Interim Financial Information

Sendas Distribuidora S.A.

(Free Translation into English from the Original Previously Issued in Portuguese)

Interim Financial Information for the period ended March 31, 2022

Index

Corporate information / Capital composition

Number of Shares (Thousands)	Current year 3/31/2022
Share Capital	
Common	1,346,914
Preferred	0
Total	1,346,914
Treasury Shares	
Common	0
Preferred	0
Total	0

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

Account code	Account description	Current quarter 3/31/2022	Prior period 12/31/2021
1	**Total Assets**	**32,487,000**	**22,854,000**
1.01	**Current Assets**	**12,270,000**	**8,772,000**
1.01.01	Cash and Cash Equivalents	4,389,000	2,550,000
1.01.03	**Accounts Receivables**	**457,000**	**324,000**
1.01.03.01	Trade Receivables	410,000	265,000
1.01.03.02	Other Accounts Receivable	47,000	59,000
1.01.04	Inventories	4,845,000	4,380,000
1.01.06	Recoverable Taxes	1,090,000	876,000
1.01.08	**Other Current Assets**	**1,489,000**	**642,000**
1.01.08.01	**Non-current Assets Held for Sale**	**1,347,000**	**550,000**
1.01.08.01.01	Non-current Assets Held for Sale	1,347,000	550,000
1.01.08.03	**Others**	**142,000**	**92,000**
1.01.08.03.01	Derivative Financial Instruments	11,000	4,000
1.01.08.03.02	Dividends Receivable	16,000	16,000
1.01.08.03.03	Other Current Assets	115,000	72,000
1.02	**Non-current Assets**	**20,217,000**	**14,082,000**
1.02.01	**Long-Term Assets**	**1,795,000**	**1,086,000**
1.02.01.07	**Deferred Taxes**	**55,000**	**45,000**
1.02.01.09	**Receivable From Related Parties**	**855,000**	**114,000**
1.02.01.09.04	Receivable from Others Related Parties	855,000	114,000
1.02.01.10	**Other Non-current Assets**	**885,000**	**927,000**
1.02.01.10.04	Recoverable Taxes	688,000	770,000
1.02.01.10.05	Restricted Deposits for Legal Proceedings	117,000	119,000
1.02.01.10.06	Derivative Financial Instruments	72,000	28,000
1.02.01.10.07	Other Non-current Assets	8,000	10,000
1.02.02	**Investments**	**797,000**	**789,000**
1.02.02.01	**Investments in Associates**	**797,000**	**789,000**
1.02.02.01.03	Joint Venture Participation	797,000	789,000
1.02.03	**Property, Plant and Equipment**	**12,855,000**	**10,320,000**
1.02.04	**Intangible Assets**	**4,770,000**	**1,887,000**

The accompanying notes are integral part of these interim financial information.

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

Account code	Account description	Current quarter 3/31/2022	Prior period 12/31/2021
2	**Total Liabilities**	**32,487,000**	**22,854,000**
2.01	**Current Liabilities**	**11,375,000**	**8,644,000**
2.01.01	**Payroll and Related Taxes**	**454,000**	**425,000**
2.01.01.01	Social Taxes	50,000	55,000
2.01.01.02	Payroll Taxes	404,000	370,000
2.01.02	**Trade Payables**	**6,798,000**	**5,942,000**
2.01.03	**Taxes and Contributions Payable**	**139,000**	**158,000**
2.01.04	**Borrowings and Financing**	**302,000**	**613,000**
2.01.04.01	Borrowings and Financing	23,000	433,000
2.01.04.02	Debentures	279,000	180,000
2.01.05	**Other Liabilities**	**3,682,000**	**1,506,000**
2.01.05.01	Payables to Related Parties	2,558,000	368,000
2.01.05.02	**Others**	**1,124,000**	**1,138,000**
2.01.05.02.01	Dividends and Interest on Equity	168,000	168,000
2.01.05.02.08	Financing Related to Acquisition of Assets	178,000	197,000
2.01.05.02.09	Deferred Revenue	331,000	356,000
2.01.05.02.12	Other Current Liabilities	162,000	173,000
2.01.05.02.17	Lease Liability	285,000	244,000
2.02	**Non-current Liabilities**	**18,128,000**	**11,444,000**
2.02.01	**Borrowings and Financing**	**10,697,000**	**7,420,000**
2.02.01.01	Borrowings and Financing	1,528,000	1,154,000
2.02.01.02	Debentures	9,169,000	6,266,000
2.02.02	**Other Liabilities**	**7,225,000**	**3,819,000**
2.02.02.01	**Payable to Related Parties**	**1,477,000**	-
2.02.02.01.04	Payable to Other Third Parties	1,477,000	-
2.02.02.02	**Others**	**5,748,000**	**3,819,000**
2.02.02.02.07	Other Non-current Liabilities	13,000	12,000
2.02.02.02.09	Lease Liability	5,735,000	3,807,000
2.02.04	**Provision**	**206,000**	**205,000**
2.03	**Shareholders' Equity**	**2,984,000**	**2,766,000**
2.03.01	**Share Capital**	**789,000**	**788,000**
2.03.02	**Capital Reserves**	**22,000**	**18,000**
2.03.04	**Earnings Reserves**	**2,175,000**	**1,961,000**
2.03.08	**Other Comprehensive Income**	**(2,000)**	**(1,000)**

The accompanying notes are integral part of these interim financial information.

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

Account code	Account description	Year to date current year 1/1/2022 to 3/31/2022	Accumulated for the Prior Year 1/1/2021 to 3/31/2021
3.01	**Net Operating Revenue**	**11,443,000**	**9,448,000**
3.02	**Cost of Sales**	**(9,617,000)**	**(7,941,000)**
3.03	**Gross Profit**	**1,826,000**	**1,507,000**
3.04	**Operating Income / Expenses**	**(1,301,000)**	**(1,024,000)**
3.04.01	Selling Expenses	(929,000)	(756,000)
3.04.02	General and Administrative Expenses	(168,000)	(137,000)
3.04.05	**Other Operating Expenses**	**(212,000)**	**(146,000)**
3.04.05.01	Depreciation/ Amortization	(204,000)	(145,000)
3.04.05.03	Other Operating Expenses	(8,000)	(1,000)
3.04.06	Share of Profit of Associates	8,000	15,000
3.05	**Profit from Operations Before Net Financial Expenses**	**525,000**	**483,000**
3.06	**Net Financial Expenses**	**(302,000)**	**(134,000)**
3.06.01	Financial Income	70,000	17,000
3.06.02	Financial Expenses	(372,000)	(151,000)
3.07	**Income Before Income Tax and Social Contribution**	**223,000**	**349,000**
3.08	**Income Tax and Social Contribution**	**(9,000)**	**(109,000)**
3.08.01	Current	(18,000)	(101,000)
3.08.02	Deferred	9,000	(8,000)
3.09	**Net Income from Continued Operations**	**214,000**	**240,000**
3.11	**Net Income for the Period**	**214,000**	**240,000**
3.99	**Earnings per Share - (Reais/Share)**		
3.99.01	**Basic Earnings Per Share - Total**		
3.99.01.01	Common	0.15866	0.1791
3.99.02	**Diluted Earnings Per Share - Total**		
3.99.02.01	Common	0.15751	0.1791

The accompanying notes are integral part of these interim financial information.

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

Account code	Account description	Year to date current year 1/1/2022 to 3/31/2022	Accumulated for the Prior Year 1/1/2021 to 3/31/2021
4.01	**Net Income for the Period**	**214,000**	**240,000**
4.02	**Other Comprehensive Income**	**(1,000)**	**-**
4.02.04	Fair Value of Expected Credit Loss	(2,000)	-
4.02.06	Income Taxes over Other Comprehensive Income	1,000	-
4.03	**Total Comprehensive Income for the Period**	**213,000**	**240,000**

The accompanying notes are integral part of these interim financial information.

Individual Interim Financial Information / Statements of Changes in Shareholders' Equity 1/1/2022 to 3/31/2022
R$ (in thousands)

Account code	Account description	Capital stock	Capital reserves, granted options and treasury shares	Profit reserves	Retained earnings /Accumulated losses	Other comprehensive income	Shareholders' equity
5.01	**Opening Balance**	**788,000**	**18,000**	**1,961,000**	**-**	**(1,000)**	**2,766,000**
5.03	**Adjusted Opening Balance**	**788,000**	**18,000**	**1,961,000**	**-**	**(1,000)**	**2,766,000**
5.04	**Capital Transactions with Shareholders**	**1,000**	**4,000**	-	**-**	**-**	**5,000**
5.04.01	Capital Contribution	1,000	-	-	-	-	1,000
5.04.03	Stock Options Granted	-	4,000	-	-	-	4,000
5.05	**Total Comprehensive Income**	**-**	**-**	**-**	**214,000**	**(1,000)**	**213,000**
5.05.01	Net Income for the Period	-	-	-	214,000	-	214,000
5.05.02	**Other comprehensive income**	**-**	**-**	**-**	**-**	**(1,000)**	**(1,000)**
5.05.02.07	Fair Value of Expected Credit Loss	-	-	-	-	(2,000)	(2,000)
5.05.02.09	Tax over Other Comprehensive Income	-		-	-	1,000	1,000
5.06	**Shareholders' Equity**	**-**	**-**	**163,000**	**(163,000)**	**-**	**-**
5.06.05	Tax Incentive Reserve	-	-	163,000	(163,000)	-	-
5.07	**Closing Balance**	**789,000**	**22,000**	**2,124,000**	**51,000**	**(2,000)**	**2,984,000**

The accompanying notes are integral part of these interim financial information.

Individual Interim Financial Information / Statements of Changes in Shareholders' Equity 1/1/2021 to 3/31/2021
R$ (in thousands)

Account code	Account description	Capital stock	Capital reserves, granted options and treasury shares	Profit reserves	Retained earnings /Accumulated losses	Shareholders' equity
5.01	**Opening Balance**	**761,000**	**4,000**	**582,000**	**-**	**1,347,000**
5.03	**Adjusted Opening Balance**	**761,000**	**4,000**	**582,000**	**-**	**1,347,000**
5.04	**Capital Transactions with Shareholders**	**-**	**3,000**	-	**-**	**3,000**
5.04.03	Stock Options Granted	-	3,000	-	-	3,000
5.05	**Total Comprehensive Income**	**-**	**-**	**-**	**240,000**	**240,000**
5.05.01	Net Income for the Period	-	-	-	240,000	240,000
5.07	**Closing Balance**	**761,000**	**7,000**	**582,000**	**240,000**	**1,590,000**

The accompanying notes are integral part of these interim financial information.

