

# Transaction Involving Conversion of Extra Hiper Stores

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**Conversion of 71 commercial points,** reaching 300 Assaí stores in 2023 including organic expansion

**Potential of more than R\$25 billion<sup>(1)</sup>**  
**Gross Revenues** from converted stores at maturity

**~R\$100 billion** estimated Gross Revenue in 2024



**+420k sqm of sales area<sup>(2)</sup>,**  
**+49.8% the current area<sup>(3)</sup>**

**Proven and successful model of organic expansion and conversions:**  
**+150 stores** opened in the last decade,  
**25 conversions** in the last 5 years



Source: Company Information

Notes: (1) Based on the Company's past experience in converting stores, as explained on page 6 of the presentation; (2) Sales area of the current stores in Extra Hiper format; (3) Based on the current sales area of 847 sqm as of Sep/21; (4) Considers the last 18 months, according to Nielsen

## MAIN TRANSACTION DRIVERS

**Strategic commercial establishments in exceptional locations** in major cities and metropolitan regions



**Acceleration of the expansion pace,** mainly in higher income classes, with **less legal approval complexity**



**Commercial establishments with high potential of profitability**



**Low cannibalization** with Assaí current stores given the past common strategy of the two brands and the real estate barrier



**Rapid maturation** with established and well-known commercial points for more than 20 years



**End consumer migration to C&C format** (+5 p.p. of share<sup>(4)</sup>) and **agility gain** for the local economy due to the **proximity of the stores to large centers**



# IRREPLICABLE STORES IN PRIME LOCATIONS



16  
States

63 Stores  
in Large  
Metropolitan  
Areas

~50%  
Stores in  
SP

~62%  
Stores in  
Capitals

Conversion plan for  
the 71 Extra stores

~40 stores in 2022

~30 stores in 2023

R\$ 8.7 bi  
Gross  
Revenues<sup>(1)</sup>

~3x  
Uplift<sup>(2)</sup>

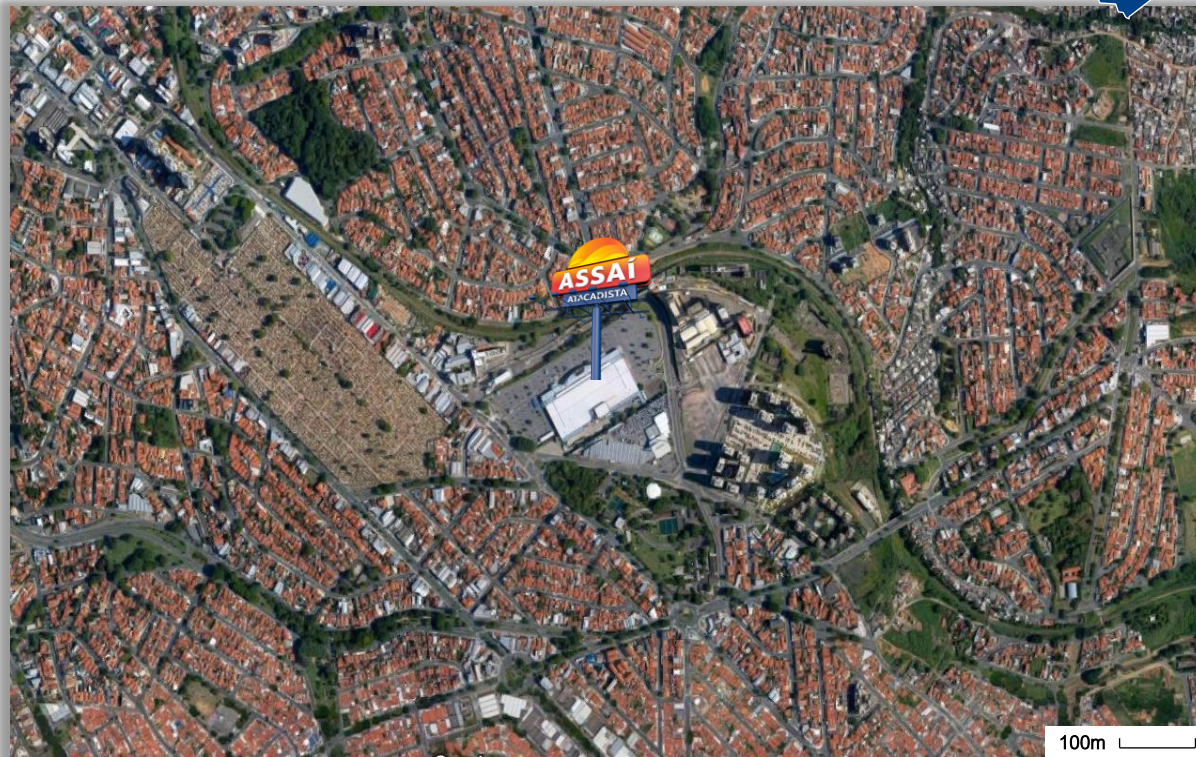
R\$ 25.0 bi  
Gross Revenues in  
the maturity<sup>(2)</sup>

