of the investment and the location of the investor.

As a general rule, the gains realized as a result of the disposal of common shares, including these underlying common ADSs, is the positive difference between the amount realized on the sale or exchange of the common shares and their acquisition cost.

There is no assurance that the current preferential treatment for a Non-Resident Holder of Sendas ADSs and a 4,373 Holder of Sendas common shares will continue or that it will not change in the future.

Conversion of Sendas Common Shares into Sendas ADSs

The deposit of Sendas common shares into the Sendas ADS program and issuance of Sendas ADSs may subject a Non-Resident Holder to Brazilian income tax on capital gains if the amount previously registered with the Central Bank as a foreign investment in Sendas common shares or, in the case of other market investors under Resolution No. 4,373, the acquisition cost of the Sendas common shares, as the case may be, is lower than:

- the average price per Sendas common share on the B3 on the day of deposit; or
- if no Sendas common shares were sold on that day, the average price on the B3 during the 15 preceding trading sessions.

The difference between the amount previously registered, or the acquisition cost, as the case may be, and the average price of the Sendas common shares, calculated as set forth above, may be considered a taxable capital gain.

Discussion on Low or Nil Taxation Jurisdictions

On June 4, 2010, the Brazilian tax authorities enacted Normative Ruling No. 1,037 listing: (1) the countries and jurisdictions considered as Low or Nil Taxation Jurisdictions or where the local legislation does not allow access to information related to the shareholding composition of legal entities, to their ownership or to the identity of the effective beneficiary of the income attributed to non-residents; and (2) the privileged tax regimes, which definition is provided by Law No. 11,727, of June 23, 2008 (“Law No. 11,727”).

A Low or Nil Taxation Jurisdiction is a country or location that: (1) does not impose taxation on income; (2) imposes income tax at a maximum rate lower than 20.0%; or (3) imposes restrictions on the disclosure of shareholding composition or the ownership of the investment. A regulation issued by the Brazilian tax authorities on November 28, 2014 (Ordinance No. 488, of 2014) decreased, from 20.0% to 17.0%, the minimum threshold for certain specific cases. The reduced 17.0% threshold applies only to countries and regimes aligned with international standards of fiscal transparency in accordance with rules to be established by the Brazilian tax authorities. Although Ordinance No. 488 has lowered the threshold rate, Normative Ruling No. 1,037, which identifies the countries considered to be Low or Nil Tax Jurisdictions and the locations considered as privileged tax regimes, has not been amended yet to reflect such threshold modification.

Law No. 11,727 created the concept of “privileged tax regimes,” which encompasses the countries and jurisdictions that: (1) do not tax income or tax it at a maximum rate lower than 20.0%; (2) grant tax advantages to a non-resident entity or individual (a) without the need to carry out a substantial economic activity in the country or jurisdiction, or (b) conditioned to the non-exercise of a substantial economic activity in the country or jurisdiction; (3) do not tax or tax proceeds generated abroad at a maximum rate lower than 20.0%; or (4) restrict the ownership disclosure of assets and ownership right or restrict disclosure about economic transactions carried out. Although we believe that the best interpretation of the current tax legislation is that the above mentioned “privileged tax regime” concept should apply solely for purposes of Brazilian transfer pricing and thin capitalization rules, among other rules that make express reference to the concepts, we can provide no assurance that tax authorities will not interpret the rules as applicable also to a Non-Resident Holder on payments of interest on shareholders’ equity.

Currently, the understanding of the Brazilian tax authorities is that the rate of 15.0% of WHT applies to payments made to beneficiaries resident in privileged tax regimes (Answer to Advance Tax Ruling Request COSIT No. 575, of December 20, 2017). In any case, if Brazilian tax authorities determine that payments made to a Non-Resident Holder under a privileged tax regime are subject to the same rules applicable to payments made to Non-Resident Holders located in a Low or Nil Tax Jurisdictions, the withholding income tax applicable to such payments could be assessed at a rate up to 25.0%.

We recommend investors to consult their own tax advisors from time to time to verify any possible tax consequence arising from Normative Ruling No. 1,037 and Law No. 11,727. If the Brazilian tax authorities determine that payments made to a Non-Resident Holder are considered to be made under a “privileged tax regime,” the WHT applicable to such payments could be assessed at a rate of up to 25.0%.

Finally, it is worth noting that Law No. 14,596 introduced severe changes to Brazilian transfer pricing rules. Law No. 14,596 reduced the minimum rate used for classifying countries as Low or Nil Taxation Jurisdiction from 20% to 17%. In this sense, under the provisions of Law No. 14,596, compliance with the requirements set forth by Ordinance No. 488, of 2014, may not be necessary.

Other Brazilian Taxes

There are no Brazilian federal inheritance, gift or succession taxes applicable to the ownership, transfer or disposal of Sendas common shares or Sendas ADSs by a Non-Resident Holder. Gift and inheritance taxes, however, may be levied by some states on gifts made to or inheritances bestowed by the Non-Resident Holder on individuals or entities resident or domiciled within such states in Brazil. There is no Brazilian stamp, issue, registration or similar taxes or duties payable by a Non-Resident Holder of Sendas common shares or Sendas ADSs.

Taxation of Foreign Exchange Transactions (IOF/Exchange)

Pursuant to Decree No. 6,306/07, the conversion into foreign currency or the conversion into Brazilian currency of the proceeds received or remitted by a Brazilian entity from a foreign investment in the Brazilian securities market, including those in connection with the investment by a Non-Resident Holder in common shares and common ADSs, may be subject to the Tax on Foreign Exchange Transactions (“IOF/Exchange”). Currently, the applicable rate for almost all foreign currency exchange transactions is 0.38%. Foreign currency exchange transactions carried out for the inflow of funds in Brazil for investment in the Brazilian financial and capital market made by a foreign investor (including a Non-Resident Holder, as applicable) are subject to IOF/Exchange at a 0% rate. The IOF/Exchange rate will also be 0% for the outflow of resources from Brazil related to these types of investments, including payments of dividends and interest on shareholders’ equity and the repatriation of funds invested in the Brazilian market. Furthermore, the IOF/Exchange is currently levied at a 0% rate for the conversion of ADSs into common shares held by foreign investors under the 4,373 Holders regime. In any case, the Brazilian government is permitted to increase the rate to a maximum of 25% at any time, with respect to future transactions. Any increase in the rate would not apply retroactively.

Tax on Bonds and Securities Transactions (IOF/Bonds)

Pursuant to Decree 6,306/07, the Tax on Bonds and Securities Transactions (“IOF/Bonds”), may be imposed on any transaction involving bonds and securities even if the transactions are performed on a Brazilian stock exchange. The rate of this tax for transactions involving common shares is currently 0%, but the Brazilian government may increase such rate up to 1.5% per day, with respect to future transactions. Currently, the issuance of depositary receipts traded outside of Brazil which underlying shares are issued by a Brazilian company and listed on a Brazilian stock exchange are also subject to IOF/Bonds at the 0% rate. Any increase in the rate would not apply retroactively.

Material U.S. Federal Income Tax Consequences

In General

The following is a discussion of the material U.S. federal income tax consequences generally applicable to U.S. Holders (as defined below) of owning and disposing of the Sendas common shares or the Sendas ADSs (the “Sendas Shares”), but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular investor’s decision to acquire Sendas Shares. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), the U.S. Treasury Regulations promulgated thereunder, administrative guidance and court decisions, in each case as of the date hereof, all of which are subject to change, possibly with retroactive effect, and to differing interpretations, which could affect the tax consequences described below. This discussion addresses only those holders that hold their Sendas Shares as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address any aspect of non-U.S. tax law or U.S. state, local, estate, gift or other tax law (including the Medicare tax on net investment income) that may be applicable to a holder. This discussion does not constitute tax advice and does not address all aspects of U.S. federal income taxation that may be relevant to particular holders of Sendas Shares in light of their personal circumstances, or to any holders subject to special treatment under the Code, such as:

- banks, mutual funds and other financial institutions;
- real estate investment trusts and regulated investment companies;
- traders in securities or other persons who elect to apply a mark-to-market method of tax accounting;
- tax-exempt organizations or governmental organizations;
- insurance companies;
- dealers or brokers in securities or foreign currency;

- individual retirement and other deferred accounts;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- expatriates and former long-term residents of the United States;
- “passive foreign investment companies” or “controlled foreign corporations,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- persons subject to an alternative minimum tax;
- persons who own or are deemed to own 10% or more (by vote or value) of Sendas’s voting stock;
- persons who hold the Sendas Shares as part of a “straddle,” “hedge,” “conversion transaction,” “constructive sale,” “wash sale” or other integrated or similar transaction;
- persons owning Sendas Shares in connection with a trade or business conducted outside the United States;
- persons who file applicable financial statements required to recognize income when associated revenue is reflected on such financial statements;
- “S corporations,” partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes, or other pass-through entities (and investors therein); and
- persons who received their shares through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan.

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of Sendas Shares, that for U.S. federal income tax purposes is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, including for this purpose any arrangement or entity that is treated as a partnership for U.S. federal income tax purposes, holds Sendas Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A U.S. Holder that is a partnership for U.S. federal income tax purposes and the partners in such partnership are urged to consult their tax advisors about the U.S. federal income tax consequences of the ownership and disposition of Sendas Shares.

This discussion is for informational purposes only and is not tax advice. U.S. Holders of Sendas Shares should consult their tax advisors with respect to the U.S. federal income tax consequences to them of the ownership and disposition of Sendas Shares in light of their particular circumstances, including the applicability and effect of other federal, state, local, non-U.S. and other tax laws, including estate or gift tax laws, any applicable income tax treaty, and possible changes in tax law.

Sendas ADSs

Generally, U.S. Holders of Sendas ADSs should be treated for U.S. federal income tax purposes as holding the Sendas common shares represented by the Sendas ADSs and the following discussion assumes that such treatment will be respected. As a result, no gain or loss should be recognized upon an exchange of Sendas common shares for Sendas ADSs or an exchange of Sendas ADSs for Sendas common shares. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the U.S. Holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying shares. Accordingly, the creditability of foreign taxes and the availability of the reduced tax rate for dividends received by certain non-corporate U.S. Holders, if any, as described below, could be affected by actions taken by intermediaries in the chain of ownership between the U.S. Holder of a Sendas ADS and Sendas.

U.S. Federal Income Tax Consequences of Owning and Disposing of Sendas Shares

Distributions on Sendas Shares

Subject to the discussion below under “—Passive Foreign Investment Company,” the gross amount of any distribution that Sendas makes to a U.S. Holder with respect to Sendas Shares (including the amount of any taxes withheld therefrom) will generally be includible in such U.S. Holder’s gross income, in the year actually or constructively received, as dividend income, but only to the extent that such distribution is paid out of Sendas’s current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent that the amount of the distribution exceeds Sendas’s current and accumulated earnings and profits (as determined under U.S. federal income tax principles), such excess will be treated first as a tax-free return of a U.S. Holder’s tax basis in such U.S. Holder’s Sendas Shares, thereby reducing the U.S. Holder’s adjusted tax basis in the Sendas Shares (but not below zero) and then, to the extent such excess amount exceeds such U.S. Holder’s adjusted tax basis in such Sendas Shares, as either long-term or short-term capital gain depending upon whether such U.S. Holder’s holding period in the Sendas Shares exceeds one year as of the time such distribution is actually or constructively received. Sendas, however, may not calculate its earnings and profits under U.S. federal income tax principles. In that case, a U.S. Holder should expect that any distribution Sendas makes will be reported as a dividend even if such distribution would otherwise be treated as a tax-free return of capital or as capital gain under the rules described above. Dividends paid by Sendas will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations under the Code or, with respect to Sendas common shares not backed by Sendas ADSs, for the lower rates applicable to “qualified dividend income” for non-corporate U.S. Holders. Dividends on Sendas ADSs (and common shares represented by ADSs) may be eligible for lower rates applicable to “qualified dividend income” for non-corporate U.S. Holders, provided that Sendas is not a PFIC (as discussed below under “—Passive Foreign Investment Company”) for its taxable year in which the dividend is paid and the preceding taxable year, and certain holding period and other requirements are met. Additionally, the amount of any dividend paid in *reais* will be the U.S. dollar value of the *reais* calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss.

Subject to certain conditions and limitations, non-U.S. taxes withheld, if any, from dividends on the Sendas Shares may be treated as foreign taxes eligible for a credit against the U.S. federal income tax liability of a U.S. Holder. For purposes of calculating the foreign tax credit, dividends paid on the Sendas Shares will be treated as income from sources outside the United States and will generally constitute passive category income. Further, in certain circumstances, if a U.S. Holder holds its Sendas Shares for less than a specified minimum period, the U.S. Holder will not be allowed a foreign tax credit for non-U.S. taxes imposed, if any, on dividends paid on its shares. In addition, U.S. Treasury Regulations have imposed additional requirements that must be met for a foreign tax to be creditable (including requirements that a “covered withholding tax” be imposed on nonresidents in lieu of a generally applicable tax that satisfies the regulatory definition of an “income tax,” which may be unclear or difficult to determine), and these requirements may further restrict a U.S. Holder’s ability to benefit from the foreign tax credit for Brazilian income taxes. The rules governing the foreign tax credit are complex. U.S. Holders should consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Dispositions of Sendas Shares

Subject to the discussion below under “—Passive Foreign Investment Company,” a U.S. Holder will generally recognize capital gain or loss on any sale, exchange, redemption, or other taxable disposition of its Sendas Shares in an amount equal to the difference between the amount realized for the Sendas Shares on the disposition and such U.S. Holder’s adjusted tax basis in the Sendas Shares disposed of (as discussed above and further detailed below). Any such capital gain or loss will be long-term if the U.S. Holder’s holding period in the Sendas Shares exceeds one year. Long-term capital gains of non-corporate taxpayers are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss generally will be treated as U.S. source gain or loss.

To the extent a U.S. Holder acquires or disposes of Sendas Shares in a transaction denominated in *reais*, a U.S. Holder’s initial tax basis in the Sendas Shares will be the U.S. dollar value of the *reais* denominated purchase price determined on the date of purchase, and the amount realized on a sale, exchange, redemption or other taxable disposition of the Sendas Shares will be the U.S. dollar value of the payment received determined on the date of disposition. If the Sendas Shares are treated as traded on an “established securities market”, a cash method U.S. Holder or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of (i) the cost of such Sendas Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange, redemption or other taxable disposition. Such an election by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual method U.S. Holders that do not elect to be treated as cash method taxpayers for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes, which in general will be treated as U.S. source ordinary income or loss. U.S. Holders should consult their tax advisors as to the U.S. federal income tax consequences of the receipt of *reais*.

If any Brazilian tax is imposed on the sale or other disposition of the Sendas Shares, a U.S. Holder’s amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Brazilian tax. See “—Material Brazilian Tax Consequences—Capital Gains” for a description of when a disposition may be subject to taxation by Brazil. Brazilian IOF/Exchange tax or any IOF/Securities tax (described under “—Material Brazilian Tax Consequences—Taxation of Foreign Exchange Transactions (IOF/Exchange)” and under “—Material Brazilian Tax Consequences—Tax on Bonds and Securities Transactions (IOF/Bonds) above) will generally not be creditable foreign taxes for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors concerning the creditability or deductibility of any Brazilian income tax imposed on the disposition of the Sendas Shares in their particular circumstances.

Passive Foreign Investment Company

In general, a non-U.S. corporation will be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes in any taxable year in which the corporation satisfies either of the following requirements:

- at least 75% of its gross income is “passive income”; or
- at least 50% of the average gross fair market value of its assets is attributable to assets that produce “passive income” or are held for the production of “passive income.”

Passive income for this purpose generally includes dividends, interest, royalties, rents and net gains from the disposition of property that gives rise to such income and of commodities. In addition, there is a look-through rule for investments in subsidiary corporations. Under this rule, if a non-U.S. corporation owns (directly or indirectly) at least 25% of the total value of the outstanding shares of another corporation, the non-U.S. corporation is treated as owning its proportionate share of the assets of the other corporation and earning its proportionate share of the income of the other corporation for purposes of determining if the non-U.S. foreign corporation is a PFIC.

Based upon the composition of our income, our assets and the nature of our business, we believe that we were not treated as a PFIC for U.S. federal income tax purposes in 2024. However, there can be no assurance that Sendas will not be considered to be a PFIC for any particular year because PFIC status is factual in nature, depends upon factors not wholly within Sendas's control, generally cannot be determined until the close of the taxable year in question, and is determined annually. Further, if Sendas is a PFIC for any taxable year during which a U.S. Holder owned the Sendas Shares and any of Sendas's non-U.S. subsidiaries is also a PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of Sendas's subsidiaries.

Generally, if Sendas were a PFIC for any taxable year during which a U.S. Holder owned the Sendas Shares, gains recognized by such U.S. Holder on a sale or other disposition (including, under certain circumstances, a pledge) of the Sendas Shares would be allocated ratably over the U.S. Holder's holding period for such Sendas Shares. The amount allocated to the taxable year of the sale or other disposition and to any year before Sendas became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, and an interest charge would be imposed on the amount allocated to each such taxable year. Further, any distribution on the Sendas Shares in excess of 125% of the average of the annual distributions on the Sendas Shares received by a U.S. Holder during the preceding three years or the U.S. Holder's holding period, whichever is shorter, would be subject to taxation in the same manner as gain recognized from the sale or other disposition of the Sendas Shares, as described immediately above. A mark-to-market election may be available that would result in alternative treatments of the Sendas ADSs if Sendas was a PFIC. If Sendas is classified as a PFIC in any year that a U.S. Holder owned the Sendas Shares, Sendas generally will continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder owned the Sendas Shares, even if Sendas ceased to satisfy the requirements of being a PFIC. If a U.S. Holder holds the Sendas Shares during any taxable year in which Sendas is a PFIC, the U.S. Holder generally will be required to file an annual IRS Form 8621, generally with the U.S. Holder's U.S. federal income tax return for that year unless specified exceptions apply. Significant penalties are imposed for failure to file IRS Form 8621, and the failure to file such form may suspend the running of the statute of limitations. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to their investment in the Sendas Shares and the possibility of making a mark-to-market election.

Backup Withholding and Information Reporting

Payments of dividends and proceeds from the sale, exchange, redemption or other taxable disposition of Sendas Shares that are made within the United States by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder may, under certain circumstances, be subject to information reporting and backup withholding, unless the U.S. Holder provides proof of an applicable exemption or, in the case of backup withholding, furnishes its taxpayer identification number and otherwise complies with all applicable requirements of the backup withholding rules. Backup withholding is not an additional tax and generally will be allowed as a refund or a credit against the U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Foreign Asset Reporting

Certain U.S. Holders are required to report information relating to an interest in the Sendas Shares, subject to certain exceptions (including an exception for Sendas Shares held in accounts maintained by certain financial institutions) by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their U.S. federal income tax return. U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of Sendas Shares.

F. Dividends and Paying Agents

The dividend paying agent for shareholders is BTG Pactual Serviços Financeiros S.A. DTVM. For additional detail, see “—Bylaws—Allocation of Net Profits and Distribution of Dividends—Distribution of Dividends” and “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividends and Dividend Policy.”

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and periodic reports on Form 6-K. You may read and copy our periodic reports at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information. Our SEC filings are also available to the public from commercial document retrieval services. Some of our SEC filings are also available at the website maintained by the SEC at www.sec.gov. Except as otherwise expressly indicated herein, any such information does not form part of this annual report.

As a foreign private issuer, we are exempt from the rules under the Exchange Act which prescribe the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions contained in Section 16 of the Exchange Act.

We also file financial statements and other periodic reports with the CVM, including the *Formulário de Referência*, which is an annual report that is prepared and filed in accordance with CVM Resolution No. 80/22 and can be accessed through www.cvm.gov.br and through our investor relations website <https://ri.assai.com.br/>. Information from those websites is not incorporated by reference into this document.

We have appointed JPMorgan Chase Bank N.A. to act as depository for the Sendas ADSs. JPMorgan Chase Bank N.A. will, as provided in the Sendas Deposit Agreement, arrange for the mailing of summaries in English of such reports and communications to all record holders of the Sendas ADSs. Any record holder of the Sendas ADSs may read such reports and communications or summaries thereof at JPMorgan Chase Bank N.A.'s office located at 383 Madison Avenue, Floor 11, New York, NY 10179.

Copies of our annual reports on Form 20-F and documents referred to in this annual report and our bylaws will be available for inspection upon request at our investor relations office at: Avenida Aricanduva, No. 5,555, Central Administrativa Assaí, Âncora E, Vila Matilde, 03527-000, São Paulo, SP, Brazil.

Our website is located at www.assai.com.br. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information on our website, which might be accessible through a hyperlink resulting from this URL is not, and shall not be deemed to be, incorporated into this annual report.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

If we are required to provide an annual report to security holders in response to the requirements of Form 6-K, we will submit the annual report to security holders in electronic format in accordance with the EDGAR Filer Manual.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks from changes in foreign currency and interest rates. Market risk is the potential loss arising from adverse changes in market rates, such as foreign currency exchange rates and interest rates.

We have a treasury policy designed to manage financial market risk, principally by swapping a substantial part of our U.S. dollar-denominated liabilities to obligations denominated in *reais*. We engage in cross-currency interest rate swaps under which we enter into an agreement typically with the same counter-party which provides the original U.S. dollar-denominated financing. A separate financial instrument is signed at the time the loan agreement is consummated, under which we are effectively then liable for amounts in *reais* and interest based on the CDI rate. Amounts are normally consummated with the same financial institutions and the same maturity periods. See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources.”

We use derivative financial instruments, usually cross-currency interest rate swaps, to mitigate risk caused by fluctuating currency and interest rates. We enter into cross-currency interest rate swaps to protect foreign currency exposure. Decisions regarding swap contracts are made on a case-by-case basis, taking into consideration the amount and duration of the exposure, market volatility, and economic trends. Our realized and unrealized gains and losses on these contracts are included within “financial income” and “financial expense,” respectively.

We use interest rate swap agreements to manage interest costs and risks associated with changing rates. The differential to be paid or received is accrued as interest rates change and is recognized in interest expense over the life of the agreements.

We have a policy of entering into contracts only with parties that have high credit ratings. The counter-parties to these contracts are major financial institutions. We do not expect a credit loss from counter-party non-performance.

For more information about our market risks and the sensitivity analyses of these risks, see note 16 to our audited financial statements included in this annual report.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. *Debt Securities*

Not applicable.

B. *Warrants and Rights*

Not applicable.

C. *Other Securities*

Not applicable.

D. *American Depositary Shares*

In the United States, the Sendas common shares trade in the form of ADS. The Sendas ADSs trade on the “pink sheets” operated by OTC Markets Group, Inc. under the ticker symbol “ASAIY.”

Description of American Depositary Shares

American Depositary Receipts

JPMorgan Chase Bank, N.A. (“JPMorgan”), as Sendas Depositary, has issued the Sendas ADSs. Each Sendas ADS represents an ownership interest in a designated number or percentage of Sendas common shares which we have deposited with the Sendas ADS Custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary, yourself as an American depositary receipt holder (“ADR holder”), and all other ADR holders, and all beneficial owners of an interest in the ADSs evidenced by ADRs from time to time. In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you. Unless certificated ADRs are specifically requested by you, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In this “Description of American Depositary Shares,” references to American depositary receipts or ADRs shall mean ADRs evidencing Sendas ADSs and shall include the statements you will receive which reflect your ownership of Sendas ADSs. In addition, in this “Description of American Depositary Shares,” “ADSs” will refer to the Sendas ADSs, “shares” will refer to Sendas common shares, “depositary” will refer to the Sendas Depositary and “custodian” will refer to the Sendas ADS Custodian.

The depositary's office is located at 383 Madison Avenue, Floor 11, New York, NY 10179.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you are an ADR holder and hold your ADSs directly. If you have a beneficial ownership interest in ADSs but hold the ADSs through your broker or financial institution nominee, you are a beneficial owner of ADSs and must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are. If you are a beneficial owner, you will only be able to exercise any right or receive any benefit under the deposit agreement solely through the ADR holder which holds the ADR(s) evidencing the ADSs owned by you, and the arrangements between you and such ADR holder may affect your ability to exercise any rights you may have. For all purposes under the deposit agreement, an ADR holder is deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by the ADR(s) registered in such ADR holder's name. The depositary's only notification obligations under the deposit agreement shall be to the ADR holders, and notice to an ADR holder shall be deemed, for all purposes of the deposit agreement, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder's ADRs.

As an ADR holder or beneficial owner, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Brazilian law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder or of a beneficial owner. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all registered holders and beneficial owners from time to time of ADSs issued under the deposit agreement and, in the case of a beneficial owner, from the arrangements between the beneficial owner and the holder of the corresponding ADRs. The obligations of our company, the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf. The deposit agreement, the ADRs and the ADSs are governed by New York law. Under the deposit agreement, as an ADR holder or a beneficial owner of ADSs, you agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and you irrevocably waive any objection which you may have to the laying of venue of any such proceeding and irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The following is a summary of what we believe to be the material terms of the Sendas Deposit Agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to the most recent Form F-6 registration statement (or amendment thereto) filed with the SEC. You may also obtain a copy of the form of deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at <http://www.sec.gov>.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, subject to any restrictions imposed by Brazilian law, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain ADR holders, and (iii) deduction of the depositary's and/or its agents' expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. If we advise the depositary that any such conversion, transfer or distribution can be effected only with the approval or license of the Brazilian government or any agency thereof or the depositary becomes aware of any other governmental approval or license required, the depositary may, in its discretion, apply for such approval or license, as we or our Brazilian counsel may reasonably instruct in writing or as the depositary may deem desirable including, without limitation, Central Bank registration. *If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.*
- *Shares.* In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to receive additional shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not timely furnish such evidence, the depositary may:
 - (i) sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
 - (ii) if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse. We have no obligation to file a registration statement under the United States Securities Act of 1933, as amended ("Securities Act") in order to make any rights available to ADR holders.
- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.
- *Elective Distributions.* In the case of a dividend payable at the election of our shareholders in cash or in additional shares, we will notify the depositary at least 30 days prior to the proposed distribution stating whether or not we wish such elective distribution to be made available to ADR holders. The depositary shall make such elective distribution available to ADR holders only if (i) we shall have timely requested that the elective distribution is available to ADR holders, (ii) the depositary shall have determined that such distribution is reasonably practicable and (iii) the depositary shall have received satisfactory documentation within the terms of the deposit agreement including any legal opinions of counsel that the depositary in its reasonable discretion may request. If the above conditions are not satisfied, the depositary shall, to the extent permitted by law, distribute to the ADR holders, on the basis of the same determination as is made in the local market in respect of the shares for which no election is made, either cash or additional ADSs representing such additional shares. If the above conditions are satisfied, the depositary shall establish procedures to enable ADR holders to elect the receipt of the proposed dividend in cash or in additional ADSs. There can be no assurance that ADR holders or beneficial owners of ADSs generally, or any ADR holder or beneficial owner of ADSs in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of shares.

If the depositary determines in its discretion that any distribution described above is not practicable with respect to any specific ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

The depositary shall have no obligation to distribute additional securities, rights to receive additional securities or other property if such distributions shall require registration under the Securities Act. The depositary may sell such property if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it fails to determine that any distribution or action is lawful or reasonably practicable.

There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period. All purchases and sales of securities will be handled by the depositary in accordance with its then current policies, which are currently set forth in the "Depositary Receipt Sale and Purchase of Security" section of <https://www.adr.com>, the location and contents of which the depositary shall be solely responsible for.

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan, as depositary for the benefit of ADR holders or in such other name as the depositary shall direct.

The custodian will hold all deposited shares for the account and to the order of the depositary, in each case for the benefit of ADR holders, to the extent not prohibited by law. ADR holders and beneficial owners thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities".

Deposited securities are not intended to, and shall not, constitute proprietary assets of the depository, the custodian or their nominees. Beneficial ownership in deposited securities is intended to be, and shall at all times during the term of the deposit agreement continue to be, vested in the beneficial owners of the ADSs representing such deposited securities. Notwithstanding anything else contained in the deposit agreement, in the form of ADR and/or in any outstanding ADSs, the depository, the custodian and their respective nominees are intended to be, and shall at all times during the term of the deposit agreement be, the record holder(s) only of the deposited securities represented by the ADSs for the benefit of the ADR holders. The depository, on its own behalf and on behalf of the custodian and their respective nominees, disclaims any beneficial ownership interest in the deposited securities held on behalf of the ADR holders.

We, the depository and the custodian shall comply with Brazil's National Monetary Council (*Conselho Monetário Nacional*) Resolution No. 4,373, dated as of September 29, 2014, in the third article, paragraph three, of the Regulation Annex V, and agree to furnish to the Central Bank and the CVM, whenever required, information or documents related to the ADRs and the deposit agreement, the deposited securities and distributions thereon and, under the terms of the deposit agreement, the depository and the custodian are authorized to release such information or documents and any other information as required by local regulation, law or regulatory body request. The depository has the right to terminate the deposit agreement on at least 30 days' notice to ADR holders and us in the event that the depository or the custodian reasonably could be subject to criminal or material civil liabilities if we have failed to provide such information or documents reasonably available only through us.

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depository and any taxes or other fees or charges owing, the depository will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depository's direct registration system, and an ADR holder will receive periodic statements from the depository which will show the number of ADSs registered in such ADR holder's name. An ADR holder can request that the ADSs not be held through the depository's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depository's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depository will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian's office. At your risk, expense and request, the depository may deliver deposited securities at such other place as you may request.

The depository may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depository or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depository may, after consultation with us if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by us) for the determination of the ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of deposited securities;

- to give instructions for the exercise of voting rights;
- to pay any fees assessed by the depositary for administration of the ADR program or any expenses owing to the depositary; or
- to receive any notice or to act in respect of other matters;

in each case, subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receiving notice from us of any meeting at which the holders of shares are entitled to vote, or of our solicitation of consents or proxies from holders of shares or other deposited securities, the depositary shall fix the ADS record date in accordance with the provisions of the deposit agreement, provided that if the depositary receives a written request from us in a timely manner and at least 30 days prior to the date of such vote or meeting, the depositary shall, at our expense, distribute to the ADR holders a notice stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each ADR holder on the record date set by the depositary will, subject to any applicable provisions of Brazilian law, be entitled to instruct the depositary to exercise the voting rights, if any, pertaining to the shares underlying such ADR holder's ADSs and (iii) the manner in which such instructions may be given, including instructions to give a discretionary proxy to a person designated by us. Each ADR holder is solely responsible for the forwarding of such notices to the beneficial owners of ADSs registered in such ADR holder's name. Following actual receipt by the ADR department responsible for proxies and voting of ADR holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the nominee for DTC), the depositary shall, in the manner and on or before the time established by the depositary for such purpose, endeavor to vote or cause to be voted the shares represented by the ADSs evidenced by such ADR holders' ADRs in accordance with such instructions insofar as practicable and permitted under the provisions of or governing our shares.

To the extent that (A) the depositary has been provided with at least 35 days' notice of a meeting from us, (B) the depositary's notice to ADR holders (described in the preceding paragraph) has been received by all ADR holders and beneficial owners of ADSs no less than 10 days prior to the date of the meeting and/or the cut-off date for the solicitation of consents, and (C) the depositary does not receive instructions on a particular agenda item from an ADR holder (including, without limitation, any entity or entities acting on behalf of the nominee for DTC) in a timely manner, such ADR holder shall be deemed, and under the deposit agreement the depositary is instructed to deem such ADR holder, to have instructed the depositary to give a discretionary proxy for such agenda item(s) to a person designated by us to vote the deposited securities represented by the ADSs for which actual instructions were not so given by all such ADR holders on such agenda item(s), provided that no such instruction shall be deemed given and no discretionary proxy shall be given unless (1) we inform the depositary in writing (and under the deposit agreement we have agreed to provide the depositary with such instruction promptly in writing) that (a) we wish such proxy to be given with respect to such agenda item(s), (b) there is no substantial opposition existing with respect to such agenda item(s) and (c) such agenda item(s), if approved, would not materially or adversely affect the rights of holders of shares, and (2) the depositary has obtained an opinion of counsel, in form and substance satisfactory to it, confirming that (i) the granting of such discretionary proxy does not subject the depositary to any reporting obligations in Brazil, (ii) the granting of such proxy will not result in a violation of Brazilian laws, rules, regulations or permits, (iii) the voting arrangement and deemed instruction as contemplated in the deposit agreement will be given effect under Brazilian laws, rules and regulations, and (iv) the granting of such discretionary proxy will not under any circumstances result in the shares represented by the ADSs being treated as assets of the depositary under Brazilian laws, rules or regulations.

ADR holders and beneficial owners of ADSs are strongly encouraged to forward their voting instructions to the depositary as soon as possible. For instructions to be valid, the ADR department of the depositary that is responsible for proxies and voting must receive them in the manner and on or before the time specified, notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by any law, rule or regulation, or by the rules and/or requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the ADR holders a notice that provides such ADR holders with, or otherwise publicizes to such ADR holders, instructions on how to retrieve such materials or receive such materials upon request (i.e., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

There is no guarantee that ADR holders and beneficial owners of ADSs generally, or any ADR holder or beneficial owner of ADSs in particular, will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

See “Item 3. Key Information—D. Risk Factors—Risks Relating to the Sendas Common Shares and the Sendas ADSs—Holders of Sendas ADSs are not entitled to attend shareholders’ meetings and may only vote through the Sendas Depositary.”

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian, or upon request from the depositary (which request may be refused by the depositary in its discretion), the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADSs are cancelled or reduced for any other reason, US\$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall also be incurred by the ADR holders and beneficial owners of ADSs, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of up to US\$0.05 per ADS held for any cash distribution made pursuant to the deposit agreement or for any elective cash/stock dividend offered pursuant to the deposit agreement;

- an aggregate fee of up to US\$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against ADR holders as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of ADR holders in connection with compliance with foreign exchange control regulations or any law, rule or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against ADR holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such ADR holders or by deducting such charge from one or more cash dividends or other cash distributions), including, without limitation, any amounts charged by any governmental authorities or other institutions such as the B3, the stock exchange on which the Sendas shares are registered for trading;
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the \$0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those ADR holders entitled thereto;
- fees and expenses for conversion of foreign currency;
- stock transfer or other taxes and other governmental charges;
- SWIFT, cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares, ADRs or deposited securities;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

To facilitate the administration of various depositary receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the depositary may engage the foreign exchange desk within JPMorgan Chase Bank, N.A. (the "Exchange Bank") and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars ("FX Transactions"). For certain currencies, FX Transactions are entered into with the Exchange Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, FX Transactions are routed directly to and managed by an unaffiliated local custodian (or other third party local liquidity provider), and neither the Exchange Bank nor any of its affiliates is a party to such FX Transactions.

The foreign exchange rate applied to an FX Transaction will be either (a) a published benchmark rate, or (b) a rate determined by a third party local liquidity provider, in each case plus or minus a spread, as applicable. The depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the "Disclosure" page (or successor page) of www.adr.com (as updated by the depositary from time to time, "ADR.com"). Such applicable foreign exchange rate and spread may (and neither the depositary, the Exchange Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Exchange Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the FX Transaction. Additionally, the timing of execution of an FX Transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Exchange Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on us, the depositary, ADR holders or beneficial owners of ADSs. The spread applied does not reflect any gains or losses that may be earned or incurred by the Exchange Bank and its affiliates as a result of risk management or other hedging related activity. Notwithstanding the foregoing, to the extent we provide U.S. dollars to the depositary, neither the Exchange Bank nor any of its affiliates will execute an FX Transaction as set forth herein. In such case, the depositary will distribute the U.S. dollars received from us.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of FX Transactions will be provided by the depositary on ADR.com. We and by holding an ADS or an interest therein, ADR holders and beneficial owners of ADSs will each be acknowledging and agreeing that the terms applicable to FX Transactions disclosed from time to time on ADR.com will apply to any FX Transaction executed pursuant to the deposit agreement.

The fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. ADR holders will receive prior notice of the increase in any such fees and charges. The right of the depositary to charge and receive payment of fees, charges and expenses as provided above shall survive the termination of the deposit agreement.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to ADR holders. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to ADR holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

For the year ended December 31, 2024, we received reimbursements from the depositary in the aggregate amount of US\$0.5 million, net of taxes.

Payment of Taxes

If any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, such tax or other governmental charge shall be paid by the applicable ADR holder to the depositary and by holding or owning, or having held or owned, an ADR or any ADSs evidenced thereby, the ADR holder and all beneficial owners of such ADSs, and all prior registered holders of such ADRs and prior beneficial owners of such ADSs, jointly and severally, agree to indemnify, defend and save harmless each of the depositary and its agents in respect of such tax or governmental charge. Each ADR holder and beneficial owner of ADSs, and each prior ADR holder and beneficial owner of ADSs, by holding or having held an ADR or an interest in ADSs, acknowledges and agrees that the depositary shall have the right to seek payment of any taxes or governmental charges owing with respect to the relevant ADRs from any one or more such current or prior ADR holder or beneficial owner of ADSs, as determined by the depositary in its sole discretion, without any obligation to seek payment of amounts owing from any other current or prior ADR holder or beneficial owner of ADSs. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of ADRs or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) in such amounts and in such manner as the depositary deems necessary and practicable to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto.

As an ADR holder or beneficial owner, you will be agreeing to indemnify us, the depository, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained. These obligations survive any transfer or surrender of ADSs or the termination of the deposit agreement.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions of shares or other property not made to ADR holders or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depository may choose to, and shall if reasonably requested by us:

- amend the form of ADR;
- distribute additional or amended ADRs;
- distribute cash, securities or other property it has received in connection with such actions;
- sell by public or private sale any securities or property received and distribute the proceeds as cash; or
- none of the above.

If the depository does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depository to amend the deposit agreement and the ADRs without your consent for any reason. ADR holders must be given at least 30 days' notice of any amendment that imposes or increases any fees or charges on a per ADS basis (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or that otherwise prejudices any substantial existing right of ADR holders or beneficial owners of ADSs. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder and the beneficial owner of the corresponding ADSs are deemed to agree to such amendment and to be bound by the deposit agreement as so amended. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

Any amendments or supplements which (i) are reasonably necessary (as agreed by us and the depository) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act or (b) the ADSs or shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by ADR holders, shall be deemed not to prejudice any substantial rights of ADR holders or beneficial owners of ADSs. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depository may amend or supplement the deposit agreement and the form of ADR (and all outstanding ADRs) at any time in accordance with such changed laws, rules or regulations, which amendment or supplement to the deposit agreement in such circumstances may become effective before a notice of such amendment or supplement is given to ADR holders or within any other period of time as required for compliance.

