

Conference Call Transcription – 3Q25

Assaí (ASA13 BZ)

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Operator:

Good morning everyone and thank you for waiting. Welcome Assaí Atacadista's third quarter 2025 earnings call.

For those who need simultaneous translation, we have this tool available on the platform. To access, just click on the Interpretation button, through the globe icon at the bottom of the screen, and choose your preferred language, Portuguese or English.

This earnings call is being recorded and will be made available on the company's IR website, at address ri.assai.com.br, where the earnings release is already available.

During the company's presentation, all participants will have their microphones off and then we will start the Q&A session.

To ask questions, click on the Q&A icon at the bottom of your screen and type in your name, company, and language to join the queue. When announced, a prompt to activate your microphone will appear on the screen, and then you must activate your microphone to ask your question. Please submit your questions all at once.

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Now, I would like to give the floor to **Gabriela Helú**, the Investor Relations Officer.

Gabrielle Helú — Investor Relations Officer:

Hello, good morning everyone. Thank you for participating in our third-quarter earnings call. I'm going to introduce the executives who are here today. We have our CEO, **Belmiro Gomes**; our CFO, **Aymar Giglio Junior**; **Anderson Castilho**, Vice President of Operations; **Wlamir dos Anjos**, Vice President of Commercial and Logistics; and **Sandra Vicari**, Vice President of People and Sustainability. I will pass the floor to **Belmiro** to begin the presentation.

Belmiro Gomes — CEO:

Thank you, Gabi. Thank you to all of the other directors here today. Good morning everyone.

Let's talk about the numbers for the third quarter, a very challenging quarter. You can share the first page of the presentation. From a positive point of view, the company remains firm in its deleveraging journey. Even with this more restricted environment, which we will talk about a little later, the company kept deleveraging, reaching the lowest level of debt/ EBITDA ratio since 2021, when we had the Extra project.

The company remains very strong with this focus, combined with an advance in margins and, especially, in this third quarter, we have a very strict control of the level of expenses, which, in a more restricted scenario, in our view, was positive, because it grew below inflation.

A series of initiatives carried out within the operating model throughout 2025 generated results in terms of expenses in this third quarter. We brought, as you saw in the release and in the presentation, the sales vision for the four-month period.

"Ah, but is it because October was better?" No. The vision of the four-month period is fair because it brings the effect of the anniversary campaign. Last year, we had a very strong campaign, which was Assaí's 50th anniversary, held in August and September. This year, we moved it to the month of October, which is Assaí's anniversary month.

This turned out to be positive because September was a very difficult month for several sectors in commerce. Let's look at what the company's vision is within this. And then it is worth sharing a view that we brought in the release, which is to separate the different profiles of Assaí's customer base.

We are exposed to all social classes, from class A/B to class C/D/E, and we are exposed to the B2B public, which are the small businesses that buy with us. This audience represents approximately 40% to 45% of the sales. In some cash and carry stores, it is as high as 50%, in others, 20%.

What did we see in this quarter? One of the biggest differences in performance between sectors and our Same store sales that service high income customers and stores that service low income customers.

Within our own consumer flow, the flow remained totally stable in the third quarter compared to last year, with a minimal variation. The level of trade-down was equivalent to what had already been happening in the first and second quarters. This is when we look at the overall customers.

When we separate them per social class, we see the A/B class gaining volume and the C/D/E class still with a volume retraction and an increase in the trade-down level. In this quarter, Brazil reached the highest interest rate level in the last 20 years. In our view, this led to a level of household indebtedness of about 80 million individuals, and 8 million business with bad credit records, reaching an all-time high in November. This occurred along with an interest rate of 15%.

This is visible when we look at the channels that serve low-income customers and buy from us. When we look at the B2B audience, it shows greater volume retraction. The latest Nielsen survey, from the third quarter, shows an important difference in volume performance: retail formats that serve class A/B had a volume increase of 2.7%, while formats such as minimarkets, grocery stores and independents, which are heavily supplied by cash and cash, had a regression of 8.3%.

The bar had a 12% regression within this quarter. Probably the methanol scandal had a stronger impact as well. Food service had a drop of approximately 6%.

We are at a high-interest rate level. How can we interpret this? About 17% of the population receives a fixed income, with a mass of R\$ 8 trillion invested in fixed income, while 83% have debt service compromised, with half a trillion reais in debt. The real interest rate, which is the second highest in the world, actually causes a transfer of income.

We clearly see sectors linked to class A/B gaining volume and class C/D/E losing purchasing power. It is a scenario where there is full employment, but a lower income mass. There is an increase in income that reaches the C/D/E population, but with increasingly lower available purchasing power.

So for our B2C audience, this has not much of an impact but for the B2B audience, it has a high impact. Therefore, when we look at any number, the cash and carry business, in general, because it is more exposed to lower social classes, registered a mixed performance in this third quarter: part serving high income, part serving low income. In other retail formats, those who service high-income customers perform better than those who serve low-income.

We see a large number of clients with a bad credit record. We observe that this increase comes from payroll loans. Payroll loans, which were intended to exchange debts for cheaper debt, did not happen. In some cases, it was even higher and there was greater exposure to risk, including many consumers — and even our employees — with zero payment.

In view of this, the company's position was to maintain its focus on deleveraging and maintaining margin.

This is visible with the EBITDA, which grew 0.2 p.p. even with this scenario with more restricted sales, showing Assaí's resilience. If you look at the same store sales at this level, you might expect the margin to have fallen or the leverage level to have increased. However, the volume drop was not enough to impact these objectives.

The Net income is impacted by the cost of debt. The third quarter fully reflects the SELIC rate at 15%, the interest percentage is approximately 450 bps above the third quarter of 2024. As a result, the debt cost remains high, but even so, the company's leverage follows the trend we disclosed, but of course if interest rates were lower, we would deleverage quicker.

We saw retail numbers in the 3rd quarter generated a series of concerns, and we actually issued a relevant fact, to provide a view on how the company is keeping up with its deleveraging pace.

Gross profit shows an improvement, due to store maturity and, mainly, due to services, which helped a lot with this improvement. When we reduced the B2B mix, which had a lower margin, this also had a positive effect on the gross margin.

Our expenses are the highlight for this quarter. Initiatives such as self-checkout, which today already have a significant share, helped from the point of view of productivity, in a scenario of high turnover and lack of labor. So, our expenses grow above sales, but below inflation.

The highlight here is the EBITDA, which goes from 5.5% to 5.7%. In the post-IFRS view, we reached 7.6% EBITDA margin.

With that, I move on to **Aymar**, who will talk about debt and cash. **Aymar**, the floor is yours.

Aymar Giglio Junior — CFO:

Good morning, everyone. Adding on to Belmiro's explanation and speech, we have here on this page some information on cash generation, debt, and leverage. I think this page shows how resistant Assaí is even in a difficult moment for sales.