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

Account code	Account description	Year to date current year 1/1/2022 to 3/31/2022	Accumulated for the prior year 1/1/2021 to 3/31/2021
6.01	**Net Cash Operating Activities**	**853,000**	**(219,000)**
6.01.01	**Cash Provided By the Operations**	**870,000**	**603,000**
6.01.01.01	Net Income for the Period	214,000	240,000
6.01.01.02	Deferred Income Tax and Social Contribution	(9,000)	9,000
6.01.01.03	Loss (Gain) of Disposal of Property and Equipment and Lease	3,000	(2,000)
6.01.01.04	Depreciation and Amortization	219,000	157,000
6.01.01.05	Interest and Monetary Correction	352,000	148,000
6.01.01.07	Share of Profit of Associates	(8,000)	(15,000)
6.01.01.08	Provision for Legal Proceedings	13,000	1,000
6.01.01.10	Provision for Stock Option	4,000	3,000
6.01.01.11	Allowance for Doubtful Accounts	3,000	(1,000)
6.01.01.13	Provision for Allowance for Inventory Losses and Damages	79,000	63,000
6.01.02	**Variations in Assets and Liabilities**	**(17,000)**	**(822,000)**
6.01.02.01	Trade Receivables	(148,000)	(17,000)
6.01.02.02	Inventories	(544,000)	240,000
6.01.02.03	Recoverables Taxes	(132,000)	297,000
6.01.02.04	Other Assets	(29,000)	(54,000)
6.01.02.05	Related Parties	18,000	38,000
6.01.02.06	Restricted Deposits for Legal Proceedings	2,000	1,000
6.01.02.07	Trade Payables	856,000	(927,000)
6.01.02.08	Payroll and Related Taxes	29,000	39,000
6.01.02.09	Taxes and Social Contributions Payble	(19,000)	(146,000)
6.01.02.10	Provision for Legal Proceedings	(14,000)	(4,000)
6.01.02.11	Deferred Revenue	(25,000)	(58,000)
6.01.02.12	Other Liabilities	(11,000)	(52,000)
6.01.02.13	Income Tax and Social Contribution, Paid	-	(179,000)
6.02	**Net Cash of Investing Activities**	**(1,527,000)**	**(177,000)**
6.02.02	Acquisition of Property, Plant and Equipment	(675,000)	(174,000)
6.02.03	Acquisition of Intangible Assets	(602,000)	(3,000)
6.02.11	Acquisition of Assets held for Sale	(250,000)	-
6.03	**Net Cash of Financing Activities**	**2,513,000**	**(372,000)**
6.03.01	Capital Contribution	1,000	-
6.03.02	Funding of Borrowings and Financing	2,731,000	-
6.03.03	Payment of Borrowings and Financing	(13,000)	(204,000)
6.03.04	Payment of Interest on Borrowings and Financing	(43,000)	(71,000)
6.03.09	Payment of Lease Liability	(50,000)	(36,000)
6.03.10	Payment of interest on Lease Liability	(113,000)	(61,000)
6.05	**Increase (Decrease) in Cash and Equivalents**	**1,839,000**	**(768,000)**
6.05.01	Cash and Cash Equivalents at the beginning of the Period	2,550,000	3,532,000
6.05.02	Cash and Cash Equivalents at the end of the Period	4,389,000	2,764,000

The accompanying notes are integral part of these interim financial information.

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

Account code	Account description	Year to date current year 1/1/2022 to 3/31/2022	Accumulated for the prior year 1/1/2021 to 3/31/2021
7.01	**Revenues**	**12,496,000**	**10,357,000**
7.01.01	Sales of Goods and Services	12,498,000	10,355,000
7.01.02	Other Revenues	1,000	3,000
7.01.04	Allowance for Doubtful Accounts	(3,000)	(1,000)
7.02	**Products Acquired from Third Parties**	**(11,102,000)**	**(9,112,000)**
7.02.01	Cost of Sales	(10,524,000)	(8,652,000)
7.02.02	Materials, Energy, Outsourced Services and Others	(578,000)	(460,000)
7.03	**Gross Value Added**	**1,394,000**	**1,245,000**
7.04	**Retentions**	**(219,000)**	**(157,000)**
7.04.01	Depreciation, Amortization and Exhaustion	(219,000)	(157,000)
7.05	**Net Value Added Produced**	**1,175,000**	**1,088,000**
7.06	**Value Added Received in Transfer**	**81,000**	**32,000**
7.06.01	Share of Profit of Associates	8,000	15,000
7.06.02	Financial Income	73,000	17,000
7.07	**Total Value Added to Distribute**	**1,256,000**	**1,120,000**
7.08	**Value Added Distribution**	**1,256,000**	**1,120,000**
7.08.01	**Personnel**	**628,000**	**479,000**
7.08.01.01	Direct Compensation	423,000	321,000
7.08.01.02	Benefits	143,000	126,000
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	37,000	26,000
7.08.01.04	Others	25,000	6,000
7.08.02	**Taxes, Fees and Contribution**	**38,000**	**247,000**
7.08.02.01	Federal	13,000	189,000
7.08.02.02	State	4,000	41,000
7.08.02.03	Municipal	21,000	17,000
7.08.03	**External Financiers**	**376,000**	**154,000**
7.08.03.01	Interest	375,000	151,000
7.08.03.02	Rentals	1,000	3,000
7.08.04	**Shareholders' Remuneration**	**214,000**	**240,000**
7.08.04.03	Retained Earnings for the period	214,000	240,000

The accompanying notes are integral part of these interim financial information.

EARNINGS RELEASE

1Q22

EARNINGS CONFERENCE CALL

Tuesday, May 10, 2022

11:00 a.m. (Brasília) | 10:00 a.m. (New York) | 3:00 p.m. (London)

Videoconference call in Portuguese (simultaneous translation)
Videoconference call 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, May 9, 2022 - Assaí Atacadista announces its results for the first 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.

SALES IMPROVEMENT AND EXPANSION PROGRESS:
5 ORGANIC STORES INAUGURATED AND 47 STORES UNDER CONSTRUCTION

RESULTS

- **Gross sales reached R$ 12.5 billion with strong acceleration,** increasing R$ 2.1 billion compared to 1Q21. The performance is mainly due to the successful commercial dynamics and fast adjustment of assortment to customers' needs;
- **Net sales grew +21.1% (vs. +8.1% in 4Q21)** due to:
  - **High performance of the 32 stores opened in last 12 months (+15.4%); and**
  - **+6.7% in same-store sales growth, which accelerated during the quarter and reached double-digit growth in the accumulated of February and March,** despite the strong comparison base (+11.2%) and persistent trade-down movements from consumers;
- **Gross margin stability** in comparison to the 1Q21, with investments in competitiveness supported by the rapid maturation of new stores;
- **Adjusted EBITDA doubled in three years, achieving R$ 752 million and margin of 6.6%** in the quarter. This margin level was achieved despite the record expansion, with 32 new stores opened in the last 12 months, and conversions preoperational costs;
- **Net income amounted to R$ 214 million,** with net margin of 1.9%, confirming the resilience of Assaí's business model in a scenario of high interest rates;

EXPANSION

- **Acceleration of organic expansion with 12 openings expected for 2022: 5 have already been inaugurated** (4 in 1Q22), and the remaining are under construction. In the last 12 months, **32 new stores were opened**, corresponding to expansion in sales area of approximately +22%;
- **Hypermarket conversions progress on schedule**: 60 commercial points already in possession of Assaí, which are located in central, mature and densely populated areas of capitals and reference cities. All 40 stores expected to open in the second half of 2022 are already under construction;
- **High performance of stores converted until 2020:**
  - Sales 3x higher when compared to the hypermarket format in the last 12 months;
  - Adjusted EBITDA margin 150 bps higher in 1Q22 than the Company's average margin;

DIGITAL

- **Strengthening of digital initiatives, available in 55 cities in 17 states:** online sales via Cornershop more than doubled compared to 4Q21 and partnership with Rappi rollout.

After a year of various achievements, we started 2022 with solid results and strong sales growth, thanks to the agile response of a team attentive to market movements and trends. Also, the Company maintained its expansion strategy and has already opened 5 stores in 2022, while another 47 are under construction. Hypermarket conversions are advancing according to schedule, which will bring Assaí even closer to the home or store of each client. Not only it is important to our growth strategy, but the expansion also contributes to income and jobs generation for thousands of families, with the creation of over 14,000 new jobs this year.

Belmiro Gomes, CEO of Assaí

INCOME STATEMENT

(R$ million)	1Q22	1Q21	Δ
Net operating revenue	11,443	9,448	21.1%
Gross Profit [1]	1,826	1,507	21.2%
Gross Profit [1]	**16.0%**	**16.0%**	**0.0 p.p.**
Selling, General and Administrative Expenses	(1,097)	(893)	22.8%
% of Net Revenue	**-9.6%**	**-9.5%**	**-0.1 p.p.**
Equity income	8	15	-46.7%
Other operating expenses, net	(8)	(1)	700.0%
Adjusted EBITDA [2][3]	752	641	17.3%
Adjusted EBITDA Margin [2][3]	**6.6%**	**6.8%**	**-0.2 p.p.**
Net Financial Result	(302)	(134)	125.4%
% of Net Revenue	**-2.6%**	**-1.4%**	**-1.2 p.p.**
Net Income - Total Controlling Shareholders	214	240	-10.8%
Net margin - Total Controlling Shareholders	**1.9%**	**2.5%**	**-0.6 p.p.**

(1) Includes logistics depreciation (as shown in the Income Statement on page 10)
(2) Earnings before Interest, Taxes, Depreciation, Amortization
(3) Adjusted for Other Operating Revenue (Expenses)

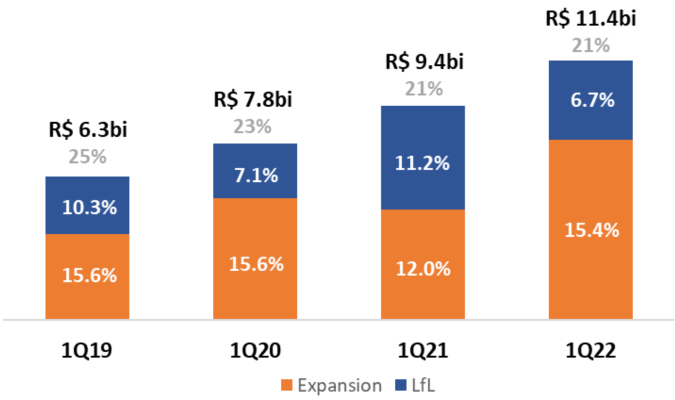
SALES PERFORMANCE

Robust sales growth
in last 3 years: **+81%**

Net sales amounted to R$ 11.4 billion in 1Q22, setting a new record for the first quarter and representing an increase of R$ 2.0 billion in relation to the 1Q21. This result represents a +21.1% growth, a strong acceleration compared to 4Q21 (+8.1%), mainly thanks to:

(i) the strong performance of the 32 stores opened in last 12 months (+15.4%); and

(ii) the robust performance of same-store sales (+6.7%), which reached double-digit growth in the accumulated of February and March, despite the strong comparison base (+11.2%), supported by the successful commercial strategy, very attentive to market trends, with rapid adjustment of the assortment.



EXPANSION

Assaí has been expanding its footprint in the North and Northeast of Brazil, regions with high growth potential. Early this year, 5 new organic stores were opened in those regions, 4 of them in 1Q22, totaling 32 new stores in the last 12 months, which represents a 22% expansion of total sales area and attests to the Company's top-notch execution capacity. Currently, Assaí has 217 stores in operation and a total sales area of 991,000 sqm.