Notice of any amendment to the deposit agreement or form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the ADR holders identifies a means for ADR holders and beneficial owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the SEC's, the depository's or our website or upon request from the depository).

How may the deposit agreement be terminated?

The depository may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the ADR holders at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depository shall have (i) resigned as depository under the deposit agreement, notice of such termination by the depository shall not be provided to ADR holders unless a successor depository shall not be operating under the deposit agreement within 60 days of the date of such resignation, and (ii) been removed as depository under the deposit agreement, notice of such termination by the depository shall not be provided to ADR holders unless a successor depository shall not be operating under the deposit agreement on the 60th day after our notice of removal was first provided to the depository. Notwithstanding anything to the contrary in the deposit agreement, the depository may terminate the deposit agreement without notifying us, but subject to giving 30 days' notice to the ADR holders, under the following circumstances: (i) in the event of our bankruptcy or insolvency, (ii) if the Shares cease to be listed on an internationally recognized stock exchange, (iii) if we effect (or will effect) a redemption of all or substantially all of the deposited securities, or a cash or share distribution representing a return of all or substantially all of the value of the deposited securities, or (iv) there occurs a merger, consolidation, sale of assets or other transaction as a result of which securities or other property are delivered in exchange for or in lieu of deposited securities. After the date so fixed for termination, the depository and its agents will perform no further acts under the deposit agreement and the ADRs, except to receive and hold (or sell) distributions on deposited securities and deliver deposited securities being withdrawn. As soon as practicable after the date so fixed for termination, the depository shall use its reasonable efforts to sell the deposited securities and shall thereafter (as long as it may lawfully do so) hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sales, together with any other cash then held by it under the deposit agreement, without liability for interest, in trust for the *pro rata* benefit of the ADR holders who have not theretofore surrendered their ADRs. After making such sale, the depository shall be discharged from all obligations in respect of the deposit agreement and the ADRs, except to account for such net proceeds and other cash. After the date so fixed for termination, we shall be discharged from all obligations under the deposit agreement except for our obligations to the depository and its agents.

Limitations on Obligations and Liability to ADR holders

Limits on our obligations and the obligations of the depository; limits on liability to ADR holders and beneficial owners of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depository or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and

- compliance with such regulations as the depository may establish consistent with the deposit agreement and any regulations which the depository is informed of in writing by us which are required by the depository, ourselves or the Custodian to facilitate compliance with any applicable rules or regulations of the Central Bank or CVM or any applicable regulator.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depository; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depository or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depository, ourselves and each of our and the depository's respective directors, officers, employees, agents and affiliates, provided, however, that no provision of the deposit agreement is intended to constitute a waiver or limitation of any rights which ADR holders or beneficial owners of ADSs may have under the Securities Act or the Exchange Act, to the extent applicable. In the deposit agreement it provides that neither we nor the depository nor any such director, officer, employee, agent or affiliate will be liable to ADR holders or beneficial owners of ADSs:

- if any present or future law, rule, regulation, fiat, order or decree of the United States, Brazil or any other country or jurisdiction, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism, nationalization, epidemic, pandemic, expropriation, currency restrictions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, computer failure or circumstance beyond our, the depository's or our respective directors', officers', employees', agents' or affiliates' direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by any such party(including, without limitation, voting);
- by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the deposit agreement it is provided shall or may be done or performed;
- if it exercises or fails to exercise discretion under the deposit agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- if it performs its obligations specifically set forth in the deposit agreement and ADRs without gross negligence or willful misconduct; or
- if it takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any ADR holder, or any other person believed by it to be competent to give such advice or information.

We, the depository and its agents may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties. The depository shall not be a fiduciary or have any fiduciary duty to ADR holders or beneficial owners of ADSs. Neither the depository nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depository and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any ADR holder or holders, any ADRs or ADSs or otherwise related thereto to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depository shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system. Furthermore, the depository shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depository shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that any ADR holder has incurred liability directly as a result of the custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the depository or (ii) failed to use reasonable care in the provision of custodial services to the depository as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depository and the custodian(s) may use third party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders. Although the depository and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services. The depository shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depository has no obligation to inform ADR holders or beneficial owners of ADSs about the requirements of any laws, rules or regulations or any changes therein or thereto of any country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

Additionally, none of us, the depository or the custodian shall be liable for the failure by any ADR holder or beneficial owner of ADSs to obtain the benefits of credits or refunds of non-U.S. tax paid against such ADR holder's or beneficial owner's income tax liability. The depository is under no obligation to provide ADR holders or beneficial owners of ADSs, or any of them, with any information about the tax status of our company. Neither we nor the depository shall incur any liability for any tax or tax consequences that may be incurred by ADR holders or beneficial owners of ADSs on account of their ownership or disposition of the ADRs or ADSs.

Neither the depository nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast, including without limitation any vote cast by a person to whom the depository is required to give a discretionary proxy pursuant to the deposit agreement, or for the effect of any such vote. The depository may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depository shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depository shall not be liable for any acts or omissions made by a successor depository whether in connection with a previous act or omission of the depository or in connection with any matter arising wholly after the removal or resignation of the depository. Neither the depository nor any of its agents shall be liable to ADR holders or beneficial owners of ADSs for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity (including, without limitation, ADR holders and beneficial owners of ADSs), whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

The depository and its agents may own and deal in any class of securities of our company and our affiliates and in ADSs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, ADR holders and beneficial owners of ADSs agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. We reserve the right to instruct ADR holders (and through any such ADR holder, the beneficial owners of ADSs evidenced by the ADRs registered in such ADR holder's name) to deliver their ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal directly with the ADR holder and/or beneficial owner of ADSs as a holder of shares and, by holding an ADS or an interest therein, ADR holders and beneficial owners of ADSs will be agreeing to comply with such instructions.

Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary's direct registration system. ADR holders may inspect such records at the depositary's office at all reasonable times, but solely for the purpose of communicating with other ADR holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register (and/or any portion thereof) may be closed at any time or from time to time, when deemed expedient by the depositary.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Appointment

In the deposit agreement, each ADR holder and each beneficial owner of ADSs, upon acceptance of any ADSs or ADRs (or any interest therein) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs, and
- appoint the depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Each ADR holder and beneficial owner of ADSs is further deemed to acknowledge and agree that (i) nothing in the deposit agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto nor establish a fiduciary or similar relationship among such parties, (ii) the depositary, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about our company, the ADR holders, the beneficial owners of ADSs and/or their respective affiliates, (iii) the depositary and its divisions, branches and affiliates may at any time have multiple banking relationships with us, ADR holders, beneficial owners of ADSs and/or the affiliates of any of them, (iv) the depositary and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to us or the ADR holders or beneficial owners of ADSs may have interests, (v) nothing contained in the deposit agreement or any ADR(s) shall (A) preclude the depositary or any of its divisions, branches or affiliates from engaging in such transactions or establishing or maintaining such relationships, or (B) obligate the depositary or any of its divisions, branches or affiliates to disclose such transactions or relationships or to account for any profit made or payment received in such transactions or relationships, and (vi) the depositary shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the depositary and (vii) for purposes of the deposit agreement and the ADRs, notice to an ADR holder is deemed to constitute notice to any and all beneficial owners of the ADSs evidenced by the holder's ADRs.

Governing Law and Consent to Jurisdiction

The deposit agreement, the ADSs and the ADRs are governed by and construed in accordance with the laws of the State of New York. In the deposit agreement, we have submitted to the non-exclusive jurisdiction of the federal and state courts in New York, New York and appointed an agent for service of process on our behalf.

By holding an ADS or an interest therein, ADR holders and beneficial owners of ADSs each irrevocably agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and each irrevocably waives any objection which it may have to the laying of venue of any such proceeding, and irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

Jury Trial Waiver

The deposit agreement provides that each party thereto (including, for avoidance of doubt, each ADR holder and beneficial owner and/or holder of interests in ADSs or ADRs) irrevocably waives, to the fullest extent permitted by applicable law, the right to a jury trial in any suit, action or proceeding against us or the depositary directly or indirectly arising out of or relating to our shares or other deposited securities, the ADSs, the ADRs, the deposit agreement, or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or other theory), including any suit, action or proceeding under the U.S. federal securities laws. If we or the depositary were to oppose a jury trial demand based on such waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable state and federal law, including whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. The waiver to right to a jury trial of the deposit agreement is not intended to be deemed a waiver by any ADR holder or beneficial owner of ADSs of any rights which ADR holders or beneficial owners of ADSs may have under the Securities Act or the Exchange Act, to the extent applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within the specified time periods. Our chief executive officer and chief financial officer evaluated the effectiveness, as of December 31, 2024, of our “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

Based upon our evaluation, as of December 31, 2024, our chief executive officer and chief financial officer concluded that the disclosure controls and procedures are (1) effective at the reasonable assurance level in ensuring that information required to be disclosed in the reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (2) effective at the reasonable assurance level in ensuring that information disclosed in the reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding such required disclosure.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15-d15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by IASB.

Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that our receipts and expenditures are being made only in accordance with appropriate authorization of management and the board of directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. The effectiveness of our internal control over financial reporting as of December 31, 2024, is based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

Management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in “Internal Control – Integrated Framework,” issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission (2013). Based on those criteria, as of December 31, 2024, our management concluded that our internal control over financial reporting is effective.

Attestation Report of the Registered Public Accounting Firm

Deloitte Touche Tohmatsu Auditores Independentes Ltda., the independent registered certified public accounting firm who audited our financial statements included elsewhere in this annual report, has issued a report on our internal control over financial reporting, which is included elsewhere in this annual report.

Changes in Internal Control over Financial Reporting

During the period covered by this annual report, we have not made any changes to our internal control over financial reporting that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

Not applicable.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Heraldo Gilberto de Oliveira, a member of our audit committee, is an audit committee financial expert, as defined by current SEC rules and meets the independence requirements of the NYSE or Nasdaq. For a discussion of the role of our audit committee, see “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Board Committees—Audit Committee.”

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of ethics for our directors, officers and employees, including our chief executive officer and chief financial officer. This code of ethics of Sendas complies with item 5.8 of the *Novo Mercado* regulations issued by the B3 and is available at our website <https://ri.assai.com.br/> and at www.cvm.gov.br. Information from that website is not incorporated by reference into this document. We will provide to any person without charge a copy of our code of ethics, upon request to our investor relations officer.

A copy of our code of ethics has been filed as Exhibit 11.1 to this annual report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Deloitte Touche Tohmatsu Auditores Independentes Ltda. acted as our independent registered public accounting firm for the fiscal year ended December 31, 2024, 2023 and 2022. The chart below sets forth the total amount billed to us by our independent accountants for services performed in 2024, 2023 and 2022, including out-of-pocket expenses, and a breakdown of these amounts by category of service:

	For the Year Ended December 31,		
	2024	2023	2022
		(in millions of R\$)	
Audit fees	5	6	9
Audit-related fees	—	2	—
Tax fees	—	—	—
All other fees	—	—	—
Total fees	<u>5</u>	<u>8</u>	<u>9</u>

Audit Fees

Audit fees are fees for the audit of our financial statements and the reviews of our quarterly financial information for the year.

Audit-Related Fees

Audit-related fees were comprised of assurance and related services that are related to the performance of the audit or review of our financial statements, including due diligence related to mergers and acquisitions, audit in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation, consultations concerning financial accounting and reporting standards and tax compliance review.

Tax Fees

Tax fees were comprised of the aggregate fees billed for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning.

All Other Fees

All other fees were comprised of the aggregate fees billed for products and services provided by the principal accountant, other than the services reported under “audit fees,” “audit-related fees” and “tax fees.”

Pre-Approval Policies and Procedures

Our audit committee has the responsibility of approving all audit, audit-related, tax and other services provided by our independent accountants. Any services provided by our independent accountants that are not specifically included within the scope of the audit must be pre-approved by our audit committee prior to any engagement. Our audit committee is permitted to approve certain audit and tax services, pursuant to a *de minimis* exception.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On June 25, 2024, our board of directors approved our first share buyback program, or the Buyback Program, pursuant to which we were authorized to acquire up to 3,800,000 Sendas common shares, representing up to approximately 0.28% of our total issued and outstanding share capital, on the B3 at prevailing market prices, during a period of 12 months from August 1, 2024 to July 31, 2025. The purpose of the Buyback Program was to enable the delivery of shares to participants of our Executive Partner Program and Long-Term Incentive Plan. For more information about our executive compensation plans, see “Item 6. Directors, Senior Management and Employees—B. Compensation.”

On December 10, 2024, we disclosed that the Buyback Program was concluded due to the acquisition, at market prices, of the maximum amount of 3,800,000 Sendas common shares authorized under the Buyback Program, as set forth in the table below. The acquired shares were kept in treasury for subsequent delivery to the participants of our Executive Partner Program and Long-Term Incentive Plan.

Issuer Purchases of Equity Securities

Period	Total number of shares purchased	Average Price paid per share	Maximum number of shares that may yet be purchased
October 1, 2024 – October 31, 2024	2,075,600	R\$ 6.8649	1,724,400
November 1, 2024 – November 30, 2024	1,295,600	R\$ 6.9204	428,800
December 1, 2024 – December 31, 2024	428,800	R\$ 6.4936	—

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Not applicable.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Our board of directors has adopted an insider trading policy that governs the purchase, sale, and other dispositions of our securities by our directors, senior management, and employees that is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to us.

A copy of our insider trading policy has been filed as Exhibit 11.2 to this annual report.

ITEM 16K. CYBERSECURITY

Our information security committee is composed of by members of our management and is responsible for monitoring and evaluating our information security actions. We convene quarterly to oversee our annual information security program, which includes key indicators and cyber area projects. Our cyber risk management process involves the mitigation or elimination of potential threats to our data and systems, as well as to ensure compliance with applicable standards and regulations.

Security processes are regular practices in which we assess our existing controls and practices and identify areas for improvement. External consultations and audits provide an objective and independent assessment of our security processes on an annual basis, along with recommendations for enhancement within our annual security program. Our chief information security officer (CISO) reports to the board, ensuring that cybersecurity is a strategic priority.

We adopt a proactive approach by conducting information security risk assessments on third parties before entering into new contracts. We believe this helps to ensure that our business partners meet the necessary security standards, protecting our interests. To support these processes, we invest in a robust technology infrastructure, utilizing cutting-edge market tools for vulnerability management, incident response, anti-malware, and other aspects of information security. This solid infrastructure is essential for maintaining the integrity, confidentiality and availability of our data. Our cybersecurity processes are constantly evolving to reflect our ongoing commitment to safeguarding our assets and data. This proactive and continuous approach is in line with our strategic planning for information security in 2025, helping us to remain resilient in an ever-changing digital environment.

Our operations rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Computer viruses, hackers, employee or vendor misconduct, and other external hazards could expose our information systems and those of our vendors to security breaches, cybersecurity incidents or other disruptions, particularly our digital operations, cause information losses and cause us to incur significant costs, including the cost of retrieving lost information. Our policy enforcement mechanisms, such as monitoring systems and management oversight to address these threats may not be sufficient to prevent, detect and respond to unauthorized activity in our systems, certain types of attacks, including cyberattacks, which could materially and adversely affect our business and reputation. While we are subject to cybersecurity threats, as described in the risk factor entitled "Our systems are subject to cyberattacks and security and privacy breaches, which could cause a material adverse effect on our business and reputation. In addition, we may not be able to renew or maintain in force our software license agreements" under "Item 3. Key Information—D. Risk Factors," we are not aware that we have experienced a material cybersecurity incident during 2024.

The sophistication of cybersecurity threats continues to increase, and the controls and preventative actions we take to reduce the risk of cybersecurity incidents and protect our systems, including the regular testing of our cybersecurity incident response plan, may be insufficient. In addition, new technology that could result in greater operational efficiency may further expose our computer systems to the risk of cybersecurity incidents.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 in lieu of responding to this item.

ITEM 18. FINANCIAL STATEMENTS

Reference is made to Item 19 for a list of all financial statements filed as part of this annual report.

ITEM 19. EXHIBITS

(a) Financial Statements

Sendas Distribuidora S.A.

Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting (PCAOB ID: 01045)	F-2
Report of Independent Registered Public Accounting Firm on Financial Statements (PCAOB ID: 01045)	F-3
Statements of Operations and Comprehensive Income for the years ended December 31, 2024, 2023 and 2022	F-6
Balance Sheets as of December 31, 2024 and 2023	F-7
Statements of Changes in Shareholders' Equity for the years ended December 31, 2024, 2023 and 2022	F-9
Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022	F-12
Notes to the Financial Statements	F-13

(b) List of Exhibits

Exhibit No.	Description
1.1	Bylaws (Estatuto Social) of Sendas Distribuidora S.A. (English translation) (incorporated by reference to Exhibit 1.1 to the Annual Report on Form 20-F of Sendas Distribuidora S.A. for the fiscal year ended December 31, 2023 (File No. 001-39928) filed with the Securities and Exchange Commission on April 23, 2024).
2.1	Deposit Agreement, among Sendas Distribuidora S.A., JPMorgan Chase Bank N.A., as Depository, and all Owners and Holders from time to time of American Depositary Shares issued thereunder (incorporated by reference to Exhibit (a)(1) to Post-Effective Amendment No. 1 to the Form F-6 Registration Statement under the Securities Act of 1933 of Sendas Distribuidora S.A. (File No. 333-252850) filed with the Securities and Exchange Commission on August 24, 2021).
2.2	Form of Amendment No. 1 to the Deposit Agreement, among Sendas Distribuidora S.A., JPMorgan Chase Bank N.A., as Depository, and all Owners and Holders from time to time of American Depositary Shares issued thereunder (incorporated by reference to Exhibit (a)(2) to Post-Effective Amendment No. 1 to the Form F-6 Registration Statement under the Securities Act of 1933 of Sendas Distribuidora S.A. (File No. 333-252850) filed with the Securities and Exchange Commission on August 24, 2021).
2.3	Form of American Depositary Receipt representing American Depositary Shares representing common shares of Sendas Distribuidora S.A. (included in Exhibit 2.2).
2.4	Form of Promissory Note, dated August 27, 2021, issued by Sendas Distribuidora S.A. (Second Issuance, First Series) (English translation) (incorporated by reference to Exhibit 2.4 to the Annual Report on Form 20-F of Sendas Distribuidora S.A. for the fiscal year ended December 31, 2021 (File No. 001-39928) filed with the Securities and Exchange Commission on May 2, 2022).
2.5	Form of Promissory Note, dated August 27, 2021, issued by Sendas Distribuidora S.A. (Second Issuance, Second Series) (English translation) (incorporated by reference to Exhibit 2.5 to the Annual Report on Form 20-F of Sendas Distribuidora S.A. for the fiscal year ended December 31, 2021 (File No. 001-39928) filed with the Securities and Exchange Commission on May 2, 2022).
2.6*	Description of the registrant's securities registered under Section 12 of the Exchange Act.
4.1†	Separation Agreement, dated as of December 14, 2020, between Companhia Brasileira de Distribuição and Sendas Distribuidora S.A. (English translation) (incorporated by reference to Exhibit 4.1 to the Form 20-F Registration Statement under the Securities Exchange Act of 1934 of Sendas Distribuidora S.A. (File No. 001-39928) filed with the Securities and Exchange Commission on January 25, 2021).
4.2	First Amendment, dated as of June 30, 2021, between Companhia Brasileira de Distribuição and Sendas Distribuidora S.A., to the Separation Agreement, dated as of December 14, 2020, between Companhia Brasileira de Distribuição and Sendas Distribuidora S.A. (English translation) (incorporated by reference to Exhibit 4.2 to the Annual Report on Form 20-F of Sendas Distribuidora S.A. for the fiscal year ended December 31, 2021 (File No. 001-39928) filed with the Securities and Exchange Commission on May 2, 2022).
4.3†	Second Amendment, dated as of June 30, 2022, between Companhia Brasileira de Distribuição and Sendas Distribuidora S.A., to the Separation Agreement, dated as of December 14, 2020, as amended, between Companhia Brasileira de Distribuição and Sendas Distribuidora S.A. (English translation) (incorporated by reference to Exhibit 4.3 to the Annual Report on Form 20-F of Sendas Distribuidora S.A. for the fiscal year ended December 31, 2023 (File No. 001-39928) filed with the Securities and Exchange Commission on April 23, 2024).
8.1	List of subsidiaries of the Registrant. As of the date of this annual report, the Registrant does not have any significant subsidiaries.
11.1*	Code of Ethics (English translation).
11.2*	Insider Trading Policy (English translation).
12.1*	Section 302 Certification of the Chief Executive Officer.
12.2*	Section 302 Certification of the Chief Financial Officer.
13.1*	Section 906 Certification of the Chief Executive and Chief Financial Officer.
97.1	Clawback Policy (English translation) (incorporated by reference to Exhibit 97.1 to the Annual Report on Form 20-F of Sendas Distribuidora S.A. for the fiscal year ended December 31, 2023 (File No. 001-39928) filed with the Securities and Exchange Commission on April 23, 2024).
101.INS*	Inline XBRL Instance Document. The instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Linkbase Document.
104*	Cover page interactive data (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

† Schedules and other similar attachments to this exhibit have been omitted pursuant to the Instructions As To Exhibits of Form 20-F. The Registrant hereby agrees to furnish a copy of any omitted schedules to the Commission upon request.

Certain debt instruments of the Registrant and its subsidiaries have been omitted as exhibits because the amounts involved in such debt instruments are less than 10% of the Registrant's total assets. Copies of debt instruments for which the related debt is less than 10% of the Registrant's total assets will be furnished to the Commission upon request.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: March 31, 2025

SENDAS DISTRIBUIDORA S.A.

/s/ Belmiro de Figueiredo Gomes

Name: Belmiro de Figueiredo Gomes

Title: Chief Executive Officer

/s/ Vitor Fagá de Almeida

Name: Vitor Fagá de Almeida

Title: Vice-President of Finance and Investor Relations

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Sendas Distribuidora S.A.

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REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Sendas Distribuidora S.A.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Sendas Distribuidora S.A. (the “Company”) as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board - PCAOB (United States), the financial statements as of and for the year ended December 31, 2024 of the Company and our report, dated March 31, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.
São Paulo, Brazil

March 31, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Sendas Distribuidora S.A.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Sendas Distribuidora S.A. (the “Company”) as of December 31, 2024, and 2023, and the related statements of operations and comprehensive income, changes in shareholders’ equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2024, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 31, 2025, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company’s Management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the Audit Committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Recoverability of ICMS State VAT Tax Credits - Refer to note 9.1 to the financial statements

Critical Audit Matter Description

The Company recorded recoverable ICMS State VAT tax credits amounting to R\$1,297 million at December 31, 2024, whose recoverability depends on the generation of sufficient amounts of ICMS tax payable in the future. In assessing the recoverability of these tax credits, Management uses projections of revenues, costs and expenses, as well as other information to estimate the nature and timing of the future amounts of ICMS tax payable, which are based on estimates and assumptions of future business performance and market conditions, as well as expectations as to applicable tax regulations and adoption of special tax regimes obtained by the Company and used in the ICMS computation for certain states.

Auditing the recoverability of ICMS tax credits was considered especially challenging due to: (i) the magnitude of amounts involved; and (ii) the high degree of complexity involved in the Brazilian states’ ICMS legislation and in Management’s assessment process, which requires significant judgment by Management and includes significant assumptions in the estimation of the timing and amounts of future ICMS tax payable that could be affected by future market or economic conditions and events.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures included, among others:

- We obtained an understanding, evaluated the design and implementation and tested the operating effectiveness of relevant internal controls over Management's assessment of the recoverability of ICMS tax credits, including relevant internal controls over projections prepared by Management and approved by those charged with governance, used in the recoverability assessment.
- We evaluated the significant assumptions used by Management in its recoverability assessment and tested the completeness and accuracy of the underlying data supporting the significant assumptions.
- With the assistance of our tax specialists, we evaluated the application of tax laws and special tax regimes used in the recoverability assessment.
- We tested the data used by Management in determining the recorded amounts for recoverable tax credits, comparing inputs to internal data and testing the accuracy and completeness of calculations.
- We evaluated the related disclosures in the financial statements.

Provisions for Tax Claims, Contingent Tax Liabilities and Uncertain Tax Treatments - Refer to notes 17.1, 17.4 and 17.4.1 to the financial statements

Critical Audit Matter Description

The Company is party to a number of proceedings arising from various tax claims and assessments from federal and state authorities.

As described in note 17.1 to the financial statements, as of December 31, 2024, the Company has recorded provisions for tax claims (other than income taxes) in the amount of R\$ 16 million. The Company recognizes provisions for these tax claims when the Company has a present obligation (legal or not formalized) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the obligation can be reliably estimated.

Additionally, as described in notes 17.4 and 17.4.1, the Company has disclosed contingent liabilities with respect to tax claims and assessments of R\$ 3,329 million at December 31, 2024, including R\$1,025 million related to uncertain income tax treatments assessed by the tax authorities. Of this total amount, R\$1,390 million relate to contingencies subject to reimbursement from the Company's former controlling shareholder, in accordance with the terms of the separation agreement signed by and between the parties.

The Company discloses contingent tax liabilities with respect to tax claims and assessments and uncertain income tax treatments assessed by the tax authorities in the financial statements when Management, based on the opinions and with the support of its internal and external legal counsel, determines that (i) the likelihood of loss is assessed as possible and (ii) in the case of uncertain income tax treatments, it is probable that the treatment will be accepted by the ultimate tax authorities.

Management uses significant judgment in evaluating the merits, the possible outcomes and the likelihood of loss related to these tax claims and assessments. Management's evaluation also involves assistance from internal and external legal counsel and tax advisers in the evaluation and interpretation of applicable jurisprudence and case law.

Auditing the provision for tax claims, contingent tax liabilities and uncertain income tax treatments assessed by the tax authorities was considered especially challenging due to: (i) the complexity and subjectivity involved in the evaluation and interpretation of applicable tax legislation, case law, and applicable jurisprudence; (ii) the amounts involved and the significant estimate uncertainty related to the ultimate outcomes and timing of court decisions; and (iii) the additional audit effort, which include the involvement of our tax specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures included, among others:

- We obtained an understanding, evaluated the design and implementation, and tested the operating effectiveness of relevant internal controls over the identification, monitoring and evaluation of tax claims and assessments, including those related to uncertain income tax treatments, as well as the processes to measure, record and disclose the amounts related to tax provisions and contingent tax liabilities.
- We tested the completeness of the tax contingencies and uncertain income tax treatments subject to evaluation by the Company.
- With the assistance of our tax specialists, we evaluated Management's assessment for a sample of material tax contingencies and uncertain income tax treatments, which included:
 - Obtaining an understanding and evaluating Management's judgments, the technical merits and documentation supporting Management's assessment, including reading and evaluating tax opinions or other third-party tax advice obtained from the Company's external tax and legal counsel.
 - Inspecting and evaluating the responses to external confirmations sent to key external tax and legal advisers of the Company.
 - Evaluating the judgments made by Management, using our knowledge of, and experience with, the application of the applicable tax laws and developments, including case law and jurisprudence, in the applicable regulatory and tax environments.
 - Testing the reasonableness of management's judgment and assumptions that the uncertain income tax treatments are probable to be accepted by the ultimate tax authorities, including an evaluation of the technical merits of the uncertain tax treatments.
 - Testing the assumptions, underlying data and accuracy of the calculation of the amounts related to recorded tax provisions and disclosed contingent tax liabilities, including uncertain tax treatments assessed by tax authorities.
- We read and obtained an understanding on separation agreement entered by the Company and former controlling shareholder.
- We evaluated the related disclosures in the financial statements.

/s/ DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.
São Paulo, Brazil

March 31, 2025

We have served as the Company's auditor since 2022.

Sendas Distribuidora S.A.

Statements of Operations and Comprehensive Income
For the years ended December 31, 2024, 2023 and 2022
(In millions of Brazilian Reais, except earnings per share)

	Notes	For the year ended December 31,		
		2024	2023	2022
Net operating revenue	21	73,819	66,503	54,520
Cost of sales	22	(61,598)	(55,682)	(45,557)
Gross profit		12,221	10,821	8,963
Operating expenses, net				
Selling expenses	22	(5,995)	(5,411)	(4,379)
General and administrative expenses	22	(878)	(831)	(787)
Depreciation and amortization		(1,547)	(1,394)	(919)
Share of profit of associates	11	64	51	44
Other operating (expenses) revenues, net	23	(21)	49	(72)
Operating profit		3,844	3,285	2,850
Financial revenues	24	324	281	394
Financial expenses	24	(3,233)	(3,012)	(1,909)
Net financial result		(2,909)	(2,731)	(1,515)
Income before income tax and social contribution		935	554	1,335
Income tax and social contribution	19.1	(166)	156	(115)
Net income for the year		769	710	1,220
Other comprehensive income (loss)				
Items that may be subsequently reclassified to the statement of operations				
Fair value of receivables		(8)	(7)	(2)
Income tax effect		3	2	1
Other comprehensive income (loss) for the year		(5)	(5)	(1)
Total comprehensive income for the year		764	705	1,219
Basic earnings per share (in Reais - R\$)	25	0.569164	0.525574	0.905322
Diluted earnings per share (in Reais - R\$)	25	0.567277	0.524174	0.901589

The accompanying notes are an integral part of these financial statements.

Sendas Distribuidora S.A.

Balance Sheets
As of December 31, 2024 and 2023
(In millions of Brazilian Reais)

	Notes	As of December 31,	
		2024	2023
Current assets			
Cash and cash equivalents	6	5,628	5,459
Trade receivables	7	2,210	1,199
Inventories	8	7,127	6,664
Recoverable taxes	9	1,241	1,100
Derivative financial instruments	16.9.1	93	48
Expenses in advance		99	73
Other accounts receivable		50	73
Total current assets		16,448	14,616
Non-current assets			
Recoverable taxes	9	672	573
Deferred income tax and social contribution	19.2	140	171
Derivative financial instruments	16.9.1	297	226
Related parties	10.1	23	23
Restricted deposits for legal proceedings	17.6	24	44
Expenses in advance		9	9
Other accounts receivable		31	109
Investments	11	804	864
Property, plant and equipment	12.2	13,564	13,148
Intangible assets	13.1	5,183	5,172
Right-of-use assets	14.1	8,398	8,222
Total non-current assets		29,145	28,561
Total assets		45,593	43,177

The accompanying notes are an integral part of these financial statements.

Sendas Distribuidora S.A.

Balance Sheets
As of December 31, 2024 and 2023
(In millions of Brazilian Reais)

	Notes	As of December 31,	
		2024	2023
Current liabilities			
Trade payables, net	15	10,709	9,759
Trade payables – Agreements	15.1	938	1,459
Trade payables – Agreements – Acquisition of hypermarkets	15.3	-	892
Borrowings	16.9.1	38	36
Debentures and promissory notes	16.9.1	2,046	2,079
Payroll and related taxes		682	624
Lease liabilities	14.2	412	532
Taxes payable		529	298
Income tax and social contribution payable		34	-
Deferred revenues	18	449	418
Dividends and interest on own capital payable	20.2	129	-
Other accounts payable		346	328
Total current liabilities		16,312	16,425
Non-current liabilities			
Trade payables, net	15	12	38
Borrowings	16.9.1	1,720	1,947
Debentures and promissory notes	16.9.1	12,761	11,122
Provision for legal proceedings	17	223	263
Lease liabilities	14.2	9,232	8,652
Deferred revenues	18	26	37
Cash-settled share plan	20.7.3	5	4
Other accounts payable		47	59
Total non-current liabilities		24,026	22,122
Shareholders' equity			
Share capital	20.1	1,272	1,272
Capital reserves		88	56
Earnings reserves		3,933	3,309
Treasury shares	20.6	(26)	-
Other comprehensive income		(12)	(7)
Total shareholders' equity		5,255	4,630
Total liabilities and shareholders' equity		45,593	43,177

The accompanying notes are an integral part of these financial statements.

Sendas Distribuidora S.A.

Statements of Changes in Shareholders' Equity
 For the years ended December 31, 2024, 2023 and 2022
 (In millions of Brazilian Reais)

	Share capital	Capital reserve	Earnings reserves				Retained earnings	Accumulated other comprehensive income	Total
			Legal reserve	Expansion reserve	Tax incentive reserve	Profit reserve			
As of December 31, 2021	788	18	157	-	709	1,095	-	(1)	2,766
Other comprehensive income									
Net income for the year	-	-	-	-	-	-	1,220	-	1,220
Fair value of receivables	-	-	-	-	-	-	-	(2)	(2)
Income tax effect	-	-	-	-	-	-	-	1	1
Comprehensive income for the year	-	-	-	-	-	-	1,220	(1)	1,219
Capital contribution	11	-	-	-	-	-	-	-	11
Capital increase – reserve capitalization	464	-	-	-	-	(464)	-	-	-
Stock options granted	-	18	-	-	-	-	-	-	18
Interest on own capital	-	-	-	-	-	-	(50)	-	(50)
Dividends	-	-	-	-	-	-	(68)	-	(68)
Tax incentive reserve	-	-	-	-	753	-	(753)	-	-
Expansion reserve	-	-	-	632	-	(632)	-	-	-
Legal reserve	-	-	23	-	-	-	(23)	-	-
Profit reserve	-	-	-	-	-	326	(326)	-	-
As of December 31, 2022	1,263	36	180	632	1,462	325	-	(2)	3,896

Sendas Distribuidora S.A.

Statements of Changes in Shareholders' Equity
 For the years ended December 31, 2024, 2023 and 2022
 (In millions of Brazilian Reais)

	Share capital	Capital reserve	Earnings reserves				Retained earnings	Accumulated other comprehensive income	Total
			Legal reserve	Expansion reserve	Tax incentive reserve	Profit reserve			
As of December 31, 2022	1,263	36	180	632	1,462	325	-	(2)	3,896
Other comprehensive income									
Net income for the year	-	-	-	-	-	-	710	-	710
Fair value of receivables	-	-	-	-	-	-	-	(7)	(7)
Income tax effect	-	-	-	-	-	-	-	2	2
Comprehensive income for the year	-	-	-	-	-	-	710	(5)	705
Capital contribution (note 20.1)	9	-	-	-	-	-	-	-	9
Stock options granted	-	20	-	-	-	-	-	-	20
Tax incentive reserve (note 20.5)	-	-	-	-	710	-	(710)	-	-
Expansion reserve (note 20.4)	-	-	-	325	-	(325)	-	-	-
As of December 31, 2023	1,272	56	180	957	2,172	-	-	(7)	4,630

Sendas Distribuidora S.A.

Statements of Changes in Shareholders' Equity
 For the years ended December 31, 2024, 2023 and 2022
 (In millions of Brazilian Reais)

	Share capital	Capital reserve	Earnings reserves				Treasury shares	Retained earnings	Accumulated other comprehensive income	Total
			Legal reserve	Expansion reserve	Tax incentive reserve	Profit reserve				
As of December 31, 2023	1,272	56	180	957	2,172	-	-	(7)	4,630	
Other comprehensive income										
Net income for the year	-	-	-	-	-	-	-	769	-	769
Fair value of receivables	-	-	-	-	-	-	-	-	(8)	(8)
Income tax effect	-	-	-	-	-	-	-	-	3	3
Comprehensive income for the year	-	-	-	-	-	-	-	769	(5)	764
Stock options granted	-	32	-	-	-	-	-	-	-	32
Interest on own capital (note 20.2)	-	-	-	-	-	-	-	(125)	-	(125)
Dividends (note 20.2)	-	-	-	-	-	-	-	(20)	-	(20)
Repurchase shares (note 20.6)	-	-	-	-	-	-	(26)	-	-	(26)
Tax incentive reserve (note 20.5)	-	-	-	-	229	-	-	(229)	-	-
Legal reserve (note 20.3)	-	-	27	-	-	-	-	(27)	-	-
Profit reserve	-	-	-	-	-	368	-	(368)	-	-
As of December 31, 2024	1,272	88	207	957	2,401	368	(26)	-	(12)	5,255

The accompanying notes are an integral part of these financial statements.

Sendas Distribuidora S.A.

Statements of Cash Flows

For the years ended December 31, 2024, 2023 and 2022

(In millions of Brazilian Reais)

	For the year ended December 31,		
	2024	2023	2022
Cash flows from operating activities			
Net income for the year	769	710	1,220
Adjustment to reconcile net income for the year to net cash flows			
Deferred income tax and social contribution	34	(162)	40
Loss (gain) on disposal of property, plant and equipment and leasing write-off	12	(55)	34
Depreciation and amortization	1,640	1,476	990
Financial charges	3,117	2,853	1,827
Share of profit of associate	(64)	(51)	(44)
Provision (reversal of) for legal proceedings	84	151	(7)
Provision for stock option	32	20	18
Provision for allowance for inventory losses and damages	633	538	418
(Reversal of) allowance for doubtful accounts	(7)	4	7
	6,250	5,484	4,503
Change in operating assets and liabilities			
Trade receivables	(1,011)	(640)	(313)
Inventories	(1,096)	(735)	(2,505)
Recoverable taxes	(132)	352	(336)
Restricted deposits for legal proceedings	21	12	63
Other assets	57	(14)	9
Trade payables, net	635	1,498	3,175
Payroll and related taxes	58	40	159
Related parties	-	(5)	196
Provision for legal proceedings	(141)	(71)	(49)
Taxes and social contributions payable	140	40	101
Deferred revenue	20	96	68
Dividends received	124	20	16
Other liabilities	7	(114)	57
	(1,318)	479	641
Net cash generated by operating activities	4,932	5,963	5,144
Cash flow investment activities			
Purchase of property, plant and equipment	(1,647)	(3,116)	(3,524)
Purchase of intangible assets	(42)	(169)	(636)
Proceeds from the sale of property, plant and equipment	3	19	-
Proceeds from the sale of assets held for sale	16	211	620
Purchase of assets held for sale	-	-	(250)
Net cash used in investment activities	(1,670)	(3,055)	(3,790)
Cash flow financing activities			
Capital contribution	-	9	11
Proceeds from borrowings	6,600	3,392	4,001
Borrowing costs	(54)	(142)	(42)
Payment of borrowings	(4,771)	(1,499)	(183)
Payment of interest on borrowings	(2,583)	(1,085)	(783)
Dividends and interest on own capital paid	-	(118)	(168)
Repurchase shares	(26)	-	-
Payment of lease liabilities	(289)	(262)	(126)
Payment of interest on lease liabilities	(1,060)	(977)	(772)
Payment of acquisition of hypermarkets	(910)	(2,609)	-
Net cash (used in) generated by financing activities	(3,093)	(3,291)	1,938
Net increase (decrease) in cash and cash equivalents	169	(383)	3,292
Cash and cash equivalents at the beginning of the year	5,459	5,842	2,550
Cash and cash equivalents at the end of the year	5,628	5,459	5,842

The accompanying notes are an integral part of these financial statements.