When we realize that, even with this evolution in the third quarter, with sales below what we would like them to be, we still managed to reduce our net debt year after year, by R\$ 500 million reais. This is not insignificant. Part of an operating cash generation of R\$ 4.2 billion. A reasonably larger generation than the second quarter. Paying a CAPEX of R\$ 1.1 billion in the last 12 months, we have a free cash flow generation of R\$ 13.1 billion, paying the interest on the debt of R\$ 2.2 billion and improving the final cash by R\$ 900 million reais.

When we talk about the R\$ 500 million net debt reduction, it is because we discount the variation in receivables, here and then reach R\$ 500 million. But before receivables, the variation is R\$ 900 million reais. Almost R\$ 1 billion of generation in 12 months after debt service.

When we see another cut in this situation, we see that the net debt and the gross debt itself were also reduced by R\$ 500 million. That is, we added all that interest over 12 months, paid all the debt service and the gross value was still R\$ 500 million lower. It was not due to an increase in cash; Cash was very similar to the previous year's cash, so this means that the gross debt also dropped. I think this is an important indicator: not only the net debt is falling, but also the gross debt.

In the next chart, I will show you our maturity flow and I will make some more comments about the gross debt. Here, on the right side, it is very clear that leverage continues on a very strong trajectory,

if we imagine that the level of interest, in the last two quarters has changed a lot from a year over year comparison. As Belmiro said, in this third quarter the effective CDI is almost 40% higher than the effective CDI of the same quarter last year. And even so, the deleveraging trajectory continues to drop half a point in the EBITDA in the period, and we therefore maintain the guidance of something close to 2.60x for the next quarter.

If we go to the next slide, we have observations about the financial result. A financial result that always causes a very large negative impact on net income, due to this size of the debt. But it is still a financial result that grows 23% quarter after quarter, against that interest variation that we commented on of 40% quarter by quarter.

Obviously, even if the impact on sales of 3.2% versus 2.6% a year ago had simply followed the year-of-year variation in interest rates, it could have been greater if we hadn't made progress on debt and cash management.

In terms of net income, we have a net income of R\$ 195 million in the quarter against R\$ 198 million, reflecting the weight of the financial results and a certain income tax credit this year, making the net income proportionally higher than if it had an income tax debt like that of the previous year. Even so, despite all the differences, it is net income that remains around 200 million in these intermediate quarters of the year, with a net margin of around 1.1%.

We understand that, even in a complicated moment, the company deleverages, the company continues to generate strong cash, and continues to present net income even after paying around 600 million in a quarter of net financial expenses. So we understand this result as very resistant.

On the next slide, there is something I never lose track of, which is the debt maturity flow. When we look at this together with our year over year cash generation, we didn't need new money in 2025. We have no more maturities in 2025. We made a prepayment in the third quarter, which helped to extend future maturities a little more, and we have a flow of maturities in 2026 and 2027 that allows us to confirm that we do not need refinancing in 2026 or 2027.

In 2028 and 2029, the volume is really concentrated. But our payment capacity in terms of cash generation has grown over these two years, and we still have two years (2026 and 2027) to continue making debt extension transactions.

So we understand that with these 6.2 billion in 2028 and these 5.3 billion in 2029, we don't need new money in 2026 and 2027, and will continue to make prepayments to reduce this concentration of maturities and push more maturities to 2030 and 2031. If there is a need for funding in 2028 or 2029, it will not be high.

I think that's what I had to reinforce about the company's financial capacity, which, even within a more complex scenario, gives us some comfort.

Belmiro Gomes — CEO:

Thank you, Aymar. Now **Sandra Vicari**, our Vice President of People Management and Sustainability, will talk about sustainability on the next slide. A series of initiatives that we have within a topic that is very important at a moment when COP 30 is taking place.

Sandra Vicari — VP of People Management and Sustainability:

Good morning, everyone. Well, about our sustainability strategy, we continue to advance with this agenda. In the pillar of efficient operations, which concentrates all the work to combat emissions and climate change, we launched a public goal so that, by 2035, we can reach zero landfill disposal, that is, eliminate waste sent to landfills.

We also continue to make progress in repurposing the company's waste — we increased the volume of tons sent for composting. In our Destino Certo program, we have already evolved a lot: today, 96% of our stores are included in the program, which brings us very positive results within the pillar of efficient operations and fighting against climate change.

In the pillar for ethical and transparent management, we had an important recognition in the ESG Integrity Yearbook, being the first food retail company to appear in the ranking. We remain firm and active in ethical and responsible practices within the company.

In the people development pillar, we continue to advance in diversity and inclusion, with very positive numbers — considering black people and women in leadership positions, or in the significant number of migrant and refugee employees, which already exceeds a thousand people.

We also continue to work on fighting against hunger and food security programs. We had a very strong effort with engaging employees in volunteer programs throughout this year, especially this quarter, with a focus on our regional offices.

In October, we organized the Assaí Academy Award, which is our entrepreneurship support program. This was the eighth edition, with more than 2,100 food entrepreneurs receiving financial support and training. The national phase took place here in São Paulo, and also featured awards in special categories, such as technology, innovation and sustainability.

In the eight editions of the award, we have already added more than nine thousand entrepreneurs awarded, reinforcing consistent work to support entrepreneurship.

All these advances have made our operations increasingly sustainable, strengthening our ethical governance and expanding the care and development of the communities where we are present — that are already part of our history.

I will now move on to Belmiro.

Belmiro Gomes — CEO:

Thank you, Sandra. Well, moving towards the end of the presentation, I think it is worth briefly highlighting some important awards the company has received.

Infomoney, which is one of the most reputable in terms of valuation, considered Assaí as the most valuable brand in food retail, worth 12.2 billion reais. As well as a series of other awards — the first place among the companies that are most admired by consumers, the fourth consecutive year in Top of Mind as the most remembered brand in the supermarket and wholesale sectors — and a series of other important recognitions that the company received during this period.

You can move on to the next slide.

Assaí is now the largest and most present Brazilian company in food retail. When looking exclusively at the cash and carry operation, it is the most valuable brand. Our flow remains totally stable, with 40 million people passing through our stores monthly, and the company has now reached 60% penetration in homes in the Metropolitan region of São Paulo.

So this makes room — the strength of the brand, especially the volume and flow of customers, and how dear the brand is — for a series of important projects going forward.

We talked a lot here, and it should be what we are going to discuss, how the consumption environment is in the short term, which is more challenging. And the company has a series of growth avenues, whether in the health sector, which is something that everyone knows, and believe, due to the flow of customers we have, that it has an important potential; including medication, more vitamins, supplements and HPC itself — which is hygiene, health and personal care.