Note: (1) Extra Hiper 7M21LTM gross revenues (does not consider revenues from gas station); (2) Based on the Company's past experience in converting stores, as explained on page 6 of the presentation

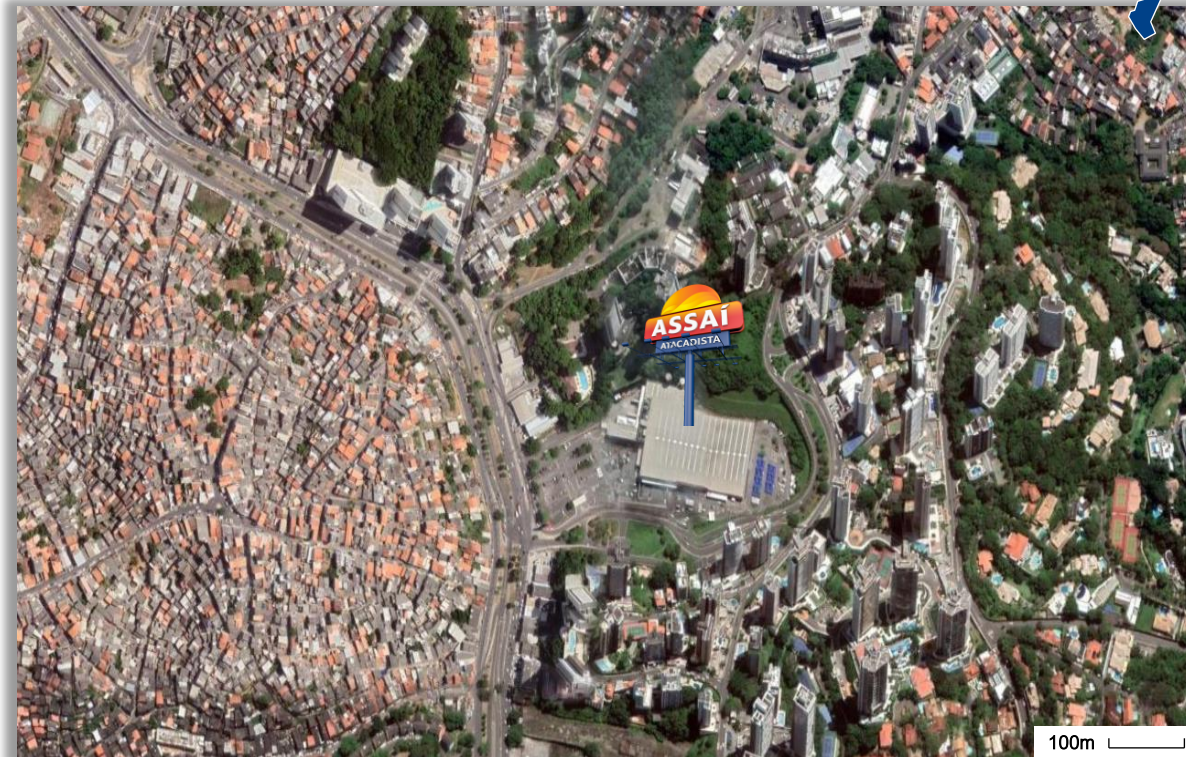


# STORES IN DENSELY POPULATED URBAN AREAS FACILITATING THE ACCESS FOR B2B AND B2C CUSTOMERS

Campinas – São Paulo State



Salvador – Bahia State

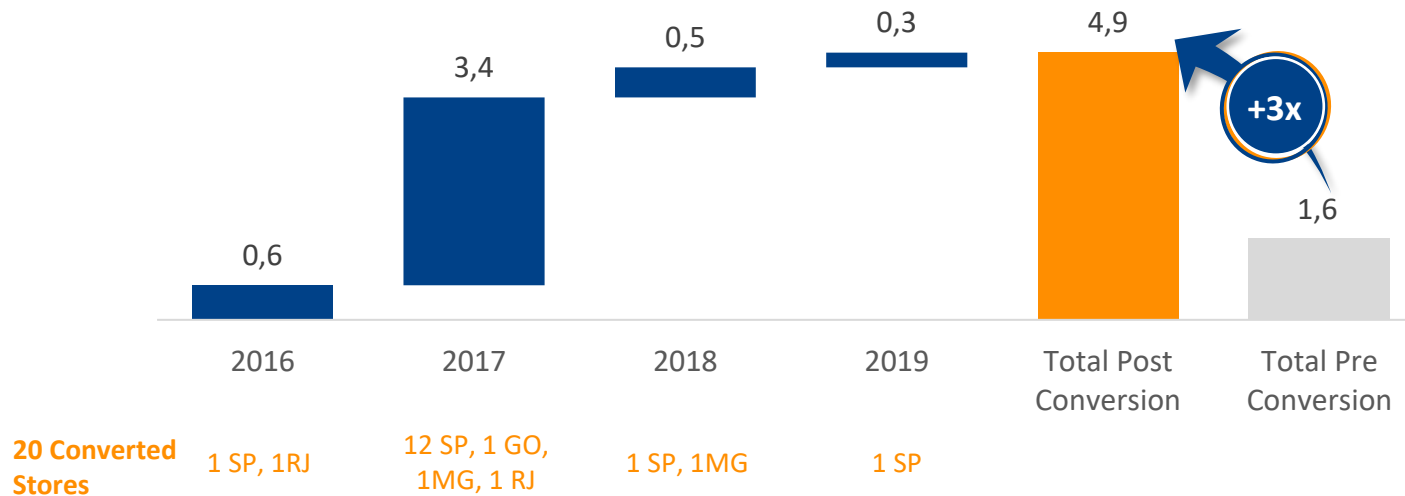


**Accelerated store ramp-up and protection of the most profitable markets**



# TRACK-RECORD OF CONVERSION WITH HIGH VALUE CREATION

Gross Revenues per Converted Park<sup>(1)</sup> (R\$bn)



São Vicente, SP – Converted in 2016



Uberlândia, MG – Converted in 2017



**+150bps** of additional EBITDA margin vs. the average of Assaí's stores



Total sales potential by **6<sup>th</sup> Month**



Store Breakeven in the **1<sup>st</sup> year** of operation



Full store maturation in the **2<sup>nd</sup> year**



**R\$4.7k** of monthly sales per sqm, +5% higher than the average of Assaí's stores

## GROWTH ACCELERATION WITH CONSOLIDATED COMMERCIAL ESTABLISHMENTS WITH HIGH PROFITABILITY AND CONSOLIDATION POTENTIAL IN STRATEGIC REGIONS

### Transaction Highlights

#### Total Amount of R\$ 5.2 bn:

- **Payment of R\$4.0bn (46% Gross Revenues<sup>(1)</sup> and ~15% at maturity)** for the 71 commercial points to be paid in installments from December/21 to January/24
- **Sale of 17 owned stores in which Assai is the tenant to a real estate fund for R\$1.2bn, with a guarantee<sup>(2)</sup> of direct acquisition by Assai if necessary**

### Next Steps

- 
- **Board of Directors Approval (only independent members):** 10/14/2021
  - **Due Diligence:** expected in the next 45 days
  - **Definitive Contract Signing:** expected for December/21
  - **Delivery of Stores by GPA:** expected for January/22



# Thank You

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