Sendas Distribuidora S.A.

Notes to the Financial Statements

For the years ended December 31, 2024, 2023 and 2022

(In millions of Brazilian Reals, unless otherwise stated)

1 Corporate information

Sendas Distribuidora S.A. (“Sendas Distribuidora”, “Sendas” or the “Company”) is a publicly held listed company under the Novo Mercado segment of B3 S.A. – Brasil, Bolsa, Balcão (B3), under the ticker symbol “ASAI3”. The Company is mainly engaged in the retail and wholesale sale of food, bazaar, and other products through its stores chain, operated under “ASSAÍ” banner, since this is the only disclosed segment. Sendas Distribuidora is based in the State of Rio de Janeiro, at Avenida Ayrton Senna, 6.000, Lote 2 – Anexo A, Jacarepaguá/RJ. As of December 31, 2024, the Company operated 302 stores (288 stores as of December 31, 2023) and 12 distribution centers (11 distribution centers as of December 31, 2023) in the five regions of the country, with operations in 24 states and in the Federal District in Brazil.

On December 19, 2024, the Company’s Board of Directors approved the Company’s intention to voluntary delist its American Depositary Shares (“ADSs”) from the New York Stock Exchange (“NYSE”). The delisting, which was carried out on January 9, 2025, is in line with the Company’s long-term strategy to maintain the efficiency of the operation. The ADSs are now trade on the over-the-counter market under the ticker symbol “ASAIY.”

1.1 Sale and Leaseback Transaction

On July 19, 2021, the Company entered into the “Private Instrument of Commitment of Real Estate Investment, Commitment of Purchase and Sale of Real Estate and Incorporation of Real Right of Surface, Under Suspensive Conditions and Other Covenants” (the “Instrument”) with an investment fund managed by BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A. and managed by TRX Gestora de Recursos Ltda. The purpose of the Instrument is the sale, development and lease of five properties of the Company located in the States of São Paulo, Rio de Janeiro and Rondônia.

The transaction includes the sale of five properties, over which construction and real estate development projects should be carried out. The total sales price to be received by the Company is R\$364. The sales price and cost amount of the construction of the properties will be the basis for defining the final amount of the properties’ monthly rents. The assets transferred to “assets held for sale” were in amount of R\$349.

The Company concluded the sale of three of these properties during 2021 in total amount of R\$209. In December 2022, the Company concluded the sale of the remaining properties in the total amount of R\$165.

1.2 Conversion of Extra Hiper stores into ASSAÍ stores

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

On December 16, 2021, the Company and GPA signed the “Agreement for Onerous Assignment of Exploration Rights of Commercial Points and Other Agreements” (the “Agreement”), governing the transfer to the Company the exploitation rights of up to 70 commercial points located in several states in Brazil and the Federal District (17 properties owned by GPA and 53 properties owned by third parties), currently operated by GPA for a total amount of up to R\$3,973, to be paid by the Company, in installments between December 2021 and January 2024, adjusted by CDI + 1.2% per year, which may also involve the acquisition by the Company of some store equipment.

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On December 29, 2021, following the completion of the necessary conditions precedent, the Company and GPA signed an agreement for the purchase and sale of 20 commercial rights (6 properties owned by GPA and 14 properties owned by third parties) and property, plant and equipment (lands and buildings) of 6 properties owned by GPA in the total amount of R\$1,201, located in the states of Paraná, São Paulo, Rio de Janeiro, Minas Gerais, Bahia, Pernambuco and the Federal District, (see notes 10.1 and 15). On the same date the Company paid the amount of R\$1,000 to GPA related to these acquisitions. The 6 properties owned by GPA were classified as held for sale, for an amount of R\$403 as of December 31, 2021.

On February 25, 2022, GPA and the Company sold the 17 GPA owned properties (11 properties not transferred yet to the Company and 6 properties already acquired by the Company) with a total sale price of up to R\$1,200, to a real estate investment fund Barzel Properties (“Fund”) with the intervention and guarantee by the Company. On April 13, 2022, the Brazilian antitrust agency (“CADE”) issued a favorable opinion without restrictions on the sale of the 17 properties owned by GPA to the Fund.

The closing of the Extra Transaction was subject to the fulfillment of certain conditions, including, but not limited to, obtaining the consent of the property owners and demobilization of the stores by GPA. This transaction is not subject to the approval by the antitrust authorities (except for the sale of the 17 stores to the Fund, as described below).

On August 17, 2022, the Board of Directors of GPA approved GPA’s management to enter into a credit assignment agreement with a financial institution, with Company’s consent, to anticipate the installments between 2023 and 2024 due by the Company, see note 15.3.

On December 23, 2022, the Board of Directors of the Company and GPA approved the postponement of the installment that would be paid on December 29, 2022, to GPA in the amount of R\$956 to October 23, 2023. This postponement occurred for operational reasons, as the payment schedule of the installment to GPA considered the delivery of stores on certain dates and compliance with certain preconditions, such as obtaining consent from property owners and demobilization of stores by GPA. For this installment, a new credit assignment agreement with a financial institution was entered into by GPA, with the same characteristics as the previously entered into agreement and with the Company’s consent, see note 15.3.

On December 26, 2022, the Board of Directors of the Company and GPA confirmed that 4 properties were not the subject of the Extra Transaction, so in the conclusion 66 properties remained, with adjustment in the purchase price from R\$3,973 to R\$3,928.

As of December 31, 2022, the Company and GPA completed the transfer of 46 commercial points in the amount of R\$3,130 (20 commercial points as of December 31, 2021 in the amount of R\$798) totaling 66 properties, including the 17 properties owned by GPA in the amount of R\$1,200, located in the Southeast, North, Northeast and Midwest regions and in the Federal District, which had fulfilled the conditions precedent, see notes 13.1 and 15.3.

As of December 31, 2024, the Company made the total payment of R\$894 (R\$2,609 as of December 31, 2023, R\$850 as of March 31, 2022, and R\$1,000 as of December 31, 2021) to GPA related to these acquisitions. Of the 17 properties owned by GPA that were recorded under “Assets held for sale”, all properties were sold to the Fund.

The Company incurred expenses with legal fees, appraisal reports and due diligence, related to the operation, and these expenses were recorded in “Other operating (expenses) revenues, net” in the statement of operations, see note 23.

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1.3 Disposal of ownership interest of the Casino Group

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 157,582,850 common shares issued by the Company, representing 11.67% of its share capital, through a block trade operation carried out on the same date. 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 financial statements for the years ended December 31, 2024 and 2023.

1.4 Treasury shares

On June 25, 2024, the Board of Directors approved the first repurchase shares program for the Company’s issued shares. The program aims to acquire, within up to 12 months from the approval date, up to 3,800,000 common shares, representing 0.28% of the total shares outstanding, for treasury stock and delivery of these shares to participants in the Executive Partner Program, see note 20.7.4, and the Long-Term Incentive (“LTI”) Plan through Grant of the Right to Receive Shares, see note 20.7.5. The shares were acquired in the stock market based on normal trading conditions, see note 20.6.

1.5 Going concern analysis

Management has assessed the Company’s ability to continue operating in a foreseeable future and concluded that Company has ability to maintain its operations and systems working regularly. Therefore, Management is not aware of any material uncertainty that could indicate significant doubts about its ability to continue operating. The financial statements have been prepared based on the assumption of business continuity.

2 Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

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

The financial statements are presented in millions of Brazilian Reais (R\$), which is the Company’s functional currency.

The balance sheets as of December 31, 2024 and 2023 and related statements of operations and comprehensive income, shareholders equity and cash flows for the three years ended December 31, 2024, including related notes, were approved by the Board of Directors on March 31, 2025.

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3 Significant accounting policies

The significant accounting policies and practices are described in each corresponding explanatory note, except for those below that are related to more than one explanatory note. Accounting policies and practices have been consistently applied to the years presented in the Company's financial statements.

3.1 Foreign currency transactions

Foreign currency transactions are initially recognized at the exchange rate of the corresponding currencies at the date the transactions qualify for recognition and, subsequently, translated into Brazilian Reais, using the spot exchange rate at the end of each reporting period. Gains or losses on changes in exchange rate variations are recognized as financial revenue or expense.

3.2 Classification of assets and liabilities as current and non-current

Assets (with the exception of deferred income tax and social contribution) that are expected to be realized or that are intended to be sold or consumed within twelve months, as of the balance sheet dates, are classified as current assets. Liabilities (with the exception of deferred income tax and social contribution) expected to be settled within twelve months from the balance sheet dates are classified as current. All other assets and liabilities (including deferred tax taxes) are classified as "non-current".

Long-term assets and liabilities are not adjusted to present value at initial recognition as their effects are immaterial.

Deferred tax assets and liabilities are classified as "non-current", net by legal entity, as provided for in accounting pronouncement IAS 12 - Income Taxes.

3.3 Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Company's joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognized at cost, see note 11.

3.4 Cash flow, interest payments

The interest payments on borrowing and lease settled by the Company are being disclosed in the financing activities in conjunction with payments on related borrowings and lease. The total interest payment as of December 31, 2024 was R\$2,583 (R\$1,085 as of December 31, 2023 and R\$783 as of December 31, 2022) related to borrowings and R\$1,060 (R\$977 as of December 31, 2023 and R\$772 as of December 31, 2022) related to lease.

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4 Adoption of new procedures, amendments to and interpretations of existing standards issued by the IASB and published standards effective from 2024**4.1 Amendments to IFRSs and new interpretations of mandatory application starting at 2024**

The Company evaluated the amendments and new interpretations to IFRS as issued by IASB, which were effective for accounting periods beginning on or after January 1, 2024. The main changes applicable to the Company are the following:

Statement	Description	Effective date
Amendments to IFRS 7/IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures - Supplier Financing Agreements	The amendments include a disclosure objective in IAS 7 stating that an entity must disclose information on its supplier financing arrangements that allow users of financial statements to assess the effects of these arrangements on the entity's liabilities and cash flows. Additionally, IFRS 7 was amended to include supplier financing agreements within the requirements to disclose information on the entity's exposure to liquidity risk concentration.	01/01/2024
Amendments to IAS 1: - Classification of liabilities as current and non-current	<p>The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the balance sheet and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p>	01/01/2024
Amendments to IAS 1 – Presentation of Financial Statements – Non-Current Liabilities with Covenants	IAS 1 requires debt to be classified as non-current only if the company can defer the settlement of the debt in the 12 months after the reporting date. The purpose of this initiative is to improve the information disclosed by companies regarding long-term debt with covenants and allow investors to understand the risk that a certain debt would become payable in advance.	01/01/2024
Amendments to IFRS 16 - Lease liabilities in a "Sale and Leaseback" transaction	Under the amendments, the seller-lessee must not recognize a gain or loss related to the right of use retained by the seller-lessee.	01/01/2024

The adoption of these standards did not result in a material impact on the Company's financial statements.

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4.2 New and revised standards and interpretations issued but not yet effective

The Company evaluated all new and revised IFRSs, already issued and not yet effective, however did not adopt them in advance, the main and applicable for the Company is:

Accounting pronouncement	Description	Effective for annual periods beginning on or after
IFRS 18 - Presentation and Disclosures in Financial Statements	IFRS 18 replaces IAS 1 – Presentation of Financial Statements, carrying forward many of the requirements in IAS 1 and unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 – Financial Instruments: Disclosures. Furthermore, the IASB has made minor amendments to IAS 7 – Statement of Cash Flows and IAS 33 – Earnings Per Share, and introduced new requirements to: <ul style="list-style-type: none">● present specific categories and defined subtotals in the statement of operations;● provide disclosures on management-defined performance measures (“MPMs”) in the notes to the financial statements; and● improve aggregation and disaggregation of information.	01/01/2027

This amendment is being assessed and is expected to have a significant impact on the Company’s disclosure in the financial statements.

According to Management, there are no other standards and interpretations issued and not yet adopted that may have a significant impact on the Company’s financial statements.

4.3 IFRS S1 and S2: General requirements for disclosure of financial information related to sustainability and climate

In compliance with IFRS S1 and S2, which require that entities disclose information on its sustainability-related risks and opportunities, as well as the requirements to identify, measure and disclose information about climate-related risks and opportunities, the Company is currently assessing the impacts of the standards and will not adopt them voluntarily for 2024. The mandatory adoption date is January 1, 2026.

5 Significant accounting judgments, estimates, and assumptions

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

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In the process of applying the Company's accounting policies, Management has made the following judgments, which have the most significant impact on the amounts recognized in the financial statements, as disclosed in the following notes to these financial statements:

Accounting policy	Notes
Impairment	7.2, 11.1, 12.1, 12.1.1, 13.2 and 13.3
Inventories: inventory allowance	8.2
Recoverable taxes: expected realization of tax credits	9
Leasing operations: determination of the lease term and incremental interest rate	14.2
Measurement of the fair value of derivatives and other financial instruments	16.8
Provision for legal proceedings: record of provision for claims with likelihood assessed as probable loss estimated with a certain degree of reasonability	17
Income tax: provisions based on reasonable estimates, including uncertain tax treatments	17.4.1 and 19
Share-based payments: estimate of fair value of operations based on a valuation model	20.7

6 Cash and cash equivalents

Cash and cash equivalents comprise the bank accounts and short-term, highly liquid financial investments, immediately convertible into known cash amounts, and subject to an insignificant risk of change in value, with intention and possibility to be redeemed in the short term, within 90 days, as of the date of investment, without losing income.

	As of December 31,		
	2024	2023	2022
Cash and bank accounts – Brazil	106	352	213
Cash and bank accounts – Abroad (*)	28	22	24
Financial investments – Brazil (**)	5,494	5,085	5,605
	5,628	5,459	5,842

(*) As of December 31, 2024, the Company had funds held abroad, being R\$28 in US Dollars (R\$22 in US dollars as of December 31, 2023 and R\$24 in US dollars as of December 31, 2022).

(**) As of December 31, 2024, the financial investments correspond to repurchase and resale agreements, with a weighted average interest rate of 98.54% of CDI – Interbank Deposit Certificate (95.92% of CDI as of December 31, 2023 and 92.80% of CDI as of December 31, 2022). The Company's exposure to interest rate indexes and the sensitivity analysis for these financial assets are disclosure in note 16.7.

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7 Trade receivables

Trade receivables are initially recorded at the transaction amount, which corresponds to the sales price, and are subsequently measured as follows: (i) fair value through other comprehensive income, in the case of receivables from credit card companies and (ii) amortized cost, for other customer portfolio.

	Note	As of December 31,	
		2024	2023
Credit card companies	7.1	1,418	589
Credit card companies - FIC	10.1	412	211
Tickets	7.1	113	185
Total of credit card and tickets		1,943	985
Slips		177	148
Suppliers and others		93	81
		2,213	1,214
Provision for expected credit losses	7.2	(3)	(15)
		2,210	1,199

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

	Total	Due	Overdue	
			Less than 30 days	Over 30 days
December 31, 2024	2,213	2,204	8	1
December 31, 2023	1,214	1,202	5	7

7.1 Assignment of receivables

The Company assigned part of its receivables referring to credit cards and tickets with operators, without any right of recourse, aiming to anticipate its cash flow. As of December 31, 2024, the amount of these operations is R\$1,976 (R\$2,757 as of December 31, 2023). The amount was derecognized from the balance of trade receivables, since all risks related to the receivables were substantially transferred. The cost to advance these receivables as of December 31, 2024 was R\$127 (R\$116 as of December 31, 2023 and R\$95 as of December 31, 2022), classified as "Cost and discount of receivables" in note 24.

7.2 Provision for expected credit losses

All portfolios consider estimated losses, which are recorded based on quantitative and qualitative analysis, the track record of effective losses in the last 24 months, the credit assessment, and considering information on assumptions and projections relating to macroeconomic events, such as unemployment index and consumer confidence index, as well as the volume of credits overdue of trade receivable portfolio. The Company opted for measuring provisions for trade receivable losses by an amount equal to the expected credit loss for the entire life, by adopting a matrix of losses for each level of maturity.

The balance of trade receivables is disclosed net of the provision for expected losses in the balance sheet.

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	For the year ended December 31,		
	2024	2023	2022
At the beginning of the year	(15)	(11)	(6)
Additions	(42)	(50)	(36)
Reversals	49	46	31
Write-offs	5	-	-
At the end of the year	<u>(3)</u>	<u>(15)</u>	<u>(11)</u>

8 Inventories

Inventories are carried at average cost, including the storage and handling costs, to the extent these costs are necessary to bring inventories to their sale condition at stores, less bonuses received from suppliers or net realizable value, whichever is lower.

Net realizable value is the selling price in the ordinary course of business, less the estimated costs necessary to make the sale, such as (i) taxes levied on sales; (ii) personnel expenses directly linked to sales; (iii) cost of sales; and (iv) other costs required to make goods available for sale.

Bonuses received from suppliers are measured and recognized based upon executed contracts and agreements and recorded as cost of sales when the corresponding inventories are sold. Unrealized bonuses are presented as reducing the inventories at each balance sheet date.

	Note	As of December 31,	
		2024	2023
Stores		6,498	6,033
Distribution centers		1,231	1,237
Commercial agreements	8.1	(505)	(525)
Allowance for inventory losses and damages	8.2	(97)	(81)
		<u>7,127</u>	<u>6,664</u>

8.1 Commercial agreements

The Company records rebates from vendors and the storage costs in the statement of operations as the inventories that gave rise to the bonuses and the stored costs are realized. As of December 31, 2024, the amount of unrealized bonus, as a reduction of inventory balance, totaled R\$505 (R\$525 as of December 31, 2023).

8.2 Allowance for inventory losses and damages

Inventories are adjusted by an allowance for losses and damages, which is periodically reviewed and evaluated as appropriate.

	For the year ended December 31,		
	2024	2023	2022
At the beginning of the year	(81)	(68)	(37)
Additions	(649)	(567)	(435)
Reversals	16	29	17
Write-offs	617	525	387
At the end of the year	<u>(97)</u>	<u>(81)</u>	<u>(68)</u>

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9 Recoverable taxes

The Company records tax credit when: (i) are generated in the operation; or (ii) obtains internal and external factors as legal and market interpretations to conclude that it is entitled to these credits, including realization. The tax credit ICMS (Imposto Sobre Circulação de Mercadorias e Serviços) (State VAT) is recognized in cost of sale in the statement of operations. PIS (Programa de Integração Social) and COFINS (Contribuição para o Financiamento da Seguridade Social) (federal taxes on gross revenues) are recognized as a credit in the same account on which the credits are calculated.

These taxes are realized based on growth projections, operating aspects, and projections of generation of debits for the use of these credits by the Company.

	Note	As of December 31,	
		2024	2023
ICMS	9.1	1,297	1,085
PIS/COFINS	9.2	353	287
Social Security Contribution - INSS		144	169
Whitholding taxes to be recovered		119	132
		<u>1,913</u>	<u>1,673</u>
Current		1,241	1,100
Non-current		672	573

9.1 ICMS - State VAT tax credits

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

With respect to credits that cannot yet be immediately offset, the Company's management, based on a technical recovery study, based on the future expectation of growth and consequent compensation with taxes payable arising from its operations, believes that its future compensation is viable. The studies mentioned are prepared and periodically reviewed based on information extracted from the strategic planning previously approved by the Company's Board of Directors.

As of December 31, 2024, the Company's management has monitoring controls over adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the ICMS balance to be recovered, as shown in the table below:

Year	Amount
Within 1 year	684
From 1 to 2 years	162
From 2 to 3 years	146
From 3 to 4 years	120
From 4 to 5 years	64
More than 5 years	121
	<u>1,297</u>

9.2 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.

Currently, the Company, based on the favorable judgment of the STF, has been recognizing the exclusion of ICMS from the PIS and COFINS calculation basis.

Expected realization of PIS and COFINS credits

In related 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 financial statements as of December 31, 2024, 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, in the amount of R\$353, and expected realization is within one year.

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10 Related Parties

10.1 Balances and related party transactions

	Assets balance				Liabilities balance				Transactions		
	Trade receivables		Other assets		Suppliers		Other liabilities		Revenue (expenses)		
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2022
Associates (i)											
Casino Guichard Perrachon	-	-	-	-	-	-	-	-	-	(20)	(60)
Euris	-	-	-	-	-	-	-	-	-	(1)	(3)
Grupo Pão de Açucar (“GPA”)	-	-	-	-	-	-	-	-	-	20	(310)
Greenyellow	-	-	-	-	-	-	-	-	-	-	(33)
Wilkes Participações S.A.	-	-	-	-	-	-	-	-	-	(6)	(8)
	-	-	-	-	-	-	-	-	-	(7)	(414)
Joint venture											
Financiera Itaú CBD S.A. Crédito, Financiamento e Investimento (“FIC”) (ii)	412	211	23	23	26	28	-	-	30	27	25
	412	211	23	23	26	28	-	-	30	27	25
	412	211	23	23	26	28	-	-	30	20	(389)
Current	412	211	-	-	26	28	-	-			
Non-current	-	-	23	23	-	-	-	-			

- (i) As a result of the sale of Casino’s ownership interest in the Company, through Wilkes, as disclosed in note 1.3, the associates are no longer related parties. In 2022 and 2021, all these associates, as related parties, had transactions with the Company. The main transactions were related to: (i) cost sharing contracts (reimbursement of personnel expenses, equipment rental and maintenance); and (ii) agency agreements, specially between the Company and GPA and Casino related to business negotiation of products, cyber risk agreement, exploration rights of commercial points and other agreements.

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The related parties transactions are carried out according to prices, terms and conditions agreed upon the parties and are measured substantially at market value, namely:

- (ii) FIC: execution of business agreements to regulate the rules that promote and sell financial services offered by FIC at the Company's stores to implement a financial partnership between the Company and Itaú Unibanco Holding S.A. ("Itaú") in the partnership agreement, namely: (i) banking correspondent services in Brazil; (ii) indemnification agreement in which FIC undertook to hold the Company harmless from losses incurred due to services; FIC and the Company mutually undertook to indemnify each other due to legal proceeding under their responsibility; and (iii) agreement concerning the Company's provision of information and access to systems to FIC, and vice-versa, in order to offer services.

Additionally, following the spin-off between the Company and GPA on December 31, 2020, both undertook to put forth commercially reasonable efforts, within up to 18 months, to release, replace and/or otherwise remove the counterparty from the position of guarantor of liabilities or obligations, which after such term would be subject to the payment of a fee, net, as remuneration for the guarantees provided by both parties. If the Company and GPA cease to be submitted to common control, the parties would be required to release, replace and/or otherwise remove the guarantees until then not replaced or provided, observing the terms established in the Separation Agreement.

The Company and GPA ceased to be related parties in fiscal year 2023 and are taking the necessary measures to replace the cross-guarantees on the contractual obligations of: (i) rental of stores; (ii) borrowing agreement; and (iii) purchase of electricity. The fee paid to GPA as remuneration for the guarantees provided as of December 31, 2024 and 2023 was less than R\$1.

10.2 Management compensation

Expenses related to the executive board compensation recorded in the Company's statement of operations is as follows (amounts expressed in thousands reais):

	Base salary (i)			Variable compensation (i)			Stock option plan and shared-based payment plan (ii)			Total		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Board of director	12,418	11,512	31,971	-	-	-	-	5,250	7,103	12,418	16,762	39,074
Statutory officers	15,436	11,083	12,806	19,471	29,794	19,880	24,448	13,265	9,609	59,355	54,142	42,295
Executives excluding statutory officers	42,131	31,429	22,849	43,867	53,132	43,144	18,370	14,802	10,176	104,368	99,363	76,169
Fiscal council	596	548	584	-	-	-	-	-	-	596	548	584
	<u>70,581</u>	<u>54,572</u>	<u>68,210</u>	<u>63,338</u>	<u>82,926</u>	<u>63,024</u>	<u>42,818</u>	<u>33,317</u>	<u>26,888</u>	<u>176,737</u>	<u>170,815</u>	<u>158,122</u>

- (i) Short-term benefit.
- (ii) More details about shared-based payment plans for Statutory officers and the new long-term benefit plans, see note 20.7.3, 20.7.4 and 20.7.5.

The stock option plan, fully in shares, refers to the Company's executives and this plan has been recognized in the Company's statement of operations. The related 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 benefits granted to the members of the Company's management.

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11 Investment in joint venture

The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not evaluated for impairment separately.

The financial statements of the joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The details of the Company's joint venture are shown below:

Investment type	Company	Country	Participation in investments - %		
			2024	2023	2022
Joint venture	Bellamar Empreendimento e Participação S.A.	Brazil	50.00	50.00	50.00

Bellamar is a company that owns 35.76% of the share capital of FIC (Finance branch of Banco Itaú), therefore the Company indirectly holds a 17.88% stake in FIC. The purpose of FIC is to carry out all operations permitted, in the legal and regulated provisions, to credit, financing and investment companies, the issuance and management of credit cards, own or third-party, as well as the performance and performance of functions of correspondents in the country. FIC's operations are conducted by Itaú Unibanco Holding S.A.

The investment is recognized as a joint venture and is recorded under the equity method, in accordance with accounting standard IAS 28 – Investments in associates and joint ventures, is initially recognized at cost. The carrying amount of the investment is adjusted for purposes of recognizing the variations in the Company's share in the shareholders' equity of joint venture after the acquisition date.

After the equity method is applied, the Company determines if it is necessary to recognize an additional impairment loss of recuperable on the investment in its joint venture. The Company will determine, on each annual closing date of balance sheet, if there is objective evidence that the investment in the joint venture is impaired. If so, the Company calculates the amount of the impairment loss as the difference between the joint venture's recoverable amount and carrying amount and recognizes the loss in the statement of operations.

Due to the asset within indefinite useful life is recognized as part of the investments balance, after the equity method is applied the Company determines if it is necessary to recognize impairment of the investment in its Joint Venture. The Company calculates the impairment amount as the difference between the joint venture's recoverable amount and its carrying amount and, if necessary, recognizes the impairment in the statement of operations. As of December 31, 2024, the Company conducted an impairment test of the investment using the value-in-use methodology based on the approach of projected dividends flow discounted to present value, adopting the following assumptions:

- Capital Asset Pricing Model (CAPM) of 13.5% (13.0% as of December 31, 2023).
- FIC's business plan for the five-year period, with a 5.5% increase in Net Revenue and adoption of a perpetuity rate of 3.8%.

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Additionally, given the exclusivity clause in the Association Agreement with FIC's shareholder, Itaú Unibanco Holding S.A., which is set to expire in 2029 and may or may not be renewed by the parties, the Company's Management conducted a sensitivity analysis on the estimated recoverable amount, considering different scenarios and rates that Management considered reasonable for the expiration of the clause.

Based on the results of the tests, no provision for impairment of the asset was deemed necessary as of December 31, 2024.

Financial information of joint venture

	As of December 31,	
	2024	2023
Current assets	1	1
Non-current assets	461	581
Shareholders' equity	462	582
Net income for the year	128	102

Breakdown

	Amount
As of December 31, 2021	789
Share of profit of associates	44
As of December 31, 2022	833
Share of profit of associates	51
Dividends received	(20)
As of December 31, 2023	864
Share of profit of associates	64
Dividends received	(124)
As of December 31, 2024	804

12 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost includes the acquisition amount of equipment and borrowing costs for long-term construction projects if recognition criteria are observed. When significant components of property, plant and equipment are replaced, these components are recognized as individual assets, with specific useful lives and depreciation. Likewise, when a major replacement is performed, its cost is recognized as the carrying amount of the equipment as a replacement, if the recognition criteria are met. All other repair and maintenance costs are recognized in the statement of operations for the year as incurred.

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The annual average depreciation rate of property, plant and equipment items is shown below:



Property, plant and equipment items and eventual significant amounts are written-off upon sale or when there is no expectation of future economic benefits deriving from their use or sale. Any gains or losses resulting from disposals of assets are included in the statement of operations for the year.

The residual value, the useful life of assets, and methods of depreciation are reviewed at the end of each fiscal year, and adjusted prospectively, where applicable. The Company reviewed the useful life of property, plant and equipment in 2024 and no changes were deemed necessary.

Interest on borrowings directly attributable to the acquisition, construction of an assets, that requires a substantial period of time to be completed for its intended use or sale (qualifying asset), are capitalized as part of the cost of respective assets during its construction phase. From the date that the asset is placed in operation, capitalized costs are depreciated over the estimated useful life of the asset.

12.1 Impairment of non-financial assets

The Company tests its non-financial assets for impairment annually or whenever there is internal or external evidence that they may be impaired.

An asset's or cash-generating unit's ("CGU") recoverable amount is defined as the asset's fair value less cost to sell or its value in use, whichever is higher.

If the carrying amount of an asset or cash-generating unit exceeds its recoverable value, the asset is considered impaired, and an impairment loss is recorded to adjust the carrying amount of the asset or cash-generating unit to its recoverable value. When assessing the recoverable value, the estimated future cash flow is discounted to the present value, using a nominal discount pre-tax rate, which represents the Company's weighted average cost of capital to reflect current market valuations as to the time value of money and asset's specific risks. The impairment test of intangible assets' useful life including goodwill and commercial rights are described in notes 13.2 and 13.3, respectively.

Impairment losses are recognized in the statement of operations in categories of expenses consistent with the function of the respective impaired asset. The impairment loss previously recognized is only reversed if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized.

12.1.1 Impairment test of stores operating assets

An impairment assessment is performed on operating assets (property, plant and equipment) and intangible assets (commercial rights) directly attributable to stores, as follows:

- Step 1: the carrying amount of properties in stores is compared to a sales multiple (35%) representing market transactions between retail companies. Stores for which the multiple of sales was lower than their carrying amount and owned stores, a more detailed test is made, as described in Step 2 below.
- Step 2: The Company considered the highest value between the discounted cash flows of stores using sales growth by store and a discount rate of 13.82% in 2024 (11.34% in 2023) or appraisal reports drawn up by independent experts for own stores.

The Company assessed if any of its long-lived assets were impaired as of December 31, 2024, 2023 and 2022 and concluded that the recognition of an impairment loss was not needed.

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12.2 Breakdown and composition of property, plant and equipment

	As of 12/31/2023	Additions (i)	Write- offs	Depreciation	Transfers and others	As of 12/31/2024		Historical cost	Accumulated depreciation
Land	559	-	-	-	-	559		559	-
Buildings	777	46	-	(23)	94	894		1,074	(180)
Improvements	8,099	773	(7)	(502)	(45)	8,318		10,301	(1,983)
Machinery and equipment	2,310	378	(6)	(272)	21	2,431		3,668	(1,237)
Facilities	270	13	-	(38)	-	245	=	443	(198)
Furniture and appliances	903	132	(5)	(158)	17	889		1,447	(558)
Constructions in progress	111	100	(1)	-	(87)	123		123	-
Others	119	34	-	(53)	5	105		292	(187)
	<u>13,148</u>	<u>1,476</u>	<u>(19)</u>	<u>(1,046)</u>	<u>5</u>	<u>13,564</u>		<u>17,907</u>	<u>(4,343)</u>

	As of 12/31/2022	Additions (i)	Write- offs	Depreciation	Transfers and others	As of 12/31/2023		Historical cost	Accumulated depreciation
Land	600	17	-	-	(58)	559		559	-
Buildings	730	45	-	(19)	21	777		934	(157)
Improvements	6,865	1,659	(26)	(438)	39	8,099		9,583	(1,484)
Machinery and equipment	1,440	499	(16)	(214)	601	2,310		3,285	(975)
Facilities	585	84	(2)	(58)	(339)	270	=	430	(160)
Furniture and appliances	755	186	(5)	(144)	111	903		1,311	(408)
Constructions in progress	543	47	(1)	-	(478)	111		111	-
Others	64	42	(1)	(45)	59	119		255	(136)
	<u>11,582</u>	<u>2,579</u>	<u>(51)</u>	<u>(918)</u>	<u>(44)</u>	<u>13,148</u>		<u>16,468</u>	<u>(3,320)</u>

	As of 12/31/2021	Additions (i)	Write- offs	Depreciation	Transfers and others	As of 12/31/2022		Historical cost	Accumulated depreciation
Land	570	48	(18)	-	-	600		600	-
Buildings	656	117	-	(17)	(26)	730		859	(129)
Improvements	3,596	3,451	(27)	(284)	129	6,865		7,933	(1,068)
Machinery and equipment	828	708	(4)	(184)	92	1,440		2,160	(720)
Facilities	362	258	(7)	(35)	7	585	=	729	(144)
Furniture and appliances	416	279	(2)	(70)	132	755		1,043	(288)
Constructions in progress	235	582	(1)	-	(273)	543		543	-
Others	37	24	-	(16)	19	64		157	(93)
	<u>6,700</u>	<u>5,467</u>	<u>(59)</u>	<u>(606)</u>	<u>80</u>	<u>11,582</u>		<u>14,024</u>	<u>(2,442)</u>

(i) Includes interest capitalization in the amount of R\$46 as of December 31, 2024 (R\$257 and R\$774 as of December 31, 2023 and 2022, respectively), see note 12.3.

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12.3 Capitalized borrowing and lease costs

Borrowing costs directly attributable to the acquisition, construction or production and interest of lease liabilities related to assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset, amounted to R\$46 (R\$257 as of December 31, 2023 and R\$774 as of December 31, 2022). The rate adopted to calculate the borrowing costs eligible for capitalization was 113.42% (111.05% as of December 31, 2023 and 112.16% as of December 31, 2022) of the CDI, corresponding to the effective interest rate of the borrowings obtained by the Company.

12.4 Additions to property, plant and equipment for cash flow presentation purpose are as follows:

	2024	2023	2022
Additions	1,476	2,579	5,467
Capitalized borrowing costs	(46)	(257)	(774)
Financing of property, plant and equipment – Additions	(1,390)	(2,298)	(5,080)
Financing of property, plant and equipment – Payments	1,607	3,092	3,911
	<u>1,647</u>	<u>3,116</u>	<u>3,524</u>

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

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

12.5 Other information

As of December 31, 2024, the Company recorded in the cost of sales and services the amount of R\$93 (R\$82 as of December 31, 2023 and R\$71 as of December 31, 2022), relating to the depreciation of machinery, building and facilities of transformation service and distribution centers.

13 Intangible Assets

Intangible assets acquired separately are measured at cost upon initial recognition, less amortization, and eventual impairment losses, if any. Internally generated intangible assets, excluding capitalized software development costs, are recognized as expenses when incurred.

Intangible assets mainly consist of software acquired from third parties and software developed for internal use and commercial rights (stores rights of use) and brands.

Intangible assets with definite useful lives are amortized using the straight-line method. The amortization period and method are reviewed, at least, at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimate.

Software development costs recognized as assets are amortized over their defined useful life (5 years). The weighted average rate is 20%, and amortization starts when they become operational.

Intangible assets with indefinite useful lives are not amortized but tested for impairment at the end of each reporting period or whenever there are indications that their carrying amount may be impaired either individually or at the level of the cash-generating unit. The assessment is reviewed annually to determine whether the indefinite life assumption remains appropriate. Otherwise, the useful life is changed prospectively from indefinite to definite.

Intangible assets other than goodwill with indefinite useful life include tradenames and commercial rights.

When applicable, gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net proceeds from the sale of the asset and its carrying amount, any gain or loss is recognized in the statement of operations in the year the asset is derecognized.

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13.1 Breakdown and composition of intangible assets

	As of 12/31/2023	Additions	Amortizations	As of 12/31/2024		+	
						Historical cost	Accumulated amortization
Goodwill	618	-	-	618		871	(253)
Software	63	42	(23)	82	=	221	(139)
Commercial rights	4,452	-	(8)	4,444		4,491	(47)
Trade name	39	-	-	39		39	-
	<u>5,172</u>	<u>42</u>	<u>(31)</u>	<u>5,183</u>		<u>5,622</u>	<u>(439)</u>

	As of 12/31/2022	Additions	Amortizations	Write-offs	Transfers	As of 12/31/2023		+	
								Historical cost	Accumulated amortization
Goodwill	618	-	-	-	-	618		871	(253)
Software	76	30	(43)	(1)	1	63	=	181	(118)
Commercial rights	4,267	192	(7)	-	-	4,452		4,491	(39)
Trade name	39	-	-	-	-	39		39	-
	<u>5,000</u>	<u>222</u>	<u>(50)</u>	<u>(1)</u>	<u>1</u>	<u>5,172</u>		<u>5,582</u>	<u>(410)</u>

	As of 12/31/2021	Additions	Amortizations	As of 12/31/2022		+	
						Historical cost	Accumulated amortization
Goodwill	618	-	-	618		871	(253)
Software	75	18	(17)	76	=	151	(75)
Commercial rights (i)	1,136	3,139	(8)	4,267		4,299	(32)
Trade name	39	-	-	39		39	-
	<u>1,868</u>	<u>3,157</u>	<u>(25)</u>	<u>5,000</u>		<u>5,360</u>	<u>(360)</u>

- (i) In the year ended December 31, 2022, includes commercial rights related to 46 commercial points sold by GPA to the Company as a result of the Transaction for an amount of R\$3,130 and in the year ended December 31, 2021, includes commercial rights related to 20 commercial points sold by GPA to the Company as a result of the Transaction for an amount of R\$798 (see note 1.2).

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


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(In millions of Brazilian Reais, unless otherwise stated)

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

The impairment test of intangible assets uses the same practices described in note 12.1.

As of December 31, 2024, the Company reviewed the plan used to assess impairment for its operations. The recoverable amount is determined by means of a calculation based on value in use, based on cash projections from financial budgets, which were reviewed and approved by senior management for the next five years, considering the assumptions updated for December 31, 2024, as shown below:

-  Revenues: estimated from 2025 to 2029, considering historical sales growth and inflation projections, excluding stores expansion;
-  Gross profit: considers the historical level of gross profit expressed as a sales percentage;
-  Expenses: considers the historical level expressed as a sales percentage and seeking gains of productivity and efficiency;
-  Working capital: estimating the same level of working capital expressed in days of cost of sales;
-  Acquisition of tangible and intangible assets (capex): considers the historical average investment for the maintenance of the existing assets when determining the cash flow;
-  Terminal value: calculated using the last year of the projections applying the perpetuity growth rate;
-  Discount rate: prepared as described in the accounting policy. The discount rate used was 13.82% per year as of December 31, 2024 (11.34% per year as of December 31, 2023); and
-  Perpetuity growth rate: the growth rate considered was 4.19% per year as of December 31, 2024 (4.00% per year as of December 31, 2023).