The company starts a project taking advantage of this brand recognition and, at the moment you realize that part of the population is more willing to buy products at better prices, a very relevant private label project comes in, especially in regions where we have a very large store density, with this brand strength.

Leading our financial services, we have a pilot on the streets already, that we are testing with the B2B public using terminals, and probably by the end of the year we should have some news in this regard. It is one of the main levers for value creation, with this flow that the company has.

And a reinforcement that we are now doing in digital channels, especially in our last mile partnerships with iFood itself — it is a volume that has increased, we notice increasing customer adherence, and simpler logistics provided by the last mile providers, than if we were to do it initially.

So these are the big levers that lie ahead. There is also an expectation, as we have seen how unequal the performance has been in the social classes. And the income tax exemption approved now should bring relief to this CDE public, which is spending a good part of its budget on debt service.

So that's it. I'll give the floor back to Gabi, and let's open up for questions and answers.

Operator:

Now we will start the Q&A session. We remind you that to ask questions, you must click on the Q&A icon at the bottom of the screen and write your name, company and language to join the queue. When you are announced, you will be prompted to activate the microphone, and then you must activate it to ask the question. We kindly request that the questions be asked all at once.

Starting with our first question coming from **Danniela Eiger**, from **XP**. Dani, we will enable your audio so that you can proceed. You can continue, please.

Danniela Eiger — XP:

Hi, good morning, everyone. Thank you for taking my question. I have a few on my side — I'm going to share two, because there's probably going to be a lot from the other guys.

The first one, in fact, is a follow-up on this last comment, Belmiro. I wanted to understand this dynamic of financial services a little better. You mentioned the implementation of the card terminals, I just wanted to understand exactly what that would be — what the context would be like, if it's in Passaí, if it's something exclusive, anyway. If you can give us a little more information, I think this point was not really on my radar.

And then, my second point I think is a little bit more about the context. You mentioned this challenging scenario, which to a certain extent gives you space to do something. I think you have done this very well, both in gross margin and in controlling expenses, but I wanted to understand a little bit what else can be done beyond these projects — in the core business, let's say.

On the expenses side, do you still see room to keep spending this way — you have been very lean for a long time... anyway, I wanted to understand if we can still imagine that it will continue like this, well controlled, or if at some point we should see some kind of acceleration.

And then, on the store side itself — I know you're bringing new categories, but what else can you do? I don't know if with financial services, some kind of incentive, not necessarily credit, but something on the payment side, both for B2C and B2B, given this difficulty in income. I think it would be nice to understand this a little better.

Thanks.

Belmiro Gomes — CEO:

Thank you, Dani. I think I will start with your last ones, which is quite the subject, talking about the expenses part, Anderson is there, I think he could even highlight the fronts, initiatives, how we have been able to place and maintain this level of expenses and that, in our view, it is, obviously, sustainable.

Anderson Castilho — Vice President of Operations:

First, good morning, Dani. I think that's a good question. I think that, if you look at Assaí's expenses, you see that, over the years, there is a lot of discipline from the team. We have several fronts that we usually work on, and I always put the customer as the central focus of the business, as the main pillar of it. No use talking about cutting expenses without servicing our customers well.

We have some fronts in relation to day-to-day current expenses, and we work to find alternatives to be more efficient — automation, process improvement — and I think we have gains without losing productivity.

We have a very big initiative now with self-checkout. Whether you like it or not, looking at this labor scenario, we become more efficient. To give you an idea, today I have practically 90% of the stores that already have this equipment. We are talking about, on average, 6 to 12 per store, depending on the size.

This brings very large productivity gains. Especially for day to day shopping for consumers or even B2Bs that come to buy and have limited time, especially restaurant owners — this is a great differential.

But, like, what do we have as a team? I think that the issue of expenses within the company is involved in all areas. There's not a big, single line, you know, Dani? It is work that we have done over the years. If you take the last 10 years, our expenses are very stable.

I don't see anything different going forward — we continue with the same dynamics, the same work, seeking to be more efficient, seeking to be faster in some processes, but without losing focus on the customer, without ceasing to serve our customers well. I think this is the work we do.

So, looking at expenses, going forward, there is nothing different from what we have been doing.

Belmiro Gomes — CEO:

Just an add on: when we look at this stability of the consumer flow, we see that, obviously, we were already preparing for a scenario in which inflation, naturally, would reach a point of stability — where bulk shopping loses a little attractiveness and the level of replenishment or day to day purchases increases.

And that was very effective. The inclusion of services, which even had a lot of criticism when it was put forward — such as the butchery, café and bakery— and even now with the self-checkout, for greater speed. That is, for anyone who wants to come to make a small purchase, we are a good option, but those who want to come to make a replenishment purchase also find a good option, even if they want to go by the cashier quickly.

There are a number of projects, from an investment point of view, aimed at using technology to keep spendings under control. In addition to the self-checkout, there is another piece of data: the remote

inspector is being used. The advancement of cameras and high-quality data transfer allows some functions that you previously had in the store to be done centrally, generating a cost dilution.

We have also evaluated this in other departments. So there are several projects that the company is doing right now, some very focused on the part of what we call innovation — which are some projects that I highlighted — and we should provide more visibility on these now in the fourth quarter, with more details.

But there's a lot in terms of efficiency and productivity. We are also starting an IT lab. I think the time has come when some artificial intelligence fronts, which have helped us in marketing, content production, and media protection, can also help from the point of view of productivity within the administrative areas themselves.

From the point of view of financial services, as everyone knows, we have a company, a joint venture together with GPA, Via Varejo and Itaú — and it is in the common interest of all partners that this company be closed. We are negotiating this and I think we are very close to concluding this, which would free us up.

Part of this we already have today, as was the case with the waiver we got with Itaú to explore the sale of terminals and digital accounts for B2B. But for consumers, we also see a very big opportunity, whether from the point of view of selling insurance, or in a series of other financial services, taking advantage of the flow.

So, this part is already released — we are piloting this project now with B2B — but there is an expectation of unlocking a relevant value for the company also with B2C, especially in the lower social classes.

We have no interest, at this moment, in increasing our own credit concession. The company is focused on deleveraging, and also because we don't believe it would bring higher volumes of sales.

But, along with partnerships, perhaps much more directed to that audience profile — whether B2B or B2C — there is a demand for credit that could help us expand sales.

Dani, I hope I have answered your question.

Danniela Eiger — XP:

Super clear, Belmiro. Thanks.

Operator:

Our next question comes from **Luiz Guanais**, from **BTG**. Luiz, we will enable your audio. You can continue, please.

Luiz Guanais — BTG Pactual:

Good morning, Belmiro. Good morning, Gabi and Aymar.