Expansion continues to advance, with 7 organic stores under construction and the conversion of Extra Hiper stores progressing rapidly. At the end of March 2022, 60 commercial points were in Assaí possession, while the remaining commercial points are pending fulfillment of the conditions required for concluding the transaction. The conversion plan is advancing on schedule and all 40 stores expected to be opened in the second half of 2022 are already under construction.

The hypermarket conversions will enable Assaí to consolidate its position in 16 state capitals and major cities through locations in mature and densely populated areas. The high potential of hypermarket conversions is confirmed by the successful performance of the conversions carried out in recent years:

(i) sales tripled in the last 12 months when compared to the hypermarket format;

(ii) in 1Q22, the adjusted EBITDA margin of stores converted until 2020 was 150 bps higher than the Company's average.

DIGITAL

Online sales offer greater convenience for Assaí customers, and, currently, consumers of 55 cities in 17 states can shop using the Cornershop by Uber or Rappi apps in 55 cities in 17 states. The partnership with Cornershop, implemented in August 2021, continues to register rapid growth, with sales improving 6x compared to the project's initial roll-out and more than doubling in relation to 4Q21.

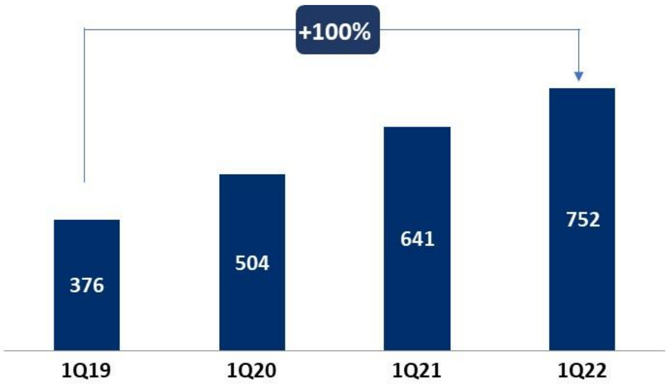
OPERATING RESULT

Gross profit achieved R$ 1.8 billion in the quarter, with margin of 16.0%, stable in relation to 1Q21, mainly due to the effective commercial strategy, with an adequate level of competitiveness and fast adjustment of assortment to customers' needs, supported by the accelerated maturation of new stores.

Selling, general and administrative expenses corresponded to 9.6% of net sales in the quarter, similar to the 1Q21, which confirms the effective costs control despite the record expansion in the period, with the opening of 32 stores, and conversions preoperational costs.

Equity income, related to Assaí's interest of 18% in FIC, amounted to R$ 8 million in the quarter. This result was affected by the higher allowance for doubtful accounts, given the macroeconomic context with higher default levels. The number of Passaí cards issued came to approximately 1.9 million.

Adjusted EBITDA came to R$ 752 million in 1Q22, increasing +17.3%, with margin of 6.6%. This solid margin level is a result of the commercial strategy and expenses control initiatives adopted by the Company, which partially offset the impacts from the record number of stores opened in the last 12 months and pressures from the macroeconomic scenario.



EBITDA doubled in 3 years, outpacing sales growth (+81% in the period)

	1Q19	1Q20	1Q21	1Q22
Adj. EBITDA Margin [1]	5.9%	6.5%	6.8%	6.6%

[1] % Net Margin

FINANCIAL RESULT

(R$ million)	1Q22	1Q21	Δ
Cash profitability	32	8	300.0%
Cost of debt	(227)	(78)	191.0%
Cost of Receivable Discount	(19)	(6)	216.7%
Other financial revenues/expenses and Net exchange variation	12	6	100.0%
Net Financial Revenue (Expenses)	**(202)**	**(70)**	**188.6%**
% of Net Revenue	*-1.8%*	*-0.7%*	*-1.1 p.p.*
Interest on lease liabilities	(100)	(64)	56.3%
Net Financial Revenue (Expenses) - Post IFRS 16	**(302)**	**(134)**	**125.4%**
% of Net Revenue - Post IFRS 16	*-2.6%*	*-1.4%*	*-1.2 p.p.*

The net financial result post-IFRS16 came to R$ 302 million in 1Q22, corresponding to 2.6% of net sales. Excluding the effect from interest on lease liabilities, the financial expense totaled R$ 202 million, representing 1.8% of net sales. This result includes positive non-cash impact of R$ 58 million related to mark-to-market.

In the period, the financial result was pressured mainly by the higher debt costs, due to higher interest rates, with a CDI 5x increase, from 0.49% in 1Q21 to 2.43% in 1Q22.

NET INCOME

Net income totaled R$ 214 million in the quarter, with net margin of 1.9%. The result confirms the resilience of Assaí's business model despite the challenging scenario, with strong interest rates increase, affecting the Financial Result by -120 bps.

NET DEBT

(R$ million)	1Q22	1Q21
Short Term Debt	**(291)**	**(1,864)**
Loans and Financing	(23)	(22)
Debentures	(279)	(1,842)
Derivative Financial Instruments	11	-
Long Term Debt	**(10,625)**	**(5,700)**
Loans and Financing	(1,528)	(950)
Debentures	(9,169)	(4,758)
Derivative Financial Instruments	72	8
Total Gross Debt	**(10,916)**	**(7,564)**
Cash and Financial Investments	**4,389**	**2,764**
Net Debt	**(6,527)**	**(4,800)**
Adjusted EBITDA (1)	**2,863**	**2,454**
On Balance Credit Card Receivables	222	75
Net Debt incl. Credit Cards Receivable not discounted	**(6,305)**	**(4,725)**
Net Debt incl. Credit Cards Receivable not discounted / Adjusted EBITDA (1)	**-2.20x**	**-1.93x**

(1) EBITDA LTM before IFRS 16.

The net debt/adjusted EBITDA ratio ended 1Q22 at -2.20x, explained mainly by the increase in gross debt, due to the higher level of investments (R$ 2.4 billion in last 12 months) and payments related to the acquisition of hypermarket commercial points (R$ 1.9 billion since December/2021).

In order to finance the hypermarket stores into Assaí stores, the Company concluded two new issues in 1Q22, amounting to R$ 2.75 billion, and one in April in the total amount of R$ 250 million, totaling R$ 3 billion.

In April 13, 2022, the transaction involving the sale of 17 properties owned by GPA to a Real Estate Fund was approved by CADE, the Brazilian antitrust authority. The Company expects to be reimbursed on approximately R$ 1 billion by the end of the second quarter of 2022.

INVESTMENTS

(R$ million)	1Q22	1Q21	Δ
New stores and land acquisition	608	124	484
Store Renovation and maintenance	33	25	8
Infrastructure and others	17	16	1
Gross Total Investments	**658**	**165**	**493**
Aquisition of commercial points of Extra Híper	2,889	-	2,889
Net Total Investments (Inc. Aquisition of commercial points of Extra Híper)	**3,547**	**165**	**3,382**

During the quarter, investments amounted to R$ 3.5 billion and include: 5 new organic stores already inaugurated, 7 organic stores under construction and the beginning of the conversion of 40 hypermarket stores in Assaí. Additionally, R$ 2.9 billion were recognized regarding the 40 commercial points, which Assaí took possession in the quarter.

In the last 12 months, 32 new stores were inaugurated, increasing total sales area by 22%, which once again confirms the Company top-notch execution capacity.

ESG STRATEGY

Assaí aims to be a transforming agent, improving and innovating the way of doing business for building a more responsible and inclusive society. The Company's ESG strategy is based on the following pillars:

1) **Tackling Climate Change**: to improve the environmental management of the business model;
2) **Integrated Management and Transparency**: to consolidate social, environmental and governance practices from ethical and transparent relations with our stakeholders;
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 1Q22 regarding ESG topics were:

- launch of **Instituto Assaí**, the Company's new social arm that focus on food, sports and entrepreneurship themes;
- start of the 5th edition of the ''*Academia Assaí Bons Negócios*'' Award, which has already reached more than 6 thousand registrations, 4x higher than in 1Q21;
- donation of 58 tons of food and hygiene and cleaning products to socially vulnerable families, 3x more than in 1Q21;
- the collection of another 52 tons from customers, which were destined to regions affected by climatic disasters;
- addition of 31 stores into the free energy market compared to 1Q21, totaling 199 stores or 92% of the Company's store network consuming energy from 100% renewable sources;
- decrease by 3% in total emissions (scope 1 and 2) in comparison to the same period in 2021, advancing the commitment to reduce carbon emissions by 30% by 2025 and by 38% by 2030;
- reaching 5.5% of people with disabilities in the total workforce;
- Company's entry into the MM360 (Movimento Mulheres 360º), a business movement that aims to support and encourage the economic development of women;
- the combination of actions in Diversity and Human Rights into the *#PessoasDiferentesOportunidadesIguais* (''*#DifferentPeopleEqualOpportunities*'') concept, which will be included in the Company's communication materials; and
- the publication of the first Annual and Sustainability Report of the Company, after the spin-off from GPA, concerning the 2021 performance.

ABOUT SENDAS S.A.

Assaí has been operating in the market since 1974 and, since March 2021, is the only pure cash & carry player listed on the São Paulo Stock Exchange (B3), under the ticker ASAI3. Assaí also is listed on the New York Stock Exchange (NYSE) under the ticker ASAI. Currently, Assaí operates in the five Brazilian regions with 217 stores in 23 states (including the Federal District), with a total sales area of 991,000 sqm. Assaí is one of Brazil's ten largest employers, with around 60 thousand employees, and welcomes 30 million customers to its stores every month. Also, is one of Brazil's 20 most valuable brands according to the annual ranking compiled by Interbrand and ranks 19th in the country in terms of net sales.