As a result of this analysis, there was no need to record a provision for impairment of these assets.

13.3 Commercial rights

Commercial rights are the right to operate stores, which refers to the rights acquired or allocated in business combinations. According to the Management's understanding, commercial rights are considered recoverable, either through the expected cash flows of the related store or the sale to third parties.

Commercial rights with indefinite useful lives are tested following the assumptions described in note 13.2. The Company considered the discounted cash flow of the related store for the impairment test, that is, the store is the CGU.

As a result of this analysis, there was no need to record a provision for impairment of these assets.

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13.4 Additions to intangible assets for cash flow presentation purpose are as follows

	2024	2023	2022
Additions	42	222	3,157
Financing of intangible assets – Additions	-	(175)	(3,130)
Financing of intangible assets – Payments	-	122	609
	<u>42</u>	<u>169</u>	<u>636</u>

14 Leases

When entering into a contract, the Company assesses whether the contract is or contains a lease. The contract is or contains a lease if it transfers the right to control the use of the identified assets for a specified period in exchange for consideration.

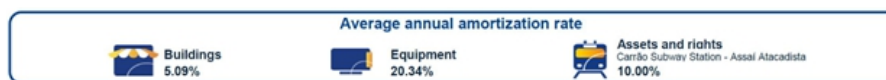
The Company evaluates its lease agreements in order to identify lease terms for a right of use, using the exemptions provided for contracts with a term of less than twelve months and an individual asset value below US\$5 thousand.

The contracts are then recorded when the lease begins, as a lease liability against a right-of-use asset, both at the present value of minimum lease payments, using the interest rate implicit in the contract, if applicable, or an incremental borrowing rate considering loans obtained by the Company.

The lease term used in the measurement corresponds to the term that the lessee is reasonably certain of exercising the option to extend the lease or not exercise the option to terminate the lease.

14.1 Right of use

Right-of-use assets are amortized over the lease term. Capitalizations for improvements and renovations carried out in stores are amortized over their estimated useful life or the expected term of use of the asset, limited if there is evidence that the lease will not be extended. Below, we present the average annual amortization rate of the right-of-use assets are shown below:



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14.1.1 Breakdown and composition of right of use

	As of 12/31/2023	Additions	Remeasurement	Write-offs	Amortization	Transters and others	As of 12/31/2024		Historical cost	Accumulated amortization
Buildings	8,203	225	495	(21)	(557)	(5)	8,340	=	10,535	(2,195)
Equipment	3	-	44	-	(5)	1	43	=	88	(45)
Assets and rights	16	-	1	-	(1)	(1)	15	=	29	(14)
	<u>8,222</u>	<u>225</u>	<u>540</u>	<u>(21)</u>	<u>(563)</u>	<u>(5)</u>	<u>8,398</u>	=	<u>10,652</u>	<u>(2,254)</u>

	As of 12/31/2022	Additions (i)	Remeasurement	Write-offs (i)	Amortization	Transters and others	As of 12/31/2023		Historical cost	Accumulated amortization
Buildings	7,593	2,669	296	(1,824)	(500)	(31)	8,203	=	9,879	(1,676)
Equipment	8	-	-	-	(5)	-	3	=	51	(48)
Assets and rights	18	-	1	-	(3)	-	16	=	29	(13)
	<u>7,619</u>	<u>2,669</u>	<u>297</u>	<u>(1,824)</u>	<u>(508)</u>	<u>(31)</u>	<u>8,222</u>	=	<u>9,959</u>	<u>(1,737)</u>

	As of 12/31/2021	Additions	Remeasurement	Write-offs	Amortization	Transters and others	As of 12/31/2022		Historical cost	Accumulated amortization
Buildings	3,604	3,810	695	(70)	(351)	(95)	7,593	=	8,924	(1,331)
Equipment	16	-	-	-	(6)	(2)	8	=	57	(49)
Assets and rights	19	-	1	-	(2)	-	18	=	29	(11)
	<u>3,639</u>	<u>3,810</u>	<u>696</u>	<u>(70)</u>	<u>(359)</u>	<u>(97)</u>	<u>7,619</u>	=	<u>9,010</u>	<u>(1,391)</u>

- (i) As disclosed in note 1.3, on June 23, 2023, Casino, through its subsidiaries Wilkes, GIBV and Segisor, sold its common shares, changing the Company's shareholding structure. Due to the change in the shareholding structure, some rental agreements were renegotiated, resulting in a net increase of R\$476 in the lease. Management, based on IFRS 16 - Leases, assessed and concluded this transaction as the termination of the previous agreement and the recognition of a new agreement, maturing in 2045, due to the substantial change in scope, which mainly includes the modification of the leased assets and change in contract amounts. In the year ended December 31, 2023, the renegotiation process was concluded.

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14.2 Lease obligations

The Company leases equipment and commercial spaces, including stores and distribution centers, under cancellable and non-cancellable lease agreements. The terms of the contracts vary between 5 and 25 years.

The payments made are segregated between financial charges and reduction of the lease liability to obtain a constant interest rate in the liability balance. Financial charges are recognized as financial expenses for the year.

14.2.1 Minimum future payments

Lease liabilities totaled R\$9,644 as of December 31, 2024 (R\$9,184 as of December 31, 2023). The minimum future payments, by leases term and with the fair value of minimum lease payments, are as follows:

	As of December 31,	
	2024	2023
Lease liabilities - minimum payments		
Less than 1 year	412	532
From 1 to 5 years	1,569	1,702
More than 5 years	7,663	6,950
Present value of lease liabilities	9,644	9,184
Current	412	532
Non-current	9,232	8,652
Future financing charges	13,182	13,164
Future lease payments	22,826	22,348
PIS and COFINS embedded in the present value of lease agreements	430	558
PIS and COFINS embedded in the gross value of lease agreements	1,018	1,359

Lease liabilities interest expense is stated in note 24. The incremental borrowing used to calculate lease liabilities was 12.28% in the fiscal year ended December 31, 2024 (12.12% as of December 31, 2023).

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14.2.2 Lease liability rollforward

	Amounts
As of December 31, 2021	<u>4,051</u>
Addition – Lease	3,810
Remeasurement	696
Interest provision	781
Principal amortizations	(126)
Interest amortizations	(772)
Write-off due to early termination of agreement	(80)
As of December 31, 2022	<u>8,360</u>
Addition – Lease (i)	2,669
Remeasurement	297
Interest provision	1,004
Principal amortizations	(262)
Interest amortizations	(977)
Write-off due to early termination of agreement (i)	(1,907)
As of December 31, 2023	<u>9,184</u>
Addition – Lease	225
Remeasurement	540
Interest provision	1,069
Principal amortizations	(289)
Interest amortizations	(1,060)
Write-off due to early termination of agreement	(25)
As of December 31, 2024	<u><u>9,644</u></u>

(i) The variation for the year mainly refers to the renegotiation of rental contracts as disclosed in note 14.1.1.

14.3 Result on variable rentals and subleases

Leases in which the Company does not substantially transfer all the risks and benefits of ownership of the asset are classified as operating leases. The initial direct costs of negotiating operating leases are added to the carrying amount of the leased asset and recognized over the term of the contract, on the same basis as rental income.

Variable rents are recognized as expenses in the year in which they are incurred.

	As of December 31,		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
(Expenses) revenues for the year:			
Variables (1% to 2% of sales)	(15)	(21)	(31)
Subleases (*)	110	93	55

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

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15 Trade payables and trade payables - Agreements

	Note	As of December 31,	
		2024	2023
Trade payables			
Products		11,253	10,363
Acquisition of property, plant and equipment		156	158
Service		160	150
Service - related parties	10.1	26	28
Bonuses from suppliers	15.2	(874)	(902)
		<u>10,721</u>	<u>9,797</u>
Trade payables - Agreements			
Products	15.1	779	1,070
Acquisition of property, plant and equipment	15.1	159	389
Acquisition of hypermarkets	15.3	-	892
		<u>938</u>	<u>2,351</u>
		<u>11,659</u>	<u>12,148</u>
Current		11,647	12,110
Non-current		12	38

15.1 Agreements among suppliers, the Company and banks

The Company has agreements signed with financial institutions, through which suppliers of products, capital goods and services have the possibility of receiving in advance their amounts receivable, 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.

Management, based on IAS7 and IFRS7, 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 originally contracted amounts. These transactions aim at facilitating the cash flow of its suppliers without the Company having to advance payments. 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” and the 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). In these transactions, the Company earns income referring to the premium for referring suppliers to the operations of advance of receivables, recognized in the financial result, in the line “Revenue from anticipation of payables”, in the amount of R\$54 as of December 31, 2024 (R\$ 42 as of December 31, 2023 and R\$40 as of December 31, 2022), representing 1.57% of the volume of transactions occurred during 2023 (1.21% during 2023).

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As of December 31, 2024, the balance payable related to these operations is R\$938 (R\$1,459 as of December 31, 2023).

The balances of trade payables and trade payables – agreement are similar and do not exceed the expiration date of 120 days as of December 31, 2024.

15.2 Bonuses from suppliers

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

The Company assigned part of its receivable of bonuses from suppliers with the financial institutions, without any rights or recourse, to anticipate its cash flow. As of December 31, 2024, the amount of these receivables from bonuses from suppliers to fall due is R\$234 (R\$146 as of December 31, 2023). The amount was derecognized from the balance of receivables of bonuses from suppliers, since all risks related to the receivables were substantially transferred. The cost to advance these receivables as of December 31, 2024 was R\$6 (R\$3 as of December 31, 2023 and R\$2 as of December 31, 2022), classified as “Cost and discount of receivables” in note 24.

15.3 Acquisition of hypermarkets

As mentioned in note 1.2, on September and December, 2022, the 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 IAS 1 - Presentation of financial statements, concluded that there was no modification in the conditions originally contracted with the 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 interest 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 hypermarkets.

As of December 31, 2024, the balance payable related to these operations is zero (R\$892 as of December 31, 2023). In January 2024 the Company settled the amount.

16 Financial instruments

Financial assets are recognized when the Company assumes contractual rights to receive cash or other financial assets of agreements to which it is a party. Financial assets are derecognized when the rights to receive cash linked to the financial asset expire or risks and benefits were substantially transferred to third parties. Assets and liabilities are recognized when rights and/or obligations are retained by the Company.

Financial liabilities are recognized when the Company assumes contractual liabilities for settlement in cash or assumption of third-party obligations through a contract to which it is a party. The financial liabilities are initially recognized at fair value and derecognized when settled, extinguished, or expired.

16.1 Classification and measurement of financial assets and liabilities

Pursuant to IFRS 9, on initial recognition, a financial asset is classified as measured: at amortized cost, at fair value through other comprehensive income (“FVTOCI”) or at fair value through income (“FVTI”). The classification of financial assets pursuant to IFRS 9 is usually based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Embedded derivatives in which the main contract is a financial asset within the scope of the standard are never split. Instead, the hybrid financial instrument is assessed for classification as a whole.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through income:

- it is maintained in a business model whose objective is to keep financial assets to receive contractual cash flows; and
- its contractual terms generate, on specific dates, cash flows related to the payment of principal and interest on the outstanding principal amount.

A debt instrument is measured at fair value through other comprehensive income, if it meets both of the following conditions and is not designated as measured at fair value through income:

- it is maintained in a business model whose objective is achieved both by receipt of contractual cash flows and sale of financial assets; and
- its contractual terms generate, on specific dates, cash flows related to the payment of principal and interest on the outstanding principal amount.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are classified as fair value through income. This includes all derivative financial assets. At initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost, at fair value through other comprehensive income or fair value through income if this significantly eliminates or reduces an accounting mismatch that otherwise would arise (option of fair value available in IFRS 9).

A financial asset (unless these are trade receivables without a significant financing component which is firstly measured by the price of the transaction) is initially measured by fair value, accrued, for an item not measured at fair value through income of transaction costs which are directly attributable to its acquisition.

- **Financial assets measured at fair value through income:** These assets are subsequently measured at fair value. The net result, including interest rates or dividend income, is recognized in the statement of operations.
- **Financial assets at amortized cost:** These assets are subsequently measured at amortized cost applying the effective interest rate method. The amortized cost is reduced by impairment losses. Interest income, exchange gains, and losses are recognized in the statement of operations. Any gain or loss in derecognition is recognized in the statement of operations.
- **Financial assets at fair value through other comprehensive income:** These assets are subsequently measured at fair value. Interest income calculated adopting the effective interest rate method, exchange gains, and losses and impairment losses are recognized in the statement of operations. Other net results are recognized in other comprehensive income. In derecognition, the result accumulated in other comprehensive income is reclassified to the statement of operations.

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The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through income:** Include financial liabilities for trading and financial liabilities designated on initial recognition at fair value through income. Gains or losses on trading liabilities are recognized in the statement of operations.
- **Financial liabilities at amortized cost:** After initial recognition, borrowings and financing subject to interest are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of operations when liabilities are written off, as well as through the amortization process at the effective interest rate.

The main financial instruments and their carrying amounts, by category, are as follows:

	Note	Amortized cost	FVTI	FVTOCI	As of 12/31/2024
Financial assets					
Cash and cash equivalents	6	5,628	-	-	5,628
Related parties	10.1	23	-	-	23
Trade receivables and other accounts receivables		348	-	-	348
Financial instruments at fair value	16.9.1	-	390	-	390
Trade receivables with credit card and tickets	7.1	-	-	1,943	1,943
Financial liabilities					
Other accounts payable		(169)	-	-	(169)
Trade payable and trade payables – agreements	15	(11,659)	-	-	(11,659)
Borrowings in domestic currency	16.9.1	(918)	(29)	-	(947)
Borrowings in foreign currency	16.9.1	-	(801)	-	(801)
Debentures and promissory notes	16.9.1	(11,542)	(3,257)	-	(14,799)
Lease liabilities	14.2	(9,644)	-	-	(9,644)
Financial instruments at fair value	16.9.1	-	(18)	-	(18)
Net exposure		<u>(27,933)</u>	<u>(3,715)</u>	<u>1,943</u>	<u>(29,705)</u>

	Note	Amortized cost	FVTI	FVTOCI	As of 12/31/2023
Financial assets					
Cash and cash equivalents	6	5,459	-	-	5,459
Related parties	10.1	23	-	-	23
Trade receivables and other accounts receivables		396	-	-	396
Financial instruments at fair value	16.9.1	-	274	-	274
Trade receivables with credit card and tickets	7.1	-	-	985	985
Financial liabilities					
Other accounts payable		(216)	-	-	(216)
Trade payable and trade payables – agreements	15	(12,148)	-	-	(12,148)
Borrowings in domestic currency	16.9.1	(1,943)	(40)	-	(1,983)
Debentures and promissory notes	16.9.1	(10,051)	(3,142)	-	(13,193)
Lease liabilities	14.2	(9,184)	-	-	(9,184)
Financial instruments at fair value	16.9.1	-	(8)	-	(8)
Net exposure		<u>(27,664)</u>	<u>(2,916)</u>	<u>985</u>	<u>(29,595)</u>

The fair value of other financial instruments detailed in table above approximates the carrying amount based on the existing terms and conditions. The financial instruments measured at amortized cost, the related fair values of which differ from the carrying amounts, are disclosed in note 16.8.

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16.2 Derecognition of financial assets and liabilities

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights of cash flows receivables expire; and
- The Company transfers its rights to receive cash flows from an asset or assume an obligation of fully paying the cash flows received to a third party, under the terms of a transfer agreement; and (a) the Company substantially transferred all the risks and benefits related to the asset; or (b) the Company neither transferred nor substantially retained all the risks and benefits relating to the asset, but transferred its control.

When the Company assigns its rights to receive cash flows from an asset or enters into a transfer agreement without having substantially transferred or retained all of the risks and benefits relating to the asset nor transferred the asset control, the asset is maintained and the related liability is recognized. The asset transferred and related liability are measured to reflect the rights and obligations retained by the Company.

A financial liability is derecognized when the liability underlying obligation is settled, canceled, or expired.

Purchases or sales of financial assets requiring delivery of assets within a term defined by regulation or agreement in the market (negotiations under normal conditions) are recognized on the trade date, i.e., on the date the Company undertakes to buy or sell the asset.

When a financial liability is replaced by another of the same creditor, through substantially different terms, or terms of an existing liability are substantially modified, this replacement or modification is treated as the derecognition of original liability and recognition of a new liability, and the difference between respective carrying amounts is recognized in the statement of operations.

16.3 Offset of financial instruments

The financial assets and liabilities are offset and reported net in financial statements, if, and only if, amounts recognized can be offset and with the intention of settlement on a net basis, or realize assets and settle liabilities, simultaneously.

16.4 Impairment of financial assets

The impairment loss model applies to financial assets measured at amortized cost, contractual assets, and debt instruments measured at fair value through other comprehensive income but does not apply to investments in equity instruments (shares) or financial assets measured at fair value through income.

Pursuant to IFRS 9, provisions for losses are measured at one of the following bases:

- Expected credit losses for 12 months (general model): these are credit losses resulting from possible default events within 12 months after the reporting date, and subsequently, in case of a deterioration of credit risk, for the entire life of the instrument.

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- **Lifetime expected credit losses (simplified model):** these are credit losses that result from all possible default events over the expected life of a financial instrument.
- **Practical expedient:** these are expected credit losses consistent with reasonable and sustainable information available, at the reporting date, on past events, current conditions, and estimates of future economic conditions that allow the verification of probable future losses based on the historical credit losses in accordance with instruments maturity.

The Company measures provisions for trade receivable losses and other receivables and contractual assets through an amount corresponding to the loan loss expected for the entire life, and for trade receivables, whose receivables portfolio is fragmented, rents receivable, the practical expedient is applied by adopting a matrix of losses for each maturity level.

When determining whether the credit risk of a financial asset significantly increased from initial recognition, and when estimating the expected loan losses, the Company considers reasonable and sustainable information which is relevant and available without cost or excessive effort. This includes qualitative and quantitative information and analyses, based on the Company's historical experience, the assessment of credit, and considering projection information.

The Company assumes that the credit risk in a financial asset significantly increased if it is more than 180 days overdue.

The Company considers a financial asset in default when:

- it is unlikely that the debtor will fully pay its loan obligations to the Company, without resorting to collateral (if any); or
- the financial asset is more than 180 days overdue.

The Company determines the credit risk of a debt instrument by analyzing the payment history, financial, and current macroeconomic conditions of counterparty and assessment of rating agencies, where applicable, thereby evaluating each instrument, individually.

The maximum period considered in the estimate of expected receivable loss is the maximum contractual period during which the Company is exposed to the credit risk.

- **Measurement of expected credit losses:** Expected credit losses are estimates weighted by the likelihood of credit losses based on the historic losses and projections of related assumptions. Credit losses are measured at present value based on all cash shortfalls (i.e., the difference between cash flows owed to the Company according to the contract and cash flows that the Company expects to receive).

Expected credit losses are discounted by the effective interest rate of a financial asset.

- **Financial assets with credit recovery problems:** On each reporting date, the Company assesses if financial assets recorded by amortized cost and debt instruments measured at fair value through other comprehensive income shows signs of impairment. A financial asset shows signs of impairment when one or more events occur with a negative impact on the financial asset's estimated future cash flows.
- **Reporting of impairment loss:** Provision for financial assets losses measured at amortized cost are deducted from an assets' gross carrying amount.

For financial instruments measured at fair value through other comprehensive income, the provision for losses is recognized in other comprehensive income, instead of reducing the asset's carrying amount.

Impairment losses related to trade receivables and other receivables, including contractual assets, are reported separately in the statement of operations and other comprehensive income. Losses of recoverable amounts from other financial assets are stated under "selling expenses".

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- **Trade receivables and contractual assets:** The Company considers the model and a few of the assumptions applied in the calculation of these expected loan losses as the main sources of an uncertain estimate.

Positions within each group were segmented based on common characteristics of credit risk, such as:

- Level of credit risk and loss history for wholesale clients and property lease; and
- Status of default risk and loss history for credit card companies and other clients.

16.5 Considerations on risk factors that may affect the businesses of the Company

16.5.1 Credit Risk

- **Cash equivalents:** In order to minimize credit risks, the Company adopts investments policies at financial institutions approved by the Company's Financial Committee, also taking into consideration monetary limits and financial institution evaluations, which are regularly updated. The Company's financial investments, according to the rating on the national scale of financial institutions are 100% represented by brAAA as of December 31, 2024 and 2023.
- **Trade receivables:** Credit risk related to trade receivables is minimized by the fact that a large portion of sales are paid with credit cards, and the Company sells these receivables to banks and credit card companies, aiming to strengthen working capital. The sales of receivables result in derecognition of the accounts receivable due to the transfer of the credit risk, benefits and control of such assets. Additionally, regarding the trade receivables collected in installments, the Company monitors the risk through credit concession and by periodic analysis of the provision for losses.

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

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

16.5.2 Interest rate risk

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

16.5.3 Foreign currency exchange rate risk

The fluctuations in the exchange rates may increase the balances of borrowings in foreign currency, and for this reason the Company uses derivative financial instruments, such as swaps, to mitigate the foreign exchange rate risk, converting the cost of debt into domestic currency and interest rates.

16.5.4 Capital risk management

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

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The Company's capital structure is as follows:

	As of December 31,	
	2024	2023
Borrowings, debentures and promissory notes	16,565	15,184
(-) Cash and cash equivalents	(5,628)	(5,459)
(-) Derivative financial instruments	(390)	(274)
Net debt	10,547	9,451
Shareholders' equity	5,255	4,630
% Net debt over shareholders' equity	201%	204%

16.5.5 Liquidity risk management

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

The table below summarizes the aging profile of the Company's financial liabilities as of December 31, 2024.

	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Borrowings	181	1,946	-	2,127
Debentures and promissory notes	3,659	12,986	4,939	21,584
Derivative financial instruments	215	(586)	(293)	(664)
Lease liabilities	1,522	5,558	15,746	22,826
Trade payables	10,710	12	-	10,722
Trade payables – Agreements	938	-	-	938
Other accounts payable	141	28	-	169
	17,366	19,944	20,392	57,702

The table above was prepared considering the undiscounted cash flows of financial liabilities based on the earliest date the Company may be required to make a payment or be eligible to receive a payment. To the extent that interest rates are floating, the non-discounted amount is obtained based on interest rate curves as of December 31, 2024. Therefore, certain balances are not consistent with the balances reported in the balance sheets.

16.6 Derivative financial instruments

The Company uses derivative financial instruments to limit the exposure to variation unrelated to the local market, such as interest rate swaps and exchange rate variation swaps. These derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is executed and subsequently re-measured at fair value at the end of the reporting period. Derivatives are recorded as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses resulting from changes in the fair value of derivatives are directly recorded in the statement of operations.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it intends to apply hedge accounting and its objective and risk management strategy for contracting the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Company will assess the effectiveness of the changes in the hedging instrument's fair value in offsetting the exposure to changes in the fair value of the hedged item or cash flow attributable to the hedged risk. These hedges are expected to be highly effective in offsetting changes in the fair value or cash flow and are assessed on an ongoing basis to determine if they have been highly effective throughout the periods for which they were designated.

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The following are recognized as fair value hedges:

- The change in the fair value of a derivative financial instrument classified as fair value hedging is recognized as financial result. The change in the fair value of the hedged item is recorded as a part of the carrying amount of the hedged item and is recognized in the statement of operations; and
- In order to calculate the fair value, future swap amounts are estimated according to the curves disclosed by B3 (CDI and Extended National Consumer Price Index (IPCA)), plus operation spreads. To calculate the present value of these operations, future amounts are discounted using the same curves, however, increased by the spreads disclosed by the Brazilian Association of Financial and Capital Market Entities (ANBIMA), referring to operations conducted in the secondary market.

The Company uses financial instruments only to hedge identified, risks limited to 100% of the value of these risks. Derivative instruments transactions are exclusively used to reduce the exposure to the risk of changes in interest rates and foreign currency fluctuation and maintaining a balanced capital structure.

Swap transactions are designated as fair value hedges, with the objective to hedge the exposure to fixed interest rates, converting the debt into interest rates.

As of December 31, 2024, the notional amount of these contracts was R\$3,710 (R\$2,956 as of December 31, 2023). These transactions are usually contracted under the same term of amounts and carried out with a financial institution of the same economic group, observing the limits set by Management.

According to the Company's treasury policies, swaps cannot be contracted with restrictions ("caps"), margins, as well as return clauses, double index, flexible options or any other types of transactions different from traditional swap transactions to hedge against debts.

The Company's internal controls were designed to ensure that transactions executed conform to the treasury policy.

The Company calculates the effectiveness of hedge transactions at the inception date and on a continuing basis. Hedge transactions contracted in the year ended December 31, 2024 were effective in relation to the covered risk. For derivative transactions that qualify as hedge accounting, the debt which is the hedged item, is also adjusted at fair value.

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

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

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

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	Notional value		Fair value	
	2024	2023	2024	2023
Swap of hedge				
Hedge purpose (debt)	3,710	2,956	4,082	3,230
Long position				
Fixed rate	27	106	29	110
USD + Fixed	731	-	797	-
Hedge - CRI	2,952	2,850	3,256	3,120
Short position	(3,710)	(2,956)	(3,710)	(2,964)
Net hedge position	-	-	372	266

Realized and unrealized gains and losses on these contracts during the year ended December 31, 2024, are recorded as financial revenues or expenses and the balance receivable at fair value is R\$372 (balance receivable of R\$266 as of December 31, 2023). Assets are recorded as “derivative financial instruments” and liabilities as “borrowings and debentures”.

The effects of the fair value hedge recorded in the statement of operations for the year ended December 31, 2024, resulted in a loss of R\$13, recorded under debt of cost, note 24 (loss of R\$115 as of December 31, 2023 and gain of R\$29 as of December 31, 2022).

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

Description Risk	Notional (millions)	Due date	As of December 31,	
			2024	2023
Debt				
USD – BRL	US\$ 18	2026	7	-
USD – BRL	US\$ 109	2027	59	-
Debt				
IPCA – BRL	R\$ 1,972	2028, 2029 and 2031	314	267
Interest rate swaps registered at CETIP				
Fixed rate x CDI	R\$ 879	2027	(10)	(5)
Fixed rate x CDI	R\$ 14	2027	1	2
Fixed rate x CDI	R\$ 15	2027	1	2
Derivatives - Fair value hedge – Brazil			372	266

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16.7 Sensitivity analysis of financial instruments

According to Management's assessment, the possible reasonable changes scenario considered was, on the maturity date of each transaction, the market curves (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 scenario (I) there is no impact on the fair value of financial instruments and the weighted interest rate (CDI) was 15.18% per year. 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 the case of derivative financial instruments (aiming at hedging the financial debt), changes in scenarios are accompanied by respective hedges, indicating that the effects are not significant.

The Company disclosed the net effect of derivative financial instruments, each of the scenarios mentioned above in the sensitivity analysis as follows:

Transactions	Note	Risk (rate increase)	Balance at 2024	Market projections		
				Scenario (I)	Scenario (II)	Scenario (III)
Borrowings	16.9.1	CDI + 1.62% per year	(923)	(140)	(147)	(154)
Borrowings (fixed rate)	16.9.1	CDI + 0.20% per year	(29)	(5)	(5)	(5)
Borrowings (foreign currency)	16.9.1	CDI + 1.34% per year	(801)	(122)	(128)	(134)
Debentures and promissory notes	16.9.1	CDI + 1.34% per year	(14,975)	(2,243)	(2,355)	(2,467)
Total net effect (loss)			(16,728)	(2,510)	(2,635)	(2,760)
Cash equivalents	6	98.54% of the CDI	5,494	834	876	918
Net exposure loss			(11,234)	(1,676)	(1,759)	(1,842)

16.8 Fair value measurement

The Company discloses the fair value of financial instruments and other assets and liabilities measured or disclosed at fair value in accordance with IFRS 13. The fair value hierarchy levels are defined below:

Level 1: Quoted (unadjusted) market prices in active markets for assets or liabilities.

Level 2: Valuation techniques for which the lowest level inputs that is significant to the fair value measurement is directly or indirectly observable.

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

The data used in fair value models is obtained, whenever possible, from observable markets or from information in comparable transactions in the market, the benchmarking of the fair value of similar financial instruments, the analysis of discounted cash flows or other valuation models. Judgment is used in the determination of assumptions in relation to liquidity risk, credit risk and volatility. Changes in assumptions may affect the reported fair value of financial instruments.

In the case of financial instruments not actively negotiated, the fair value is based on valuation techniques defined by the Company and compatible with usual market practices. These techniques include the use of recent market operations between independent parties, the benchmarking of similar financial instruments' fair value, the analysis of discounted cash flows, or other valuation models.

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

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The table below sets forth the fair value hierarchy of financial assets and liabilities measured at fair value of financial instruments measured at amortized cost, all classified as level 2, for which the fair value has been disclosed in the financial statements:

	Carrying amount		Fair value	
	2024	2023	2024	2023
Trade receivables with credit cards companies and sales tickets	1,943	985	1,943	985
Swaps of annual rates between currencies	66	-	66	-
Interest rate swaps	(8)	(1)	(8)	(1)
Interest rate swaps - CRI	314	267	314	267
Borrowings and debentures (fair value)	(4,087)	(3,182)	(4,087)	(3,182)
Borrowings, debentures and promissory notes (amortized cost)	(12,460)	(11,994)	(12,188)	(11,716)
	<u>(14,232)</u>	<u>(13,925)</u>	<u>(13,960)</u>	<u>(13,647)</u>

There was no change between the fair value measurements hierarchy levels during the year ended December 31, 2024.

Cross-currency and interest rate swaps and borrowings are classified as 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.

16.9 Borrowings

16.9.1 Debt breakdown

	Average rate	As of December 31,	
		2024	2023
<u>Debentures and promissory notes</u>			
Debentures and promissory notes	CDI + 1.34% per year	14,975	13,378
Borrowing costs		(176)	(185)
		<u>14,799</u>	<u>13,193</u>
<u>Derivative financial instruments – Debentures and promissory notes</u>			
Swap contracts	CDI + 1.06% per year	(304)	(262)
		<u>(304)</u>	<u>(262)</u>
<u>Borrowings in domestic currency</u>			
Working capital	CDI + 0.20% per year	29	40
Working capital	CDI + 1.62% per year	923	1,952
Borrowing costs		(5)	(9)
		<u>947</u>	<u>1,983</u>
<u>Derivative financial instruments – Domestic currency</u>			
Swap contracts	CDI + 0.20% per year	(2)	(4)
		<u>(2)</u>	<u>(4)</u>
<u>Borrowings in foreign currency</u>			
Working capital	CDI + 1.34% per year	801	-
		<u>801</u>	<u>-</u>
<u>Derivative financial instruments – Foreign currency</u>			
Swap contracts	CDI + 1.34% per year	(66)	-
		<u>(66)</u>	<u>-</u>
Total of borrowings, debentures and promissory notes		<u>16,175</u>	<u>14,910</u>
Current asset		(93)	(48)
Non-current asset		(297)	(226)
Current liabilities		2,084	2,115
Non-current liabilities		14,481	13,069

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16.9.2 Debt rollforward

	Amounts
Balance as of January 1, 2022	8,001
Funding - working capital	4,001
Borrowing costs	(42)
Interest provision	1,436
Swap contracts	82
Mark-to-market	(111)
Exchange rate and monetary variation	(18)
Borrowing costs	26
Interest amortization	(783)
Principal amortization	(61)
Swap amortization	(122)
Balance as of December 31, 2022	12,409
Funding - working capital	3,392
Borrowing costs (i)	(142)
Interest provision	1,746
Swap contracts	39
Mark-to-market	14
Exchange rate and monetary variation	(16)
Borrowing costs amortization	52
Interest amortization	(1,085)
Principal amortization	(1,326)
Swap amortization	(173)
Balance as of December 31, 2023	14,910
Funding - working capital	6,600
Borrowing costs	(54)
Interest provision	1,907
Swap contracts	(75)
Mark-to-market	88
Exchange rate and monetary variation	88
Borrowing costs amortization	65
Interest amortization	(2,583)
Principal amortization	(4,652)
Swap amortization	(119)
Balance as of December 31, 2024	16,175

- (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 10.1, in capital market operations carried out during the year, without changes to other contractual clauses with financial institutions.

16.9.3 Schedule of non-current debt maturities

Maturity	Amounts
From 1 to 2 years	1,172
From 2 to 3 years	4,292
From 3 to 4 years	2,825
From 4 to 5 years	5,438
More than 5 years	589
	14,316
Borrowing Cost	(132)
	14,184

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16.10 Debentures and promissory notes

	Type	Issue amount	Outstanding Debentures (units)	Date		Annual financial charges	Unit price (in Reais)	As of December 31,	
				Issuance	Maturity			2024	2023
First Issue of Promissory Notes – 5 th series	non-preemptive right	200	4	7/4/2019	7/4/2024	CDI + 0.72% per year	-	-	289
First Issue of Promissory Notes – 6 th series	non-preemptive right	200	4	7/4/2019	7/4/2025	CDI + 0.72% per year	80,710,560	322	289
Second Issue of Debentures – 1 st series (i)	non-preemptive right	940,000	940,000	6/1/2021	5/20/2026	CDI + 1.70% per year	-	-	954
Second Issue of Debentures – 2 nd series	non-preemptive right	660,000	660,000	6/1/2021	5/22/2028	CDI + 1.95% per year	1,014	669	670
Second Issue of Promissory Notes – 1 st series	non-preemptive right	1,250,000	1,250,000	8/27/2021	8/27/2024	CDI + 1.47% per year	-	-	1,681
Second Issue of Promissory Notes – 2 nd series (i)	non-preemptive right	1,250,000	1,250,000	8/27/2021	2/27/2025	CDI + 1.53% per year	-	-	1,683
Third Issue of Debentures – 1 st series – CRI	non-preemptive right	982,526	982,526	10/15/2021	10/16/2028	IPCA + 5.15% per year	1,199	1,178	1,122
Third Issue of Debentures – 2 nd series – CRI	non-preemptive right	517,474	517,474	10/15/2021	10/15/2031	IPCA + 5.27% per year	1,199	620	591
Fourth Issue of Debentures - single series	non-preemptive right	2,000,000	2,000,000	1/7/2022	11/26/2027	CDI + 1.75% per year	1,012	2,024	2,024
First Issue of Commercial Paper Notes - single series	non-preemptive right	750,000	750,000	2/10/2022	2/9/2025	CDI + 1.70% per year	1,048	786	790
Fifth Issue of Debentures - single series - CRI	non-preemptive right	250,000	250,000	4/5/2022	3/28/2025	CDI + 0.75% per year	1,028	258	258
Sixth Issue of Debentures - 1st series - CRI	non-preemptive right	72,962	72,962	9/28/2022	9/11/2026	CDI + 0.60% per year	1,032	75	76
Sixth Issue of Debentures - 2nd series - CRI	non-preemptive right	55,245	55,245	9/28/2022	9/13/2027	CDI + 0.70% per year	1,033	58	58
Sixth Issue of Debentures - 3rd series – CRI	non-preemptive right	471,793	471,793	9/28/2022	9/13/2029	IPCA + 6.70% per year	1,131	534	508
Second Issue of Commercial Paper Notes - single series	non-preemptive right	400,000	400,000	12/26/2022	12/26/2025	CDI + 0.93% per year	1,280	513	458
Seventh Issue of Debentures - 1st series – CRI	non-preemptive right	145,721	145,721	7/25/2023	7/15/2026	CDI + 1.00% per year	1,054	154	154
Seventh Issue of Debentures - 2nd series – CRI	non-preemptive right	878,503	878,503	7/25/2023	7/15/2027	Pre 11.75% per year	1,053	925	921
Seventh Issue of Debentures - 3rd series – CRI	non-preemptive right	46,622	46,622	7/25/2023	7/17/2028	CDI + 1.15% per year	1,055	50	50
Eighth Issue of Debentures - 1st series – CRI	non-preemptive right	400,000	400,000	12/22/2023	12/22/2027	CDI + 1.85% per year	1,003	401	401
Eighth Issue of Debentures - 2nd series – CRI	non-preemptive right	400,000	400,000	12/22/2023	12/22/2028	CDI + 1.95% per year	1,003	401	401
Ninth Issue of Debentures – single series	non-preemptive right	500,000	500,000	3/28/2024	3/26/2029	CDI + 1.25% per year	1,031	516	-
Tenth Issue of Debentures – single series	non-preemptive right	1,800,000	1,800,000	6/25/2024	6/20/2029	CDI + 1.25% per year	1,003	1,805	-
Eleventh Issue of Debentures – single series	non-preemptive right	2,800,000	2,800,000	10/1/2024	9/25/2029	CDI + 1.25% per year	1,029	2,882	-
Twelfth Issue of Debentures – single series	non-preemptive right	800,000	800,000	12/13/2024	12/10/2029	CDI + 1.25% per year	1,006	804	-
Borrowing Cost								(176)	(185)
								14,799	13,193

- (i) On October 2, 2024, the Company raised R\$2,800 through its 11th issue of simple debentures, which were exclusively allocated for liability management purposes, including the prepayment of the entire 2nd series of promissory notes from the Company's 2nd issue, as well as the entire 1st series of the Company's 2nd issue of debentures, which were paid on October 10 and October 11, 2024, respectively, in the total amount of R\$2,843.

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

16.11 Borrowings in foreign currencies

As of December 31, 2024, the Company has borrowings in foreign currency to strengthen its working capital, maintain its cash strategy, lengthen its debt and investment profile.

16.12 Guarantees

As of December 31, 2024, the Company has no guarantees related to its borrowing agreements.

16.13 Swap contracts

The Company uses swap operations for 100% of its borrowings denominated in US dollars, in fixed interest rates and IPCA, exchanging these liabilities for the CDI (floating) interest rates. The annual average rate at CDI as of December 31, 2024 was 10.83% (13.04% as of December 31, 2023 and 12.43% as of December 31, 2022).

16.14 Financial covenants

In connection with the debentures and promissory notes issued, the Company is required to maintain certain financial ratios. These ratios are calculated quarterly based on the Company's financial statements drawn up in accordance with the accounting practices adopted in Brazil, as follows: (i) consolidated net debt / equity less than or equal to 3.00; and (ii) consolidated net debt/EBITDA Last Twelve Months (LTM) ratio should be lower than or equal to 3.00. As of December 31, 2024 and 2023, the Company was compliant with all contractual obligations and ratios.