I have a question about profitability, in line with what you said about expense control, Belmiro. If you can detail the deleveraging path for the next year: you reinforced the company's deleveraging guidance and part of that has to do with margin improvements. If you can give us a little more detail in relation to CapEx and working capital, which ended up being a highlight in this last quarter, this would help a lot with our projections. Thank you.

Belmiro Gomes — CEO:

Thank you. Thank you, Guanais.

The path of deleveraging, obviously, has a piece that is not in our hands, which is the Selic rate, which would perhaps be the largest component. But what is in our hands, in the manageable perimeter of the company, is the working capital.

We sincerely expect stability — obviously, we always look for improvement — but our view is that, at this moment, for example, if we tighten up more on terms with suppliers, as the high-interest rate impacts everyone, it would probably come back as price increases. So the goal is to maintain this discipline with our working capital.

At the end of the third quarter, we were even a little more stocked, because our anniversary month would now occur in October and, in this scenario we have seen, especially in B2B, with this volume, we will not make an inventory increase. Especially because this customer is under a lot of pressure for working capital, so he replaces the amount of products he sold.

And the third quarter, in our view, was a point — not that we expect a big improvement — but it was an outlier. Some sectors, especially food service, in September, were very negative. The bars pulled this number almost 12% lower.

And the bar, we saw the methanol crisis there, but it has an impact: you have a series of effects — the person doesn't go to the bar, and they don't ask for the food either. This is an audience we have a large penetration with. So, if bars and snack bars have a regression, we end up, unfortunately, reflecting this very quickly.

From the point of view of leverage, we also reduced the level of investment. We had already issued a notice — this year, we had a forecast of R\$ 1.2 billion, maybe we won't even materialize that — and, for the next year 2026, we have a very restricted level of investment.

The forecast we have is that it will be a maximum of R\$ 700 million. What we have in terms of design are new stores, which are important projects, and practically all the projects are done in build-to-suit to provide for faster deleveraging.

The goal, throughout 2026, is to focus even more on deleveraging, since interest rates have remained higher for a longer time than we expected.

I think that's it, Guanais. I don't know if I answered, if you have any other questions.

Luiz Guanais — BTG Pactual:

No, it's excellent, Belmiro. Thank you.

Operator:

Our next question comes from **Alexandre Namioka**, Morgan Stanley. Alexandre, we will enable your audio so that you can proceed. You can continue, please.

Alexandre Namioka — Morgan Stanley:

Hi, good morning, everyone. Thank you for taking my question here.

Maybe exploring a little more on that point regarding private label that you mentioned at the end of your presentation, Belmiro — if you can give us an update on what stage we are at in this initiative and when we should start seeing the rollout of this initiative in stores.

And, perhaps, taking a step back here, I think we have been focusing a lot on the short-term results, but if we can look at it in a more high-level way, looking at cash and carry and the industry as a whole — I think that over the last few years the movement of cash and carry capturing sales from the hypermarket was very clear.

But I think that, over the past year, you already started to talk a little more about cash and carry starting to capture sales from supermarkets.

So I wanted, perhaps, to get an update on this movement of the industry as a whole — not just Assaí — in relation to starting to capture these supermarket sales.

Thank you.

Belmiro Gomes — CEO:

Thank you. I think that, going backwards here, the cash and carry model, we always try to make it clear, because sometimes it is confused with other retail formats. And today, most of the distribution in Brazil to small businesses is done by the cash and carry business.

And what did we see? This difference in performance between social classes is something very heavy. The high interest rate policy, in our view, caused a phenomenon with income transfer from the lowest classed to the higher classes.

We are at an interest rate level that, probably, the rate itself is inflationary. Because to say that high interest rates are necessary — it is necessary because if not you would have inflation for lower income.

But what we have seen is that, sometimes, perhaps the economy looks at all classes as a single package.

So, on average, what are you seeing? Well, pressure on service, because we should have a payment, this year, in Brazil, of more than R\$ 600 billion in interest on fixed income, which goes to 17% of the population. So, this will increase their purchases and will create inflationary pressure, in addition to other factors that generate inflationary interest.

And when you look at classes C, D and E — you have a record debt month after month. So the cash and carry format is much more exposed to lower income than to high income.

When we look at retail formats also exposed to lower income, we realize that their performance was even worse than that of the cash and carry market, because it fully reflects that audience. So, that's why we brought this information to highlight this in the short term.

As long as the interest rate remains high, I think we should continue, there are some improvements that are expected. I think we are now overcoming the methanol crisis a little, we are going through a period at the end of the year where the consumption environment is always better.

As I mentioned earlier, there is the issue of income tax exemption, which will help this public — I think a good part of this goes to debt service, but a part of it should also come to consumption.

So, in other words, this is what we see in the industry.

The Private label project — why do we believe this is the right time for it? Brazil is a country with continental dimensions. The difficulty of private label in Brazil is because, if you look at the map that is here behind my desk, we have very big distances, where, many times, a branded product made with the industry — a private label product — if I try to take it to the Northeast, it will be more expensive because of the logistical costs and the tax differences that exist within the Brazilian tax asylum.

But now we have reached 160 stores in the Rio-São Paulo axis, where taxes are practically not a problem and the logistics cost is lower. And our brand strength, in our view, is what makes this project possible now.

We brought professionals with a lot of expertise for this, and the expectation is that, in the first quarter, we will already have products with the Assaí brand. We hope that whoever is listening, please go to the store to buy them, which should help us both to capture margin and to meet customer demands, who, at this moment, are looking for products with lower prices.

We believe that this trend for products with lower prices is persistent — we have seen this not only here in Brazil, but in several other markets.

I hope I have answered, Alexandre.

Alexandre Namioka — Morgan Stanley:

Perfect, Belmiro. Thank you very much.

Operator:

Our next question comes from **Tales Granello**, Safra. Tales, we'll enable your audio so you can proceed. Please proceed.

Tales Granello — Safra:

Good morning, Belmiro. Good morning, Aymar. Good morning, Gabi.

I have a question here regarding CAPEX. I think you mentioned R\$ 700 million for next year and a focus on BTS.

Is there any discussion in the company of maybe stopping the expansion momentarily next year to accelerate deleveraging, given this higher interest rate level — which was probably not in the base case the last time you reviewed the expansion?

And in relation to the 2023 store batch: there is a sales level that is already similar to the legacy batch, pre-conversion, but the margin is below. Is this basically due to the cost of renting these stores — rent costs— or is there some other factor that has weighed in, whether it's competition or some other factor that's off our radar here?

Belmiro Gomes — CEO:

Thank you. I think that we did discuss this. But, to give you an idea, the stores that are being opened now, probably will be the stores with one of the best levels of returns that Assaí has ever had, because they are very selected projects.