INVESTOR RELATIONS CONTACTS

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APPENDICES

OPERATIONAL INFORMATION

I – Store network and sales area

# of Stores	1Q19	1Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Southeast	88	93	101	102	103	113	113
Northeast	34	43	49	49	51	57	59
MidWest	14	16	18	20	20	21	21
North	5	10	11	11	12	14	16
South	4	5	5	5	5	7	7
Total	**145**	**167**	**184**	**187**	**191**	**212**	**216**
Sales Area (thousand sqm meters)	**599**	**714**	**810** [1]	**824**	**847**	**964**	**986**

[1] Adjustment on sales area mensuration

FINANCIAL STATEMENTS

II – Income Statement

	Cash & Carry		
	1Q22	1Q21	Δ
R$ - million			
Gross Revenue	**12,498**	**10,355**	**20.7%**
Net operating revenue	**11,443**	**9,448**	**21.1%**
Cost of Goods Sold	**(9,602)**	**(7,929)**	**21.1%**
Depreciation (Logistic)	(15)	(12)	25.0%
Gross Profit	**1,826**	**1,507**	**21.2%**
Selling Expenses	(929)	(756)	22.9%
General and Administrative Expenses	(168)	(137)	22.6%
Selling, General and Adm. Expenses	**(1,097)**	**(893)**	**22.8%**
Equity income	8	15	-46.7%
Other operating expenses, net	(8)	(1)	700.0%
Depreciation and Amortization	(204)	(145)	40.7%
Earnings before interest and Taxes - EBIT	**525**	**483**	**8.7%**
Financial Revenue	70	17	311.8%
Financial Expenses	(372)	(151)	146.4%
Net Financial Result	**(302)**	**(134)**	**125.4%**
Income Before Income Tax	**223**	**349**	**-36.1%**
Income Tax and Social Contribution	(9)	(109)	-91.7%
Net Income - Total Controlling Shareholders	**214**	**240**	**-10.8%**
Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA	**744**	**640**	**16.3%**
Adjusted EBITDA [1]	**752**	**641**	**17.3%**

% of Net Revenue	**1Q22**	**1Q21**	**Δ**
Gross Profit	**16.0%**	**16.0%**	**0.0 p.p.**
Selling Expenses	-8.1%	-8.0%	-0.1 p.p.
General and Administrative Expenses	-1.5%	-1.5%	0.0 p.p.
Selling, General and Adm. Expenses	**-9.6%**	**-9.5%**	**-0.1 p.p.**
Equity Income	0.1%	0.2%	-0.1 p.p.
Other Operating Revenue (Expenses)	-0.1%	0.0%	-0.1 p.p.
Depreciation and Amortization	-1.8%	-1.5%	-0.2 p.p.
EBIT	**4.6%**	**5.1%**	**-0.5 p.p.**
Net Financial Revenue (Expenses)	**-2.6%**	**-1.4%**	**-1.2 p.p.**
Income Before Income Tax	**1.9%**	**3.7%**	**-1.7 p.p.**
Income Tax	-0.1%	-1.2%	1.1 p.p.
Net Income - Total Controlling Shareholders	**1.9%**	**2.5%**	**-0.7 p.p.**
Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA	**6.5%**	**6.8%**	**-0.3 p.p.**
Adjusted EBITDA [1]	**6.6%**	**6.8%**	**-0.2 p.p.**

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

III - Balance Sheet

ASSETS	Sendas Distribuidora	
(R$ million)	03.31.2022	12.31.2021
Current Assets	**12,270**	**8,772**
Cash and cash equivalent	4,389	2,550
Trade receivables	410	265
Inventories	4,845	4,380
Recoverable taxes	1,090	876
Derivative financial instruments	11	4
Assets held for sale	1,347	550
Dividends receivable	16	16
Other accounts receivable	47	59
Other current assets	115	72
Non-current assets	**20,217**	**14,082**
Long-term assets	20,217	14,082
Deferred income tax and social contribution	55	45
Recoverable taxes	688	770
Derivative financial instruments	72	28
Related parties	855	114
Restricted deposits for legal proceedings	117	119
Other non-current assets	8	10
Investments	797	789
Property, plan and equipment	12,855	10,320
Intangible assets	4,770	1,887
TOTAL ASSETS	**32,487**	**22,854**

LIABILITIES	Sendas Distribuidora	
(R$ million)	03.31.2022	12.31.2021
Current Liabilities	**11,375**	**8,644**
Trade payables, net	6,798	5,942
Borrowings and financing	23	433
Debentures and promissory notes	279	180
Payroll and related taxes	454	425
Lease liabilities	285	244
Related parties	2,558	368
Taxes payable	139	158
Deferred revenues	331	356
Dividends payable	168	168
Other current liabilities	340	370
Non-current liabilities	**18,128**	**11,444**
Borrowings and financing	1,528	1,154
Debentures and promissory notes	9,169	6,266
Provision for legal proceedings	206	205
Related parties	1,477	-
Lease liabilities	5,735	3,807
Other non-current liabilities	13	12
Shareholders' Equity	**2,984**	**2,766**
Capital stock	789	788
Capital reserve	22	18
Profit reserve	2,175	1,961
Other comprehensive results	(2)	(1)
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	**32,487**	**22,854**

IV - Cash Flow

	Cash & Carry	
(R$ million)	**03.31.2022**	**12.31.2021**
Net income for the period	**214**	**240**
Deferred income tax and social contribution	(9)	9
Loss (gain) on disposal of property, plant and equipment and lease	3	(2)
Depreciation and amortization	219	157
Interests and monetary variation	352	148
Share of profit and loss of associate	(8)	(15)
Provision of legal proceedings	13	1
Provision of stock option	4	3
Provision (reversal) of allowance for doubtful accounts	3	(1)
Provision for inventory losses and damages	79	63
	870	**603**
Variation of operating assets		
Trade receivables	(148)	(17)
Inventories	(544)	240
Recoverable taxes	(132)	297
Other assets	(29)	(54)
Related parties	18	38
Restricted deposits for legal proceedings	2	1
	(833)	**505**
Variation of operating liabilities		
Trade payables	856	(927)
Payroll and related taxes	29	39
Taxes and social contributions payable	(19)	(146)
Other accounts payable	(11)	(52)
Provision for legal proceedings	(14)	(4)
Deferred revenues	(25)	(58)
Income tax and social contribution paid	-	(179)
	816	**(1,327)**
Net cash generated by (applied in) operating aNcetti vciatisehs generated	**853**	**(219)**
Acquisition of property, plant and equipment	(675)	(174)
Acquisition of intangible assets	(602)	(3)
Acquisition of assets held for sale	(250)	-
Net cash used in investment activities	**(1,527)**	**(177)**
Cash flow from financing activities		
Capital Contribution	1	-
Funding of Borrowings and Financing	2,731	-
Payments of borrowings and financing	(13)	(204)
Payments of interest on borrowings and financing	(43)	(71)
Payments of lease liabilities	(50)	(36)
Payment of interest on lease liability	(113)	(61)
Net cash generated by (applied in) financing activities	**2,513**	**(372)**
Cash and cash equivalents at the beginning of the period	2,550	3,532
Cash and cash equivalents at the end of the period	4,389	2,764
Net increase (decrease) in cash and cash equivalents	**1,839**	**(768)**

1 CORPORATE INFORMATION

Sendas Distribuidora S.A. (the "Company" or "Sendas") is a publicly listed company under the segment Novo Mercado of B3 S.A. - Brasil, Bolsa, Balcão (B3), under the code "ASAI3" and on the New York Stock Exchange (NYSE), under the ticker "ASAI". The Company is mainly engaged in the retail and wholesale sale of food, bazar, and other products through its chain of stores, represented by the banner "ASSAÍ". The Company based in the State of Rio de Janeiro, at Avenida Ayrton Senna, 6.000, Lote 2 - Anexo A, Jacarepaguá/RJ. On March 31, 2022, the Company operated 216 stores and 13 Distribution Centers which are present in all five regions of the country acting working in 23 states and in the Federal District.

The Company is a direct subsidiary of Wilkes Participações S.A. ("Wilkes").

1.1 Conversion of Extra Hiper stores into Assaí

On October 14, 2021, the Board of Directors of the Company and Grupo Pão de Açúcar ("GPA") approved a transaction involving the conversion of Extra Hiper stores, operated by GPA, into cash & carry stores, operated by the Company under the ASSAÍ brand ("Transaction").

On December 16, 2021, the Company and GPA signed the "Agreement for Onerous Assignment of Exploration Rights of Commercial Points and Other Agreements" (the "Agreement"), governing the assignment to ASSAÍ of the exploitation rights of up to 70 commercial points located in several states in Brazil, 17 properties owned by GPA and 53 properties owned by third parties, for the total amount of up to R$3,973, to be paid by the Company, which may also involve the acquisition of some existing equipment in the stores.

The closing of the transaction provided for the Agreement is subject to the fulfillment of certain conditions, including, but not limited to, obtaining the previus consent of the property owners and demobilization of the stores by GPA, with deadline to complete the assignment of all commercial points to the Company is May 31, 2022, and this transaction is not subject of approval by competition authorities.

On March 31, 2022, the Company and GPA signed the purchase and sale of 40 commercial points (20 commercial points on December 31, 2021) including the 17 properties owned by GPA in the amount of R$1,200, located in the Southeast, North, Northeast, Midwest regions and in the Federal District, which had overcome the previous conditions, see notes 9 and 12. The Company made the total payment in the amount of R$1,850 (R$850 on March 31, 2022 and R$1,000 on December 31, 2021) to GPA related to these acquisitions. Property, plant and equipment acquired from the 17 properties owned by GPA are recorded under "Assets held for sale", in the amount of R$1,200 (R$403 on December 31, 2021) , see note 26.

In parallel with the Transaction, GPA and the Company sold the 17 owned properties with a sale price of R$1,200, to a certain real estate fund ("Fund") with the intervention and guarantee of the Company.

On March 31, 2022, the Company concluded the assignment of the exploitation rights of 40 properties, 20 properties on December 31, 2021, totaling 60 properties. The expectation for completion of the other 10 properties is by the end of May 2022.

1.2 Impacts of the pandemic on the Company's financial statements

Since December 2019, we face the pandemic COVID-19. The Company has been monitoring the impacts on its operations. Management took actions, among them, we appointed a crisis committee composed of senior management, which makes decisions in line with recommendations of the Brazilian Ministry of Health, local authorities, and professional associations.

The Company implemented all the measures to mitigate the transmission of virus at our stores, distribution centers, and offices, such as frequent sanitization, employees' safety/protection equipment, flexible working hours, and home office, among others.

Since the beginning of the COVID-19 outbreak, our stores have remained open during periods of general lockdown, as we are considered an essential service. The Company has a strong commitment to society to continue selling essential products to its customers. We did not face supply-side hurdles from industries that continued supplying our distribution centers and stores.

On March 10, 2020, CVM issued circular letter CVM-SNC/SEP No. 02/2020 and on January 29, 2021 issued circular letter CVM-SNC/SEP No. 01/2021, guiding publicly held Companies to carefully assess the impacts of COVID-19 on their business and report in the financial statements the main risks and uncertainties as result of such analysis, following the applicable accounting standards.

In this regard, the Company fully analyzed its financial statements, in addition to updating the analyses of going concern. Below are the key topics analyzed:

• The Company reviewed its budget, adopted to estimate the calculation of the recovery of store assets and intangible assets on December 31, 2021, and no significant reductions were seen in revenues, and in other items of the income statement to evidence impairment of these assets. Due to uncertainties concerning the end of the pandemic and its macroeconomic effects, the Company analyzed the indication of impairment for certain assets and, accordingly, updated its impairment tests. There were no new elements in the period ended March 31, 2022 that the Company's need to review the asset recovery test.

The recoverable value is determined by calculating the value in use, from cash projections deriving from financial budgets, which were reviewed and approved by senior management for the next three years, considering the assumptions updated for December 31, 2020. The discount rate applied to cash flow projections is 10.40% on December 31, 2021 (9.80% on December 31, 2020), and the cash flows to exceed three years are extrapolated, applying a growth rate of 6.60% on December 31, 2021 (4.62% on December 31, 2020). As a result of this analysis, we did not identify the need for recording a provision for impairment of these assets.

• The Company analyzed the collection of balances of trade receivables from credit card operators, clients, galleries at our stores, property rentals, and concluded that, at this point, it is not necessary to record provisions for losses, in addition to those already recorded;

• Concerning inventories, the Company does not foresee the need to make a market price adjustment;

• Financial instruments already reflect the market assumptions in their valuation, there are no additional exposures not disclosed. The Company is not exposed to significant financing denominated in US dollars;

• At this point, the Company does not foresee additional funding; and

• Finally, the costs necessary to adapt the Company’s stores to serve the public were not significant.