17 Provision for legal proceedings

Provisions are recognized when the Company has a present obligation (legal or not formalized) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the obligation can be reliably estimated. The expense related to any provision is recognized in statement of operations for the year, net of any reimbursement. The Company's policy is to record attorney's fees upon success. In the explanatory notes, the amounts involved are disclosed for cases not yet concluded and with a possible chance of success.

In order to assess the outcome's probability, the Company considers available evidence, the hierarchy of laws, prior court decisions in similar cases and their legal significance, as well as the legal counsel's opinion.

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

	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2023	62	163	38	263
Additions	7	225	29	261
Reversals	(37)	(114)	(26)	(177)
Payments	(9)	(117)	(15)	(141)
Monetary correction	(7)	17	7	17
Balance as of December 31, 2024	16	174	33	223
Restricted deposits for legal proceedings	(4)	(2)	(3)	(9)
Net provision of judicial deposits	12	172	30	214

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	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2022	55	86	24	165
Additions	17	172	22	211
Reversals	(6)	(49)	(5)	(60)
Payments	(4)	(59)	(8)	(71)
Monetary correction	-	13	5	18
Balance as of December 31, 2023	62	163	38	263
Restricted deposits for legal proceedings	(1)	(15)	(10)	(26)
Net provision of judicial deposits	61	148	28	237

	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2021	109	69	27	205
Additions	14	74	13	101
Reversals	(73)	(31)	(4)	(108)
Payments	-	(33)	(16)	(49)
Monetary correction	5	7	4	16
Balance as of December 31, 2022	55	86	24	165
Restricted deposits for legal proceedings	(7)	(29)	(8)	(44)
Net provision of judicial deposits	48	57	16	121

Of the total amount of the table above, R\$26 (R\$50 as of December 31, 2023) is the responsibility of GPA arising from contingencies up to 2016, pursuant to contractual provisions, namely: R\$4 tax claims, R\$7 labor claims and R\$15 civil claims (R\$3 tax claims, R\$27 labor claims and R\$20 civil claims as of December 31, 2023).

17.1 Tax claims

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

The main tax claims provisioned are as follows:

The Company has other tax claims, which according to its legal counsel's analysis, were provisioned, namely: (i) discussions on the non-application of Prevention Accident Factor (FAP); (ii) staple basket; and (iii) other matters.

The provisioned amount as of December 31, 2024, for these matters is R\$16 (R\$62 as of December 31, 2023).

17.2 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 December 31, 2024, the Company recorded a provision of R\$174 (R\$163 as of December 31, 2023), referring to a potential risk of loss relating to labor claims. Management, with the assistance of its legal counsels, assesses these claims and recording provisions for losses when reasonably estimated, considering previous experiences in relation to amounts claimed.

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17.3 Civil

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

Among these proceedings, we highlight the following:

The Company is party to various lawsuits requesting the renewal of rental agreements and the review of the current rent paid. The Company records a provision for the difference between the amount originally paid by stores and the amounts claimed by the adverse party in the lawsuit when internal and external legal counsels consider the probability of changing the lease amount paid by the entity. As of December 31, 2024, the provision for these lawsuits amounted to R\$26 (R\$32 as of December 31, 2023), for which there are no judicial deposits for legal proceedings.

The Company is party to certain lawsuits relating to the fines applied by inspection bodies of direct and indirect administration of the federal government, states, and municipalities, including consumer defense bodies (PROCONS, INMETRO, and local governments). The Company, assisted by its legal counsel, assesses these claims recording provisions for probable cash disbursements, according to the probability of loss. As of December 31, 2024, the provision for these lawsuits is R\$7 (R\$6 as of December 31, 2023).

The Company's total civil, regulatory and property claims as of December 31, 2024, is R\$33 (R\$38 as of December 31, 2023).

17.4 Possible contingent liabilities

The Company is party to other litigations for which the probability of loss was deemed by its legal counsel to be possible, but not probable, therefore, not accrued, which are related to:

	As of December 31,	
	2024	2023
Tax on Financial Transactions (IOF) – payment differences.	14	14
PIS, COFINS – payment discrepancies and overpayments, fine for non-compliance with ancillary obligations, disallowance of PIS and COFINS credits, among other matters pending judgment at the administrative and judicial levels.	1,008	783
ICMS – allocation of credits from purchases from suppliers considered unqualified by the registry of the State Revenue Service, among other matters, which are pending judgment at the administrative and judicial levels.	1,210	1,216
ISS (services tax), IPTU (urban property tax), Fees and other – discrepancies in payments of IPTU, fines for non-compliance with ancillary obligations, ISS – refund of advertising expenses and various fees, which are pending judgment at the administrative and judicial levels.	20	18
INSS (national institute of social security) – divergences in the FGTS and Social Security form (GFIP), offsets not approved, among other matters, which are pending judgment at the administrative and judicial levels.	25	24
Other litigation – real estate lawsuits in which the Company claims the renewal and maintenance of lease agreements according to market prices. These lawsuits involve proceedings in civil court, as well as administrative proceedings filed by inspection bodies, among others.	2	98
Compensation linked to the external legal counsel's success fee if all the proceedings were concluded in favor of the Company.	27	20
	<u>2,306</u>	<u>2,173</u>

Of the total amount in the table above, R\$1,097 (R\$1,494 as of December 31, 2023) is the responsibility of GPA arising from contingencies up to 2016, pursuant to contractual provisions, namely: R\$1,096 tax claims and R\$1 civil claim (R\$1,398 tax claims and R\$96 civil claims as of December 31, 2023).

Three collective proceedings were opened by institutions related to black people's movements due to an approach to a customer, in August 2021 at the store in Limeira - SP, in which claim supposed racial issues. All cases were satisfactorily answered and are still in the initial phase awaiting regular progress by the judiciary. As of December 31, 2024, there are two collective proceedings in current, it is still not possible to reasonably estimate the amounts involved, due to the subjectivity of the matter and the absence of precedent in the jurisprudence in collective proceedings on the subject. No significant impact on financial statements is expected.

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17.4.1 Uncertainty over IRPJ and CSLL treatments

The Company has proceedings at the judicial and administrative levels with the Government's regulatory agencies, which are related to uncertain tax treatments adopted for the recording of income tax and social contribution, including treatments to goodwill disallowance, disagreements regarding payment and overpayments and fines due to non-compliance with ancillary obligation. In compliance with IFRIC 23 – Uncertainty over Income Tax Treatment and based on the assessment of internal and external legal counsel, Management concluded that as of December 31, 2024, it is probable that the tax treatment adopted by the Company will be accepted by Government's regulatory agencies or courts, therefore, no effect on tax basis and tax rates occurred. As of December 31, 2024, the amount involved was R\$1,025 (R\$917 as of December 31, 2023).

Of the total amount above, R\$293 is the responsibility of GPA arising from contingencies up to 2016, pursuant to contractual provisions (R\$337 as of December 31, 2023).

17.5 Guarantees

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

Lawsuits	As of December 31,	
	2024	2023
Tax	1,747	1,113
Labor	89	75
Civil and others	60	34
	<u>1,896</u>	<u>1,222</u>

The cost of guarantees as of December 31, 2024 is approximately 0.17% per year of the amount of the lawsuits (0.17% per year as of December 31, 2023) and is recorded as a financial expense.

17.6 Restricted deposits for legal proceedings

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

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

Lawsuits	As of December 31,	
	2024	2023
Tax	16	18
Labor	4	16
Civil and others	4	10
	<u>24</u>	<u>44</u>

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18 Deferred revenues

Deferred revenues are recognized by the Company as a liability due to anticipation of the amounts received from business partners. These are recognized in the statement of operations in the periods when the services are rendered to these business partners.

	As of December 31,	
	2024	2023
Commercial agreement with suppliers (i)	418	385
Commercial agreement – payroll (ii)	37	48
Marketing and others	20	22
	475	455
Current	449	418
Non-current	26	37

(i) Refers to rental of supplier product exhibition modules “checkstand”, point of sale displays and backlight panels.

(ii) Commercial agreement with a financial institution for exclusivity in payroll processing.

19 Income tax and social contribution**Current income tax and social contribution**

Current income tax and social contribution assets and liabilities are measured by the amount expected to be refunded or paid to the tax authorities. The tax rates and laws adopted to calculate tax are those effective or substantially effective, at the balance sheet dates.

Income taxes in Brazil consist of Corporate Income Tax (“IRPJ”) and Social Contribution on Net Income (“CSLL”), calculated based on taxable income, at the statutory rates set forth in the legislation in force: 15% on taxable income plus an additional 10% on annual taxable income exceeding R\$ 240 for IRPJ, and 9% for CSLL.

Deferred income tax and social contribution

Deferred income tax and social contribution are generated by temporary differences, at the end of the reporting periods, between the tax bases of assets and liabilities, carrying amounts and all unused tax losses, to the extent it is probable that taxable income will occur from which temporary differences and unused tax losses can be deducted; except when deferred income tax and social contribution referring to the deductible temporary difference results from the initial recognition of an asset or liability in an operation which is not a business combination and, at the moment of operation, neither affects the accounting profit nor the tax income or loss.

With respect to deductible temporary differences associated with investments in subsidiaries, deferred income tax, and social contribution are recognized only if temporary differences can be reversed in the foreseeable future and taxable income will be available from which temporary differences can be used.

The carrying amount of deferred income tax and social contribution assets is reviewed at the end of each reporting period and reduced since it is no longer probable that taxable income will be sufficient to allow the use of total or part of deferred income tax and social contribution. Non-recognized deferred income tax and social contribution assets are re-assessed at the end of the reporting period and again recognized, since it is probable that future taxable income will allow the recovery of these assets.

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Accumulated loss carryforwards from deferred income tax and social contribution do not expire, but their utilization, as provided for by laws, is restricted to 30% of taxable income of each year for Brazilian legal entities and refer to their subsidiaries which have tax planning to use these balances.

Deferred taxes relating to items directly recognized in shareholders' equity are also recognized in shareholders' equity, and not in the statement of operations.

Deferred income tax and social contribution assets and liabilities are offset if there is any legal or contractual right to offset the tax assets against the income tax liabilities, and deferred assets refer to the same taxpayer entity and the same tax authority.

Due to the nature and complexity of the Company's businesses, differences between effective results and assumptions adopted or future alterations of these assumptions may result in future adjustments to tax revenue and expenses already recorded. The Company set up provisions, based on reasonable estimates for taxes due. The value of these provisions is based on several factors, such as the experience of previous inspections and different interpretation of tax regulation by taxpayer entity and related tax authority. These different interpretations can refer to a wide variety of issues, depending on the conditions in force at the home of the respective entity.

19.1 Reconciliation of income tax and social contribution expense

	For the year ended December 31,		
	2024	2023	2022
Earnings before income tax and social contribution	<u>935</u>	<u>554</u>	<u>1,335</u>
Expense of income tax and social contribution	<u>(318)</u>	<u>(188)</u>	<u>(454)</u>
Adjustments to reflect the effective rate			
Tax fines	(4)	(3)	(2)
Share of profits	22	17	15
Interest on own capital	43	-	17
ICMS subsidy – tax incentives (i)	43	319	248
Credits of monetary corrections	51	15	64
Other permanent differences	<u>(3)</u>	<u>(4)</u>	<u>(3)</u>
Effective income tax and social contribution	<u>(166)</u>	<u>156</u>	<u>(115)</u>
Income tax and social contribution for the year			
Current	(141)	(6)	(75)
Deferred	<u>(25)</u>	<u>162</u>	<u>(40)</u>
(Expenses) benefits income tax and social contribution	<u>(166)</u>	<u>156</u>	<u>(115)</u>
Effective rate	<u>17.8%</u>	<u>-28.2%</u>	<u>8.6%</u>

- (i) The Company calculates tax benefits that are characterized as tax incentives that, according to legal forecast, do not comprise the basis for calculating income tax and social contribution. The amount decreased due to the article 30 of Law 12,973/2014 that was revoked through Law 14,789/2023, releasing taxpayers from constituting a tax incentive reserve from January 1, 2024.

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19.2 Breakdown of deferred income tax and social contribution

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

	As of December 31,					
	2024			2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Deferred income tax and social contribution						
Tax losses	314	-	314	385	-	385
Provision for legal proceedings	67	-	67	81	-	81
Swap	-	(132)	(132)	-	(66)	(66)
Goodwill tax amortization	-	(317)	(317)	-	(317)	(317)
Fair value adjustment	2	-	2	-	(25)	(25)
Property, plant and equipment and intangible assets	10	-	10	10	-	10
Unrealized losses with tax credits	-	(71)	(71)	-	(15)	(15)
Provision of inventory	35	-	35	30	-	30
Borrowings costs	-	(62)	(62)	-	(66)	(66)
Lease net of right of use	3,249	(3,016)	233	3,085	(2,961)	124
Compensation program	21	-	21	10	-	10
Exchange rate	33	-	33	-	-	-
Others	7	-	7	20	-	20
Gross deferred income tax and social contribution assets (liabilities)	<u>3,738</u>	<u>(3,598)</u>	<u>140</u>	<u>3,621</u>	<u>(3,450)</u>	<u>171</u>
Compensation	<u>(3,598)</u>	<u>3,598</u>	<u>-</u>	<u>(3,450)</u>	<u>3,450</u>	<u>-</u>
Net deferred income tax and social contribution assets (liabilities), net	<u>140</u>	<u>-</u>	<u>140</u>	<u>171</u>	<u>-</u>	<u>171</u>

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

The Company estimates the recovery of the deferred tax assets as of December 31, 2024, as follows:

Years	Amounts
Within 1 year	363
From 1 year to 2 years	75
From 2 years to 3 years	48
More than 5 years	3,252
	<u>3,738</u>

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19.3 Deferred tax rollforward

	For the year ended December 31,		
	2024	2023	2022
At the beginning of the year	171	6	45
(Expenses) benefits in the year	(25)	162	(40)
Income tax effect	3	3	1
Others	(9)	-	-
At the end of the year	<u>140</u>	<u>171</u>	<u>6</u>

20 Shareholders' equity**20.1 Capital stock and stock rights**

According to the Company's bylaws, the Company's authorized share capital may be increased up to 2 billion common shares. Below, the subscribed and fully paid-in share capital, represented by common shares, all nominative and with no par value:

	Number of shares	Amount (in reais)
As of December 31, 2021	<u>1,346,674,477</u>	<u>787,924,408</u>
Capital increase – Board of Directors' Meeting on 02/21/2022	239,755	1,392,470
Capital increase – Extraordinary General Meeting on 04/28/2022	-	463,731,717
Capital increase – Board of Directors' Meeting on 05/09/2022	298,919	1,474,113
Capital increase – Board of Directors' Meeting on 07/27/2022	1,119,515	3,812,859
Capital increase – Board of Directors' Meeting on 10/20/2022	650,808	3,311,220
Capital increase – Board of Directors' Meeting on 12/06/2022	181,920	1,571,594
Total changes for the year	<u>2,490,917</u>	<u>475,293,973</u>
As of December 31, 2022	<u>1,349,165,394</u>	<u>1,263,218,381</u>
Capital increase – Board of Directors' Meeting on 02/15/2023	59,870	637,616
Capital increase – Board of Directors' Meeting on 03/28/2023	1,031,232	1,154,499
Capital increase – Board of Directors' Meeting on 08/18/2023	1,207,046	3,915,566
Capital increase – Board of Directors' Meeting on 10/30/2023	213,458	1,559,323
Capital increase – Board of Directors' Meeting on 12/08/2023	156,200	1,205,864
Total changes for the year	<u>2,667,806</u>	<u>8,472,868</u>
As of December 31, 2023	<u>1,351,833,200</u>	<u>1,271,691,249</u>
Capital increase – Board of Directors' Meeting on 8/8/2024	256,799	2,568
Capital increase – Board of Directors' Meeting on 11/7/2024	54,881	549
Capital increase – Board of Directors' Meeting on 12/11/2024	70,767	708
Total changes for the year	<u>382,447</u>	<u>3,825</u>
As of December 31, 2024	<u>1,352,215,647</u>	<u>1,271,695,074</u>

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Below, the shareholding structure of the Company:

	Note	12/31/2024	Participation	12/31/2023	Participation
Outstanding shares		1,348,415,647	99.72%	1,351,833,200	100.00%
Treasury shares	20.6	3,800,000	0.28%	-	-
		<u>1,352,215,647</u>	<u>100.00%</u>	<u>1,351,833,200</u>	<u>100.00%</u>

20.2 Distribution of dividends and interest on own capital

Management proposed dividends to be distributed, considering the advance of interest on own capital (JSCP) to its shareholders, calculations are demonstrated below:

	For the year ended December 31,		
	2024	2023	2022
Net income for the year	769	710	1,220
Tax incentive reserve	(229)	(710)	(753)
Base for legal reserve	540	-	467
% Legal reserve	5%	5%	5%
Legal reserve for the year	27	-	23
Minimum mandatory dividends – 25%	129	-	111
Interest on own capital paid/payable intermediaries (i)	(109)	-	(43)
Minimum mandatory dividends paid/payable in the form of interest on shareholder's equity	20	-	68

- (i) At a meeting of the Board of Directors held on December 30, 2024, the advance payment of interest on own capital in the gross amount of R\$125 was approved, pursuant to which the withholding tax was deducted in the amount of R\$16, corresponding to the net amount of R\$109. The effective payment occurred on February 28, 2025.

Shareholders are entitled to receive a mandatory minimum annual dividend equivalent to 25% of the net income for each fiscal year, adjusted in accordance with the law, offsetting in annual dividends interest on own capital and dividends distributed in the year.

The net profits or losses will be allocated by the shareholders, and their distribution, if any, will be made in the proportion established by them at the time.

The Company may, at the discretion of the Administration, pay interest on own capital, the net amount of which will be imputed to the mandatory minimum dividends, as provided for in article 9 of Law 9249/95. Interest on own capital is calculated based on the balance of shareholders' equity, limited to the variation, pro rata day, of the Long-Term Interest Rate - TJLP. The actual payment or credit of interest on own capital is conditioned to the existence of profits (net profit for the year after deducting social contribution on net profit and before deducting the provision for income tax), computed before deducting interest on equity, or retained earnings and profit reserves equal to or greater than twice the interest to be paid or credited. Interest will be subject to income tax at source at the rate of 15%, on the date of payment or credit to the beneficiary.

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20.3 Profit reserve

Legal reserve: this is recorded by appropriating 5% of the net income of each fiscal year, observing the 20% limit of capital. As of December 31, 2024, the amount was R\$207 (R\$180 as of December 31, 2023).

As of December 31, 2024, R\$27 was allocated to legal reserve (zero as of December 31, 2023).

	For the year ended December 31,		
	2024	2023	2022
Net income for the year	769	710	1,220
Tax incentive reserve	(229)	(710)	(753)
Base for legal reserve	540	-	467
% Legal reserve	5%	5%	5%
Legal reserve for the year	27	-	23

20.4 Expansion Reserve

At the Annual General Meeting ("AGM") held on April 28, 2022, the constitution of the expansion reserve in the amount of R\$632 was approved, against the profit reserve of the year 2021.

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

Since the income for the year 2023 was used to record tax incentive reserve, there was no constitution of the expansion reserve during the year of 2024.

20.5 Tax incentive reserve

According to the legal basis mentioned in note 19.1, tax incentives granted by the States for a considered investment are deductible for the assessment of income tax and social contribution. Thus, at the end of December 31, 2023, the Company allocated the amount of R\$939 to the tax incentive reserve (R\$753 as of December 31, 2022), of which R\$710 refers to the amount of incentives generated in 2023 and constituted in the same year and R\$229 was recognized as of December 31, 2024.

Article 30 of Law 12,973/2014 was revoked through Law 14,789/2023, releasing taxpayers from constituting a tax incentive reserve from January 1, 2024.

20.6 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from shareholders' equity. No gain or loss is recognized in the statement of operations upon the purchase, sale, issuance, or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in other capital reserves.

On June 25, 2024, the Board of Directors approved the Company's first share repurchase program. The program aims to acquire, within 12 months from the approval date, up to 3,800,000 common shares, representing 0.28% of the total shares outstanding, to be held in treasury and subsequently delivered to participants of the Executive Partner Program, see note 20.7.4, and the Long-Term Incentive Plan through Grant of the Right to Receive Shares, see note 20.7.5. The shares were acquired on the stock market under normal trading conditions.

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The table below represents the movement of treasury shares:

	Number of shares	Amount (in thousands of reais)	Average purchase price
As of December 31, 2023	-	-	-
Repurchase shares	3,800,000	26,390,274	6.94
As of December 31, 2024	3,800,000	26,390,274	6.94

20.7 Share-based payment**20.7.1 Recognized Options Granted**

The expenses associated to the Company's executives' share-based payments in accordance with IFRS 2 – Share-based payment, are recognized "Stock options granted".

The Company's employees and executives of entities of their economic group may receive payment based on shares, when employees provide services in exchange for equity instruments ("transactions settled with shares").

The Company measures the transaction costs of employees eligible for share-based compensation, based on the fair value of equity instruments on the grant date. Estimating the fair value of share-based payment transactions requires a definition of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires a definition of the most appropriate information for the valuation model, including the stock option life expectancy, volatility and dividend return, as well as the preparation of corresponding assumptions.

The cost of operations settled with shares is recognized as an expense for the year, together with a corresponding increase in shareholders' equity, during the year in which the performance and / or service provision conditions are met. Accumulated expenses recognized in relation to equity instruments on each base date, up to the acquisition date, reflect the extent to which the acquisition period has expired and the best estimate of the Company of the number of equity instruments that will be acquired.

The expense or reversal of expenses for each year represents the movement in accumulated expenses recognized at the beginning and end of the year. Expenses related to services that have not completed their acquisition period are not recognized, except in the case of operations settled with shares in which the acquisition depends on a market condition or non-acquisition of rights, which are treated as acquired, regardless of whether the market condition or non-acquisition of rights is satisfied or not, provided that all other performance and / or service provision conditions are met.

When an equity instrument is modified, the minimum expense recognized is the expense that would have been incurred if the terms had not been modified. An additional expense is recognized in the event of a change the total fair value of the share-based payment transaction or that otherwise benefits the employee, as measured on the date of the change.

In case of cancellation of an equity instrument, it is treated as if it were fully acquired on the date of cancellation, and any expenses not yet recognized, referring to the premium, are recognized immediately in the income for the year. This includes any premium whose conditions of non-acquisition under the control of the Company or the employee are not met. However, if the canceled plan is replaced by a new plan and substitute grants are generated, on the date it is granted, the canceled grant and the new plan will be treated as if they were a modification of the original grant, as described in the previous paragraph. All cancellations for transactions settled with shares are treated in the same way.

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The dilutive effect of outstanding options is reflected as an additional dilution of shares in the calculation of diluted earnings per share.

The following describes the stock option plan as of December 31, 2024.

Company's compensation plan

The Company's compensation plan ("Compensation Plan") is managed by Company's Board of Directors, which delegated to the Human Resources, Culture and Compensation Committee ("Committee") the responsibility to grant options and advise on the management of the Compensation Plan.

Members of the Committee meet to grant options from the Compensation Plan series and whenever there are questions raised regarding the compensation plan. Each series of options granted are assigned the letter "B" followed by a number. For the year ended December 31, 2024, the B9, B10 and B11 series options were in effect.

Options granted to a participant will not be exercisable for a period of 36 (thirty six) months from the date of grant ("grace period"), except with formal authorization by the Company, and may only be exercised in the period beginning on the first day of the 37th (thirty-seventh) month from the date of grant, and ends on the last day of the 42nd (forty-second) month from the date of grant ("exercise period").

The participants may exercise their total purchase options or in part, in one or more times, if for each year, the option exercise term is submitted during the exercise period.

The exercise price of each stock option granted under the Compensation Plan should correspond to R\$0.01 ("exercise price").

The exercise price of the options shall be paid in full in local currency by check or wire transfer available to the bank account held by the Company, in the tenth (10th) day preceding the date of acquisition of the shares.

The Company withholds any applicable tax under Brazilian tax law, less the number of shares delivered to the participant amount equivalent to taxes withheld.

Company's option plan

The Company's option plan ("Option Plan") is managed by the Company's Board of Directors, which delegated to the Committee the responsibility to grant options and advise on the management of the Option Plan.

Members of the Committee meet to grant options from the Option Plan series and whenever there are questions raised regarding the Option Plan. Each series of options granted receive the letter "C" followed by a number. For the year ended December 31, 2024, the C9, C10 and C11 series options granted were in effect.

For each series of stock options granted under the Option Plan, the exercise price of each stock option shall be equivalent to 80% of the closing price of the average of the Company's common shares traded in the prior twenty (20) days on the B3 prior to the date of the Committee meeting that decides upon the granting of the options of that series ("exercise price").

Options granted to a participant shall be exercisable for a period of 36 (thirty six) months from the date of grant ("grace period"), and may only be exercised in the period beginning on the first day of the 37th (thirty-seventh) months as from the grant date, and ends on the last day of the 42nd (forty-second) month as of the grant date ("exercise period"), provided the exceptions included in the Compensation Plan.

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The participant may exercise their options in full or in part, in one or more times, if for each year the option exercise agreement is submitted during the exercise period.

The exercise price of the options shall be paid in full in local currency by check or wire transfer available to the bank account held by the Company, provided that the payment deadline will always be the tenth (10th) day preceding the date to acquire the shares.

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

Granted series	Grant date	1st exercise date	Strike price on the grant date (in reais)	As of December 31, 2024			
				Number of shares (in thousands)			
				Grantees	Exercised	Cancelled	Current
B8	5/31/2021	6/01/2024	0.01	363	(318)	(45)	-
C8	5/31/2021	6/01/2024	13.39	363	(20)	(343)	-
B9	5/31/2022	6/01/2025	0.01	2,163	(389)	(115)	1,659
C9	5/31/2022	6/01/2025	12.53	1,924	(119)	(146)	1,659
B10 (i)	5/31/2023	6/01/2026	0.01	1,390	(40)	(54)	1,296
C10 (i)	5/31/2023	6/01/2026	11.82	1,390	-	(94)	1,296
B11 (i)	5/31/2024	6/01/2027	0.01	1,294	(27)	(41)	1,226
C11 (i)	5/31/2024	6/01/2027	10.62	1,294	-	(68)	1,226
				10,181	(913)	(906)	8,362

(i) Shares granted to executives excluding statutory officers.

20.7.2 Consolidated information of Company's share-based payment plans

According to the terms of the plans, each option offers its beneficiary the right to buy a share of the Company. In both plans, the grace period is 36 months, always measured from the date on which the Board of Directors approved the issuance of the respective series of options. The stock options may be exercised by their beneficiaries within 6 months after the end of the grace period of the respective grant date. To exercise their options, the beneficiaries of the plans must be employees of the Company. The plans differ solely by exercise price of the options and in the existence or not of a restriction period for the sale of the shares acquired in the exercise of the option.

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

The table below shows the maximum percentage of dilution to which current shareholders eventually being subject to in the event that all options granted are exercised until December 31, 2024:

	For the year ended December 31, 2024 (in thousands)
Number of outstanding shares	1,348,416
Balance of effective stock options granted	8,362
Maximum percentage of dilution	0.62%

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

Series granted	Weighted average fair value of option's granted (in reais)	Estimated dividends	Approximate estimated volatility	Risk-free weighted average interest rate	Exit rate	Average remaining life expectancy
B9	15.27	1.20%	37.29%	12.18%	8.00%	5 months
C9	7.35					
B10	10.33	1.31%	35.32%	10.87%	8.00%	17 months
C10	3.28					
B11	11.89	0.77%	37.32%	11.28%	8.00%	29 months
C11	5.18					

	Shares (in thousands)	Weighted average of exercise price (R\$)	Weighted average of remaining contractual term
As of December 31, 2022	4,651	6.01	2.28
As of December 31, 2023			
Granted during the year	2,780	5.92	
Cancelled during the year	(32)	5.97	
Exercised during the year	(413)	5.97	
Outstanding at year end	6,986	5.97	1.73
Total to be exercised as of December 31, 2023	6,986	5.97	1.73
As of December 31, 2024			
Granted during the year	2,588	5.32	
Cancelled during the year	(816)	9.38	
Exercised during the year	(396)	0.01	
Outstanding at year end	8,362	5.88	1.31
Total to be exercised as of December 31, 2024	8,362	5.88	1.31

The amount recorded in the statement of operations for the year ended December 31, 2024 was R\$25 (R\$28 as of December 31, 2023).

20.7.3 Cash-settled share-based payment plan

At the Extraordinary General Meeting held on July 14, 2023, the cash-settled share-based payment plan 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 shares.

1,989,465 shares were granted to the Company's officers and the premium related to 50% of the shares will be conditional on compliance with the service condition (shares conditioned on time) and the other 50% of the shares will be conditional on the cumulative compliance with the service condition and the performance condition (shares conditioned on time and performance). During the year, 77,626 shares were canceled, resulting in a total of 1,911,839 outstanding shares as of December 31, 2024.

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For 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 shares conditioned on time and performance to become vested, the Executive must comply with the vesting periods above, in addition to meeting the goals, being segregated between: a) Environmental, Social and Governance (“ESG”) goal with a weight of 30 %: i) hiring people with disabilities; ii) women in leadership, in managerial positions or higher; and iii) total carbon emissions – Scope 1 and 2; and b) Operating target with a weight of 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 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 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 shares at the termination date and to maintain a portion of the unvested shares as agreed between the parties.

As of December 31, 2024, the amount of the liability corresponding to the plan, including payroll charges, is recorded as “Cash-settled share plan” in non-current liabilities in the amount of R\$5 (R\$4 as of December 31, 2023) and the total expense recognized, including payroll charges, was R\$2 (R\$4 as of December 31, 2023) and the fair value of this plan in that date was R\$16, including charges.

20.7.4 Executive Partner Program

At the Ordinary and Extraordinary General Meeting held on April 26, 2024, the shareholders approved the Company’s Executive Partner Program, intended to create a unique and extraordinary long-term program, which is not to be confused with the standard Long-Term Incentive, composed of a single grant of share rights to the Chief Executive Officer, the Commercial and Logistics Vice President, and the Operations Vice President (“Participants”), in a substantial amount and contingent on the Participants staying at the company and their achievement of certain performance targets, aiming at: (i) the long-term retention of the Participants; and (ii) the strengthening of the sense of ownership in the Participants, transforming key officers into relevant, long-term shareholders.

Through the Executive Partner Program, on May 1, 2024 the Company granted to Participants the right to receive up to 27,044,313 Company shares, corresponding to up to 2% of the total number of Company shares on the date of approval of the Executive Partner Program, subject to the adjustments provided for in the Program, as follows:

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- i) 0.40% will consist of restricted shares, the right to which will only be acquired if the Participants remain as Officers of the Company, as follows: i) 30% on the first vesting date (5 years from granted date) and 70% on the second vesting date (7 years from granted date); and
- ii) up to 1.60% will consist of shares with performance assumptions, the right to which will only be acquired if the following conditions are cumulatively met: i) the Participants remain as Officers of the Company until the second vesting date; and ii) the performance targets are achieved on the second vesting date, determined and calculated in accordance with the terms and conditions set out below.

Shares with performance assumptions

- The final number of shares with performance assumptions to which the Participants will be entitled will depend on the degree of achievement of the Earnings Per Share ("EPS") target, according to the increase in the accumulated Compound Annual Growth Rate ("CAGR") of the EPS during the calculation period, based on the achievement curve.
- The EPS target achievement curve will begin at the minimum trigger corresponding to an accumulated EPS equal to or greater than IPCA (Extended Consumer Price Index) + 20% per year. Starting from the minimum trigger of IPCA + 20% per year, the percentage of the total number of Company shares to which the Participants will be entitled will increase proportionally to the increase in the accumulated CAGR of the EPS up to the limit of 1.60% of the total number of Company shares. If the minimum trigger of the EPS target curve is not reached, it will be considered that the condition of performance was not reached.
- The achievement curve of the EPS accumulated performance target will be calculated considering the period between December 31, 2023 and December 31, 2030, except in the following cases in which the proportional period will be considered, as provided for in the Program: Involuntary Termination between the First and the Second Vesting Date; Disposal of Control and Relevant Acquisition; and Delisting and Withdrawal from Novo Mercado. The Financial Committee, the Audit Committee and the People, Culture and Remuneration Committee will calculate and verify the compliance with the performance targets.
- The shares (both the restricted shares and the shares with performance assumptions) will be transferred to the Participants through the delivery of shares held in treasury by the Company.

Additional shares

- The Participants will be entitled to receive the value per share of dividends, interest on equity or other amounts paid by the Company to its shareholders between the grant date and the date of receipt of these shares, which will be paid in shares ("additional shares"). The calculation of the additional shares will be made by multiplying the value per share distributed as earnings by the number of shares to which the Participants will be entitled to receive, on each payment date of the earnings, divided by the share price at the end of the trading session on B3 on the day immediately preceding the date on which the Company shares started being traded ex-dividends.
- The additional shares will be added to the target number granted (whether of restricted shares or shares with performance assumptions) and will be subject to the same terms and conditions applicable to restricted shares and shares with performance assumptions and will be transferred to the Participants under the same terms and conditions upon compliance with the applicable conditions.

All shares received by the Participants under the Executive Partner Program will be subject to a lock-up of three years from the date of receipt of the shares, unless otherwise provided for by the Board of Directors in cases of termination of the Participants.

The fair value of each share granted in the amount of R\$13.12 was measured based on the share price on the granted date, reduced by the estimated discount of 13.50% due to the transfer restriction after the vesting period. The Company has determined the estimated number of shares that will be considered the right of the Participants in relation to the variable portion of the plan based on the result projections in line with the business assumptions and that at the end of each period the estimate will be adjusted according to these projections.

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Notes to the Financial Statements

For the years ended December 31, 2024, 2023 and 2022

(In millions of Brazilian Reals, unless otherwise stated)

9,952,307 shares were granted, with a fair value of R\$11.35.

As of December 31, 2024, the amount recognized in the statement of operations for the period was R\$13 (there is no amount recorded as of December 31, 2023) and the fair value of the total this plan in that date was R\$132, including charges.

20.7.5 Long-term incentive plan (LTI) through grant of the right to receive Company shares

At the Ordinary and Extraordinary General Meeting held on April 26, 2024, the shareholders approved the Long-Term Incentive Plan ("LTI"), intended to grant restricted shares and shares with performance assumptions to statutory and non-statutory directors of the Company ("Participants"), as well as to any other employees who are selected to participate in the plan.

By granting the right to receive Company shares to the Participants, the LTI Plan aims at: (i) aligning the interests of the Participants with the interests of the Company's shareholders; (ii) encouraging the Participants to stay at the Company or at the companies under its control; and (iii) maximizing the results and generating sustainable value for the Company and its shareholders.

The grants under the LTI Plan will be made in the following proportion: (i) 30% of the right granted will consist of restricted shares, and the transfer of the shares to the Participants will occur only upon compliance with a single vesting period of 3 years (except for the grant to the Chief Executive Officer, which will have a vesting period of up to 5 years, with partial vesting of 33% in the 3rd year, 33% in the 4th year and 34% in the 5th year); and (ii) 70% of the right granted will consist of shares with performance assumptions, and the transfer of the shares to the Participants will occur only upon compliance with a single vesting period of 3 years (5 years for the Chief Executive Officer) contingent on the achievement of the performance targets established by the Board of Directors, and the final number of shares with performance assumptions to which the Participants will be entitled will depend on the degree of achievement of these targets at the end of the single vesting period of 3 years (5 years for the Chief Executive Officer), and may vary from 90% to 110% of the target number of shares (and the target number of shares will assume the achievement of 100% of the targets).

Shares with performance assumptions

Regarding the grant of shares with performance assumptions, the indicators will be defined considering the following main objectives:

- preserve the Company's relevance and positioning in relation to its peers in the cash & carry sector;
- ensure the generation of sustainable business value;
- guarantee the profitability of the Company's business in the long term; and
- ensure an adequate level of profitability of operations, preserving healthy profit margin levels in relation to the Company's history.

The number of restricted shares and shares with performance assumptions granted will be determined based on: (i) a multiple salary, according to the grade occupied by the Participant; and (ii) the average share price in the 20 trading sessions prior to the grant.

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For the years ended December 31, 2024, 2023 and 2022

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The shares (both restricted shares and shares with performance assumptions) will be transferred to the Participants upon compliance with the conditions described in the plan, and the transfer of shares will be made through the delivery of shares held in treasury by the Company.

Through the LTI Plan, the Company will grant to the Participants the right to receive a certain number of shares corresponding to up to 1.5% of the total number of Company shares on the date of approval of the respective plan, subject to the specified adjustments.

The fair value of each share granted is estimated on the grant date using the Black-Scholes pricing model, considering the following assumptions:

- i) Approximate volatility expectation: 37.32% in the 3rd year, 36.94% for the 4th year and 38.27% in the 5th year; and
- ii) Dividend expectation: 0.77% in the 3rd, 4th and 5th year.

The Company determined the estimated number of shares that will be considered the right of Participants in relation to the variable portion of the plan based on projections of results aligned with business assumptions and that at each end of the period the estimate will be adjusted according to these projections.

1,094,759 shares were granted, with a fair value of R\$11.90 for the 3rd year, R\$11.81 for the 4th year, and R\$11.72 for the 5th year.

As of December 31, 2024, the amount recognized in the statement of operations for the period was R\$2 (there is no amount recorded as of December 31, 2023) and the fair value of the total this plan in that date was R\$15, including charges.

21 Net operating revenue

IFRS15 establishes a comprehensive framework to determine when and for how much revenue from contracts with customers should be recognized.

Revenue**a) Sale of goods**

Revenues from the sale of goods are recognized at their fair value when control over the products is transferred to the customer, the Company no longer has control or responsibility for the goods sold and the economic benefits generated for the Company are probable, which occurs substantially upon delivery of products to customers in stores, when the Company's performance obligation is satisfied. Revenues are not recognized if their realization is uncertain.

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Notes to the Financial Statements

For the years ended December 31, 2024, 2023 and 2022

(In millions of Brazilian Reais, unless otherwise stated)

b) Revenue from services rendered

The revenues earned are stated on a net basis and recognized in the statement of operations when it is probable that economic benefits will flow to the Company, and their amounts can be reliably measured.