To give you an idea, the value of the payments that we should have next year with the new stores, from these R\$ 700 million, between R\$ 220 and R\$ 240 million would be the equipment part. For all the other projects we had, we stocked them up in our landbank — projects that required capital from the company, either to acquire the land or to build the store — are suspended. We are not going to invest in this sense, as you rightly said, because the interest rate is much higher than expected.

Now, especially in the markets where we have faster maturity, probably next year we will disclose this number of the stores that are being opened. We received a lot of questions in this regard, but these are extremely strategic locations.

We have now opened, for example a store in Osasco — it is practically our first store in Osasco. We are opening a store in Utinga, here in São Paulo, a region where there is no Assaí brand. So, since there is a low level of investment, the returns for these stores will be high and, in our view, they have a ramp-up that justifies maintaining this level of store openings, even with this interest rate scenario.

And the R\$ 200 million is important, obviously, in deleveraging, but it would also not be relevant enough to avoid this investment and take away these ten stores, these ten units. All of them, with the exception of one that we are working on in Araguaína, Tocantins, and another in Goiânia, are projects that have already been underway and are projects that, for the Assaí brand, have very high returns, performance and maturity.

From the 2023 bath, there is a very high weight in rent, which ends up impacting, and we have been working to elevate profitability levels to the same level as the rest of the company's stores.

But perhaps we need to look at the following: the 2025 and 2026 stores are better than the ones we had. I know that, with the moment of the sector, there may be some skepticism, but we will be pleased to show this in the future. It is a park with better performance, better ramp-up. Therefore, we are very convinced in maintaining these store openings.

Tales Granello — Safra:

That's right, Belmiro. Thank you, super clear.

Operator:

Our next question comes from Victor Rogatis, Itaú BBA. Victor, we will enable your audio so that you can proceed. You can continue, please.

Victor Rogatis — Itaú BBA:

Good morning, Belmiro, Aymar, Gabi. We have two questions here.

The first is: with this October that has already come stronger, as you mentioned, can you think that the fourth quarter, then, should present a *same-store sales* scenario that is very similar to what you presented in the first half?

That is the first question. The second is: when we think about the growth of the hygiene and beauty category, how is this growth? Do you feel that, in some way, you may be impacted — or the market, in general — by competition with *marketplaces*?

Thank you, guys.

Belmiro Gomes — CEO:

There is an impact from marketplaces, yes. It doesn't take the lower social classes, due to the level, but it impacts the A/B class.

We have also been evaluating a possible entry into this market level. We are studying a little about this, but it catches the higher social classes a little more.

It is still not something that is relevant from a volume point of view, but it does have an impact. So much so that the movement we made — we are discussing the pharmacy project — because, in our

view, being able to put a pharmacy in a store would help us in this category, which people often go to buy at the pharmacy channel.

So, regarding marketplaces, what can they deliver? Usually, non-perishable products with high added value, which is justified and there is volume. Any product that starts to reduce added value, especially in the household cleaning line, no longer makes as much sense.

So, it has an impact, but I think that today it is taking more, perhaps, from the pharma — to tell the truth — than from the cash and carry business. I think more of the pharma and the super high income.

So much so that, if you look at the pharmaceutical sector, if you disregard the effect of GLP-1 pens, you will probably see a regression. This is visible if you look, for example, at the Nielsen survey, which shows the independent pharma — which has not yet received Mounjaro to sell — and the pharma that have received the pens.

There is a huge difference in performance between the two. So, you have an anomaly within the pharmacy segment, at this moment, which ends up, perhaps, distorting and bringing pharma to a different level of performance from other retail sectors.

Victor Rogatis — Itaú BBA:

And with that first question, Belmiro — regarding whether it is possible to think that the fourth quarter, should be very similar to the first semester, given that October was very strong?

Belmiro Gomes — CEO:

So, yes, it's the expectation. October came stronger, it has the effect of the campaign. We are also preparing a series of other actions in November and December. What can you say, like this? Obviously, it requires caution on our part, because in September — no one expected the impact we had. If you look at it, practically, almost all sectors of commerce were impacted.

So, therefore, it requires caution. But we are seeing with sectors are resuming performance. We hope that the bars will be able to recover a little performance. We don't want to say that it will be the same level as in September. So, yes, it's our expectation — there are strong actions with Black Friday and for the end of the year.

But, obviously, we are subject to reflect a lot on what happens to this B2B audience. So, it is a point of caution on our part. You can't get October, because there was the campaign with one month of signage. We hope so, okay? Sorry, I had forgotten that question, Victor.

Victor Rogatis — Itaú BBA:

Perfect, thank you, Belmiro.

Operator:

Our next question comes from **Felipe Rached**, Goldman Sachs. Felipe, we will enable your audio so that you can proceed. Please proceed.

Felipe Rached — Goldman Sachs:

Hi, good morning, everyone. Thank you for taking my question. I wanted to explore the topic of self-checkouts a little more. I understand that they mostly help with replenishment purchases, given that they have a relatively low item limit. Can you share the percentage of carts that are below this item limit? And how much do they represent in the company's revenue?

So now a quick follow-up in relation to expense control: how much would SG&A be impacted if you were able to hire for all the vacancies? And, perhaps, linking with sales — how much do you think this difficulty in hiring employees, especially cashiers, may be impacting the value proposition of the format? And how much can this be penalizing sales? Thank you.

Belmiro Gomes — CEO:

Thank you for the question. There has been a lack of manpower for commerce as a whole. In our case, at least what we noticed is that, in the cash and carry — as it is our format more aimed at the middle-income public — there is a slightly greater tolerance.

But, obviously, it is difficult to say how much is being lost in sales due to lack of personnel. I think this has been general for all sectors of commerce — it has been for the super, for the minimarket, for the cash and carry market. The fact that you have more staff in a cash and carry store makes a lack of staff or even absenteeism feel less proportional than, for example, a store that operates with 20 employees.

In our case, we operate with an average staff of 300 people per store — 200 or so, it will obviously depend on the size of the store — but, obviously, it has an impact. The objective with adding the self-checkout was providing a sequence of services to make the model also attractive for replenishment purchases and, obviously, take pressure off the employees from the check out front.

Today, in terms of sales, I would not like to disclose the number, but in terms of transactions, we get close to 20% of the tickets. There is a large dispersion. Obviously, a B2B customer will not go through the self-checkout. We have R\$ 50, 60, 70, 100, and coupons and then purchase of R\$ 5, 7 or 10 thousand.

But it helps a lot to get in a queue at the store, the perception of the queue, and also with the staff issue. Our level — we will register a turnover, as well as commerce as a whole, that is higher — but we have 95% of the complete staff.

Our People Management sector has done a very great job from the point of view of being able to replace vacancies. But the market, as a whole, has faced this: people get into debt, spend on betting, need to ask to be fired to get their benefits, and they move from job to job.