In summary, according to Management’s estimates and the monitoring of the impacts of the pandemic, including the Omicron variant, there are no effects that should be recorded in the Company’s interim financial information for the period ended March 31, 2022, nor are there any effects on the continuity and / or estimates of the Company that would justify changes or recording provisions in addition to those already disclosed. The Company will continue to monitor and evaluate the impacts and, make the disclosures.

1.3 Possible impacts of the military conflict between Russia and Ukraine on the interim financial information

Our business could be adversely affected by unstable economic and political conditions and geopolitical conflicts, such as the conflict between Russia and Ukraine. While we do not have any customer or direct supplier relationships in either country at this time, the current military conflict, and related sanctions, as well as export/import controls or actions that may be initiated by nations including Brazil and other potential uncertainties could adversely affect our business and/or our supply chain, business partners or customers, and could cause changes in our customers buying patterns and interrupt our ability to supply products.

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

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

The Company does not operate in these countries, but will continue to monitor the impacts of the war. On March 31,2022, there are no effects that should be recorded in the Company's interim financial information, nor are there any effects on the Company's continuity and/or estimates that would justify changes or recording of provisions, in addition to those already disclosed. The Company will continue to monitor and assess the impacts and, if necessary, will make the corresponding disclosures.

2 BASIS OF PREPARATION AND DISCLOSURE OF THE INTERIM FINANCIAL INFORMATION

The interim financial information have been prepared in accordance with IAS 34 – Interim Financial Reporting issued by International Accounting Standards Board (“IASB”) and accounting standard CPC 21 (R1) – Interim report and disclosed aligned with the standards approved by the Brazilian Securities and Exchange Commission (“CVM”), applicable to the preparation of the Interim Financial Information.

The interim financial information have been prepared on the historical cost basis, except for (i) certain financial instruments; and (ii) assets and liabilities arising from business combinations measured at their fair values, when applicable. All relevant information in the interim financial information, is being evidenced by and correspond to that used by management in the admnistration of the Company.

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

The interim financial information for the period ended March 31, 2022, were approved by the Board of Directors on May 9, 2022.

3 SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies and practices applied by the Company to the preparation of the interim financial information are in accordance with those adopted and disclosed in note 3 and in each explanatory note corresponding to the financial statements for the year ended December 31, 2021, and, therefore, it should be read together.

(In million of Brazilian Reais, unless otherwise stated)

3.1 Standards, amendments and interpretation

There were no new standards, amendments and interpretation issued that must be disclosed for the three-month period ended March 31, 2022.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the interim financial information requires Management to makes judgments estimates and assumptions that impact the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the year, however, the uncertainty about these assumptions and estimates could result in substantial adjustments to the carrying amount of asset or liability impacted in future periods.

The significant assumptions and estimates applied on the preparation of the interim financial information for the period ended March 31, 2022, were the same as those adopted in the financial statements for the year ended December 31, 2021, see note 6.

5 CASH AND CASH EQUIVALENTS

	3/31/2022	12/31/2021
Cash and bank accounts - Brazil	**92**	74
Cash and bank accounts - Abroad (i)	**22**	25
Financial investments - Brazil (ii)	**4,275**	2,451
	4,389	2,550

(i) On March 31, 2022, the Company had funds held abroad, being R$22 in US Dollars (R$25 in US Dollars on December 31, 2021).

(ii) On March 31, 2022, the financial investments correspond to the repurchase and resale agreements, yielded by the weighted average of 101.78% of CDI - Interbank Deposit Certificate (109.64% of CDI on December 31, 2021) and redeemable within terms less than 90 days, as of the date of investment, without losing income.

6 TRADE RECEIVABLES

	Note	3/31/2022	12/31/2021
From sales with:			
Credit card companies	6.1	**204**	75
Credit card companies with related parties	9.1	**18**	24
Sales ticket and payment slips	6.2	**154**	118
Trade receivables with related parties	9.1	**24**	31
Trade receivables with suppliers/payment slips		**19**	23
		419	271
Expected credit loss for doubtful accounts	6.3	**(9)**	(6)
		410	265

Set forth below the breakdown of trade receivables by their gross amount by maturity period:

			Overdue	
	Total	Due	Up to 30 days	> 90 days
3/31/2022	**419**	**416**	**2**	**1**
12/31/2021	271	269	1	1

6.1 Credit card companies

The Company, through the cash management strategy, anticipates the amount receivable with credit card companies, without any right of recourse or related obligation and derecognizes the balance of trade receivables.

6.2 Sales ticket and payment slips

Refers to amounts arising from transactions through receipts: (i) tickets and meal vouchers R$58 (R$56 on December 31, 2021); and (ii) payment slips R$96 (R$62 on December 31, 2021).

6.3 Expected credit loss for doubtful accounts

	3/31/2022	3/31/2021
At the beginning of the period	**(6)**	(4)
Additions	**(8)**	(3)
Reversals	**5**	2
At the end of the period	**(9)**	(5)

7 INVENTORIES

	Note	3/31/2022	12/31/2021
Stores		**4,309**	3,955
Distribution centers		**1,032**	878
Commercial agreements	7.1	**(472)**	(416)
Allowance for loss on inventory obsolescence and damages	7.2	**(24)**	(37)
		4,845	4,380

(In million of Brazilian Reais, unless otherwise stated)

7.1 Commercial agreements

On March 31, 2022, the amount of unrealized commercial agreements, as a reduction of inventory balance, totaled R$472 (R$416 on December 31, 2021).

7.2 Allowance for loss on inventory obsolescence and damages

	3/31/2022	3/31/2021
At the beginning of the period	**(37)**	(51)
Additions	**(85)**	(69)
Reversals	**6**	6
Write-offs	**92**	94
At the end of the period	**(24)**	(20)

8 RECOVERABLE TAXES

	Note	3/31/2022	12/31/2021
State VAT tax credits - ICMS	8.1	**1,174**	1,153
Social Integration Program and Contribution for Social Security Financing - PIS/COFINS	8.2	**464**	370
Social Security Contribution - INSS		**62**	54
Income tax and social contribution		**64**	61
Others		**14**	8
Total		**1,778**	1,646
Current		**1,090**	876
Non-current		**688**	770

8.1 State VAT tax credits - ICMS

Since 2008, the Brazilian States have been substantially amending their local laws aiming at implementing and broadening the ICMS tax replacement system. The referred system implies the prepayment of ICMS throughout the commercial chain, upon goods outflow from a manufacturer or importer or their inflow into the State. The expansion of such system to a wider range of products traded at retail assumes that the trading cycle of these products will end in the State, such that ICMS is fully owed to such State.

The refund process requires evidence through tax documents and digital files of transactions made, entitling the Company to such a refund. Only after ratification by State tax authorities and/or the compliance with specific ancillary obligations aiming to support such evidence that credits can be used by the Company, which occur in periods after these are generated.

Since the number of items traded at the retail subject to tax replacement has been continuously increasing, the tax credit to be refunded by the Company has also grown. The Company has been realizing referred credits with authorization for immediate offset with those credits due in view of its operations, through the special regime, also other procedures regulated by state rules.

With respect to credits that cannot yet be immediately offset, the Company's Management, based on a technical recovery study, based on the future expectation of growth and consequent compensation with taxes payable arising from its operations, believes that its future compensation is viable. The studies mentioned are prepared and periodically reviewed based on information extracted from the strategic planning previously approved by the Company's Board of Directors. For the interim financial information on March 31, 2022, the Company's management has monitoring controls over adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the ICMS balance to be recovered, as shown in the table below:

Year	Amount
In 1 year	**505**
From 1 to 2 years	**442**
From 2 to 3 years	**58**
From 3 to 4 years	**48**
From 4 to 5 years	**34**
After 5 years	**87**
Total	**1,174**

8.2 PIS and COFINS credits

On March 15, 2017, the Federal Supreme Court ("STF") recognized, as a matter of general repercussion, the unconstitutionality of the inclusion of ICMS in the PIS and COFINS calculation base. On May 13, 2021, the STF judged the Declaration Embargoes in relation to the amount to be excluded from the calculation basis of the contributions, which should only be the ICMS paid, or if the entire ICMS, as shown in the respective invoices.

The STF decided to modulate the effects of the decision, providing that taxpayers who distributed lawsuits before March 15, 2017 or who had administrative proceedings in progress before that same date, would be have rights to take advantage of the past period. As the decision was rendered in a process with recognized general repercussions, the understanding reached is binding on all judges and courts. The Company filed a lawsuit on October 31, 2013, having obtained a favorable decision and a final and unappealable decision on July 16, 2021, thus allowing the recognition of the credit for the period covered by the lawsuit.

Currently the Company, according to the favorable judgment of the Supreme Court, has been recognizing the exclusion of ICMS from the PIS and COFINS calculation basis, based on the same assumptions mentioned previously.

(In million of Brazilian Reais, unless otherwise stated)

9 RELATED PARTIES

9.1 Balances and related party transactions

	Assets				Liabilities				Transactions	
	Clients		Other assets		Suppliers		Other liabilities		Revenue (expenses)	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	12/31/2021	3/31/2022	3/31/2021
Controlling shareholders										
Wilkes Participações S.A.	**-**	-	**-**	-	**-**	-	**2**	2	**(2)**	(1)
Euris	**-**	-	**-**	-	**-**	-	**1**	1	**(1)**	-
Casino Guichard Perrachon	**13**	13	**-**	-	**-**	-	**-**	-	**(13)**	(16)
	13	13	**-**	-	**-**	-	**3**	3	**(16)**	(17)
Other related parties										
GPA (i)	**11**	18	**842**	100	**16**	8	**4,032**	365	**(92)**	(6)
Compre Bem	**-**	-	**-**	-	**-**	-	**-**	-	**-**	1
Greenyellow	**-**	-	**-**	-	**-**	-	**-**	-	**(8)**	(7)
Joint venture										
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento ("FIC")	**18**	24	**13**	14	**10**	14	**-**	-	**6**	2
	29	42	**855**	114	**26**	22	**4,032**	365	**(94)**	(10)
Total	**42**	55	**855**	114	**26**	22	**4,035**	368	**(110)**	(27)
Current	**42**	55	**-**	-	**26**	22	**2,558**	368		
Non-current	**-**	-	**855**	114	**-**	-	**1,477**	-		

(i) On March 31, 2022, the Company has to pay to GPA the amount of R$3,858 (R$2,658 refers to the acquisition of commercial points and R$1,200 refers to assets held for sale, see note 26) and made the advance of R$750 for the acquisition of the 60 commercial points, see note 1.1.

9.2 Management compensation

Expenses referring to the statutory executive board compensation recorded in the Company's statement of operations in the periods ended March 31, 2022 and 2021 as follows (amounts expressed in thousands reais):

	Base salary		Variable compensation		Stock option plan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Board of director	3,963	-	-	-	1,673	-	5,636	-
Executive officers	9,215	6,323	6,344	3,458	2,138	2,077	17,697	11,858
Fiscal council	130	-	-	-	-	-	130	-
	13,308	6,323	6,344	3,458	3,811	2,077	23,463	11,858

The stock option plan refors to the Company's executives at Sendas and GPA shares and these plans have been trated in the Company's statement of operations. The corresponding expenses are allocated to the Company and recorded in statement of operations against capital reserve - stock options in shareholders' equity. There are no other short-term or long-term benefits granted to members of the Company's management.