	For the year ended December 31,		
	2024	2023	2022
Gross operating revenue			
Goods	80,295	72,535	59,510
Services rendered and others	275	250	174
	<u>80,570</u>	<u>72,785</u>	<u>59,684</u>
(-) Revenue deductions			
Returns and sales cancellation	(182)	(147)	(109)
Taxes	(6,569)	(6,135)	(5,055)
	<u>(6,751)</u>	<u>(6,282)</u>	<u>(5,164)</u>
Net operating revenue	<u>73,819</u>	<u>66,503</u>	<u>54,520</u>

22 Expenses by nature**Cost of sales**

The cost of goods sold comprises the acquisition cost of inventory net of discounts and considerations received from suppliers and logistics costs.

Commercial agreement received from suppliers is measured based on contracts and agreements signed between the parties.

The cost of sales includes the cost of logistics operations managed or outsourced by the Company, comprising the storage costs, handling, depreciation and amortization and freight incurred until good is available for sale. Transportation costs are included in the acquisition costs.

Selling expenses

Selling expenses consists of all stores expenses, such as payroll, marketing, occupation, maintenance, and expenses related to credit card companies, among others.

Marketing expenses refer to advertising campaigns. The Company's principal means of communication are: radio, television, newspapers, magazines and digital media, and the amounts of its commercial agreement are recognized in the statement of operations upon realization.

General and administrative expenses

General and administrative expenses correspond to indirect expenses and the cost of corporate units, including procurement and supplies, information technology, and financial activities.

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Notes to the Financial Statements

For the years ended December 31, 2024, 2023 and 2022

(In millions of Brazilian Reais, unless otherwise stated)

	For the year ended December 31,		
	2024	2023	2022
Inventory cost	(60,451)	(54,685)	(44,809)
Personnel expenses	(4,518)	(4,137)	(3,358)
Outsourced services	(401)	(338)	(264)
Selling expenses	(1,215)	(1,093)	(875)
Functional expenses	(1,280)	(1,150)	(883)
Other expenses	(606)	(521)	(534)
	<u>(68,471)</u>	<u>(61,924)</u>	<u>(50,723)</u>
Cost of sales	(61,598)	(55,682)	(45,557)
Selling expenses	(5,995)	(5,411)	(4,379)
General and administrative expenses	(878)	(831)	(787)
	<u>(68,471)</u>	<u>(61,924)</u>	<u>(50,723)</u>

23 Other operating (expenses) revenues, net

Other operating revenue and expenses correspond to the effects of significant or unusual events during the fiscal year not classified into the definition of other items of the statement of operations.

	For the year ended December 31,		
	2024	2023	2022
Result with property, plant and equipment and leases	(12)	55	(34)
Revenues (expenses) related to legal proceedings	1	(1)	(19)
Restructuring expenses and others	(10)	(5)	(33)
Indemnity assets	-	-	14
	<u>(21)</u>	<u>49</u>	<u>(72)</u>

24 Net financial result

Financial revenue includes income generated by cash and cash equivalents, court deposits, and gains relating to the measurement of derivatives by fair value.

Interest income is recorded for all financial assets measured by amortized cost, adopting the effective interest rate, which corresponds to the discount rate of payments or future cash receivables over the estimated useful life of financial instrument – or shorter period, where applicable – to the net carrying amount of financial asset or liability.

Financial expenses substantially include all expenses generated by net debt and cost of sales of receivables during the fiscal year, the losses relating to the measurement of derivatives by fair value, the losses with sales of financial assets, financial charges over litigations, taxes, and interest expenses over financial leasing, as well as adjustments referring to discounts.

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Notes to the Financial Statements

For the years ended December 31, 2024, 2023 and 2022

(In millions of Brazilian Reais, unless otherwise stated)

	For the year ended December 31,		
	2024	2023	2022
Financial revenues			
Cash and cash equivalents interest	118	123	152
Monetary correction (assets)	144	80	187
Revenue from anticipation of payables	54	42	40
Other financial revenues	8	36	15
Total financial revenues	324	281	394
Financial expenses			
Cost of debt	(1,963)	(1,706)	(1,006)
Mark-to-market (loss) gain	(88)	(14)	110
Cost and discount of receivables	(133)	(119)	(97)
Monetary correction (liabilities)	5	(247)	(401)
Interest on leasing liabilities	(1,041)	(899)	(509)
Other financial expenses	(13)	(27)	(6)
Total financial expenses	(3,233)	(3,012)	(1,909)
	(2,909)	(2,731)	(1,515)

25 Earnings per share

The Company calculates earnings per share by dividing the net income attributable to controlling shareholders, referring to each class of share, by the weighted average of the number of common shares during the fiscal year.

Diluted earnings per share are calculated by dividing the net income attributed to holders of common shares (after adjusting for interest on preferred shares and on convertible securities, in both cases net of taxes) by the weighted average amount of common shares available during the year plus the weighted average number of common shares that would be issued upon conversion of all potential diluted common shares into common shares.

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

	For the year ended December 31,		
	2024	2023	2022
Net income allocated available to holders of common shares (a)	769	710	1,220
Weighted average of the number of shares, excluding treasury shares	1,351	1,350	1,348
Basic denominator (millions of shares) (b)	1,351	1,350	1,348
Weighted average of stock option	4	4	6
Diluted denominator (millions of shares) (c)	1,355	1,354	1,353
Basic earnings per million shares (R\$) (a/b)	0.569164	0.525574	0.905322
Diluted earnings per million shares (R\$) (a/c)	0.567277	0.524174	0.901589

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Notes to the Financial Statements

For the years ended December 31, 2024, 2023 and 2022

(In millions of Brazilian Reais, unless otherwise stated)

26 Non-cash transactions

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

Transactions	Note
Acquisition of property, plant and equipment not yet paid	12.4
Dividends and interest on own capital	20.2

27 Segment information

The Company is involved in the operation of retail stores located in 24 Brazilian states and the Federal District. Operating segments are disclosed consistently with the internal report submitted to the main operating decision-maker, identified as the Chief Executive Officer.

The chief operating decision-maker allocates resources and evaluates performance by reviewing results and other segment-related information.

The Company deems irrelevant the disclosure of information on sales per product category, given that similar products are sold based on each business' strategies and each segment has its own management controls.

The Company operated in one operating segment: Cash & Carry, it includes the "ASSAÍ" banner. As of December 31, 2024, 2023 and 2022 the Company operated in a single segment.

Geographic distribution of stores

Our stores are located throughout 24 states and in the Federal District in Brazil. We operate mainly in the Southeast region of Brazil, in states of São Paulo, Rio de Janeiro, Espírito Santo and Minas Gerais. The Southeast region accounted for 58.6%, 57.7% and 55.2% of our net operating revenue for the years ended December 31, 2024, 2023 and 2022, respectively, while the other Brazilian regions (North, Northeast, Midwest and South), in the aggregate, accounted for 41.4%, 42.3% and 44.8% of our net operating revenue for the years ended December 31, 2024, 2023 and 2022, respectively.

28 Subsequent events

28.1 Funding borrowings in foreign currency

On January 13, 2025, the Company raised USD100 million, equivalent to R\$608, with maturity of 3 years, semiannual interest payments, and principal repayment at the end of the operation. On the same date, the Company entered into a swap agreement to hedge against exchange rate fluctuations, with a cost of CDI + 1.22% per year. The proceeds from this borrowing were used to strengthen the Company's working capital.

28.2 Capital contribution

At the meeting of the Board of Directors, held on March 18, 2025, the Company approved, observing the authorized capital limit, the capital contribution in the amount of R\$184 without the issuance of shares, through the partial capitalization of the Company's expansion reserve.

28.3 Second repurchase program

On March 18, 2025, the Board of Directors approved the Company's second share repurchase program. The program aims to acquire, within 12 months from April 1st, 2025, up to 8,000,100 common shares, representing 0.59% of the total shares outstanding, to be held in treasury and subsequently delivered to participants of the Executive Partner Program, see note 20.7.4, and the Long-Term Incentive Plan through Grant of the Right to Receive Shares, see note 20.7.5.

**DESCRIPTION OF SECURITIES REGISTERED
UNDER SECTION 12 OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

As of December 31, 2024, the registrant had the following series of securities registered pursuant to Section 12 of the U.S. Securities Exchange Act of 1934, as amended:

Title of Each Class	Trading Symbol	Name of Each Exchange on which Registered
Common Shares, without par value		New York Stock Exchange ¹
American Depositary Share, each representing five common shares	ASAI	New York Stock Exchange

(1) Not for trading, but only in connection with the listing of the American Depositary Shares on the New York Stock Exchange.

On December 19, 2024, our board of directors approved the voluntary delisting of the Sendas ADSs from the *NYSE* and a proposal to create a Level 1 ADR program to enable investors to retain their ADSs. On December 30, 2024, we filed a Form 25 with the SEC to delist the Sendas ADSs from the NYSE. The last day of trading of the Sendas ADSs on the NYSE was January 8, 2025, and the Sendas ADSs were delisted from the NYSE prior to the market opening on January 10, 2025. The Sendas ADSs remain eligible for trading in the over-the-counter markets in the United States and trade on the “pink sheets” operated by OTC Markets Group, Inc. under the ticker symbol “ASAIY.”

Capitalized terms used but not defined herein have the meanings given to them in our Annual Report on Form 20-F for the fiscal year ended December 31, 2024, or the annual report, to which this Exhibit 2.6 is an exhibit.

I. Description of Common Shares

Set forth below is certain information concerning our authorized and issued share capital and a brief summary of certain significant provisions of our bylaws and the Brazilian Corporate Law. This description does not purport to be complete and is qualified by reference to our bylaws and to the Brazilian Corporate Law.

A copy of an English translation of our bylaws is attached to our annual report as Exhibit 1.1. We encourage you to read our bylaws and the applicable sections of our annual report for additional information.

General

Our common shares are listed on the *Novo Mercado* listing segment of the B3, the highest level of corporate governance of B3.

Pursuant to our bylaws and the *Novo Mercado* Participation Agreement that we entered into with the B3, we cannot issue shares without voting rights or with restricted voting rights. In addition, our bylaws and the Brazilian Corporate Law provide that holders of our common shares are entitled to dividends or other distributions made in respect of our common shares ratably in accordance with their respective participation in the total amount of our issued and outstanding common shares. See “—Allocation of Net Profits and Distribution of Dividends—Interest on Shareholders’ Equity” for a more complete description of payment of dividends and other distributions on our common shares. In addition, upon our liquidation, holders of our common shares are entitled to share our remaining assets, after payment of all of our liabilities, ratably in accordance with their respective participation in the total amount of our issued and outstanding common shares. Holders of our common shares are not obligated to subscribe to future capital increases and are generally entitled to preemptive rights to subscribe for new shares as provided by the Brazilian Corporate Law. See “—Preemptive Rights on Increases in Share Capital.”

Allocation of Net Profits and Distribution of Dividends

Allocation of Net Profits

At each annual shareholders' meeting, our board of executive officers and our board of directors are required to recommend how to allocate our net profit, if any, from the preceding fiscal year. This allocation is subject to deliberation by our shareholders.

The Brazilian Corporate Law defines "net profit" for any fiscal year as the net profit of the relevant fiscal year after income and social contribution taxes for that fiscal year, net of any accumulated losses from prior fiscal years and any amounts allocated to employees' and management's participation in our net profit in that fiscal year pursuant to our profit sharing plans. Our bylaws allow us to implement a profit-sharing plan for employees and managers and a stock option plan. The amount to be paid in connection with both plans is determined by our board of directors and must not exceed an amount equal to 15% of our net profit. Under the Brazilian Corporate Law, this profit sharing may only be paid to managers with respect to a fiscal year in which the mandatory dividend has been declared.

Our calculation of "net profits" and allocations to reserves for any fiscal year are determined based on our financial statements. Our management's and our shareholders' discretion to determine the allocation of our net profit is limited by certain rules that determine whether such net profit should be distributed as dividends or allocated to certain profit reserves or carried forward to future fiscal years, as follows:

Mandatory Minimum Dividend. Under the Brazilian Corporate Law and our bylaws, we must allocate a specified percentage of our net income as a mandatory minimum dividend to be paid with respect to all shares of our capital stock. Our bylaws establish the minimum percentage at 25% of our adjusted net profit. The mandatory dividend may be made in the form of dividends or interest attributable to shareholders' equity, which may be deducted by us in calculating our income and social contribution obligations. Adjusted net profit is net profit following the addition or subtraction of:

- amounts allocated to the formation of a legal reserve account; and
- amounts allocated to the formation of a contingency reserve account and the return of any amounts in any contingency reserve accounts deposited in previous years.

The payment of our mandatory dividends may be limited to the profits actually realized in the fiscal year, if the portion of the profits not realized is allocated to the unrealized income reserve account (as described below). The balance of the reserve accounts, except for the contingency reserve account and unrealized profit reserve account, may not exceed our share capital. If this occurs, a shareholders' meeting must resolve whether the excess will be applied to pay in the subscribed and unpaid capital, to increase and pay in the subscribed share capital or to distribute dividends.

Under the Brazilian Corporate Law, however, we are allowed to suspend the distribution of the mandatory dividends for any year in which our management reports at our shareholders' general meeting that the distribution would be incompatible with our financial condition. The fiscal council, if in place, must issue its opinion in relation to the suspension. In addition, our management must file a justification for such suspension with the CVM within five days from the date of the relevant general shareholders' meeting. If the mandatory dividend is not paid, the unpaid amount must be attributed to a special reserve account and, if not absorbed by subsequent losses, those funds must be paid out as dividends as soon as our financial condition permits.

Legal reserve account. Under the Brazilian Corporate Law and our bylaws, we are required to maintain a legal reserve to which we must allocate 5% of our net profit for each fiscal year until the aggregate amount of our legal reserve equals 20% of our share capital. Our legal reserve may only be used to increase our share capital or to offset accumulated losses, if any. We are not required to make any allocations to our legal reserve for any fiscal year in which such reserve, when added to our capital reserves, exceeds 30% of our share capital. The legal reserve account is not available for the payment of dividends.

Contingency reserve account. A portion of our net profit may also be allocated to a contingency reserve for an anticipated loss that is deemed probable in future years. Any amount so allocated in a prior year must either be reversed in the fiscal year for which the loss was anticipated if the loss does not occur or be charged off if the anticipated loss occurs.

Tax incentives reserve account. Our shareholders' meeting, upon a justified proposal of our board of directors or board of executive officers or according to the rules of the benefit granted, may decide to allocate a percentage of our net profit resulting from government donations or subventions for investment purposes to a tax incentives reserve account.

Statutory Reserve. Under the Brazilian Corporate Law, our bylaws may create reserves provided that the purpose of the reserve is determined along with the allocation criteria and the maximum amount to be maintained in it. Currently, our bylaws provide for an expansion reserve (*reserva para expansão*) which will be made of up to 100% of the remaining adjusted net profit after the establishment of the legal reserve account, contingency reserve account and the payment of the mandatory dividend. The total amount of this reserve may not exceed the amount of our share capital. Our shareholders may also amend our bylaws to establish other discretionary reserves. The allocation of our net profit to discretionary reserve accounts may not be made if it prevents the distribution of our mandatory dividends.

Unrealized profit reserve account. The portion of the mandatory dividends that exceeds the net profit actually realized in any year may be allocated to the unrealized profit reserve account. Unrealized profit results from investments measured by the equity method and/or the profits of earnings of any transaction, the financial satisfaction of which takes place in the subsequent fiscal year. The unrealized profit reserve account, when realized, must be used first to offset accumulated losses, if any, and the remaining portion must be used for the payment of mandatory dividends.

Retained profit reserve. Our shareholders can decide to retain a portion of the net profit provided that such portion has been contemplated in the capital budget previously approved by the shareholders.

Distribution of Dividends

Under the Brazilian Corporate Law and our bylaws, we may pay dividends only from:

- our "net profit" earned in a given fiscal year, which is our results from the relevant fiscal year, reduced by accumulated losses of prior fiscal years; provisions for income tax and social contribution for such fiscal year; and amounts allocated to employees' and managers' participation in the results in such fiscal year pursuant to our profit sharing plans. Our bylaws allow us to implement a profit-sharing plan for employees and managers and a stock option plan. The amount to be paid in connection with both plans is determined by our board of directors and must not exceed an amount equal to 15% of our net profit. Under the Brazilian Corporate Law, this profit sharing may only be paid to managers with respect to a fiscal year in which the mandatory dividend has been declared;
- our net profits accrued in previous fiscal years or in any six-month and/or quarterly interim period of a fiscal year; or
- our profit reserves set aside in previous fiscal years or in the first six months of a fiscal year. For these purposes, "profit reserves" means any discretionary reserve account, contingency reserve account, amounts allocated to our capital expenditure budget approved by our shareholders' resolution or unrealized profit reserve account, not including the legal reserve account.

Dividends are generally to be declared at general shareholders' meetings in accordance with the board of directors' recommendation. Our board of directors may declare interim dividends to be deducted from the accrued profit recorded in our annual or semiannual financial statements. In addition, our board of directors may pay dividends from the net profit based on our unaudited quarterly financial statements. The interim dividends may be declared and debited to the profit reserve amount registered at the most recent annual or semiannual financial statement. These semiannual or quarterly interim dividends may not exceed the amounts accounted for in our capital reserve accounts. Any payment of interim dividends may be set off against the amount of mandatory dividends relating to the net profit earned in the year the interim dividends were paid.

Under the Brazilian Corporate Law and our bylaws, dividends must be available to the shareholders within 60 days after the date the dividends were declared. The amount is subject to monetary correction (*correção monetária*), as determined by our board of directors.

A shareholder has a three-year period following the dividend payment date to claim a dividend with respect to its shares. After the expiration of that period, we are no longer liable for the payment of such dividend.

Interest on Shareholders' Equity

We are allowed to pay interest on shareholders' equity (*juros sobre o capital próprio*) as an alternative form of payment to shareholders. We may treat these payments as deductible expenses for income tax and social contribution purposes. Payments of interest on shareholders' equity may be made at the discretion of our board of directors, subject to the approval of our shareholders in a shareholders' meeting. The amount distributed to our shareholders as interest on shareholders' equity, net of any withholding tax, may be included as part of the mandatory distribution. This rate applied in calculating interest attributable to shareholders' equity cannot exceed the daily *pro rata* variation of the Long-Term Interest Rate (*Taxa de Juros de Longo Prazo*), or TJLP, a long-term interest rate, as determined by the Central Bank, from time to time, and cannot exceed, for tax purposes, the greater of (1) 50% of net profit (after deduction of social contribution on net profits, but before taking into account the provision for corporate income tax and the amount of the interest on shareholders' equity) for the year with respect to which the payment is made; or (2) 50% of the sum of retained profit and profit reserves in the beginning of the period with respect to which the payment is made.

Any payment of interest on common shares to shareholders, whether Brazilian residents or not, including holders of Sendas ADSs, is subject to Brazilian withholding tax at the rate of 15% or at the rate of 25% if the beneficiary is resident or domiciled in a Low or Nil Taxation Jurisdiction (generally a country or location that does not impose income tax or where the maximum income tax rate is lower than 17%). See “—E. Taxation—Material Brazilian Tax Consequences—Material Brazilian Tax Consequences for Non-Resident Holders of Sendas Common Shares and Sendas ADSs—Distribution of Interest on Shareholders' Equity.” The amount distributed to shareholders as interest on shareholders' equity, net of any withholding tax, may be included as part of the minimum mandatory dividend. In accordance with applicable law, we are required to pay to shareholders an amount sufficient to ensure that the net amount they receive in respect of interest attributable to shareholders' equity, after payment of any applicable withholding tax, plus the amount of declared dividends is at least equivalent to the mandatory dividend amount.

Voting Rights

At our shareholders' meetings, each common share entitles the holder thereof to one vote. Pursuant to our bylaws and the *Novo Mercado* Participation Agreement that we entered into with the B3, we cannot issue shares without voting rights or with restricted voting rights. In addition, our bylaws and the Brazilian Corporate Law provide that holders of our common shares are entitled to dividends or other distributions made in respect of our common shares ratably in accordance with their respective participation in the total amount of our issued and outstanding common shares. See “—Allocation of Net Profits and Distribution of Dividends” for a more complete description of payment of dividends and other distributions on our common shares. In addition, upon our liquidation, holders of our common shares are entitled to share our remaining assets, after payment of all of our liabilities, ratably in accordance with their respective participation in the total amount of our issued and outstanding common shares. Holders of our common shares are not obligated to subscribe to future capital increases and are generally entitled to preemptive rights to subscribe for new shares as provided by the Brazilian Corporate Law. See “—Preemptive Rights on Increases in Share Capital.”

According to the Brazilian Corporate Law, if we have a controlling shareholder, holders of our common shares that are not controlling shareholders and represent at least 15% of our total voting stock will have the right to elect one member of our board of directors. Only shareholders that can prove that they have held the common shares for at least three continuous months immediately prior to the respective general shareholders' meeting may exercise such right.

The Brazilian Corporate Law permits the adoption of cumulative voting upon a request by shareholders representing at least 10% of our voting capital. CVM Resolution No. 70, of March 22, 2022, allows the minimum voting capital percentage required for the adoption of the cumulative vote in publicly held companies to be reduced from 10% to as low as 5% depending on the value of the company's capital stock. Taking into consideration our current capital stock, shareholders representing 5% of the voting capital may request the adoption of cumulative voting to elect the members of our board of directors.

According to the Brazilian Corporate Law, neither our bylaws nor actions taken at a shareholders' meeting may deprive a shareholder of the following rights:

- the right to participate in the distribution of profits;
- the right to participate equally and ratably in any remaining residual assets in the event of liquidation of our company;
- preemptive rights in the event of the issuance of shares, convertible debentures or warrants, except in certain specific circumstances under Brazilian law described under "—Preemptive Rights on Increases in Share Capital;"
- the right to supervise our management in accordance with the provisions of the Brazilian Corporate Law; and
- the right to withdraw from our company in the cases specified in the Brazilian Corporate Law, which are described under "—Withdrawal Rights."

Shareholders' Meetings

Pursuant to the Brazilian Corporate Law, our shareholders are generally empowered at our shareholders' meetings to take any action relating to our corporate purposes and to pass resolutions that they deem necessary to our interests and development at duly called and convened general meetings. Shareholders at our annual shareholders' meeting, which is required to be held during the first four months following the end of our fiscal year, have the exclusive right to approve our audited financial statements and to determine the allocation of our net profits and the distribution of dividends with respect to the fiscal year ended immediately prior to the relevant shareholders' meeting and to elect the members of our board of directors and fiscal council, as the case may be.

An extraordinary shareholders' meeting may be held concurrently with the annual shareholders' meeting and at other times during the year whenever necessary. Pursuant to our bylaws and the Brazilian Corporate Law, the following actions, among others, may be taken only at a shareholders' meeting:

- the amendment of our bylaws;
- the appointment or removal of members of our board of directors;
- the appointment or removal of the Chairman or the Vice Chairman of our board of directors;
- the approval of annual management's accounts and our annual financial statements;
- the approval of any issuance of shares, bonuses, debentures convertible into our shares or securities or other rights or interests which are convertible or exchangeable into or exercisable for our shares, without limiting the authorization granted to our board of directors to approve such issuances within the limit of our authorized capital (2,000,000,000 common shares);

- the approval of any appraisals of assets offered by a shareholder in consideration for the subscription of shares of our capital stock;
- the approval of any proposal to change our corporate, amalgamate, merge our company with or into another company, spin-off or split our company, or any other form of restructuring of our company;
- the approval of any proposal for the dissolution or liquidation of our company, or for the appointment or replacement of the liquidator;
- the approval of the accounts of the liquidator;
- the establishment of the global annual compensation of the members of our board of directors and board of executive officers; and
- approve the execution of transactions with related parties, as defined in the applicable accounting rules, the individual or aggregate amount of which throughout a fiscal year exceeds one hundred million reais, observed that the shareholders representing related parties in the transaction shall abstain from voting.

Call of Shareholders' Meeting

The Chairman of our board of directors may call shareholders' meetings. In his absence, the meeting may be called by the Vice Chairman of our board of directors or, in their absence, by an Officer appointed by the Chairman of our board of directors. Pursuant to the Brazilian Corporate Law, shareholders' meetings may also be called by:

- any shareholder, if our management fails to call a shareholders' meeting within 60 days after the date which it is required to do so under applicable law and our bylaws;
- shareholders holding at least five percent of our shares, if our management fails to call a meeting within eight days after receipt of a justified request to call the meeting by those shareholders indicating the proposed agenda;
- shareholders holding at least five percent of our shares if our management fails to call a meeting within eight days after receipt of a request to call the meeting for the establishment of the fiscal council; and
- our fiscal council, when installed, if our management fails to call an annual shareholders' meeting within one month after the date it is required to do so under applicable law and our bylaws. The fiscal council may also call an extraordinary general shareholders' meeting if it believes that there are important or urgent matters to be addressed.

Notice of our Shareholders' Meetings

Under the Brazilian Corporate Law, notice of our shareholders' meetings must be published at least three times in a widely circulated newspaper, which is currently *O Estado de São Paulo*. Such notice must contain the agenda for the meeting and, in the case of an amendment to our bylaws, a summary of the proposed amendment. The first notice must be published no later than 21 days before the date of the meeting on the first call, and no later than 8 days before the date of the meeting in the case of a second call. However, in certain circumstances, the CVM may require that the first notice be published no later than 30 days before the date of the meeting. In addition, upon request of any shareholder, the CVM may suspend for up to 15 days the required prior notice of an extraordinary shareholders' meeting so that the CVM may become familiar with and analyze the proposals to be voted upon at the meeting and, as the case may be, inform our company at the end of this period the reasons why any proposal submitted to the shareholder violates applicable legislation.

Conditions of Admission to Shareholders' Meeting

Shareholders attending a shareholders' meeting must produce proof of their status as shareholders and proof that they hold the common shares that they intend to vote. A shareholder may be represented at a shareholders' meeting by a proxy appointed less than a year before, which must be a shareholder, a corporate officer, a lawyer or a financial institution. An investment fund must be represented by its investment fund officer or a proxy.

Quorum and Voting at Shareholders' Meeting

Generally, the Brazilian Corporate Law provides that the quorum for our shareholders' meetings consists of shareholders representing at least 25% of our issued and outstanding common shares on the first call and, if that quorum is not reached, any percentage on the second call. If a shareholders' meeting is called to amend our bylaws, a quorum at that shareholders' meeting consists of shareholders representing at least two-thirds of our issued and outstanding common shares on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of our issued and outstanding common shares present in person or represented by proxy at a shareholders' meeting is required in order to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing more than one-half of our issued and outstanding common shares is required in order to, among other things:

- reduce the percentage of mandatory dividends;
- change our corporate purpose;
- consolidate with or merge our company with or into another company;
- spin off a portion of our assets or liabilities;
- approve our participation in a group of companies (as defined in the Brazilian Corporate Law);
- apply for cancellation of any voluntary liquidation;
- merge all of our shares into another Brazilian company, so that we become a wholly owned subsidiary of such company; and
- approve our dissolution.

Remote Voting

In accordance with CVM Resolution No. 81, dated March 23, 2022, we allow our shareholders to submit voting ballots before each shareholders' meeting. We must receive a shareholder's remote voting ballot (*boletim de voto à distância*) up to four days before the applicable shareholders' meeting. We will inform each shareholder within three days of receipt of the remote voting ballot whether the documents received are sufficient for the vote to be considered valid.

Preemptive Rights on Increases in Share Capital

Under the Brazilian Corporate Law, each shareholder has a general preemptive right to subscribe for shares in any capital increase, in proportion to its shareholding, except in the event of the grant and exercise of any option to acquire shares of our capital stock under our stock option plans. A shareholder has a general preemptive right to subscribe for debentures convertible into our shares and subscription warrants that we may issue. A minimum period of 30 days following the publication of the notice of a capital increase must be respected to exercise this right, except if otherwise determined by the bylaws or a shareholders' meeting. This right is negotiable.

Our board of directors is authorized to eliminate preemptive rights with respect to the issuance of shares, debentures convertible into shares and subscription warrants, provided that the distribution of such shares is effected (i) through a stock exchange or in a public offering; or (ii) through an exchange of shares in a public offering, the purpose of which is to acquire control of another company.

In the event of a capital increase, which maintains or increases the proportion of capital, holders of ADSs may, under the circumstances described above, exercise preemptive rights to subscribe for newly issued shares. In the event of a capital increase which would reduce the proportion of capital, holders of ADSs may, under the circumstances described above, have preemptive rights to subscribe for shares in proportion to their shareholdings. For risks associated with preemptive rights, see “Item 3. Key Information—D. Risk Factors—Risks Relating to the Sendas Common Shares and the Sendas ADSs—You might be unable to exercise preemptive rights with respect to the Sendas common shares underlying the Sendas ADSs, as a result of which your investment may be diluted.”

Withdrawal Rights

Our common shares are not redeemable. Any of our shareholders who dissent from certain actions taken by our shareholders in a shareholders’ meeting have the right to withdraw from our company and to receive the value of their common shares. According to the Brazilian Corporate Law, the withdrawal rights of a dissenting shareholder may be exercised in the event that the shareholders’ meeting approves the following matters:

- a reduction in the percentage of mandatory dividends;
- a change in our corporate purposes;
- the merger of all of our shares into another Brazilian company, so that we become a wholly owned subsidiary of such company or vice versa;
- our merger into or with another company, including if we are merged into one of our controlling companies, or are consolidated with another company;
- our participation in a group of companies as defined under the Brazilian Corporate Law and subject to the conditions set forth therein;
- the conversion of our company to another corporate form; and
- a spin-off of our company if it entails (1) a change in our corporate purpose, (2) a reduction in mandatory dividends, or (3) our participation in a group of companies as defined under the Brazilian Corporate Law.

Withdrawal rights may not be exercised in the event of:

- the merger of all of our shares into another Brazilian company, so that we become a wholly owned subsidiary of such company or vice versa;
- our merger into or with another company, including if we are merged into one of our controlling companies, or are consolidated with another company; and
- our participation in a group of companies as defined under the Brazilian Corporate Law and subject to the conditions set forth therein,

if our shares (1) are “liquid,” which means that they are part of the IBOVESPA Index or another traded stock exchange index, as defined by the CVM, and (2) are widely held, such that our controlling shareholders and their affiliates hold less than 50% of the type or class of shares that are being withdrawn.

Dissenting shareholders also have a right of withdrawal in the event that the entity resulting from (1) a merger of all of our shares into another company so that we become a wholly-owned subsidiary of such company; (2) a spin-off; or (3) a merger or a consolidation of a Brazilian publicly listed company, fails to become a Brazilian publicly listed company within 120 days of the general shareholders’ meeting in which such decision was taken.

The right to withdraw lapses 30 days after publication of the minutes of the relevant shareholders' meeting. We are entitled to reconsider any action giving rise to withdrawal rights within 10 days following the expiration of this period if we determine that the withdrawal of shares of dissenting shareholders would jeopardize our financial stability.

Any shareholder that exercises withdrawal rights is entitled to receive book value for its shares, based on our most recent audited balance sheet approved by our shareholders. However, if the resolution giving rise to the withdrawal rights is adopted more than 60 days after the date of our most recent audited approved balance sheet, a shareholder may request that its shares be valued on the basis of a special balance sheet dated no more than 60 days prior to the date of the adoption of the resolution. In such case, we are obligated to immediately pay 80% of the book value of the shares according to our most recent audited approved balance sheet, and the balance must be paid within 120 days after the date of the resolution of the shareholders' meeting that gave rise to withdrawal rights.

Form and Transfer of Shares

Our shares are in book-entry form, and the transfer of such shares is made by the registrar in our books, by debiting the share account of the transferor and crediting the share account of the transferee. We maintain book entry form services with a custodian, which performs all of the services of safekeeping and transfer of our shares and related services.

The transfer of shares by a foreign investor is made in the same way and is requested by the investor's local agent on the investor's behalf. If the original investment is registered with the Central Bank pursuant to CMN Resolution 373, the foreign investor should also seek amendment of the electronic registration to reflect the new ownership through its local agent, if necessary.

The B3 has a department responsible for clearing (*Central Depositária B3*), which is also responsible for settlement and custody of the shares. The payment of dividends, bonuses and other corporate events is also managed by the Central Depository (*Central Depositária*).

Other Dispositions

In addition to the provisions already described in this annual report, the Brazilian Corporate Law, our bylaws, and current regulations set forth, among others, that:

- upon a sale of control, the acquirer is required to launch a tender offer to purchase all minority voting shares at a price equal to at least 100% of the control price;
- if provided for in the bylaws, as it is our case, disputes among shareholders will be subject to arbitration;
- upon the occurrence of a tender offer aiming at delisting our company or through which our controlling shareholders acquire more than one-third of the float shares, the purchase price will be equal to the fair value of the shares taking into account the total number of outstanding shares;
- members of our board of directors elected by the non-controlling shareholders will have the right to veto the choice of the independent auditor made by the members elected by the controlling shareholders;
- the chairman of any shareholders' or board of directors' meeting may disregard any vote that is rendered against provisions of any shareholders' agreement if that shareholders' agreement has been duly filed with us.

We are required to be represented either: (i) jointly by two executive officers; (ii) by two attorneys-in-fact; (iii) by one executive officer and one attorney-in-fact; or (iv) by one executive officer or one attorney-in-fact, in special circumstances and always in accordance with the powers provided to each.

In case of acts that entail any kind of acquisition, sale, disposal or creation of any lien on any of our assets, including any real estate, as well as, for the granting of powers-of-attorney for the practice of such acts, we are required to be represented either: (i) jointly by two executive officers; (ii) by two attorneys-in-fact; (iii) by one executive officer and one attorney-in-fact of whom one must always be the chief executive officer; or (iv) an attorney-in-fact duly appointed by two executive officers of whom one must be the chief executive officer.

Sale of Control of Our Company

In the event of a sale of our company's corporate control directly or indirectly, through single or successive transactions, the acquirer must conduct a public tender offer to buy all of the shares held by the remaining shareholders in order to assure equal treatment of all shareholders (tag-along right). The tender offer will be subject to the terms and conditions terms set forth under applicable laws and the rules of the *Novo Mercado*.

Acquisition of a Significant Equity Interest in our Company

Our bylaws contain provisions that have the effect of avoiding concentration of our shares in the hands of a small group of investors, in order to promote more widespread ownership of our shares. These provisions require any person, shareholder or Group of Shareholders (as defined in Article 40 of our bylaws) that acquires, whether through a single transaction or through a series of transactions: (1) direct or indirect ownership of more than 25% of our shares (excluding treasury shares); or (2) any other shareholders rights, including usufructuary enjoyment or establishment of a trust, concerning more than 25% of our shares (excluding treasury shares) (each, a "Significant Equity Interest"), to, within 30 days from the date of such acquisition, commence a public tender offer to purchase any and all of our outstanding shares in accordance with the regulations of the CVM and B3 and our bylaws. The purchase price offered in the tender offer must be not less than the greater of:

- the economic value of our company, determined pursuant to Article 40 of our bylaws;
- the highest price paid by the acquiring person, shareholder or Group of Shareholders during the 12 months prior to the acquisition of the Significant Equity Interest; and
- 125% of the weighted average unit price of the common shares during the period of 120 trading sessions prior to the commencement of the tender offer.

The obligation to commence a tender offer will not apply to a person, shareholder or Group of Shareholders that acquires a Significant Equity Interest:

- as a result of a merger of our company with another company or a merger of shares of another company into our company;
- if our company purchases another company through a private increase in corporate capital or subscription of shares by primary offering by any person who has pre-emption rights;
- if our company purchases another company through a private increase in corporate capital or subscription of shares by primary offering due to the lack of full payment by any person who has pre-emption rights or did not have enough interested parties in the respective offer; or
- in the event of a public offering (including a public offering with restricted selling efforts).

Involuntary increases of equity interest resulting from cancellation of treasury shares, repurchases of shares by our company or capital reductions with cancellation of shares will not be considered in the calculation of a Significant Equity Interest.

The commencement of a public tender offer by the holder of a Significant Equity Interest does not prevent any other person from commencing a competing public tender offer in accordance with applicable regulations.

The obligation of the holder of a Significant Equity Interest to commence a public tender offer may be waived in a general shareholders' meeting by the affirmative vote of the majority of our outstanding shares present in such meeting, excluding shares held by the holder of a Significant Equity Interest. The quorum requirement for a general shareholders' meeting called to deliberate on such a waiver is a minimum of 2/3 of our outstanding shares, excluding shares held by the holder of a Significant Equity Interest, on first call, and any number of our outstanding shares on a subsequent call.

Arbitration

In accordance with our bylaws, we, our shareholders, directors, officers and members of our fiscal council, effective or alternates, if any, agree to resolve through arbitration before the Market Arbitration Chamber (*Câmara de Arbitragem do Mercado*) of the B3 any disputes or controversies that may arise between us relating to or arising from our status as issuer, shareholders, directors, officers or members of the fiscal council, especially arising from the provisions established in the Law 6,385, of December 7, 1976, in the Brazilian Corporate Law, in our bylaws, in the regulation issued by the CMN, the Central Bank and the CVM, as well as in any regulation applicable to the operation of capital markets in general, in addition to those contained in the *Novo Mercado* regulations, other regulations of the B3, and the *Novo Mercado* Participation Agreement.

II. Description of American Depositary Shares

Set forth below is certain information concerning the American Depositary Shares representing Sendas common shares (the "Sendas ADSs"). This description does not purport to be complete and is qualified by reference to the deposit agreement dated February 19, 2021, entered into between Sendas and the Sendas Depositary and the owners and holders from time to time of Sendas ADSs issued thereunder (as amended on August 16, 2021, the "Sendas Deposit Agreement").

A copy of the form of Sendas Deposit Agreement (including in the form of American Depositary Receipt representing Sendas ADSs) is attached to our annual report as Exhibits 2.1 and 2.2. We encourage you to read the Sendas Deposit Agreement and the applicable sections of our annual report for additional information.

General

JPMorgan Chase Bank, N.A. ("JPMorgan"), as Sendas Depositary, has issued the Sendas ADSs. Each Sendas ADS represents an ownership interest in a designated number or percentage of Sendas common shares which we have deposited with the Sendas ADS Custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary, yourself as an American depositary receipt holder ("ADR holder"), and all other ADR holders, and all beneficial owners of an interest in the ADSs evidenced by ADRs from time to time. In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you. Unless certificated ADRs are specifically requested by you, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In this "Description of American Depositary Shares," references to American depositary receipts or ADRs shall mean ADRs evidencing Sendas ADSs and shall include the statements you will receive which reflect your ownership of Sendas ADSs. In addition, in this "Description of American Depositary Shares," "ADSs" will refer to the Sendas ADSs, "shares" will refer to Sendas common shares, "depositary" will refer to the Sendas Depositary and "custodian" will refer to the Sendas ADS Custodian.