We have had, today, 95%. If we had our complete staff, he would have an increase of 5% in personnel expenses — approximately R\$ 5.5 million, approximately 0.20 in expenses. Now, it is important to note that this level has been persistent for at least two or three years. So, from a base point of view, there wouldn't be much difference, Felipe.

Felipe Rached — Goldman Sachs:

Perfect, Belmiro. Very clear. Thank you.

Operator:

Our next question comes from **Bob Ford, Bank of America**. Bob, we'll enable your audio so you can proceed. Please proceed.

Bob Ford — Bank of America:

Thank you very much. Good morning, and thank you for taking my question. So, Belmiro, can you give us an update on the app, as a tool to drive sales?

And how is your Treasure Hunt evolving? And how are you thinking about Black Friday and Christmas?

Belmiro Gomes — CEO:

Thank you, Bob. We've made a change — we've even brought another person now to the In and Out area, and for Black Friday itself. So, there is a very cheap set of suitcases, if anyone wants to buy it at Assaí stores.

We already have products, most of them were received now at the end of the third quarter and will be in store, especially for Black Friday and also for next year. They are different products. Obviously, we're going to start this test in these categories.

There are some aimed at higher social classes and others at lower classes. But, to get an idea, we must sell at a price... we can't announce the price in advance here, but those who can visit the stores will see a set of bags for a spectacular price, to tell you the truth.

So, this is one of the examples of items that should be included from now on, as well as other items of household items — cups, cookware sets — products that we ourselves import and that are already available in stores.

The app has a very strong penetration rate. We have already presented the numbers: we now have 21 million registered customers, 16 million of whom are contactable. In October we had a campaign with a raffle of one million reais and free purchases, which further increased the participation rate.

This foundation that we are building — this CRM — should, in our view, become a very important foundation. That's why we are anxious about financial services, because it will allow us to better explore this base. Having 16 million contactable customers, it is already one of the largest customer bases in Brazil.

In other words, it is a very high level of loyalty to the brand, which opens up a series of growth avenues for us. In that sense, Bob, I hope I've answered your question.

Bob Ford: Bank of America:

Yes, thank you very much.

Operator: Our next question comes from **Lucca Biasi, UBS**. Lucca, we will enable your audio so that you can proceed. You can continue, please.

Lucca Biasi — UBS:

Good morning, everyone. Most of our questions have already been answered, but I think it would be interesting if you could comment on whether there has been any update regarding the injunction issued against GPA and Casino.

Belmiro Gomes — CEO:

Thank you. It is still at the stage where the judge is listening to the parties and, therefore, we cannot comment on this. We should have a decision, probably. But the judge is still listening to the parties. He made some requests, asked for some other evaluations. So, we hope to have some decisions soon.

We perceive, from the point of view of GPA's contingencies, that there is a very big effort to carry out a transaction with the tax authorities to reduce them. I think they've highlighted that in the third quarter now. Obviously, it is an issue that we understand that we are not jointly liable towards. The company has always been separate. But if they can find a solution to this on their side, we see it as something positive.

The changes that have taken place at GPA now are very positive, with a controlling shareholder coming from the domestic market. This, always in our view, will be more positive, with a very great potential. We consider the changes that have occurred recently within GPA to be extremely positive.

Lucca Biasi — UBS:

It was clear. Thank you, Belmiro.

Belmiro Gomes — CEO:

Thank you.

Operator:

Our next question comes from **Eric Huang, Santander**. Eric, we'll enable your audio so you can proceed. Please continue.

Eric Huang — Santander:

Good morning, everyone. Thanks for taking my question. Here on our side, we wanted to cover the the gross margin point.

We continue to see an important evolution. So we wanted to understand how you look at this level of gross margin in relation to its sustainability and also additional opportunities. I think part of this comes from a maturing store base, as, mainly, these more relevant batches of conversions are reaching maturity. What would be additional levers here? What could we think about regarding your gross margin going forward? Thank you.

Belmiro Gomes — CEO:

Thank you, Eric.

Well, the margin has an effect, as I ended up saying before, that, in the end, the fact that B2B has reduced the purchase volume... We work with two prices in the sales area, approximately: the price to the consumer, with 17%, 18%, 19% of gross margin, and the price for B2B— which is actually just a price for someone who buys in quantity — around 12%.

As B2B falls, you already generate, in fact, an improvement in margin, which happens naturally. And then, along with that, a series of measures that we have implemented from the point of view of pricing. First, we have conducted a process, a project that will greatly improve our pricing capacity, because, when we look to social inequality in Brazil — with the example that I like to use:

If you take the Congonhas store, which is in front of the Congonhas airport, two kilometers later I have the Interlagos store, five kilometers after Cidade Dutra, at the entrance to Grajaú, and eight kilometers later — all on the same avenue, Teotônio Vilela — you go from a family income level of 20 thousand reais per month to a level around R\$ 3 to R\$ 4 thousand per month.

So, we operate as if we were in different countries. This requires a different assortment discipline, different pricing. But, in our view, especially these more central stores, and the level of service we deliver today, allows us to improve and continue an evolution of gross margin — obviously, always looking at competitiveness.

There is also an expectation that the private label project will bring important contributions from the point of view of gross margin. So, we believe that the level — you can see that we have already gone through positive and negative cycles — and the margin remains very, very, very stable.

Eric Huang — Santander:

Thank you, Belmiro. Just a follow-up on this point, including this benefit that the mix of B2B and B2C brought perhaps to this quarter. Can you quantify this just to have a little bit more color at this point?

Belmiro Gomes — CEO:

It has an impact of approximately, perhaps, 0.10 — approximately 0.15 — because also, obviously, to the extent that B2B reduced the volume of purchases, we reduced the prices for them a little.

But what we observed is the following: this customer, obviously, he performs day to day shopping. If he cuts sales, if he has a drop in sales volume, immediately — as his supply is very short — in food service itself, we have customers who come practically every day.

The average food service, which we even presented at last year's Investor Day, was 172 visits per year. So, practically every other day — almost every day that customer is in the store. If he reduced volume, then it reduces immediately.

And, in the case of food service, there is no use in reducing the price, because if you reduce the price of mozzarella, reduce the price of ham — it's a perishable product. For example, fruit and vegetables, for example, are perishable products. If there is not a greater demand, for example, the pizzeria has a drop in the volume of pizza delivered, he reduces purchases immediately and the price does not change.

The disputes over price are much more focused on selling.

Eric Huang — Santander:

Super clear. Thank you, Belmiro.

Operator:

Our next question comes from Joseph Giordano, J.P Morgan. Joseph, we will enable your audio so that you can proceed. You can continue, please.

Joseph Giordano — J.P Morgan:

Hello, good morning everyone. Thanks for the question. I wanted to explore two topics here.