10 INVESTMENTS

The details of the Company's joint venture at the end of the period are show below:

Investment type	Company	Country	Participation in investments - % Direct participation 3/31/2022	12/31/2021
Joint venture	Bellamar Empreendimento e Participações S.A.	Brazil	50.00	50.00

Investments composition and breakdown

	Bellamar
As of December 31, 2020	769
Share of profit of associates	15
As of March 31, 2021	784
As of December 31, 2021	789
Share of profit of associates	**8**
As of March 31, 2022	**797**

10.1 Join venture

The Company's investment in Bellamar is recognized as a joint venture and is recorded through the equity method, in accordance with account standard CPC 18 (R2)/ IAS 28 – Investments in associates and joint ventures. Based on equity method, the investment in a joint venture should be recognized by the cost, on the beginning. The account value of investment is adjusted for variation recognition purposes related to Company's participation on shareholders' equity of joint venture after the acquisition date.

The joint venture's interim financial information is prepared on the same period basis of disclosure that the Company. When necessary, adjustments are made to ensure that polices are aligned with the Company's.

After the method equity is applied, the Company determines if it is necessary recognize additional loss of recuperable value over investments related to the joint venture. The Company will determine, on each annual closing date of balance sheet, if exists objective evidence that means the investment on joint venture suffered loss due to the reduction of recuperable value. In case of such loss is identified, the Company calculates the value of loss due to the reduction of recuperable value as a difference between the joint venture's recuperable value and the carrying amount and recognizes the loss on its statement of operations. On December 31, 2021, the Company performed the analysis to verify whether the investment in its Joint Venture might not be recoverable, based on the tests performed, there was no need to recognize an impairment.

(In million of Brazilian Reais, unless otherwise stated)

11 PROPERTY, PLANT AND EQUIPMENT

11.1 Property, plant and equipment breakdown

	As of December 31, 2021	Additions	Lease modification	Write-off	Depreciation	Transfers and others	As of March 31, 2022
Lands	570	**46**	**-**	**-**	**-**	**(1)**	**615**
Buildings	656	**32**	**-**	**-**	**(4)**	**(3)**	**681**
Improvements	3,596	**520**	**-**	**(1)**	**(66)**	**29**	**4,078**
Equipment	828	**82**	**-**	**(1)**	**(40)**	**6**	**875**
Facilities	362	**29**	**-**	**-**	**(8)**	**1**	**384**
Furnitures and appliances	416	**23**	**-**	**-**	**(16)**	**42**	**465**
Constructions in progress	235	**28**	**-**	**-**	**-**	**(64)**	**199**
Others	37	**3**	**-**	**(1)**	**(1)**	**7**	**45**
Subtotal	6,700	**763**	**-**	**(3)**	**(135)**	**17**	**7,342**
Lease - right of use:							
Buildings	3,604	**1,842**	**145**	**-**	**(75)**	**(17)**	**5,499**
Equipment	16	**-**	**-**	**(1)**	**(1)**	**-**	**14**
Subtotal	3,620	**1,842**	**145**	**(1)**	**(76)**	**(17)**	**5,513**
Total	10,320	**2,605**	**145**	**(4)**	**(211)**	**-**	**12,855**

	As of December 31, 2020	Additions	Lease modification	Write-off	Depreciation	Transfers and others	As of March 31, 2021
Lands	481	4	-	-	-	-	485
Buildings	609	21	-	-	(4)	-	626
Improvements	2,598	69	-	(1)	(43)	11	2,634
Equipment	635	21	-	-	(30)	4	630
Facilities	269	6	-	-	(6)	1	270
Furnitures and appliances	340	6	-	-	(12)	4	338
Constructions in progress	78	34	-	-	-	(29)	83
Others	37	2	-	-	(4)	6	41
Subtotal	5,047	163	-	(1)	(99)	(3)	5,107
Lease - right of use:							
Buildings	2,423	61	103	(45)	(55)	4	2,491
Equipment	6	-	-	-	-	(1)	5
Subtotal	2,429	61	103	(45)	(55)	3	2,496
Total	7,476	224	103	(46)	(154)	-	7,603

11.2 Composition of Property, plant and equipment

	3/31/2022			12/31/2021		
	Historical cost	Accumulated depreciation	Net amount	Historical cost	Accumulated depreciation	Net amount
Lands	**615**	**-**	**615**	570	-	570
Buildings	**797**	**(116)**	**681**	767	(111)	656
Improvements	**4,933**	**(855)**	**4,078**	4,387	(791)	3,596
Equipment	**1,458**	**(583)**	**875**	1,373	(545)	828
Facilities	**501**	**(117)**	**384**	472	(110)	362
Furnitures and appliances	**699**	**(234)**	**465**	635	(219)	416
Constructions in progress	**199**	**-**	**199**	235	-	235
Others	**127**	**(82)**	**45**	115	(78)	37
	9,329	**(1,987)**	**7,342**	8,554	(1,854)	6,700
Financial lease						
Buildings	**6,553**	**(1,054)**	**5,499**	4,566	(962)	3,604
Equipment	**61**	**(47)**	**14**	61	(45)	16
	6,614	**(1,101)**	**5,513**	4,627	(1,007)	3,620
Total property, plant and equipment	**15,943**	**(3,088)**	**12,855**	13,181	(2,861)	10,320

(In million of Brazilian Reais, unless otherwise stated)

11.3 Capitalized borrowing costs

The capitalized borrowing costs for the period ended March 31, 2022 were R$107 (R$2 on March 31, 2021). The rate used for the capitalization of borrowing costs was 127.53% (141.75% on March 31, 2021) of CDI, corresponding to the effective interest rate of loans taken by the Company.

11.4 Additions to property, plant and equipment for cash flow presentation purpose

	3/31/2022	3/31/2021
Additions	**2,605**	224
Leases	**(1,842)**	(61)
Capitalized interest	**(107)**	(2)
Acquisiton of property, plant and equipment - Additions	**(751)**	(149)
Acquisiton of property, plant and equipment - Payments	**770**	162
Total	**675**	174

Additions related to the acquisition of operating assets, purchase of land and buildings to expansion activities, building of new stores, improvements of existing distribution centers and stores and investments in equipment and information technology.

The additions and payments of property, plant and equipment above are presented to reconcile the acquisitions during the year with the amounts presented in the statement of cash flows net of items that did not impact cash flow.

11.5 Other information

On March 31, 2022, the Company recorded in the cost of sales and services the amount of R$15 (R$12 on March 31, 2021), relating to the depreciation of machinery, building and facilities of distribution centers.

12 INTANGIBLE ASSETS

	12/31/2021	Additions	Amortiza-tion	3/31/2022
Goodwill	618	**-**	**-**	**618**
Softwares	75	**2**	**(5)**	**72**
Commercial rights (i)	1,136	**2,889**	**(2)**	**4,023**
Tradename	39	**-**	**-**	**39**
Subtotal	1,868	**2,891**	**(7)**	**4,752**
Lease - right of use:				
Assets and rights	19	**-**	**(1)**	**18**
Subtotal	19	**-**	**(1)**	**18**
Total	1,887	**2,891**	**(8)**	**4,770**

	12/31/2020	Additions	Amortiza-tion	3/31/2021
Goodwill	618	-	-	618
Softwares	70	3	(3)	70
Commercial rights	310	-	-	310
Tradename	39	-	-	39
Total	1,037	3	(3)	1,037

(i) In the period ended March 31, 2022, in the Additions column, are shown the amounts related to the acquisition of the 40 commercial points from Extra Hiper stores, in the amount of R$2,889 see note 1.1.

	3/31/2022			12/31/2021		
	Historical cost	Accumulated amortization	Net amount	Historical cost	Accumulated amortization	Net amount
Goodwill	**871**	**(253)**	**618**	871	(253)	618
Softwares	**134**	**(62)**	**72**	133	(58)	75
Commercial rights	**4,048**	**(25)**	**4,023**	1,160	(24)	1,136
Tradename	**39**	**-**	**39**	39	-	39
	5,092	**(340)**	**4,752**	2,203	(335)	1,868
Lease - right of use:						
Assets and rights	**27**	**(9)**	**18**	28	(9)	19
Total of intangible assets	**5,119**	**(349)**	**4,770**	2,231	(344)	1,887

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

The impairment test of intangible assets uses the same practices described in note 13.1 as part of financial statements on December 31, 2021.

On December 31, 2021, the Company revised the plan used to assess impairment for Cash Generating Units (CGUs) and there is no significant deviation which could indicates losses or the need of a new evaluation for the period ended March 31, 2022.

12.2 Additions to intangible assets for cash flow presentation purpose

	3/31/2022	3/31/2021
Additions	**2,891**	3
Acquisition of intangible assets - Additions	**(2,889)**	-
Acquisition of intangible assets - Payments	**600**	-
Total	**602**	3

(In million of Brazilian Reais, unless otherwise stated)

13 TRADE PAYABLES

	Note	3/31/2022	12/31/2021
Product suppliers		**7,160**	6,422
Service providers		**118**	74
Service providers - related parties	9.1	**26**	22
Bonuses from suppliers	13.1	**(506)**	(576)
Total		**6,798**	5,942

13.1 Bonuses from suppliers

These include bonuses and discounts from suppliers. These amounts are defined in agreements and include amounts referring to discounts by volume of purchases, joint marketing programs, freight reimbursements, and other similar programs. Settlement occurs by offsetting payable to suppliers, according to conditions foreseen in the supply agreements.

14 FINANCIAL INSTRUMENTS

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

	Note	3/31/2022	12/31/2021
Financial assets			
Amortized cost			
Cash and cash equivalentes	5	**4,389**	2,550
Related parties - assets	9.1	**855**	114
Trade receivables and other accounts receivable		**177**	169
Fair value through income			
Gain of financial instruments - fair value hedge	14.6.1	**83**	32
Fair value through other comprehensive income			
Trade receivables with credit card companies and sales tickets		**280**	155
Financial liabilities			
Other financial liabilities - amortized cost			
Related parties - liabilities	9.1	**(4,035)**	(368)
Trade payables	13	**(6,798)**	(5,942)
Financing through acquisition of assets		**(178)**	(197)
Borrowings and financing	14.6.1	**(1,206)**	(1,210)
Debenture	14.7	**(9,448)**	(6,446)
Lease liabilities	16.1	**(6,020)**	(4,051)
Fair value through income			
Borrowings and financing, including derivatives	14.6.1	**(296)**	(341)
Loss of financial instruments - fair value hedge	14.6.1	**(49)**	(36)
Net exposure		**(22,245)**	(15,571)

The fair value of other financial instruments described on the table above approximates to the carrying amount based on the existing payments terms. Financial instruments measured at amortized cost, whose fair values differ from carrying amount are disclosed in note 14.4.

14.1 Considerations on risk factors that may affect the Company's business

14.1.1 Credit Risk

- **Cash and cash equivalents**

In order to minimize credit risks, the Company adopts investments policies at financial institutions approved by the Company's Financial Committee, also taking into consideration monetary limits and financial institution evaluations, which are regularly updated.