The depositary's office is located at 383 Madison Avenue, Floor 11, New York, NY 10179.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you are an ADR holder and hold your ADSs directly. If you have a beneficial ownership interest in ADSs but hold the ADSs through your broker or financial institution nominee, you are a beneficial owner of ADSs and must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are. If you are a beneficial owner, you will only be able to exercise any right or receive any benefit under the deposit agreement solely through the ADR holder which holds the ADR(s) evidencing the ADSs owned by you, and the arrangements between you and such ADR holder may affect your ability to exercise any rights you may have. For all purposes under the deposit agreement, an ADR holder is deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by the ADR(s) registered in such ADR holder's name. The depositary's only notification obligations under the deposit agreement shall be to the ADR holders, and notice to an ADR holder shall be deemed, for all purposes of the deposit agreement, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder's ADRs.

As an ADR holder or beneficial owner, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Brazilian law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder or of a beneficial owner. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all registered holders and beneficial owners from time to time of ADSs issued under the deposit agreement and, in the case of a beneficial owner, from the arrangements between the beneficial owner and the holder of the corresponding ADRs. The obligations of our company, the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf. The deposit agreement, the ADRs and the ADSs are governed by New York law. Under the deposit agreement, as an ADR holder or a beneficial owner of ADSs, you agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and you irrevocably waive any objection which you may have to the laying of venue of any such proceeding and irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

The following is a summary of what we believe to be the material terms of the Sendas Deposit Agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to the most recent Form F-6 registration statement (or amendment thereto) filed with the SEC. You may also obtain a copy of the form of deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at <http://www.sec.gov>.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, subject to any restrictions imposed by Brazilian law, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain ADR holders, and (iii) deduction of the depositary's and/or its agents' expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. If we advise the depositary that any such conversion, transfer or distribution can be effected only with the approval or license of the Brazilian government or any agency thereof or the depositary becomes aware of any other governmental approval or license required, the depositary may, in its discretion, apply for such approval or license, as we or our Brazilian counsel may reasonably instruct in writing or as the depositary may deem desirable including, without limitation, Central Bank registration. *If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.*
- *Shares.* In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to receive additional shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not timely furnish such evidence, the depositary may:
 - (i) sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
 - (ii) if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse. We have no obligation to file a registration statement under the United States Securities Act of 1933, as amended ("Securities Act") in order to make any rights available to ADR holders.
- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.
- *Elective Distributions.* In the case of a dividend payable at the election of our shareholders in cash or in additional shares, we will notify the depositary at least 30 days prior to the proposed distribution stating whether or not we wish such elective distribution to be made available to ADR holders. The depositary shall make such elective distribution available to ADR holders only if (i) we shall have timely requested that the elective distribution is available to ADR holders, (ii) the depositary shall have determined that such distribution is reasonably practicable and (iii) the depositary shall have received satisfactory documentation within the terms of the deposit agreement including any legal opinions of counsel that the depositary in its reasonable discretion may request. If the above conditions are not satisfied, the depositary shall, to the extent permitted by law, distribute to the ADR holders, on the basis of the same determination as is made in the local market in respect of the shares for which no election is made, either cash or additional ADSs representing such additional shares. If the above conditions are satisfied, the depositary shall establish procedures to enable ADR holders to elect the receipt of the proposed dividend in cash or in additional ADSs. There can be no assurance that ADR holders or beneficial owners of ADSs generally, or any ADR holder or beneficial owner of ADSs in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of shares.

If the depositary determines in its discretion that any distribution described above is not practicable with respect to any specific ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

The depositary shall have no obligation to distribute additional securities, rights to receive additional securities or other property if such distributions shall require registration under the Securities Act. The depositary may sell such property if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it fails to determine that any distribution or action is lawful or reasonably practicable.

There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period. All purchases and sales of securities will be handled by the depositary in accordance with its then current policies, which are currently set forth in the "Depositary Receipt Sale and Purchase of Security" section of <https://www.adr.com>, the location and contents of which the depositary shall be solely responsible for.

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan, as depositary for the benefit of ADR holders or in such other name as the depositary shall direct.

The custodian will hold all deposited shares for the account and to the order of the depositary, in each case for the benefit of ADR holders, to the extent not prohibited by law. ADR holders and beneficial owners thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities".

Deposited securities are not intended to, and shall not, constitute proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in deposited securities is intended to be, and shall at all times during the term of the deposit agreement continue to be, vested in the beneficial owners of the ADSs representing such deposited securities. Notwithstanding anything else contained in the deposit agreement, in the form of ADR and/or in any outstanding ADSs, the depositary, the custodian and their respective nominees are intended to be, and shall at all times during the term of the deposit agreement be, the record holder(s) only of the deposited securities represented by the ADSs for the benefit of the ADR holders. The depositary, on its own behalf and on behalf of the custodian and their respective nominees, disclaims any beneficial ownership interest in the deposited securities held on behalf of the ADR holders.

We, the depositary and the custodian shall comply with Brazil's National Monetary Council (*Conselho Monetário Nacional*) Resolution No. 4,373, dated as of September 29, 2014, in the third article, paragraph three, of the Regulation Annex V, and agree to furnish to the Central Bank and the CVM, whenever required, information or documents related to the ADRs and the deposit agreement, the deposited securities and distributions thereon and, under the terms of the deposit agreement, the depositary and the custodian are authorized to release such information or documents and any other information as required by local regulation, law or regulatory body request. The depositary has the right to terminate the deposit agreement on at least 30 days' notice to ADR holders and us in the event that the depositary or the custodian reasonably could be subject to criminal or material civil liabilities if we have failed to provide such information or documents reasonably available only through us.

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary's direct registration system, and an ADR holder will receive periodic statements from the depositary which will show the number of ADSs registered in such ADR holder's name. An ADR holder can request that the ADSs not be held through the depositary's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depositary's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian's office. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by us) for the determination of the ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of deposited securities;
- to give instructions for the exercise of voting rights;
- to pay any fees assessed by the depositary for administration of the ADR program or any expenses owing to the depositary; or
- to receive any notice or to act in respect of other matters;

in each case, subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receiving notice from us of any meeting at which the holders of shares are entitled to vote, or of our solicitation of consents or proxies from holders of shares or other deposited securities, the depositary shall fix the ADS record date in accordance with the provisions of the deposit agreement, provided that if the depositary receives a written request from us in a timely manner and at least 30 days prior to the date of such vote or meeting, the depositary shall, at our expense, distribute to the ADR holders a notice stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each ADR holder on the record date set by the depositary will, subject to any applicable provisions of Brazilian law, be entitled to instruct the depositary to exercise the voting rights, if any, pertaining to the shares underlying such ADR holder's ADSs and (iii) the manner in which such instructions may be given, including instructions to give a discretionary proxy to a person designated by us. Each ADR holder is solely responsible for the forwarding of such notices to the beneficial owners of ADSs registered in such ADR holder's name. Following actual receipt by the ADR department responsible for proxies and voting of ADR holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the nominee for DTC), the depositary shall, in the manner and on or before the time established by the depositary for such purpose, endeavor to vote or cause to be voted the shares represented by the ADSs evidenced by such ADR holders' ADRs in accordance with such instructions insofar as practicable and permitted under the provisions of or governing our shares.

To the extent that (A) the depositary has been provided with at least 35 days' notice of a meeting from us, (B) the depositary's notice to ADR holders (described in the preceding paragraph) has been received by all ADR holders and beneficial owners of ADSs no less than 10 days prior to the date of the meeting and/or the cut-off date for the solicitation of consents, and (C) the depositary does not receive instructions on a particular agenda item from an ADR holder (including, without limitation, any entity or entities acting on behalf of the nominee for DTC) in a timely manner, such ADR holder shall be deemed, and under the deposit agreement the depositary is instructed to deem such ADR holder, to have instructed the depositary to give a discretionary proxy for such agenda item(s) to a person designated by us to vote the deposited securities represented by the ADSs for which actual instructions were not so given by all such ADR holders on such agenda item(s), provided that no such instruction shall be deemed given and no discretionary proxy shall be given unless (1) we inform the depositary in writing (and under the deposit agreement we have agreed to provide the depositary with such instruction promptly in writing) that (a) we wish such proxy to be given with respect to such agenda item(s), (b) there is no substantial opposition existing with respect to such agenda item(s) and (c) such agenda item(s), if approved, would not materially or adversely affect the rights of holders of shares, and (2) the depositary has obtained an opinion of counsel, in form and substance satisfactory to it, confirming that (i) the granting of such discretionary proxy does not subject the depositary to any reporting obligations in Brazil, (ii) the granting of such proxy will not result in a violation of Brazilian laws, rules, regulations or permits, (iii) the voting arrangement and deemed instruction as contemplated in the deposit agreement will be given effect under Brazilian laws, rules and regulations, and (iv) the granting of such discretionary proxy will not under any circumstances result in the shares represented by the ADSs being treated as assets of the depositary under Brazilian laws, rules or regulations.

ADR holders and beneficial owners of ADSs are strongly encouraged to forward their voting instructions to the depositary as soon as possible. For instructions to be valid, the ADR department of the depositary that is responsible for proxies and voting must receive them in the manner and on or before the time specified, notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by any law, rule or regulation, or by the rules and/or requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the ADR holders a notice that provides such ADR holders with, or otherwise publicizes to such ADR holders, instructions on how to retrieve such materials or receive such materials upon request (i.e., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

There is no guarantee that ADR holders and beneficial owners of ADSs generally, or any ADR holder or beneficial owner of ADSs in particular, will receive voting materials in time to instruct the depository to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

See “Item 3. Key Information—D. Risk Factors—Risks Relating to the Sendas Common Shares and the Sendas ADSs—Holders of Sendas ADSs are not entitled to attend shareholders’ meetings and may only vote through the Sendas Depository.”

Reports and Other Communications

Will ADR holders be able to view our reports?

The depository will make available for inspection by ADR holders at the offices of the depository and the custodian, or upon request from the depository (which request may be refused by the depository in its discretion), the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depository, it will distribute the same to ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depository may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADSs are cancelled or reduced for any other reason, US\$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered, as the case may be. The depository may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall also be incurred by the ADR holders and beneficial owners of ADSs, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of up to US\$0.05 per ADS held for any cash distribution made pursuant to the deposit agreement or for any elective cash/stock dividend offered pursuant to the deposit agreement;
- an aggregate fee of up to US\$0.05 per ADS per calendar year (or portion thereof) for services performed by the depository in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against ADR holders as of the record date or record dates set by the depository during each calendar year and shall be payable in the manner described in the next succeeding provision);

- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of ADR holders in connection with compliance with foreign exchange control regulations or any law, rule or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against ADR holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such ADR holders or by deducting such charge from one or more cash dividends or other cash distributions), including, without limitation, any amounts charged by any governmental authorities or other institutions such as the B3, the stock exchange on which the Sendas shares are registered for trading;
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the \$0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those ADR holders entitled thereto;
- fees and expenses for conversion of foreign currency;
- stock transfer or other taxes and other governmental charges;
- SWIFT, cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares, ADRs or deposited securities;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

To facilitate the administration of various depositary receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the depositary may engage the foreign exchange desk within JPMorgan Chase Bank, N.A. (the "Exchange Bank") and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars ("FX Transactions"). For certain currencies, FX Transactions are entered into with the Exchange Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, FX Transactions are routed directly to and managed by an unaffiliated local custodian (or other third party local liquidity provider), and neither the Exchange Bank nor any of its affiliates is a party to such FX Transactions.

The foreign exchange rate applied to an FX Transaction will be either (a) a published benchmark rate, or (b) a rate determined by a third party local liquidity provider, in each case plus or minus a spread, as applicable. The depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the "Disclosure" page (or successor page) of www.adr.com (as updated by the depositary from time to time, "ADR.com"). Such applicable foreign exchange rate and spread may (and neither the depositary, the Exchange Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Exchange Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the FX Transaction. Additionally, the timing of execution of an FX Transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Exchange Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on us, the depositary, ADR holders or beneficial owners of ADSs. The spread applied does not reflect any gains or losses that may be earned or incurred by the Exchange Bank and its affiliates as a result of risk management or other hedging related activity. Notwithstanding the foregoing, to the extent we provide U.S. dollars to the depositary, neither the Exchange Bank nor any of its affiliates will execute an FX Transaction as set forth herein. In such case, the depositary will distribute the U.S. dollars received from us.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of FX Transactions will be provided by the depositary on ADR.com. We and by holding an ADS or an interest therein, ADR holders and beneficial owners of ADSs will each be acknowledging and agreeing that the terms applicable to FX Transactions disclosed from time to time on ADR.com will apply to any FX Transaction executed pursuant to the deposit agreement.

The fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. ADR holders will receive prior notice of the increase in any such fees and charges. The right of the depositary to charge and receive payment of fees, charges and expenses as provided above shall survive the termination of the deposit agreement.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to ADR holders. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to ADR holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

Payment of Taxes

If any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, such tax or other governmental charge shall be paid by the applicable ADR holder to the depositary and by holding or owning, or having held or owned, an ADR or any ADSs evidenced thereby, the ADR holder and all beneficial owners of such ADSs, and all prior registered holders of such ADRs and prior beneficial owners of such ADSs, jointly and severally, agree to indemnify, defend and save harmless each of the depositary and its agents in respect of such tax or governmental charge. Each ADR holder and beneficial owner of ADSs, and each prior ADR holder and beneficial owner of ADSs, by holding or having held an ADR or an interest in ADSs, acknowledges and agrees that the depositary shall have the right to seek payment of any taxes or governmental charges owing with respect to the relevant ADRs from any one or more such current or prior ADR holder or beneficial owner of ADSs, as determined by the depositary in its sole discretion, without any obligation to seek payment of amounts owing from any other current or prior ADR holder or beneficial owner of ADSs. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of ADRs or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) in such amounts and in such manner as the depositary deems necessary and practicable to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto.

As an ADR holder or beneficial owner, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained. These obligations survive any transfer or surrender of ADSs or the termination of the deposit agreement.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions of shares or other property not made to ADR holders or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to, and shall if reasonably requested by us:

- amend the form of ADR;
- distribute additional or amended ADRs;
- distribute cash, securities or other property it has received in connection with such actions;
- sell by public or private sale any securities or property received and distribute the proceeds as cash; or
- none of the above.

If the depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. ADR holders must be given at least 30 days' notice of any amendment that imposes or increases any fees or charges on a per ADS basis (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or that otherwise prejudices any substantial existing right of ADR holders or beneficial owners of ADSs. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder and the beneficial owner of the corresponding ADSs are deemed to agree to such amendment and to be bound by the deposit agreement as so amended. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

Any amendments or supplements which (i) are reasonably necessary (as agreed by us and the depositary) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act or (b) the ADSs or shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by ADR holders, shall be deemed not to prejudice any substantial rights of ADR holders or beneficial owners of ADSs. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depositary may amend or supplement the deposit agreement and the form of ADR (and all outstanding ADRs) at any time in accordance with such changed laws, rules or regulations, which amendment or supplement to the deposit agreement in such circumstances may become effective before a notice of such amendment or supplement is given to ADR holders or within any other period of time as required for compliance.

Notice of any amendment to the deposit agreement or form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the ADR holders identifies a means for ADR holders and beneficial owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the SEC's, the depositary's or our website or upon request from the depositary).

How may the deposit agreement be terminated?

The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the ADR holders at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to ADR holders unless a successor depositary shall not be operating under the deposit agreement within 60 days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to ADR holders unless a successor depositary shall not be operating under the deposit agreement on the 60th day after our notice of removal was first provided to the depositary.

Notwithstanding anything to the contrary in the deposit agreement, the depositary may terminate the deposit agreement without notifying us, but subject to giving 30 days' notice to the ADR holders, under the following circumstances: (i) in the event of our bankruptcy or insolvency, (ii) if the Shares cease to be listed on an internationally recognized stock exchange, (iii) if we effect (or will effect) a redemption of all or substantially all of the deposited securities, or a cash or share distribution representing a return of all or substantially all of the value of the deposited securities, or (iv) there occurs a merger, consolidation, sale of assets or other transaction as a result of which securities or other property are delivered in exchange for or in lieu of deposited securities. After the date so fixed for termination, the depositary and its agents will perform no further acts under the deposit agreement and the ADRs, except to receive and hold (or sell) distributions on deposited securities and deliver deposited securities being withdrawn. As soon as practicable after the date so fixed for termination, the depositary shall use its reasonable efforts to sell the deposited securities and shall thereafter (as long as it may lawfully do so) hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sales, together with any other cash then held by it under the deposit agreement, without liability for interest, in trust for the *pro rata* benefit of the ADR holders who have not theretofore surrendered their ADRs. After making such sale, the depositary shall be discharged from all obligations in respect of the deposit agreement and the ADRs, except to account for such net proceeds and other cash. After the date so fixed for termination, we shall be discharged from all obligations under the deposit agreement except for our obligations to the depositary and its agents.

Limitations on Obligations and Liability to ADR holders

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders and beneficial owners of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement and any regulations which the depositary is informed of in writing by us which are required by the depositary, ourselves or the Custodian to facilitate compliance with any applicable rules or regulations of the Central Bank or CVM or any applicable regulator.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, ourselves and each of our and the depositary's respective directors, officers, employees, agents and affiliates, provided, however, that no provision of the deposit agreement is intended to constitute a waiver or limitation of any rights which ADR holders or beneficial owners of ADSs may have under the Securities Act or the Exchange Act, to the extent applicable. In the deposit agreement it provides that neither we nor the depositary nor any such director, officer, employee, agent or affiliate will be liable to ADR holders or beneficial owners of ADSs:

- if any present or future law, rule, regulation, fiat, order or decree of the United States, Brazil or any other country or jurisdiction, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism, nationalization, epidemic, pandemic, expropriation, currency restrictions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, computer failure or circumstance beyond our, the depositary's or our respective directors', officers', employees', agents' or affiliates' direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by any such party(including, without limitation, voting);
- by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the deposit agreement it is provided shall or may be done or performed;
- if it exercises or fails to exercise discretion under the deposit agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- if it performs its obligations specifically set forth in the deposit agreement and ADRs without gross negligence or willful misconduct; or
- if it takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any ADR holder, or any other person believed by it to be competent to give such advice or information.

We, the depositary and its agents may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties. The depositary shall not be a fiduciary or have any fiduciary duty to ADR holders or beneficial owners of ADSs. Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any ADR holder or holders, any ADRs or ADSs or otherwise related thereto to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depositary, clearing agency or settlement system. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that any ADR holder has incurred liability directly as a result of the custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the depositary or (ii) failed to use reasonable care in the provision of custodial services to the depositary as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depositary and the custodian(s) may use third party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services. The depositary shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depositary has no obligation to inform ADR holders or beneficial owners of ADSs about the requirements of any laws, rules or regulations or any changes therein or thereto of any country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any ADR holder or beneficial owner of ADSs to obtain the benefits of credits or refunds of non-U.S. tax paid against such ADR holder's or beneficial owner's income tax liability. The depositary is under no obligation to provide ADR holders or beneficial owners of ADSs, or any of them, with any information about the tax status of our company. Neither we nor the depositary shall incur any liability for any tax or tax consequences that may be incurred by ADR holders or beneficial owners of ADSs on account of their ownership or disposition of the ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast, including without limitation any vote cast by a person to whom the depositary is required to give a discretionary proxy pursuant to the deposit agreement, or for the effect of any such vote. The depositary may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depositary shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary. Neither the depositary nor any of its agents shall be liable to ADR holders or beneficial owners of ADSs for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity (including, without limitation, ADR holders and beneficial owners of ADSs), whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

The depositary and its agents may own and deal in any class of securities of our company and our affiliates and in ADSs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, ADR holders and beneficial owners of ADSs agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. We reserve the right to instruct ADR holders (and through any such ADR holder, the beneficial owners of ADSs evidenced by the ADRs registered in such ADR holder's name) to deliver their ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal directly with the ADR holder and/or beneficial owner of ADSs as a holder of shares and, by holding an ADS or an interest therein, ADR holders and beneficial owners of ADSs will be agreeing to comply with such instructions.

Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary's direct registration system. ADR holders may inspect such records at the depositary's office at all reasonable times, but solely for the purpose of communicating with other ADR holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register (and/or any portion thereof) may be closed at any time or from time to time, when deemed expedient by the depositary.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Appointment

In the deposit agreement, each ADR holder and each beneficial owner of ADSs, upon acceptance of any ADSs or ADRs (or any interest therein) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs, and
- appoint the depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof.

Each ADR holder and beneficial owner of ADSs is further deemed to acknowledge and agree that (i) nothing in the deposit agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto nor establish a fiduciary or similar relationship among such parties, (ii) the depositary, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about our company, the ADR holders, the beneficial owners of ADSs and/or their respective affiliates, (iii) the depositary and its divisions, branches and affiliates may at any time have multiple banking relationships with us, ADR holders, beneficial owners of ADSs and/or the affiliates of any of them, (iv) the depositary and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to us or the ADR holders or beneficial owners of ADSs may have interests, (v) nothing contained in the deposit agreement or any ADR(s) shall (A) preclude the depositary or any of its divisions, branches or affiliates from engaging in such transactions or establishing or maintaining such relationships, or (B) obligate the depositary or any of its divisions, branches or affiliates to disclose such transactions or relationships or to account for any profit made or payment received in such transactions or relationships, and (vi) the depositary shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the depositary and (vii) for purposes of the deposit agreement and the ADRs, notice to an ADR holder is deemed to constitute notice to any and all beneficial owners of the ADSs evidenced by the holder's ADRs.

Governing Law and Consent to Jurisdiction

The deposit agreement, the ADSs and the ADRs are governed by and construed in accordance with the laws of the State of New York. In the deposit agreement, we have submitted to the non-exclusive jurisdiction of the federal and state courts in New York, New York and appointed an agent for service of process on our behalf.

By holding an ADS or an interest therein, ADR holders and beneficial owners of ADSs each irrevocably agree that any legal suit, action or proceeding against or involving us or the depositary, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York, and each irrevocably waives any objection which it may have to the laying of venue of any such proceeding, and irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

Jury Trial Waiver

The deposit agreement provides that each party thereto (including, for avoidance of doubt, each ADR holder and beneficial owner and/or holder of interests in ADSs or ADRs) irrevocably waives, to the fullest extent permitted by applicable law, the right to a jury trial in any suit, action or proceeding against us or the depositary directly or indirectly arising out of or relating to our shares or other deposited securities, the ADSs, the ADRs, the deposit agreement, or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or other theory), including any suit, action or proceeding under the U.S. federal securities laws. If we or the depositary were to oppose a jury trial demand based on such waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable state and federal law, including whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. The waiver to right to a jury trial of the deposit agreement is not intended to be deemed a waiver by any ADR holder or beneficial owner of ADSs of any rights which ADR holders or beneficial owners of ADSs may have under the Securities Act or the Exchange Act, to the extent applicable.

Code of Ethics and Conduct ASSAÍ



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1. ADMINISTRATION MESSAGE

Being Assai is about working with customer focus and ethics. These are the fundamental values of Our Culture, reflecting what we believe and who we are. This way, we contribute to developing a sustainable business environment and a fairer and more supportive society.

We understand that this way of thinking and acting is what makes our Company one of the most respected and strongest brands in Brazil. Therefore, taking care of our institutional reputation is each one of our duties.

The objective of this Code of Ethics and Conduct, approved at a meeting of the Board of Directors, is to be the document that gathers and presents the integrity premises expected in our daily activities, ensuring that transparency guides our relationship with our stakeholders, such as employees, public authorities, business partners, customers, the press, and shareholders.

We do not compromise on reaching our goals through legality and the promotion of sustainability, human rights, diversity, and inclusion. Therefore, each of us is responsible for knowing the content of this Code and adhering to the Values, principles, and guidelines presented herein.

We also encourage you to share your suggestions. After all, this Code does not cover every situation we may encounter.

We count on your collaboration, your involvement, and, above all, your commitment. This Code is a fundamental document for us to work in an integrated and coherent manner. By acting ethically, we will continue to grow sustainably and reach even further.

Enjoy reading!

Belmiro Gomes – CEO

Oscar Bernardes - Chairman

2. PRESENTATION

At Assaí, we believe that success depends on what we build each day. Therefore, we are committed to conducting business with transparency, responsibility, loyalty, and ethics, complying with Brazilian legislation and per international principles. In this way, we positively influence those around us.

In this Code of Ethics and Conduct, you will find the principles and guidelines that guide our work and business decisions. It presents Assaí's expectations regarding the behavior of each of our leaders, administrators, board members, and employees and is equally applicable to our suppliers, business partners, and service providers.

Live and multiply our Values. This makes a difference not only for us to have an environment of integrity and mutual respect, but to build, together, a more inclusive, fair, and equitable society.

We are in constant evolution, and with each challenge, we reaffirm who we are. We have the enthusiasm and courage to go further, in pursuit of the same purpose: to make prosperity a reality for everyone.

We are united from North to South and work to ensure that Assaí is remembered through our positioning for everyone, from sunrise to sunset.

This is the #CONDUCTTHATUNITESUS

3. OUR POSITIONING

We Grow Strong Because We Have Our Identity Here at Assaí, our essence is what sustains us every day.

We are in constant evolution, and with each challenge, we reaffirm who we are. Our "Being Assaí is Like This" culture is the foundation of everything we do, and that's why we get stronger day after day.

We have six values that guide us, and that must always be put into practice by all employees and in all our stores, distribution centers, and offices:

- Simplicity
- Customer Focus
- Passion for What We Do
- Commitment to Results
- Care for Our People
- Ethics

These are the values that brought us here and that will take us forward, making our brand continue to grow at an accelerated pace, from North to South of the Country.

Our Purpose defines the path we want to follow to leave our contribution to society. Therefore, we act to make PROSPERITY A REALITY FOR EVERYONE.

Our Positioning Is What Connects Us Our positioning translates how we want to be seen and be present in the lives of our customers and in the communities where we are inserted. It is the way we stand out and aspire to be remembered.

Just as the sun rises every day for everyone, the hope for better days is born along with the opportunities to make a difference in society. Therefore, to strengthen our brand in the market, we are Assaí Wholesale. For everyone, from Sunrise to Sunset.

4. INTEGRITY PROGRAM

We adopt best practices in ethics and corporate conduct through Assaí's comprehensive Integrity Program, managed by the Compliance area. This program incorporates the following pillars:

- Policies and Procedures.
- Training and Education.
- Communication and Awareness.
- Continuous Risk Assessment.
- Monitoring and Oversight.
- Continuous Review and Improvement.

The implementation of the Integrity Program is essential to promote a culture of compliance, mitigate legal risks, avoid fines and penalties, build trust with stakeholders, and safeguard the organization's reputation.

Furthermore, it reflects our commitment to high ethical standards and contributes to our long-term success. At Assaí, integrity is a non-negotiable priority, and all employees play a fundamental role in promoting this culture.

5. ETHICS COMMITTEE

The Ethics Committee is the body responsible for ensuring this document, ensuring that all parties involved with Assaí, as well as its employees, know and effectively follow the conduct guidelines established herein. Furthermore, the Committee has the responsibility to promote and support ethical conduct, establish guidelines, and foster the organization's Integrity Program.

The Ethics Committee consists of the CEO, members of the Executive Board, and Compliance Management. Additionally, invited members participate in the meeting according to the day's agenda and a secretary.

Its responsibilities include:

- Evaluating and approving any updates to this Code of Ethics and Conduct.
- Receiving and analyzing reports from the Ethics Hotline related to violations of this Code.
- Handling situations not foreseen in this document.
- Ensuring that reported incidents are properly addressed and that appropriate corrective action is applied.
- Evaluating the topics reported to the Audit Committee by the Committee Coordinator, who is the Company's President.

The operation of the Ethics Committee is regulated by internal Company policy.

6. CHANNELS OF DIALOGUE

We maintain open communication channels permanently, as we believe they play a fundamental role in improving our processes and relationships. Our managers and Human Resources representatives are available as our primary points of contact and can be reached to assist in obtaining answers regarding conduct issues.

In addition, we have the Ethics Hotline as a valuable channel for registering and investigating cases of non-compliance with the Assaí Code of Ethics and Conduct. This channel ensures confidentiality and protection of the whistleblower's identity, allowing anonymous reports if preferred.

All reports received are treated with due confidentiality. The most important thing is not to remain silent.

If you have any questions, do not hesitate to contact us. We are here to listen, support, and ensure that our community at Assaí remains committed to the highest standards of conduct.

Ethics Hotline:

Service available 24 hours a day, 7 days a week.

Phone: 0800 777 3377

E-mail: canaldeetica@assai.com.br

Site: www.assai.com.br/canaldeetica

7. CARE FOR OUR BRAND AND IMAGE

7.1 Brand Usage

The Assaí brand represents our Company's identity and has invaluable value for our success and growth. We have the responsibility to preserve the correct use of its constituent elements, such as the logo and colors. Our visual identity must be used with due care and safeguarded so that it is not used inappropriately.

To ensure correct application, all employees or partners who need to use it must follow the guidelines and obtain due authorization from the Brand Management/Marketing area. This is essential to ensure compliance with the technical requirements and usage guidelines previously established and approved.

7.2 Reputation

Reputation is an asset of extreme importance to enrich and strengthen our Company's image. We all share the responsibility to preserve it. We must act with caution when exposing the Company in any context: relationships with stakeholders, social media, press, awards, events, among others. It is essential that our conduct complies with the principles established in this Code of Ethics and Conduct, repudiating practices that are not aligned with the Company's Values and purpose.

It is everyone's duty to ensure the maintenance of an environment with high standards of ethical and moral conduct. Our performance, whether inside or outside stores, Distribution Centers (DCs), offices, or the headquarters, must be respectful, integral, and honest. Our reputation was built by honoring our commitments, transparency in negotiations, compliance with regulations and legislation and establishing a solid identity that makes the Assaí brand recognized throughout Brazil.

7.3 Representation in Events and Awards

The official representation of Assaí in external events, such as seminars, congresses, awards, or related occasions, requires prior joint authorization from the Executive Board responsible for the topic and the External Communication Management. This includes a Compliance assessment when there are doubts about the organization's credibility or compliance with participation regulations.

Any invitation sent to an employee to officially represent Assaí, whether as a speaker, panelist, or interviewee, must be forwarded to the External Communication area. The team will evaluate participation in the event based on institutional criteria. If approved, they will seek final authorization from the responsible Executive.

8. INTERACTION WITH STAKEHOLDERS

8.1 Relationship with Our Customers

Our customers are the most valuable resource we have. Therefore, we are unwaveringly committed to providing the best service and the most rewarding shopping experience in our stores, treating everyone with respect, transparency, and ethics.

At all stages, from product selection, negotiation, storage, pricing, and restocking to the dissemination of offers and services, we work tirelessly to comply with the requirements of the Consumer Protection Code (CDC), the National Health Surveillance Agency (ANVISA), and all legislation relevant to our business, always keeping the customer as the main focus and strengthening our relationship of trust.

We are ready to receive and address all your needs, whether through reports, questions, requests, complaints, or suggestions, either in person at our stores or through our service channels.

8.2 Relationship with Suppliers, Service Providers and Business Partners

All our business partners must adopt ethical, fair, impartial, transparent, and responsible business practices that are in full compliance with the legislation in all jurisdictions where they operate.

To ensure integrity, suppliers and service providers must comply with the laws and regulations in force in their areas of operation. Furthermore, they must conduct their business with honesty and integrity, avoiding any form of corruption, bribery, fraud, or unethical conduct.

It is essential that conflicts of interest are avoided and that business decisions are made impartially and transparently. We expect our business partners to incorporate sustainable practices into their operations, minimizing environmental impacts and promoting social responsibility.

Suppliers and service providers must also respect human rights at all stages of their operations, including ensuring fair wages, safe working conditions, and dignity in the workplace. It is essential that they deliver products and services of the highest quality, meeting all applicable quality and safety standards.

In addition, they must provide accurate and timely information about their activities and performance whenever requested by Assaí. We emphasize that our Company reserves the right to take appropriate measures in case of violation of this Code of Ethics and Conduct, which may include termination of contracts and the adoption of legal actions.

By doing business with Assaí, suppliers and service providers agree to adhere to this Code. We expect all our partners to share these values and be committed to maintaining them in their operations.

8.3 Hiring Suppliers and Service Providers

We value integrity and transparency in our hiring processes, ensuring the continuous preservation of Assaí's interests, Values, and reputation. To this end, the hiring of suppliers and service providers must comply with the internal rules and procedures established in the Company's policies.

Furthermore, our employees can recommend suppliers, provided they do not participate in any stage of the decision-making process related to the hiring, do not have responsibility in the management of the supplier, and formalize the situation with their immediate manager and the director of the area responsible for the hiring, with a risk analysis being carried out to identify possible conflicts of interest and the necessary measures for adequate mitigation of potential risks.

While employed by Assaí, it is not permitted to act as a supplier to the Company, either as a self-employed professional or a partner of another company. In the case of being a member of Non-Governmental Organizations (NGOs) or Civil Society Organizations of Public Interest (OSCIPs), hiring must follow the same criteria and guidelines mentioned above.

8.4 Relationship with Competitors

We respect our competitors and are committed to fostering fair and loyal competition, to preserve free competition and act in full compliance with the Competition Defense Law. This practice is essentially linked to our commitment to promoting a sustainable business environment.

Abuse of economic power or dominant position and arbitrary commercial practices that limit competition, such as agreements to fix or control prices and establish operating territories, are not tolerated.

It is of utmost importance that all information that the Company wishes to obtain from its competitors is acquired through lawful, honest, and ethical means, in full compliance with applicable legislation, to prevent any form of anti-competitive practice. This is essential to maintain our integrity and promote healthy and fair competition.

8.5 Relationship with Shareholders and Investors

We are a publicly traded Company that maintains a solid commitment to its shareholders and the market, in compliance with current legislation. The Company seeks to establish transparent and accessible communication, ensuring that its activities and performance are easily followed by these audiences.

For Assaí, the relationship with shareholders and investors is a strategic priority. We believe that these behaviors allow us to build more sustainable relationships, which, in turn, help to improve and optimize processes, mitigate risks, identify opportunities, and, as a result, generate benefits for all parties involved, strengthening mutual trust.

Safeguarding the investments of our shareholders is a central responsibility, aimed at growth and the generation of financial return with the maximum appreciation of the Company. We also commit to providing reliable, accurate, and integral information in our Financial, Social, and Environmental Statements.

We emphasize that commercial relationships between shareholders and Assaí are permitted, whether conducted by individuals, through other entities, or even other companies. However, such relationships must follow the Related Party Transactions Policy, observing the principles of exemption, transparency, ethics, competitiveness, and absence of conflicts of interest.

For more detailed information, we recommend reading the Disclosure and Use of Relevant Information and Confidentiality Preservation Policy, the Related Party Transactions Policy, and the Community and Stakeholder Relations Policy, which are available on the Assaí website.

8.6 Relationship with Public Authorities

Our interaction with public agents and individuals close to them is based on principles of ethics and transparency. We make our best efforts to ensure that both our employees and third parties acting on our behalf act with integrity and transparency, avoiding inappropriate behavior towards public administration.

To achieve this goal, we develop internal policies and procedures and offer training to ensure that our team knows how to act when dealing with representatives of public authorities.

The powers of attorney that grant powers to the indicated employees and third parties to represent the Company before authorities are strictly controlled and are subject to specific procedures for their issuance. In addition, meetings with public agents are monitored by the Compliance area after registration by the employee.

It is important to note that the Company does not tolerate misconduct, and the offer, promise, or payment of any type of benefit, whether in invitations, gifts, or monetary values, is prohibited.

Whenever there is any type of request made by agents or representatives of public authorities, such situations must be reported to Compliance.

8.7 Relationship with the Press and External Media

We value freedom of expression and recognize the importance of the press and communicators to society. We have an External Communication area dedicated to, among other activities, maintaining good relations with journalists and professionals in the area. This team acts as an intermediary for all interactions between Assaí and the press, whether national or international.

Our relationship with the media follows the guidelines contained in the regulations of the “Comissão de Valores Mobiliários” (CVM), which establishes restrictions on the sharing of information for publicly traded companies, which may even result in penalties.

Any request from the press or external media for an employee to speak, write, or position themselves on topics related to or involving Assaí must be communicated to the External Communication area. No one, regardless of position in the Company, can represent Assaí without prior knowledge and authorization from the area. This guidance aims to ensure the proper dissemination of the Company’s institutional information.

8.8 Conduct on Social Networks

We recognize the value of social networks as an instant communication and social interaction tool and are committed to using these platforms ethically and responsibly, with the aim of strengthening our identity, building trust, and maintaining positive relationships with stakeholders, such as customers, employees, shareholders, suppliers, service providers, business partners, and the local community.

All employees are responsible for their actions and words on social networks, whether in personal profiles or comments on official Company accounts. When expressing opinions, it is essential to clearly distinguish that they are personal and do not represent the official position of the Company.

Our conduct must reflect our fundamental Values, promoting mutual respect, honesty, and transparency. Therefore, we do not tolerate:

- Offensive, discriminatory, defamatory, or harmful content and comments to the image of the Company or third parties.
- Sharing confidential Company information or exposing restricted environments, co-workers, customers, or stores.

We respect all applicable laws and regulations in all interactions on social networks.

It is also essential that the consistency of the Company's visual identity is maintained on social networks whose addresses are available on our website (www.assai.com.br). It is not permitted to create profiles in the name of the Company without due authorization from the Marketing and Communication areas.

Assai monitors social networks to ensure compliance with this Code of Ethics and Conduct. By adopting and following this document, we reaffirm our commitment to using social networks as a tool to strengthen our online presence ethically and responsibly.

8.9 Donations, Contributions and Sponsorships

We make donations and sponsorships with full transparency and integrity, ensuring that actions are properly recorded in the accounting of the Company and the beneficiary organizations. This information is always available for verification by the responsible area and the Assai control areas.

We do not allow linking donations or sponsorships to any type of undue benefit, bribery, or search for preferential treatment. Such actions must not result in conflicts of interest, influence decisions of public authorities, or violate the provisions of Law No. 12.846/13, known as the "Clean Company Law," or any rule established in this Code or in Assai's Anti-Corruption Policy.

It is important to note that we do not support donations or sponsorships to individuals, concentrating our efforts exclusively on organizations, unless these actions are part of campaigns approved by the Executive Board or have the endorsement of the Ethics Committee.