I think the first of them is going back a little bit to the top-line issue, looking more towards the end of the year. We have this performance in October, obviously, as you commented, not 100% comparable, given the anniversary.

I wanted to understand what you are seeing on the food inflation side, right?

When we look at the third quarter, we still had a favorable gap year over year. So, like this, there were two favorable points. Now, maybe this will turn around, right?

So, your food inflation base from the same store sales as last year's fourth quarter is perhaps much stronger. So, I wanted to understand how you see this issue of tickets. Can you already see, in some way, a trade-up? From what I understand, no.

And the second question is about the issue of the subvention — so we can understand about the tax part, if this level is a little higher than what we saw during the first half of the year, it should be recurrent.

Belmiro Gomes — CEO:

Thank you. I'll talk about inflation and tickets, and then Aymar answers the subvention part. If you have any questions, we'll come back here later.

So, unfortunately, obviously, as I said, we don't see any trade-up. On the contrary — what we see, and which has drawn a lot of attention, because Assaí has a very equal, very equivalent penetration rate in social classes. That is, the same penetration rate that we have in class A, we have in B, C, D and E.

Even by age group, there is a slide that we use in some presentations that draws a lot of attention. So, we can have a vision — and due to the time we have been in the market — of behaviors. We had never seen such a great disparity between social classes in Brazil as has been seen now.

That is, you see a class A/B gaining purchasing power, gaining volume, some value-added product categories increasing sales. And when you look at the other end, at the extreme end, there's a significant trade-down that's still persistent.

So much so that, if you look at the volume of this traditional number that Nielsen brings — which is not the guy who gives data to Nielsen, they take it by homescan — or the independents, there is a 8% drop in volume, which is a relevant drop. It is in that small businesses close to home, which was not expected. So this customer buys with us.

What do we see, then? A scenario of caution in the top-line. Why? The level of interest — we realize that the last blow that was missing was the payroll credit, which peaked in August and September. The person was faced with the size of the debt that they actually have.

So, we imagine that this movement is still persistent. Obviously we are with this initiative. I think September was perhaps a month a little out of the curve, from a negative point of view. So, we expect a better fourth quarter than we had in the third quarter, but the structural issues that are leading to this, which is, in our view, this loss of purchasing power, we have already talked about bets, interest...

Especially what comes now, will continue. And then the data is difficult to analyze, why? As I said, you see a transfer of income between classes, increasing inequality. And, with the larger class increasing purchasing power, you generate pressure. That is why the interest rate, in our view, is already at a point where it itself may be inflationary.

And perhaps there is no better sector to show what happens in the economy than the food sector. And Brazil, as we always like to call it, is a country, unfortunately, of social inequalities. So, there is a very unequal movement happening at this moment.

So, among this audience, we imagine that it will maintain volume. We are registering an increase in sales to audiences from higher social classes and we need to be cautious about giving out any info now for the fourth quarter.

What we don't see as a risk: deleveraging trajectory, margin, and control of the company's expense level. I think that the third quarter shows, mainly, that even at a level of sales honestly below what we expected — and what the market expected — we maintained our margin, and we continued to deleverage.

Obviously, deleveraging could be happening faster. I think that's it, Joseph.

Joseph Giordano — J.P Morgan:

Perfect, thank you. And the issue of the subvention?

Aymar Giglio — CFO:

As for the subvention, Joseph — good morning, or rather, good afternoon already.

We had an extemporaneous item of R\$ 34 million, referring to previous periods and such. But, from the point of view of recurrence, we will continue with about R\$ 10 million per quarter.

As we have previously commented, there is nothing that changes this normal trend of recurrence — except, eventually, some other extemporaneous occurrence, which, at the moment, is not on our radar in relation to income tax.

Joseph Giordano — J.P Morgan:

Perfect, thank you.

Operator:

Our next question comes from **Pedro Pinto**, Bradesco BBI. Pedro, we will enable your audio so that you can proceed. You can continue, please.

Pedro Pinto — Bradesco BBI:

Thank you. Good morning, everyone, and thank you for taking my question.

I have two very quick questions on my side. The first is a follow-up in relation to the issue of the injunction measure.

I wanted to know about the timing, because when we talked a little over 30 days ago, there was precisely this 30-day deadline for the companies to present their opinions — but, of course, this depends on when the judge makes the request and everything else.

So, I wanted to understand if we should have any answer in the next few days, if there is a clearer notion of the deadline at this time.

The second question is about the timing for the CAPEX. We look at what was done in terms of CAPEX year-to-date in relation to guidance, and you mentioned that you will honor the leverage issue — cash generation is materializing.

You mentioned that it may not reach R\$ 1.2 billion in CAPEX this year, and R\$ 700 for next year. But I wanted to understand if there is a chance of staying below R\$ 1 billion, which would be the lower limit of the range.

Should any part of this CAPEX be postponed to next year? I would like to understand this question better — whether the leverage is maintained, or whether the company is really doing more projects, suspending some and pushing others forward.

Those are my points. Thank you.

Belmiro Gomes — CEO:

Thank you, Pedro.

Obviously, we have made a number of efforts to reduce the volume of CAPEX. A project of direct billing — which we call PMG, a contracting model — helped us to reduce the cost of construction relatively well.

We still don't have the closing of the fourth quarter, because the stores are opening now. But the levels that we have disclosed are the maximum levels of investment. It may be that they are lower than what we highlighted, but we would like the market to work with this number.

Especially because some initiatives we have made in this regard are not yet fully guaranteed or captured. So, these numbers represent the maximum levels of investment that could be made. It may be lower than that, but at the moment, it is the most we can mention.

Yes, we continue to work. You have seen the company's effort, and we have evaluated a series of other measures that can help in the deleveraging trajectory.

Assai is a great cash generator. Since we started the administration, we have never received a single real of investments — not even from the previous shareholders, nothing. Everything the company achieved was with its own cash generation.

Still, we took on a gigantic debt, as everyone knows. But it is difficult to see half of this cash generation being consumed by the cost of debt. Nobody expected interest rates to be at this level.

I think there is an important lesson from the company's point of view: we want to return to comfortable levels of cash and debt in the shortest possible time.

Believe me, all initiatives that can be captured will be captured — some are under evaluation. The company's goal is to deleverage as much as possible.

As for the injunction, it is difficult to say because it depends on the deadline of the court. The expectation would be for another 15 days, approximately, counting from today, according to what the lawyers mentioned to us, due to the requests that the court made.

Obviously, the court will gather as much information as possible before deciding. So, we expect a deadline of about 15 days.

Pedro Pinto — Bradesco BBI:

Very clear. Thank you, Belmiro.

Belmiro Gomes — CEO:

Thank you, Pedro.