- **Trade receivables**

Credit risk related to trade receivables is minimized by the fact that a large portion of sales are paid with credit cards, and the Company sells these receivables to banks and credit card companies, aiming to strengthen working capital. The sales of receivables result in derecognition of the accounts receivable due to the transfer of the credit risk, benefits and control of such assets. Additionally, regarding the trade receivables collected in installments, the Company monitor the risk through the credit concession and by period analysis of the provision for losses.

The Company also has counterparty risk related to derivative instruments, which is mitigated by the Company carrying out transactions, according to policies approved by governance boards.

There are no amounts receivable or sales that are individually, higher than 5% of trade receivables or sales.

14.1.2 Interest rate risk

The Company obtains borrowings and financing with major financial institutions for cash needs for investments. As a result, the Company is mainly exposed to relevant interest rates fluctuation risk, especially in view of derivatives liabilities (foreign currency exposure hedge) and CDI Indexed debts. The balance of cash and cash equivalents, indexed to CDI, partially offsets the interest rate risk.

14.1.3 Foreign currency exchange rate risk

The Company is exposed to exchange rate fluctuations, which may increase outstanding balances of foreign currency-denominated borrowings. The Company uses derivatives, such as swaps, aiming to mitigate the foreign currency exchange rate risk, converting the cost of debt into domestic currency and interest rates.

(In million of Brazilian Reais, unless otherwise stated)

14.1.4 Capital risk management

The main objective of the Company's capital management is to ensure that the Company maintains its credit rating and a well-balanced equity ratio, in order to support businesses and maximize shareholder value. The Company manages the capital structure and adjusts taking into account changes in the economic conditions.

The capital structure is thus demonstrated:

	3/31/2022	12/31/2021
Borrowings, financing and debentures	**(10,999)**	(8,033)
(-) Cash and cash equivalents	**4,389**	2,550
(-) Derivative financial instruments	**83**	32
Net debt	**(6,527)**	(5,451)
Shareholders' equity	**2,984**	2,766
% Net debt over Shareholders' equity	**219%**	197%

14.1.5 Liquidity risk management

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

The table below summarizes the aging profile of the Company's financial liabilities on March 31, 2022.

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings and financing	**169**	**1,668**	**14**	**1,851**
Debenture	**785**	**8,169**	**4,751**	**13,705**
Derivative financial instruments	**135**	**163**	**220**	**518**
Lease liabilities	**919**	**4,248**	**8,642**	**13,809**
Trade payable	**6,798**	**-**	**-**	**6,798**
Total	**8,806**	**14,248**	**13,627**	**36,681**

The table above was prepared considering the undiscounted cash flows of financial liabilities based on the earliest date the Company may be required to make a payment or be eligible to receive a payment. To the extent that interest rates are floating, the non-discounted amount is obtained based on interest rate curves for the period ended March 31, 2022. Therefore, certain balances are not consistent with the balances reported in the balance sheet.

14.2 Derivative financial instruments

	Notional value		Fair value	
	3/31/2022	12/31/2021	3/31/2022	12/31/2021
Swap with hedge accounting				
Hedge purpose (debt)	**1,888**	1,888	**1,841**	1,869
Long Position				
Fixed rate	**106**	106	**59**	60
USD + Fixed	**282**	282	**237**	281
Hedge - CRI	**1,500**	1,500	**1,546**	1,528
Short Position	**(1,888)**	(1,888)	**(1,808)**	(1,873)
Net hedge position	**-**	-	**34**	(4)

Realized and unrealized gains and losses on these contracts during the period ended March 31, 2022, are recorded as financial income or expenses and the balance receivable at fair value is R$34 (balance payable of R$4 on December 31, 2021). Assets are recorded as "financial instruments" and liabilities as "borrowings and financing".

The effects of the fair value hedge recorded in the statement of operations for the period ended March 31, 2022, resulted in a loss of R$4, recorded under debt of cost, note 23 (loss R$10 on March 31, 2021).

14.2.1 Fair values of derivative financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values are calculated using projected the future cash flow, using the CDI curves and discounting to present value, using CDI market rates for swap both disclosed by the B3.

The fair value of exchange coupon swaps versus CDI rate was determined based on market exchange rates effective at the date of the financial statements and projected based on the currency coupon curves.

In order to calculate the coupon of foreign currency indexed-positions, the straight-line convention - 360 consecutive days was adopted and to calculate the coupon of CDI indexed-positions, the exponential convention - 252 business days was adopted.

14.3 Sensitivity analysis of financial instruments

The market curves (currencies and interest) of B3 were considered as the most likely scenario, in Management's assessment, on the maturity dates of each of the operations.

Therefore, in the probable scenario (I) there is no impact on the fair value of financial instruments. For scenarios (II) and (III), for the exclusive effect, a deterioration from 25% to 50% was taken into account, respectively, on risk variables, up to one year of financial instruments.

(In million of Brazilian Reais, unless otherwise stated)

For the probable scenario, the weighted exchange rate defined was R$5.23 on the due date, and the weighted interest rate was 12.71% per year.

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

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

					Market projections		
Transactions	Note	Risk (CDI Increase)	Carrying Amount	As of 3/31/2022	Scenario (I)	Scenario (II)	Scenario (III)
Borrowings and financing	14.6.1	CDI + 1.94% per year	1,502	(1,452)	(197)	(246)	(296)
Fixed rate swap contract (gain)	14.6.1	TR + 9.80%	(83)	(56)	(54)	(60)	(67)
Exchange swap contract (loss)	14.6.1	CDI + 1.35%per year	49	(287)	(75)	(95)	(116)
Debentures	14.6.1	CDI + 1.37% per year	9,448	(9,538)	(1,297)	(1,621)	(1,945)
Total net effect (loss)			10,916	(11,333)	(1,623)	(2,022)	(2,424)
Cash equivalents	5	101.78%		4,389	549	687	824
Net exposure loss				(6,944)	(1,074)	(1,335)	(1,600)

14.4 Fair values measurement

The Company discloses the fair value of financial instruments measured at fair value and of financial instruments measured at amortized cost, the fair value of which differ from the carrying amount, in accordance with CPC 46 / IFRS 13, which refer to the requirements of measurement and disclosure. The fair value hierarchy levels are defined below:

Level 1: fair value measurement at the balance date considering quoted (unadjusted) market prices in active markets for identical assets or liabilities which the Company can access at the measure date.

Level 2: Valuation techniques for which the lowest level inputs that is significant to the fair value measurement is directly or indirectly observable, except for quoted prices included on Level 1.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair values of cash and cash equivalents, trade receivables and trade payables approximate their carrying amounts.

The table below sets forth the fair value hierarchy of financial assets and liabilities measured at fair value of financial instruments measured at amortized cost, for which the fair value has been disclosed in the interim financial information:

	Carrying amount		Fair value		
	3/31/2022	12/31/2021	3/31/2022	12/31/2021	Level
Trade receivables with credit cards companies and sales vouchers	280	155	280	155	2
Swaps of annual rates between currencies	(49)	(11)	(49)	(11)	2
Interest rate swaps	3	4	3	4	2
Interest rate swaps - CRI	80	3	80	3	2
Borrowings and financing (fair value)	(296)	(341)	(295)	(341)	2
Borrowings and financing (amortized cost)	(10,654)	(7,656)	(10,347)	(7,372)	2
	(10,636)	(7,846)	(10,328)	(7,562)	

There were no changes between fair value measurement hierarchy levels during the period ended March 31, 2022.

Interest rate swaps, cross-currency and borrowings and financing are classified in level 2 since the fair value of such financial instruments was determined based on readily observable inputs, such as expected interest rate and current and future foreign exchange rate.

14.5 Operations with derivative financial instruments

The Company has derivative contracts with the following financial institutions: Itaú BBA, Scotiabank and BR Partners.

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

Description	Notional value	Due date	3/31/2022	12/31/2021
Debt				
USD - BRL	USD 50	2023	(49)	(11)
Debt				
CRI - BRL	$1,500	2028 and 2031	80	3
Interest rate swaps registered at CETIP				
Pre-fixed rate x CDI	$54	2027	1	2
Pre-fixed rate x CDI	$52	2027	2	2
Derivatives - Fair value hedge - Brazil			34	(4)

(In million of Brazilian Reais, unless otherwise stated)

14.6 Borrowings and financing

14.6.1 Debt composition

	Weighted average	3/31/2022	12/31/2021
Current			
Debenture and promissory notes	CDI + 1.06% per year	**296**	194
Borrowing costs		**(17)**	(14)
Total debenture and promissory notes		**279**	180
Borrowings and financing			
In national currency			
Working capital	TR + 9.80%	**12**	14
Working capital	CDI + 1.80% per year.	**15**	419
Borrowing costs		**(4)**	(4)
Total national currency		**23**	429
In foreign currency			
Working capital	CDI + 1.25% per year	**-**	1
Total in foreign currency		**-**	1
Total of borrowings and financing		**23**	430
Derivative financial instruments			
Swap contracts	CDI + 0.86% per year	**(11)**	(4)
Swap contracts	CDI + 1.35% per year	**-**	3
Total derivative financial instruments		**(11)**	(1)
Total current		**291**	609

	Weighted average	3/31/2022	12/31/2021
Non-current			
Debenture and promissory notes	CDI + 1.38% per year	**9,241**	6,329
Borrowing costs		**(72)**	(63)
Total debenture and promissory notes		**9,169**	6,266
Borrowings and financing			
In national currency			
Working capital	TR + 9.80%	**46**	47
Working capital	CDI + 1.54% per year	**1,201**	800
Borrowing costs		**(5)**	(5)
Total of national currrency		**1,242**	842
In foreign currency			
Working capital	CDI + 1.25% per year	**237**	279
Total of foreign currency		**237**	279
Total of borrowings and financing		**1,479**	1,121
Derivative financial instruments			
Swap contracts	CDI + 0.03% per year	**(72)**	(28)
Swap contracts	CDI + 1.35% per year	**49**	33
Total derivative financial instruments		**(23)**	5
Total of non-current		**10,625**	7,392
Total		**10,916**	8,001
Current asset		**11**	4
Non-current asset		**72**	28
Current liabilities		**302**	613
Non-current liabilities		**10,697**	7,420

14.6.2 Rollforward of borrowings and financing

	Value
Balance on December 31, 2020	7,763
Interest provision	82
Swap contracts	(10)
Mark-to-market	2
Exchange rate and monetary variation	9
Debt modification effect IFRS 9	(13)
Borrowing costs	6
Interest amortization	(71)
Principal amortization	(271)
Swap amortization	67
Balance on March 31, 2021	7,564

(In million of Brazilian Reais, unless otherwise stated)

	Value
Balance on December 31, 2021	8,001
Funding	**2,731**
Interest provision	**302**
Swap contracts	**32**
Mark-to-market	**(58)**
Exchange rate and monetary variation	**(42)**
Borrowing costs	**6**
Interest amortization	**(43)**
Principal amortization	**(3)**
Swap amortization	**(10)**
Balance on March 31, 2022	**10,916**