8.10 Gifts, Presents, Trips and Entertainment

When receiving gifts, presents, invitations to lectures, training, and trips, it is essential to assess whether there is a possibility of any conflict of interest arising. Our conduct must be transparent and in compliance with Assai's policies.

It is essential that, in these cases, employees immediately notify their manager and seek approval from the Executive Board responsible. This demonstrates full transparency and is in line with the Company's expectations.

Offering or accepting gifts, presents, and invitations with the intention of influencing business decisions, making exchanges of favors, or obtaining undue advantages is not tolerated. If, by chance, the employee receives something that is outside the limits established in our policy, causes discomfort, or is difficult to refuse, it is essential to immediately notify the Compliance area. They will assess the situation and may even involve the Ethics Committee to ensure that appropriate measures are taken.

8.11 Organizations and Social Movements

We promote quality dialogue with unions, NGOs, institutions that represent civil society, minority groups, and employee representation. Assai is committed to developing this dialogue constructively, based on mutual respect and the common interest of the Company and its employees. Regarding Assai's positioning before Associations and Unions, even in legal committees, all decisions must be previously aligned with the Institutional Relations and Union Relations areas, respectively. Autonomous decision-making is not permitted.

To this end, we adopt the following measures:

- Frank and open dialogue with all interlocutors, without restrictions or censorship.
- Mutual respect: we believe that dialogue is only possible from mutual respect between the parties.
- Relations must be based on the joint well-being of the Company and its employees.
- We comply with current regulations, ensuring the delivery of accurate and timely information to employee representatives and union bodies.
- Although Assai is not affiliated with political entities or groups, it values and acknowledges their importance.
- We uphold the freedom of our employees to associate with political parties, unions, or social movements, provided they do not use these affiliations to represent or speak on behalf of Assai.

9. BUILDING A HEALTHY ENVIRONMENT

9.1 Responsibility of Our Leaders and Employees

We have the responsibility to internalize the Values of the "Being Assai is Like This" culture in our daily lives and in all decisions made within the Company. Our managers must lead by example, demonstrating the ability to listen to and value diverse opinions, arguments, and ideas that represent opportunities for learning and improving our processes.

It is mandatory that they promote a safe, respectful, and inclusive environment where everyone has the opportunity to participate in discussions and contribute with ideas. This approach aims to foster improvements and stimulate more creative and innovative results that meet the demands and specifications of our business and Our Customers.

We respect our employees and encourage an environment where everyone can be authentic. We do not tolerate any form of violence or discrimination and encourage interaction and collaboration between the different areas with the aim of sharing knowledge and best practices, thereby raising our quality and productivity standards.

To foster an ethical culture in the workplace, we have performance evaluation procedures that incorporate ethical criteria. This motivates leaders and employees to adopt the best practices in terms of corporate responsibility and integrity, ensuring ethical and responsible conduct in all our activities.

9.2 Commitment to Promoting Diversity, Inclusion and Human Rights

We recognize that diversity is a fundamental value in the transformation of society and human relations. In this sense, we promote inclusion, foster respectful dialogue and celebrate the plurality of our team, customers, and society.

Our commitment is to create a welcoming and safe environment, in which everyone has equitable opportunities for development and growth, respecting the uniqueness and essence of everyone.

We do not tolerate any form of prejudice, jokes, or discriminatory comments, as well as practices that violate human rights. The promotion of representativeness and the development of our employees are non-negotiable priorities.

We understand that diversity is not only an intrinsic value but also a driving force for socioeconomic progress and innovation. We seek, daily, to offer the best shopping experience to Our Customers, valuing our relationships with all segments of society.

We reject any act that infringes current legislation and human rights. Respect and appreciation of diversity are essential foundations for harmonious coexistence with stakeholders. Therefore, we combat any form of violence, intolerance, or discrimination, regardless of its nature.

We also commit to not accepting slave or informal labor, child exploitation, and any inhuman and degrading working conditions in our Company and throughout our value chain, reinforcing our commitment to social responsibility and business ethics.

9.3 Prejudice, Discrimination and Harassment

We value diversity within our team and do not tolerate any form of prejudice, discrimination, and harassment.

We are committed to investigating and combating situations that involve humiliation, intimidation, exposure to ridicule, hostility, or embarrassment in the workplace, regardless of whether they are related to color, race, sex, sexual orientation, language, religion, political opinion, nationality, social origin, or any other condition.

Abusive, inappropriate, or offensive behaviors, whether through words, actions, or gestures, directed at colleagues, partners, or visitors in the workplace are also not allowed. Furthermore, the practice of moral or sexual harassment within the Company or in activities related to it, both inside and outside the facilities, is not tolerated.

9.4 Environmental Responsibility

We attach great importance to the environmental impacts resulting from our operations. We are committed to the responsible and conscious use of natural resources, as well as their effective management, with the aim of reducing the environmental impact resulting from our activities. We maintain a continuous effort in our daily conduct, seeking to incorporate best practices in environmental protection and strictly observing environmental laws in force.

To this end, we encourage efficiency in water consumption and work to reduce carbon emissions, implement equipment modernization, adopt cleaner energy sources, improve energy efficiency, properly manage waste, combat food waste, and promote the circular economy.

In addition, we encourage conscious consumption by Our Customers, offering products and services that respect the environment.

9.5 Occupational Safety & Health

Our commitment is to promote better working conditions, preserve health and social well-being, and ensure quality of life, welcoming, and engagement of our employees. This includes compliance with legal issues related to the topic, as well as practices and policies defined by Assai, allowing them to carry out their activities with full capacity.

Occupational Safety

We ensure compliance with safety and accident prevention standards, aiming to eliminate incidents and protect Our People against occupational risks.

At Assaí, we comply with current regulatory standards to maintain a safe and healthy work environment. We act as a partner to leadership in our stores, DCs, regional offices, and Headquarters, promoting accident prevention, consulting, and dissemination of best practices and relevant legislation.

It is the leadership's responsibility to ensure that Safety and Accident Prevention Standards are rigorously applied in their teams.

Each of us is responsible for knowing, applying, and following Occupational Safety Standards and Procedures, promoting safety in our work environment and during the performance of our duties. Small failures, resulting from inattention or ignorance of safety policies and standards, can expose us to risks, including fatal ones.

Health

We promote health and quality of life, ensuring the continuous improvement of the physical and mental health conditions of employees, in addition to stimulating a healthy interaction between the social and work environment.

Our commitment is to protect the health of employees, fully complying with regulatory standards, legal requirements, and best practices related to the care of our team.

We work to ensure that our employees are treated with respect and are welcomed in a safe and healthy work environment.

Each of us is responsible for knowing, applying, and following Occupational Health Standards and Procedures, promoting a healthy and preventive environment.

9.6 Asset Security and Prevention

Employees of third-party companies and the Loss Prevention team receive training on the Company's Code of Ethics and Conduct to perform their duties correctly and ethically.

In this regard, we emphasize that Assaí does not tolerate:

- Disrespectful and/or discriminatory approaches motivated by issues such as color, race, gender, sexual orientation, sexual expression, manner of dress, or use of accessories.
- The sharing of third-party information, whether clients or employees.
- Negligence, disrespect, or lack of consideration regarding complaints from anyone within our work environment.
- The dissemination of disrespectful and/or derogatory jokes or pranks involving clients and/or employees.

In commitment to this issue, managers routinely verify the practical application of these principles.

9.7 Use of Alcohol, Drugs, and Possession of Weapons at Work

To promote a peaceful and respectful work environment among our employees, we remind you that it is prohibited to enter, remain, or participate in activities on our facilities or external events related to the Company under the influence of alcoholic beverages or illicit narcotics.

Furthermore, the possession or storage of any weapon on our facilities or in external activities associated with the Company is not permitted. Service providers who use weapons as work tools must be duly authorized and identified.

If any situation contradicts these guidelines, we request that employees contact their manager, the Human Resources area, and the Asset Security team.

10. ETHICS AND TRANSPARENCY

10.1 Conflicts of Interest

It's important to be aware of situations that could create conflicts of interest. These happen when our ability to make fair decisions is compromised, favoring individuals or third parties over what's best for the Company.

As part of our ethical responsibility, we must act with integrity, transparency, and loyalty. If you're unsure about a potential or actual conflict, you must tell the Compliance area or use the Ethics Hotline.

We should always check our professional relationships, as situations that were once okay can become problematic due to various reasons.

Some situations to avoid:

- Hiring close associates* to work under your supervision.
- Recommending your own company or someone close's company to provide services in your area.
- Using Company resources for personal gain.
- Conducting personal transactions of products or services on Company premises.
- Providing services, working, or consulting for Assai's competitors.

Remember, it's crucial to follow the Company's ethics and integrity guidelines, always looking out for Assai's best interests.

* Close associates are people who, due to proximity or frequent interaction, can influence decision-making, potentially creating a conflict of interest in your professional duties.

10.2 Side Activities

Because of our employees' loyalty commitment, we don't allow any simultaneous activity, directly or indirectly, paid or unpaid, for a competitor or any third party with an active business contract with Assai or in negotiation. However, exceptions can be made if approved by the Ethics Committee or following the Related Party Transactions Policy.

Employees can participate in volunteer or paid activities in non-profit organizations or civic, religious, educational, public, political, social associations or even engage in paid activities like selling beauty products, food, insurance, etc., as long as these activities don't conflict with Assai's interests.

Important: These activities must be done outside work hours and without using Company resources like email, phones, printers, and office supplies.

10.3 Family and Intimate Relationships

We value personal relationships and respect family and intimate ties among our employees. However, we must set limits to avoid conflicts of interest. Intimate and family relationships are allowed as long as there's no hierarchical subordination, influence on management decisions, or impact on processes.

10.4 Information Security

Through Information Security Governance, Assaí aligns its goals and strategies with a comprehensive program to strengthen security. This includes network protection, access control, secure messaging, user device security, and data backup and recovery. We also focus on protecting the personal data of our employees, customers, and third parties.

This program is regularly reviewed and updated based on maturity analyses and cyber risk assessments. We also run communication and training campaigns to raise awareness about Information Security.

Your actions are key to protecting Company data, like using strong passwords and keeping them private. Also, be careful with storing and discarding printed documents, and keep sensitive information confidential. Follow other security measures detailed on the Intranet and official Company communication channels.

10.5 Protecting Financial and Sustainability Information

It's our job to act ethically and protect Assaí's financial information, which is shared with everyone involved, whether in print or digital form. To do this, we must ensure that the accounting standards we use follow the rules of regulatory bodies and the latest guidelines for sharing sustainability information, both in Brazil and internationally.

Before sharing any financial information, inside or outside the company, the responsible departments must approve it. This keeps our data safe, as access to this information gives Assaí a significant competitive advantage.

10.6 Internal Controls and Accurate Accounting Records

Every day, we value integrity and transparency, and each of us is responsible for checking how well our control system is working. By creating reliable financial and accounting information, we help the company's management achieve its goals.

At Assaí, we have an Audit Committee (CoAud) that oversees the company's risks, the accuracy of financial statements, and internal controls.

We have internal and external auditors who check and report on how well our processes work. Employees must cooperate with them by providing reliable and accurate information, which is essential for their work.

10.7 Insider Information

Employees, managers, and anyone with access to confidential company information must not disclose it or use it for their benefit or the benefit of others. Those who use it to gain unfair advantages, whether in transactions involving securities or anything else, will be subject to penalties, as stated in our internal policies. They may also face criminal and/or administrative actions from regulatory agencies.

10.8 Anti-Corruption and Prevention of Fraud and Money Laundering

We act ethically, with respect, integrity, and transparency when dealing with public administration representatives and public or private agents. Our actions follow current laws, such as the Brazilian Anti-Corruption Law (Law No. 12,846/2013) and the US Foreign Corrupt Practices Act (FCPA), which hold companies accountable for actions against public administration, whether in Brazil or abroad.

We do not tolerate any misconduct related to corruption, fraud, or bribery, whether by offering, demanding, receiving benefits, or any form of advantage involving public or private agents.

Assaí does not provide financial support or any assistance to individuals involved in criminal activities. We also do not participate in practices that aim to hide or disguise resources of criminal origin, acting in full compliance with the Law against Money Laundering Crimes (Law No. 9,613/98).

We proactively educate our employees, suppliers, and service providers about the importance of combating corruption in all relationships, whether with employees, direct or indirect suppliers, distributors, consumers, customers, public agents, or any other relevant party.

For detailed information, please read the Anti-Corruption Policy, available on the Assaí Investor Relations website.

10.9 Compliance with Laws, Regulations, and Internal Rules

We fully respect all national and international laws, principles, standards, and regulations that apply to our business. To ensure a legally safe and transparent environment, we have internal policies and procedures that must be followed by all our team members.

To achieve this goal, it is essential to ensure that these policies, procedures, and other similar rules are publicly known, being disclosed through the Company's official channels.

Our policies and procedures should be consulted regularly to guide our actions and ensure that we are acting by internal rules. However, in situations where there are omissions or doubts, it is important that competent areas are consulted. It is not allowed that, due to eventual uncertainties or gaps, we are led to make decisions that contradict the ethical values of the Company.

Our leaders play a fundamental role, always acting as examples of ethical and integral behavior. They must implement effective controls to prevent fraud and ensure compliance with laws, policies, and internal procedures.

10.10 Use of Assets and Resources

The use of corporate technology assets and resources requires our attention and care, highlighting the following guidelines:

- Corporate technology assets and resources must be strictly used for professional purposes for the benefit of Assaí.
- It is strictly prohibited to install unauthorized software on Company equipment and to access inappropriate or illegal content on the internet, as this can harm the Company's image, result in legal implications, and compromise the organization's security.
- Corporate email must be used responsibly, avoiding sending offensive or inappropriate messages or messages for personal purposes.

In addition, employees are responsible for protecting corporate technology assets against theft or robbery, keeping them in safe places and applying anti-theft devices, such as security locks for laptops, as a precaution.

It is of utmost importance that the use of corporate devices is carried out with care, ranging from transport to handling, to prolong the useful life of these resources.

11. ABOUT THIS CODE

References to Assaí include all its branches and subsidiaries, as well as stores, Distribution Centers (DCs), regional offices and the Headquarters. All references to employees include directors, administrators, and employees of Assaí and its branches and subsidiaries.

Those who commit acts that violate the Assaí Code of Ethics and Conduct, or its essence will be subject to applicable legal and administrative sanctions, as provided in civil, criminal, and labor legislation.

In accordance with the Consequences and Disciplinary Measures Policy, the sanctions applicable due to the violation of the precepts outlined in this Code of Ethics and Conduct by its employees will be measured on a case-by-case basis, taking into account: (I) the nature and severity of the violation; (II) the transgressor's history, as well as their responsibilities; (III) mitigating or aggravating circumstances of the committed infraction; (IV) the means used and the ends sought; (V) the risks involved; and (VI) the possible consequences of the sanction. The applicable sanctions may range from warnings to suspension and even termination for cause of involved employees.

In the case of violations by suppliers of goods and service providers, the penalty may range from warnings, suspension, and even punitive contractual termination.

This Code does not create an employment relationship or any contractual right between Assaí and its employees and/or third-party and business partners. This document is also not a guarantee of specific treatment in certain situations.

The guidelines presented in this Code will be applied on a case-by-case basis. Exceptions must be reviewed by the Ethics Committee.

Communications and training to Assaí employees regarding this Code of Ethics and Conduct are carried out by the Internal Communication and Assaí University areas (People Management Directorate) upon demand from the Compliance area.

In addition to requiring formal adherence to the Code of Ethics and Conduct from all employees at the hiring stage, Assaí provides periodic and mandatory training to all its employees on the Code of Ethics and Conduct, providing for the renewal of adherence when the Code is updated. This code must be reviewed every 2 (two) years.

In case of doubts or questions about the content of this Code, please contact the Compliance area by email at compliance@assaí.com.br

**Policy
On Trading of Issued Securities**



Term: Indefinite

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1. PURPOSE

This Trading Policy issued by Sendas Distribuidora S.A., prepared under the terms of CVM Resolution 44, aims to establish rules and procedures that must be observed in any trading of Securities by the Subjects, in order to ensure compliance with good conduct practices and prevent misuse of Privileged Information.

2. SCOPE

The rules of this Trading Policy must be observed with respect to all trading in Securities by the Subjects, including, without limitation, securities lending, whether as a lender or borrower. The rules of this Trading Policy also apply to private trading by the Subjects.

The rules of this Trading Policy apply to trading carried out by the Subjects in or outside regulated securities market environments, on their own behalf or on behalf of third parties, through: (i) directly or indirectly, their Subsidiaries or third parties with whom a fiduciary or portfolio management agreement is in force; (ii) attorneys-in-fact or agents; (iii) their Related Persons, and/or (iv) any person who has had knowledge of Privileged Information, through any of the Subjects, knowing that it has not yet been disclosed to the market.

The restrictions contained in this Trading Policy do not apply to trading carried out by investment funds of which the Subjects are shareholders, provided that the trading decisions of the administrator and/or manager of these funds cannot be influenced by the shareholders, such influence being presumed in the case of an exclusive fund, subject to the exceptions set forth in CVM Resolution 44.

3. GUIDELINES

3.1. Misuse Of Privileged Information

The use of Privileged Information by any person who has had access to it, for the purpose of obtaining an advantage, whether for themselves or for others, through the trading of Securities, is prohibited.

3.1.1. For the purposes of Section 3.1 above, it is assumed that ("Assumptions"):

- i. The person who traded in Securities when in the possession of Privileged Information made use of such information in said trading;

- ii. Controlling Shareholders, direct or indirect, Managers, Fiscal Council Members and the Company, in relation to trades involving Securities, have access to all Privileged Information;
- iii. Subjects, having had access to Privileged Information, know that such information is privileged ;
- iv. The Manager who leaves the Company in the possession of Privileged Information uses such information if they trade in Securities within a period of 3 (three) months from resignation;
- v. Information about operations involving consolidation, total or partial spin-off, merger, transformation, or any form of corporate restructuring or business combination, change in control of the Company, including through the execution, amendment or termination of a shareholders' agreement, decision to cancel registration as publicly-held company or change in the trading environment or segment of the shares issued by it, is relevant from the moment studies or analyses related to the matter are initiated; and
- vi. Information regarding filing for judicial or extrajudicial reorganization and bankruptcy by the Company itself is relevant, from the moment studies or analyses related to such filing is initiated.

3.1.2. Subject to the provisions of the applicable regulations, the Assumptions do not apply:

- i. In cases of acquisition, through private trading, of treasury shares, resulting from the exercise of a purchase option in accordance with a share purchase option granting plan approved at a general meeting, or when it involves granting shares to Managers, employees or service providers as part of compensation previously approved at a general meeting; and
- ii. To trades involving fixed income securities, when carried out through operations with combined repurchase commitments by the seller and resale commitments by the buyer, for settlement on a pre-established date, prior or equal to the maturity date of the securities underlying the operation, carried out with predefined profitability or remuneration parameters.

3.1.3. The prohibition set out in Section 3.1. above does not apply to subscriptions for new Securities, without prejudice to the application of the rules governing the disclosure of information in the context of the issuance and offering of such securities.

3.2. Prohibition of Negotiation and Prior Communication of Statutory Officers and Members of the Board of Directors

3.2.1. Without prejudice to other prohibitions on trading provided for in the applicable rules, Controlling Shareholders, Managers and Fiscal Council Members are prohibited from carrying out any trading with Securities in the period of 15 (fifteen) days preceding the disclosure of the quarterly accounting information and annual financial statements of the Company, regardless of: (a) whether such persons are aware of the content of the quarterly accounting information and annual financial statements of the Company; and (b) whether they assess the existence of Privileged Information or intention to trade.

3.2.1.1. Without prejudice to other hypotheses provided for in the applicable regulations, the prohibition set out in Section 3.2.1. does not apply to:

- i. Trades involving fixed income securities, when carried out through operations with combined repurchase commitments by the seller and resale commitments by the buyer, for settlement on a pre-established date, prior or equal to the maturity date of the underlying securities, carried out with predefined profitability or remuneration parameters;
- ii. Transactions intended to fulfill obligations assumed before the beginning of the Blackout Period arising from securities lending, exercise of call or put options by third parties and forward purchase and sale agreements; and
- iii. Trades carried out by financial institutions and legal entities that are part of their economic group, provided that they are carried out in the normal course of their business and within the parameters pre-established in this Trading Policy.

3.2.1.2. The period referred to in Section 3.2.1. above must be counted excluding the day of disclosure; however, trades involving securities may only be carried out on that day after said disclosure.

3.2.1.3. Members of the Company's statutory management and Board of Directors must, prior to carrying out any trading in Securities, send an e-mail to the Company's Investor Relations Department at ri.assai@assai.com.br to ask about possible prohibitions on carrying out said transaction.

3.2.1.3.1. The sending of the e-mail provided for in Section 3.2.1.3 above does not exempt the persons mentioned from carrying out any communications on Securities and/or complying with any other obligations provided for in this Trading Policy and/or in the applicable regulations.

3.3. Other Blackout Periods

3.3.1. Without prejudice to the provisions of Section 3.2. above, the Investor Relations Officer, at his sole discretion, when he deems it applicable and convenient, may determine Blackout Periods for all or certain Subjects, who will be prevented from trading their Securities during the entire period established. In this case, the Investor Relations Officer must clearly indicate to the recipients of the ban the beginning and end of the effectiveness of these additional Blackout Periods.

3.1.1.1. The Investor Relations Officer is not required to provide reasons for the decision to establish the Blackout Periods, which, in any case, will be considered Blackout Periods and must be treated as confidential by the recipients of the determination.

3.1.1.2. Failure to communicate by the Investor Relations Officer will not exempt recipients from compliance with this Policy and the provisions of CVM Resolution 44, in addition to other CVM regulatory acts.

3.4. Disclosure of Trades Completed

3.4.1. The Managers, Fiscal Council Members and members of Bodies with Technical or Advisory Functions must inform the Company of the ownership of and trades carried out, whether on their own behalf or on behalf of Related Persons, with Securities issued by Subsidiaries or Holding Companies (in both cases, provided that they are publicly-held companies) or by the Company itself, by sending the report to the Investor Relations Officer, according to the model included in Exhibit II, pursuant to article 11 of CVM Resolution 44, on the first business day after taking office and within 5 (five) days after each trade with Securities.

3.4.1.1. The reporting obligation referred to herein covers the investment, redemption and trading of shares in investment funds whose regulations provide that their share portfolio be composed exclusively of shares issued by the Company, a Subsidiary or a Holding Company.

3.4.2. Without prejudice to the obligation provided for in article 12 of CVM Resolution 44, the Controlling Shareholder and persons linked to them must inform the Company of the ownership of and trades carried out with Securities issued by the Company, by sending the report to the Investor Relations Office, according to the model included in Exhibit II, pursuant to article 30 of Novo Mercado Regulation, on the first business day of each month.

3.4.3. The Investor Relations Officer must send to the CVM and the Market Management Entities, as provided for in §7 of article 11 of CVM Resolution 44, information regarding the Securities traded by the Company itself and by the other persons referred to in Section 3.4.1. of this Trading Policy.

3.4.3.1. Submission related to Section 3.4.3. must be made within ten (10) days after the end of the month in which changes in the positions held occur.

3.5. Securities Lending

3.5.1. Subject to any changes in the applicable regulations and/or the consolidation of a different understanding by the CVM and/or the Market Management Entities, this Trading Policy will apply in full to lending transactions with shares issued by the Company that are carried out by the Subjects, which must be registered with BTC and follow the procedures established by B3, with any lending transaction outside BTC being prohibited, unless expressly authorized by the Company's Investor Relations Officer.

3.6. Individual Investment or Divestment Plan

3.6.1. The Subjects may have individual investment or divestment plans to regulate their trading of Securities, which may, at the discretion of the Company's management, allow the trading of Securities in the Blackout Periods and eliminate the Assumptions, as the case may be, in accordance with the criteria and requirements established under CVM Resolution 44 and other applicable rules.

3.6.1.1. The Individual Investment or Divestment Plan must meet the following requirements:

- i. Be a formal instrument in writing before the Investor Relations Officer prior to any trading taking place;
- ii. Be verifiable, including with regard to its establishment and any changes to its content;
- iii. Establish irrevocably and irreversibly the dates or events and the amounts or quantities of the trades to be carried out;
- iv. Provide a minimum period of three (3) months for the Individual Investment or Divestment Plan itself, any changes thereto and cancellation to take effect;
- v. Be established with a validity period of no less than twelve (12) months and, if there is no change, it will be considered automatically renewed for the same period;
- vi. Be submitted in advance to the Company's Disclosure and Trading Committee, which will be responsible for reviewing the Individual Investment or Divestment Plans presented, with the purpose of safeguarding and ensuring compliance with the purposes of this Trading Policy. Additionally, it will be the responsibility of the Board of Directors to verify, at least every six months, adherence of the trades carried out by the participants to the Individual Investment or Divestment Plans formalized by them.

3.6.1.2. The Subjects referred to in Section 3.2.1. may formalize an Individual Investment or Divestment Plan that allows the trading of Securities during the blackout periods provided for in Section 3.2.1. provided that, in addition to the criteria established in Section 3.6.1.1.:

- i. Prior to the filing of Individual Investment or Divestment Plans, a schedule defining specific dates for the disclosure of the Company's quarterly accounting information and annual financial statements be approved; and
- ii. Establishment of the obligation of participants in the Individual Investment or Divestment Plan to revert to the Company any losses avoided or gains obtained from trading with Securities, resulting from any change in the dates of disclosure of quarterly accounting information and annual financial statements, determined using reasonable criteria to be defined in the Individual Investment Plan itself.

3.6.2. Participants are prohibited from: (i) maintaining more than one Individual Investment or Divestment Plan in force simultaneously; and (ii) carrying out any operations that nullify or mitigate the economic effects of the operations to be determined by the Individual Investment or Divestment Plan.

3.7. Disclosure And Trading Committee

3.7.1. The Company will have a Disclosure and Trading Committee, composed of the holders of the following positions in the Company:

- i. CEO;
- ii. Chief Financial Officer;
- iii. Investor Relations Officer;
- iv. Officer/Manager/Person in Charge of Press; and
- v. Officer/Manager/Person in Charge of Corporate Legal area.

3.7.2. The Disclosure and Trading Committee will act as an advisory body to the Company's Investor Relations Officer, assisting him in fulfilling his duties before the CVM.

3.7.3. The Disclosure and Trading Committee will meet whenever called by the Company's Investor Relations Officer, or by any of its members, and all decisions of the Disclosure and Trading Committee will be made by the majority of its members, without prejudice to the prerogatives assigned by this Trading Policy and by the regulations in force to the Company's Investor Relations Officer.

3.7.3.1. Meetings will be called by electronic communication with as much notice as the matter at hand allows, and meetings may be held by conference call, video conference or any other means of electronic communication.

3.7.4. The Disclosure and Trading Committee will have the following main responsibilities, within the scope of this Trading Policy:

- i. Assist the Board of Directors in reviewing the Subjects' new Individual Investment Plans, with the purpose of safeguarding and ensuring compliance with the purposes of this Trading Policy; and
- ii. Assist the Investor Relations Officer in matters submitted by him to the committee within the scope of this Trading Policy.

3.8. Violations And Sanctions

3.8.1. Any violations of this Trading Policy verified by the Subjects must be immediately communicated to the Company, in the person of the Investor Relations Officer or through the relevant channel provided for in the Company's Code of Ethics.

3.8.1.1. Without prejudice to the applicable sanctions under current legislation, to be applied by the competent authorities in the event of violation of the terms and procedures established in this Trading Policy, the Subjects responsible for non-compliance with any provision contained in this Trading Policy undertake to compensate the Company or other Subjects, in full and without limitation, for all losses that the Company or other Subjects may incur and that are a direct or indirect result of such non-compliance, and the Company may also, at its sole discretion, adopt any corrective and/or disciplinary sanctioning measures against the violators, in accordance with the Company's policies and practices.

3.9. Effectiveness

3.9.1. This Trading Policy will come into effect on the date of its approval by the Board of Directors and will remain in force for an indefinite period, until the Company's Board of Directors decides otherwise.

3.10. Amendments

3.10.1. By means of a resolution of the Board of Directors, the Company's Trading Policy may be amended in the following situations: (i) when there is an express determination to that effect by the CVM; (ii) in the event of a change in the applicable legal and regulatory standards, in order to implement the necessary adjustments; and (iii) when the Board of Directors, assessing the effectiveness of the procedures adopted, finds the need for changes.

3.10.2. Any change in the Company's Trading Policy must be immediately communicated to the CVM and the Market Management Entities by the Investor Relations Officer, in the manner required by applicable regulations, as well as to those adhering to the Trading Policy and will apply to each one on the date on which the changes are made known.

3.10.3. This Trading Policy may not be amended pending a Material Fact that has not yet been disclosed.

3.11. Final Provisions

3.11.1. The Investor Relations Officer will be the Officer responsible for implementing the procedures required for compliance with the rules of the Trading Policy and for monitoring them.

3.11.2. Any questions regarding the provisions of the Company's Trading Policy or the application of any of its provisions should be forwarded directly to the Investor Relations Officer, who will provide the appropriate clarification or guidance.

3.11.3. The Investor Relations Officer will be the Officer responsible for issuing the alert regarding the blackout period, in the cases provided for in CVM Resolution 44, in this Trading Policy and in the Company's Disclosure Policy.

3.11.4. The Subjects must sign the Instrument of Adhesion, which model constitutes Exhibit I to this Trading Policy.

3.11.4.1. The application of this Trading Policy will be subject to periodic monitoring by the Disclosure and Trading Committee, which, whenever it deems necessary, shall request that it be analyzed and assessed by the Company's Corporate Governance, Sustainability and Nomination Committee and assessed by the Company's Board of Directors.

4. ATTACHMENTS

4.1. Exhibit I to the Trading Policy of Securities issued by Sendas Distribuidora S.A.

**INSTRUMENT OF ADHESION TO THE TRADING POLICY OF
SECURITIES ISSUED BY SENDAS DISTRIBUIDORA S.A.**

By this instrument, [name or corporate name], [identification], with address at [address], in the capacity of [relationship with the Company or companies in its group] of Sendas Distribuidora S.A. ("Company"), hereby represents that he/she is knowledgeable of the Trading Policy of Securities issued by the Company, as approved at a meeting of the Board of Directors held on November 7, 2024, and agrees to comply with all the terms and conditions of such policy, as well as all subsequent amendments thereto, as disclosed on the Company's Investor Relations website.

[Place], [Date] [Signatory]

Witnesses:

1. _____
Name:
ID:
Tax ID:

2. _____
Name:
ID:
Tax ID:

4.2. Exhibit II Trading Policy of Securities issued by Sendas Distribuidora S.A.

INDIVIDUAL FORM

Trading by Managers and Related Persons – Art. 11 – CVM Resolution No. 44/2021

Trading by the Controlling Shareholder and Related Persons – Art. 30 B3 S.A. – Bolsa,
Brasil e Balcão Novo Mercado Regulations

In(month/year)

() the following trades involving securities and derivatives were carried out, in accordance with article 11 of CVM Resolution No. 44/2021 and section 30 of Novo Mercado Regulations, as applicable:

() no trades with securities and derivatives were carried out, in accordance with section 11 of CVM Resolution No. 44/2021 and section 30 of Novo Mercado Regulations, as applicable, and I hold the following positions in securities and derivatives.

Name of Company / Subsidiary/ Holding Company¹							Individual/Corporate Tax ID (“Brazilian CPF/CNPJ”):	
Name²:								
Identification:								
Group	<input type="checkbox"/> Controlling Shareholder	<input type="checkbox"/> Board of Directors	<input type="checkbox"/> Executive Board	<input type="checkbox"/> Fiscal Council	<input type="checkbox"/> Technical or Advisory Bodies			
Initial Balance								
Security/ Derivative	Features of the Securities³	Quantity	% interest					
			Same Type/ Class	Total				
Changes during the Month								
Security/ Derivative	Features of the Securities⁴	Dealer	Transaction	Day	Quantity	Price	Volume (R\$)⁵	
Final Balance								
Security/Derivative	Features of the Securities⁶	Quantity	% interest					
			Same Type/ Class	Total				

¹ Report Subsidiary Company and/or Controlling Company, only if such companies are publicly-held companies. In relation to the Controlling Shareholder and Obligated Persons, information on transactions with assets of other companies must be provided to the extent that it affects the indirect ownership of securities issued by the Company or referenced to them.

² Fill out a form for each related person, if applicable, stating their name, Tax ID (“Brazilian CPF/CNPJ”) and qualification.

³ Issue/series, convertible, simple, maturities, guarantees, type/ class, etc.

⁴ Issue/series, convertible, simple, maturities, guarantees, type/ class, etc.

⁵ Quantity times price.

⁶ Issue/series, convertible, simple, maturities, guarantees, type/ class, etc.

5. REFERENCES

Not applicable.

6. DEFINITIONS

In the application and interpretation of this Trading Policy, the terms listed below shall have the following meanings:

6.1. Controlling Shareholder: The shareholder or group of shareholders bound by a shareholders' agreement or under common control, which exercises the power of control of the Company, directly or indirectly, under the terms of Law No. 6,404/76.

6.2. Managers: The Company's Officers and titular and alternate members of the Board of Directors.

6.3. Relevant Act or Fact: Any decision by the Controlling Shareholder, resolution of the general meeting or of the Company's management bodies or any other act or fact of a political and administrative, technical, business or economic and financial nature that has occurred or is related to the Company's business that may significantly influence: (i) the price of the Securities; (ii) the investors' decision to buy, sell or hold the Securities; or (iii) the investors' decision to exercise any rights inherent to the condition of holder of the Securities.

6.4. B3: B3 S.A. – Brasil, Bolsa Balcão.

6.5. BTC: The BTC Securities Bank, which is a securities lending service upon provision of guarantees, offered by B3 through an electronic system.

6.6. Company: Sendas Distribuidora S.A.

6.7. Fiscal Council Members: Titular and alternate members of the Company's Fiscal Council, when installed, elected by resolution of the Company's general shareholders' meeting.

6.8. Disclosure and Trading Committee: The advisory body to the Company's Investor Relations Officer, established with the aim of assisting him in fulfilling his duties before the CVM.

6.9. CVM: The Securities and Exchange Commission.

6.10. Investor Relations Officer: The Company's Investor Relations Officer, elected to perform the functions provided for in the regulations of the CVM and Market Management Entities.

6.11. Market Management Entities: Means the stock exchanges and organized market entities in which the Securities are or will be admitted for trading, in Brazil or abroad.

6.12. Privileged Information: Any Material Act or Fact that has not yet been disclosed to the market and the investor public.

6.13. Law No. 6,404/76: Law No. 6,404 of December 15, 1976, as amended.

6.14. Bodies with Technical or Advisory Functions: Means any Company bodies with technical or advisory functions, created by statutory provision.

6.15. Blackout Period: Means any period during which trading in Securities is prohibited by law or regulation or by order of the Investor Relations Officer.

6.16. Related Persons: Persons who maintain the following connections with the Subjects: (i) the spouse, from whom he or she is not legally or extrajudicially divorced, (ii) the loving companion; (iii) any dependent included in the annual income tax return; and (iv) companies directly or indirectly controlled by the Subjects and other persons indicated by the Investor Relations Officer, at his/her sole discretion, who are or may become aware of Privileged Information relating to the Company, Subsidiaries or other companies in its group.

6.17. Subjects: The Company, its direct or indirect Controlling Shareholders, Managers, Fiscal Council Members, members of Bodies with Technical or Advisory Functions or anyone who, by virtue of a business, professional or trust relationship with the Company, has access to Privileged Information.

6.18. Individual Investment or Divestment Plan: Individual investment or divestment plan, as provided for and regulated in CVM Resolution 44 and in this Trading Policy.

6.19. Trading Policy: This Trading Policy issued by the Company.

6.20. CVM Resolution 44: Means CVM Resolution No. 44, of August 23, 2021, as amended.

6.21. Affiliated Companies: Companies in which the Company has significant influence, without controlling them, under the terms of §§ 1, 4 and 5 of article 243 of Law No. 6,404/76.

6.22. Subsidiaries: Companies in which the Company, directly or through other companies, holds shareholder rights that permanently ensure that it will prevail in corporate resolutions and the power to elect the majority of managers.

6.23. Holding Companies: Direct or indirect controlling companies of the Company, which have or will have such status under Law No. 6,404/76.

6.24. Instrument of Adhesion: Instrument of adhesion to this Trading Policy, to be signed by the Subjects, according to the model included in Exhibit I to this Trading Policy, through which they express their knowledge of the rules contained in the Trading Policy, assuming the obligation to comply with them and to ensure that the rules are complied with by persons under their influence.

6.25. Securities: Any assets issued by the Company or referenced thereto, which, by legal definition, are considered securities, including shares, debentures, subscription warrants, subscription receipts and rights, promissory notes, call or put options, indexes and derivatives of any kind, or any other securities or collective investment contracts issued by the Company, or referenced thereto, which are considered securities by legal definition.

7. REVISIONS AND APPROVALS

Revision	Year	Changes	Reviewers (Position/Department)	Approvers (Position/Department)
2 ^a	2024	Approved at the Company's Board of Directors Meeting held on November 7, 2024.	Tamara Nahuz Governance Director Willian Cunha Legal Manager	Assai Board of Directors. Vitor Faga Vice President of Finance & Investor Relations

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Belmiro de Figueiredo Gomes, certify that:

1. I have reviewed this annual report on Form 20-F (this "Report") of Sendas Distribuidora S.A. (the "Company");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - (d) Disclosed in this Report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 31, 2025

/s/ Belmiro de Figueiredo Gomes
Belmiro de Figueiredo Gomes
Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Vitor Fagá de Almeida, certify that:

1. I have reviewed this annual report on Form 20-F (this "Report") of Sendas Distribuidora S.A. (the "Company");
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15 (e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - (d) Disclosed in this Report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 31, 2025

/s/ Vitor Fagá de Almeida

Vitor Fagá de Almeida

Vice-President of Finance and Investor Relations

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), each of the undersigned officers of Sendas Distribuidora S.A. (the "Company"), do hereby certify, to such officer's knowledge, that:

The annual report on Form 20-F for the fiscal year ended December 31, 2024 of the Company (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2025

/s/ Belmiro de Figueiredo Gomes

Name: Belmiro de Figueiredo Gomes
Title: Chief Executive Officer

/s/ Vitor Fagá de Almeida

Name: Vitor Fagá de Almeida
Title: Vice-President of Finance and Investor Relations