



EARNINGS RELEASE

2Q22

EARNINGS CONFERENCE CALL

Thursday, July 28th, 2022

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

Videoconference call in Portuguese (simultaneous translation)

Videoconference via Zoom: [click here](#).

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

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

STRONG QUARTERLY PERFORMANCE: ACCELERATED GROWTH COMBINED WITH ROBUST RESULTS

FIRST HYPERMARKET CONVERSIONS IN JULY AND WORK CALENDAR ADVANCING AS EXPECTED

RESULTS

- **Gross sales amounted to R\$14.5 billion in 2Q22, with an intense growth pace of +33% (vs. +21% in the 1Q22), an increase of R\$3.6 billion in the quarter. Total sales more than doubled in 3 years, leading to significant market share gains. In the last 12 months, Assaí's gross sales amounted to R\$51.4 billion, and, considering an annualized view, revenues are already over R\$60 billion ⁽¹⁾ without any contribution from sales from hypermarket conversions;**
- **Net sales improved by +33% ⁽²⁾ mainly due to:**
 - **the excellent contribution of +18.1% from the 33 stores opened in the last 12 months;** and
 - **the robust same-store sales growth of +14.7%, with an increase in customers traffic, especially B2B clients, and in volumes, boosted by successful commercial dynamics and consistent throughout the quarter;****In 1H22, net sales came to R\$24.7 billion, an improvement of R\$5.3 billion compared to 1H21;**
- **Strong expenses decrease of 0.6 p.p. in 2Q22, despite the model evolution and advances on expansion.**
- **Adjusted EBITDA strongly improved by 30% ⁽²⁾, reaching R\$978 million with margin of 7.4%, an acceleration of +0.8 p.p. ⁽³⁾ compared to 1Q22, as a result of a successful commercial strategy and greater dilution and control of expenses despite the strong expansion. In 1H22, Adjusted EBITDA totaled R\$1.7 billion, up 24% ⁽²⁾, with margin of 7.0%;**
- **Net income amounted to R\$319 million in 2Q22, +21% higher than the 2Q21 ⁽²⁾, with net margin of 2.4%. In 1H22, net income came to R\$533 million mainly due to the higher operational leverage, which largely offsets the impact of high interest rates;**
- **Strong operational cash generation of R\$2.8 billion in the last 12 months, R\$1 billion higher than the previous year and +60% growth.**

EXPANSION

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

DIGITAL

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

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

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

INCOME STATEMENT

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

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

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

(1) Includes logistics depreciation (as shown in the Income Statement on page 11)

(2) Earnings before Interest, Taxes, Depreciation, Amortization

(3) Adjusted for Other Operating Revenue (Expenses)

*Excluding fiscal credits.

BETTER SALES TREND WITH STRONG ACCELERATION IN THE QUARTER



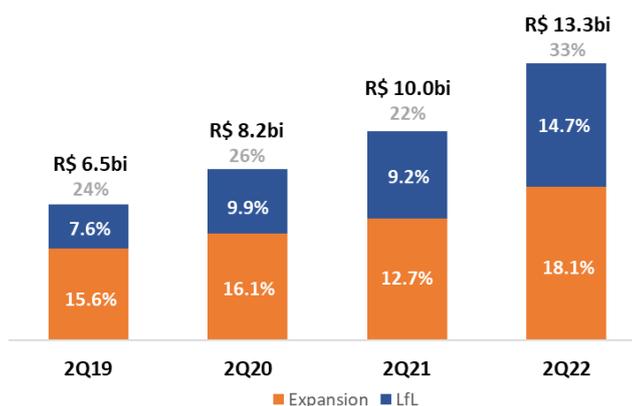
⁽¹⁾ Excluding calendar effect of 0.0%

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

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

- (i) the strong contribution of organic expansion in the last 12 months (+18.1%), with the opening of 33 new stores; and
- (ii) the advance of same-store sales, with a double-digit growth of +14.7%, despite the significant comparison base (+9.2%).