Operator:

Our next question comes from **Daniela Bretthauer** from HSBC. Daniela, we will enable your audio so that you can proceed. You can continue, please.

Daniela Bretthauer — HSBC:

Good morning. Good morning everyone. Can you hear me?

Belmiro Gomes — CEO:

Yes, we are listening to you, Daniela. You can continue.

Daniela Bretthauer — HSBC:

Two questions.

The first one: I wanted to better explore the issue of the dynamics between B2C and B2B, which you presented. Some comments you made seemed very interesting to me.

I wanted to understand if what you said about the drop in the average ticket and the reduction in the volume of small businesses is directly related to the recent scenario — for example, with the issue of methanol and beverages.

By the way, I don't know if you can share the weight of the beverage category in the company's total mix.

But I also wanted to understand how you are seeing this trend now at the beginning of the fourth quarter — and, looking ahead, how you see this mix between B2B and B2C working in 2026, assuming that nothing changes and that interest rates only start to fall around April.

What would be the tools or strategies you can adopt to better balance these two channels?

Belmiro Gomes — CEO:

On this first part, Daniela, it's a great question. We practically divide it into eight subtypes. Because, when we look at B2C, our sales share rate is incredible — very close to the significance that each social class has in the Brazilian GDP. So, we were able to have a very clear vision of what is happening.

We had never seen such a movement of disparity between classes. Even the businesses that serve the high-income, we never had an impact. But the low-income population — which is the bulk of Brazil's population — was much higher than we expected.

In our view, the last strong impact was this payroll loan issue. And, with this level of high interest rates, as I have already commented, there is a clear movement of income transfers: the upper class making money in fixed income, and many paying this bill with high interest rates. Just look at the delinquency rates we reached.

So, part of this will continue to be reflected, because this trade is having more difficulty. But, obviously, in a challenging scenario like this, we have been reviewing the assortment, we should reduce some categories, focus on items with a more effective price, so as not to have too much of the same stuff and prioritize items.

On the issue of the bars and methanol, the share of beverages is not relevant. Perhaps our impact is more indirect, because these businesses — bars, snack bars — have drinks as an attraction.

Spirits have always been a category that has never been underserved by the cash and carry market, due to tax issues, falsification, which still represent almost a third of the market, and end up being purchased outside the formal channel. But, indirectly, we sell products that supply this public: inputs for portions of food, among other consumer items.

And consumption, in fact, has fallen. Just look at the results of the main beer companies now in the third quarter — there is a significant reduction in consumption. Alcohol is a category that has been falling, and the advance of the pens (GLP-1), in our view, will cause an even greater drop in this category.

So, what we have done is readjusting the assortment, strengthen partnerships with suppliers to try to offset this difference. But as long as interest rates remain high, this impact will continue partially.

There is an expectation — ours and that of those who serve low and medium income — that the IR exemption can help a little. We believe that part of this should be converted to consumption.

I hope I answered, Daniela —and I also hope the dog is calmer now.

Daniela Bretthauer — HSBC:

Yes, it was clear, Belmiro. Let me just follow up on a question. About the company's decision to enter into private labels. Given that the company works with a limited number of SKUs, how will this be structured?

Because your competitor is quite resistant to entering into private label and has never developed this segment. So, if you can share more on the team you have gathered, how many SKUs initially will be considered and will it be only for a few categories? And do you believe that this will bring more returns than the investment in this sourcing structure to make private labels feasible? I was surprised by the initiative and the announcement.

Belmiro Gomes — CEO:

Well, as Darwin would say: survival is not about being the strongest, but who best adapts to change. Assaí has always been a more innovative format, even if sometimes this can defy common sense. That's how it was when we implemented services, the stores in more central regions. Honestly, if 10, 12 years ago someone said that a store in the Congonhas region could be successful, they would have said that it would be impossible — a store that size — and we were able to serve and enter the higher social classes.

Private label is a reality worldwide. If you look at it, it has only been growing. The scenario in which you have a reduction in purchasing power is always a period in which private label grows.

In Brazil, obviously, it has never done very well for some characteristics, in our view. You need a much larger scale than in other countries, in a specific region, to make it successful.

But if we look at the cash and carry business grows, the industry, in general, looked at our format and said: "Oh, that's cool, this guy has a lower operating cost." So, it may be that this reduced the discount levels a little. The private label will help — not only in the private label item — to balance this.

And with the 60% penetration that we have today in the households in the Metropolitan region of São Paulo, the strength that the brand has, and especially the moment when the population is willing to look for products with lower prices, we believe that the project, yes, will be a margin aggregator.

The costs for this: Sérgio Leite, who is one of our most experienced people, was highlighted for these innovation fronts. We brought Loiane, a professional with a lot of experience in the market and a lot of knowledge about the private label project, in addition to a dedicated team, so that this project moves forward.

We are convinced that, looking at it today, the Assaí brand — the most valuable brand in Brazil — gives us very high credibility. Yes, it is time for us to enter the private label.

Brazil is the exception when looking at the global market, but we also believe that this movement, although not simple or easy (we would not have a penetration rate in Brazil of only 3% if it were), is

viable. We have the skills for this. Just as we have changed other paradigms, we believe that in three years we will be talking about a high share rate.

I think this is the moment. There were times when we looked at it and said that it would not cause adherence — and really, before, it would not have. It needed very large scale and added value. If I make a product here in São Paulo, with my own brand, and try to take it to Recife, what I'll spend on shipping and what I'll pay in taxes will make it more expensive than a local brand.

That's why the project exists, we don't want to give details yet. It will not be the same in all regions of Brazil. Maybe, if there is no supplier, they will not even receive it. It will only work if it is an imported product that can be distributed in all categories. We do not intend to add private labels to all categories at this moment.

But in categories that fulfill some roles — are cheaper than the leading brand, with a relevant difference, that can also help us to better negotiate with the brands we have today — and that can add, perhaps in a second moment, a higher level of margin than we work with today.

So it's a search. We are being as careful as we can about this project.

Daniela Bretthauer — HSBC:

Let's follow up. Good luck on the project and thanks for the replies.

Belmiro Gomes — CEO:

Thank you, Daniela.

Operator:

The Q&A session is closed. Now we would like to move on to the company's final considerations.

I want to thank everyone who stayed with us — I think the session went on a long way, with a lot of questions, in an obviously more challenging environment. But I believe that the main messages were transmitted. Assaí is a solid model, which continues to innovate, create and adapt, remaining very stable from the point of view of cash generation and deleveraging.

We are working to bring important news, and we remain attentive to this movement that has affected consumption — this transfer of income caused by high interest rates. We believe that this scenario should stabilize over the next year.

Operator:

Assaí's earnings call for the third quarter of 2025 has ended. The Investor Relations Department remains available to answer other questions and concerns. Thank you very much for participating and we wish you all a great day.