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



ACCELERATED EXPANSION: FIRST CONVERSIONS AND MORE SERVICES

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

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

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

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

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

ADVANCES IN DIGITAL INITIATIVES

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

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

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

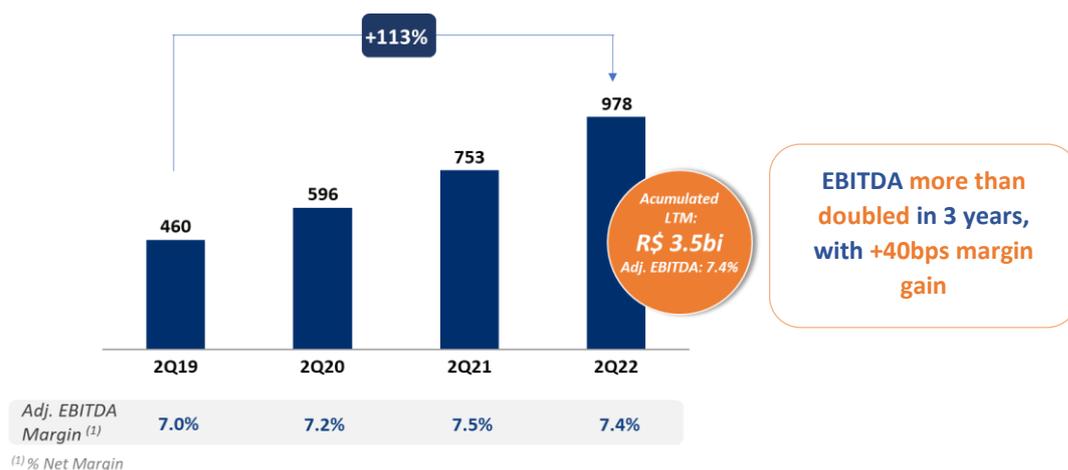
SUCCESSFUL COMMERCIAL STRATEGY AND STRONG OPERATIONAL LEVERAGE

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

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

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

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



FINANCIAL RESULT AFFECTED BY HIGHER INTEREST RATES

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

* Include Fiscal Credits

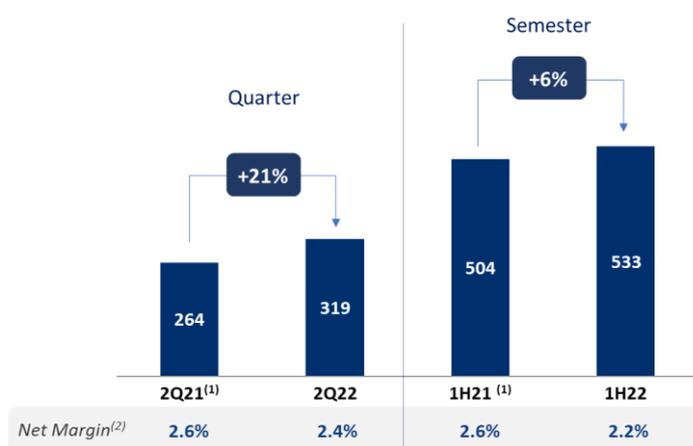
The net financial result post-IFRS16 was R\$328 million in the 2Q22, equivalent to 2.5% of net sales. Financial expenses excluding the effects from interest on lease liabilities amounted to R\$221 million, corresponding to 1.7% of net sales.

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

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

NET INCOME GROWTH CONFIRMS THE BUSINESS MODEL STRENGTH

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



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

INVESTMENTS LEVEL REFLECTS THE STRONG EXPANSION PACE

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

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

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

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

⁽¹⁾ EBITDA LTM before IFRS-16.

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

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

INDEBTEDNESS IN LINE WITH THE COMPANY'S GROWTH STRATEGY

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

⁽¹⁾ EBITDA LTM before IFRS 16.

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

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

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

COMMITMENT TO THE BEST ESG PRACTICES

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

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

The highlights of 2Q22 regarding ESG topics were:

- **The Company was certified by GPTW (Great Place to Work)** in the first year in which it underwent this assessment. The certification reveals the perception of employees in relation to the various policies, practices and behaviors of the organization, which attracts and retains good professionals and helps to create good relationships with shareholders.
- **Double awards for diversity and inclusion practices:**
 - 3rd place for Inclusion of People with Disabilities from the 1st Survey Ethos/Época de Inclusão;
 - 3rd place for Best Companies in Diversity Practices and Actions – Non-Signatory Companies category – market practices.
- **Conducting the 1st Diversity Census**, in partnership with the Instituto Identidades do Brasil (ID_BR), allowing for more in-depth diagnoses and mapping of priorities and specific actions based on the contribution of our employees, which had 56.4% adherence to the process.
- **Advances in diversity and inclusion:**
 - retention rate after 12 months of returning from maternity leave reached a level above 86%;
 - People with disabilities account for more than 5.5% of the overall workforce, an improvement of +0.3 p.p. from 2Q21.
- **Decrease of 21% in Scope 1⁽¹⁾ and 2⁽²⁾ emissions**, in line with the strategy to fight climate change and to the 38% reduction target by 2030 (base year 2015). Highlights for the -14.3% drop in refrigerant gas emissions (scope 1) and -1.76% in the average energy consumption per sqm in scope 2;
- **Growth of 82% growth in enrollments for the Academia Assaí Award** in comparison to the previous year, which recognizes and financially supports small entrepreneurs' businesses, also considering socioeconomic criteria in the evaluation. 1,500 people were directly benefited, 54% of them women and 56% black or brown.

⁽¹⁾ Emissions coming from the company

⁽²⁾ Emissions coming from electricity consumption.

ABOUT SENDAS S.A.

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

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

INVESTOR RELATIONS CONTACTS

Gabrielle Castelo Branco Helú

Investor Relations Officer

Ana Carolina Silva

Beatris Atilio

Daniel Magalhães

E-mail: ri.assai@assai.com.br

Website: www.ri.assai.com.br

APPENDICES

OPERATIONAL INFORMATION

I – Store network and sales area

# of Stores	2Q19	2Q20	2Q21	3Q21	4Q21	1Q22	2Q22
Southeast	89	93	102	103	113	113	115
Northeast	35	44	49	51	57	59	61
MidWest	14	17	20	20	21	21	21
North	6	10	11	12	14	16	16
South	4	5	5	5	7	7	7
Total	148	169	187	191	212	216	220

Sales Area (thousand sqm meters)	617	724	824	847	964	986	1,007
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FINANCIAL STATEMENTS

II – Income Statement

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

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

⁽¹⁾ Adjusted for Other Operating Revenue (Expenses)

*Include fiscal credits recognized in 2Q21 and 1H21

III - Balance Sheet

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

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

IV – Cash Flow

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