14.6.3 Schedule of non-current maturities

Maturity	Value
From 1 to 2 years	**1,372**
From 2 to 3 years	**3,898**
From 3 to 4 years	**825**
From 4 to 5 years	**470**
After 5 years	**4,137**
Total	**10,702**
Borrowing cost	**(77)**
Total	**10,625**

14.7 Debenture and promissory notes

				Date					
	Type	Issue amount	Outstanding debentures (units)	Issue	Maturity	Annual financial charges	Unit price (in Reais)	3/31/2022	12/31/2021
First Issue of Promissory Notes - 3rd series	Non-preemptive	50	1	7/4/2019	7/4/2022	CDI + 0.72% per year	57,549,094	**58**	57
First Issue of Promissory Notes - 4th series	Non-preemptive	250	5	7/4/2019	7/4/2023	CDI + 0.72% per year	57,549,094	**288**	281
First Issue of Promissory Notes - 5th series	Non-preemptive	200	4	7/4/2019	7/4/2024	CDI + 0.72% per year	57,549,094	**230**	225
First Issue of Promissory Notes - 6th series	Non-preemptive	200	4	7/4/2019	7/4/2025	CDI + 0.72% per year	57,549,094	**230**	225
Second Issue of Debentures - 1st series	Non-preemptive	940,000	940,000	6/1/2021	5/20/2026	CDI + 1.70% per year	1,040	**978**	951
Second Issue of Debentures - 2nd series	Non-preemptive	660,000	660,000	6/1/2021	5/22/2028	CDI + 1.95% per year	1,041	**687**	668
Second Issue of Promissory Notes - 1st series	Non-preemptive	1,250,000	940,000	8/27/2021	8/27/2024	CDI + 1.47% per year	1,406	**1,321**	1,285
Second Issue of Promissory Notes - 2nd series	Non-preemptive	1,250,000	940,000	8/27/2021	2/27/2025	CDI + 1.53% per year	1,406	**1,322**	1,286
Third Issue of Debentures - 1st series - CRI	Non-preemptive	982,526	982,526	10/15/2021	10/16/2028	IPCA + 5.15% per year	1,072	**1,053**	1,012
Third Issue of Debentures - 2nd series - CRI	Non-preemptive	517,474	517,474	10/15/2021	10/15/2031	IPCA + 5.27% per year	1,072	**555**	533
Fourth Issue of Debentures - single series	Non-preemptive	2,000,000	2,000,000	1/7/2022	11/26/2027	CDI + 1.75% per year	1,026	**2,053**	-
First Issue of Commercial Paper Notes - single series	Non-preemptive	750,000	750,000	2/10/2022	2/9/2025	CDI + 1.70% per year	1,016	**762**	-
Borrowing cost								**(89)**	(77)
								9,448	6,446
Current								**279**	180
Non-current								**9,169**	6,266

The Company issues debentures to strengthen its working capital, maintain its cash strategy, lengthen its debt profile and make investments. The debentures issued are unsecured, without renegotiation clauses and not convertible into shares.

14.8 Borrowings in foreign currencies

On March 31, 2022, the Company has loan in foreign currencies (US dollar) to strengthen its the working capital, maintaining its cash strategy, lengthening its indebt profile and make investments.

14.9 Guarantees

The Company signed a promissory note for a loan agreement with Scotiabank in the amount of USD50 million, which can be executed upon failure of payment of the related loan.

14.10 Swap contracts

The Company uses swap operations for 100% of its borrowings denominated in US dollars fixed interest rates and IPCA, exchanging these liabilities for Real linked to CDI (floating). The annual weighted average rate CDI on March 31, 2022 was 6.41% (4.40% on December 31, 2021).

14.11 Financial convenants

In connection with the debentures and promissory notes issued and part of loan operations denominated in foreign currencies, the Company is required to maintain certain financial ratios. These ratios are calculated quarterly based on the Company's interim financial information drawn up in accordance with the accounting practices adopted in Brazil, as follows: (i) consolidated net debt / equity less than or equal to 3.00 not exceeding equity; and (ii) consolidated net debt/EBITDA ratio should be lower than or equal to 3.00.

On March 31, 2022, the Company was compliant with those ratios.

(In million of Brazilian Reais, unless otherwise stated)

15 Provision for legal proceedings

The provision for legal proceedings is estimated by the Company and it is corroborated by its legal advisors, and such provision is recorded in sufficient amount to settle losses assessed and classified as probable.

	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2020	169	64	49	282
Additions	2	11	1	14
Reversal	(4)	(4)	(1)	(9)
Payments	-	(3)	(1)	(4)
Monetary correction	3	2	3	8
Balance as of March 31, 2021	170	70	51	291
Restricted deposits for legal proceedings	(63)	(58)	-	(121)
Net provision of judicial deposits	107	12	51	170

	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2021	109	69	27	205
Additions	**1**	**16**	**2**	**19**
Reversal	**-**	**(6)**	**-**	**(6)**
Payments	**-**	**(5)**	**(9)**	**(14)**
Monetary correction	**1**	**1**	**-**	**2**
Balance as of March 31, 2022	**111**	**75**	**20**	**206**
Restricted deposits for legal proceedings	**(64)**	**(42)**	**(2)**	**(108)**
Net provision of judicial deposits	**47**	**33**	**18**	**98**

15.1 Tax claims

Tax claims are subject by law to the monthly monetary correction, which refers to an adjustment to the provision based on indexing rates adopted by each tax jurisdiction. Both interest rates charges and fines, where applicable, were calculated and provisioned with respect to unpaid amounts.

The Company has other tax claims, which according to its legal counsels' analysis, were provisioned, namely: (i) discussions on the non-application of Prevention Accident Factor (FAP); (ii) discussions with State tax authorities on ICMS tax rate calculated in electricity bills; (iii) IPI on resale of imported goods and (iv) other matters.

The provisioned amount on March 31, 2022, for these matters is R$111 (R$109 on December 31, 2021).

15.2 Social security and labor

The Company is a party to various labor proceedings, especially due to dismissals in the regular course of business. On March 31, 2022, the Company recorded a provision of R$75 (R$69 on December 31, 2021), referring to a potential risk of loss relating to labor claims. Management, with the assistance of its legal counsels, assesses these claims and recording provisions for losses when reasonably estimated, considering previous experiences in relation to amounts claimed.

15.3 Civil

The Company is party to civil proceedings (indemnifications, collections, among others) at in different procedural phases and various central courts. Management records provisions in amounts considered sufficient to cover unfavorable court decisions when its internal and external legal counsel assess the losses to be probable.

Among these proceedings, we highlight the following:

The Company is party to various lawsuits requesting the renewal of rental agreements and the review of the current rent paid. The Company records a provision for the difference between the amount originally paid by stores and the amounts claimed by the adverse party in the lawsuit when internal and external legal counsels consider the probability of changing the lease amount paid by the entity. On March 31, 2022, the provision for these lawsuits amounted to R$14 (R$21 on December 31, 2021), for which there are no judicial deposits for legal proceedings.

The Company is party to certain lawsuits relating to the fines applied by inspection bodies of direct and indirect administration of the federal government, states, and municipalities, including consumer defense bodies (PROCONs, INMETRO, and local governments). The Company, assisted by its legal counsel, assesses these claims recording provisions for probable cash disbursements, according to the probability of loss. On March 31, 2022, the provision for these lawsuits is R$6 (R$6 on December 31, 2021).

The Company's total civil, regulatory and property claims on March 31, 2022, is R$20 (R$27 on December 31, 2021).

15.4 Possible contingent liabilities

The Company has other demands that were classified by Management with the advice of its external lawyers as possible, but not probable, therefore, not accrued, totaling an updated amount of R$2,292 on March 31, 2022 (R$2,346 on December 31, 2021). Accordingly, no provisions were recorded in connection with these proceedings, which are mainly related to:

IRPJ (corporate income tax), IRRF (withholding income tax), CSLL (social contribution on net income) – The Company received several tax assessment notices relating to tax offsetting proceedings, goodwill disallowance, disagreements regarding payments and overpayments, fines due to non-compliance with ancillary obligation, among other less relevant issues. The amount involved corresponds to R$486 on March 31, 2022 (R$478 on December 31, 2021).

(In million of Brazilian Reais, unless otherwise stated)

COFINS, PIS (federal taxes on gross revenues) – The Company has been questioned about discrepancies in payments and overpayments; fine due to non-compliance with ancillary obligation, disallowance of COFINS and PIS credits, among other issues. These proceedings are pending judgment at the administrative and judicial levels. The amount involved in these tax assessments is R$619 on March 31, 2022 (R$609 on December 31, 2021).

ICMS (State VAT) – The Company received tax assessment notices from State tax authorities in connection with credits from: (i) purchases from suppliers' acquisitions considered unqualified by the registry of the State Revenue Service; and (ii) among others matters. These tax assessments amount to R$1,052 on March 31, 2022 (R$1,128 on December 31, 2021). These proceedings are pending final judgment at the administrative and judicial levels.

ISS (services tax), IPTU (urban property tax), Fees and other – The Company has received tax assessments relating to discrepancies in payments of IPTU, fines due to non-compliance with ancillary obligations, ISS – refund of advertising expenses and various fees, totaling R$17 on March 31, 2022 (R$13 on December 31, 2021). These proceedings are pending judgment at the administrative and judicial levels.

INSS (national institute of social security) – The Company was assessed due to the levy of payroll charges over benefits granted to its employees, among other issues, with possible losses of R$57 on March 31, 2022 (R$56 on December 31, 2021). Proceedings have been discussed in the administrative and judicial levels.

Other litigation– These proceedings refer to real estate lawsuits in which the Company claims the renewal of lease agreements and rents according to market prices. These lawsuits involve proceedings litigated in civil court, and special civil court, as well as administrative proceedings filed by inspection bodies, such as the consumer defense body (PROCONs), the National Institute of Metrology, Standardization and Industrial Quality– INMETRO, the National Agency of Sanitary Surveillance - ANVISA, among others, totaling R$49 on March 31, 2022 (R$47 on December 31, 2021).

Three collective proceedings were opened due to an approach to a customer, in August 2021 at the store in Limeira - SP, in which claim supposed racial issues. All cases were satisfactorily answered and are still in the initial phase awaiting regular progress by the judiciary. Therefore, it is still not possible to reasonably estimate the amounts involved, due to the subjectivity of the matter and the absence of precedent in the jurisprudence in collective proceedings on the subject. No significant impact on interim financial information is expected.

The Company engages external legal counsel to represent it in the tax assessments, whose fees are contingent on the final outcome of the lawsuits. Percentages may vary according to qualitative and quantitative factors of each proceeding, on March 31, 2022, the estimated amount, in case of success of all lawsuits, was approximately R$12 (R$15 on December 31, 2021).

15.5 Guarantees

The Company presented bank guarantees and insurance guarantee to judicial process related a civil, tax and labor nature, described below:

Lawsuits	Letter of guarantees
Tax claims	640
Social security and labos	97
Civil and others	302
Total	1,039

The guarantees cost is aproximately 0.31% per year of the value of the lawsuits and it is registered as expense in the course of time.

15.6 Deduction of ICMS from the calculation basis of PIS and COFINS

Since the adoption of the non-cumulative regime to calculate PIS and COFINS, the Company has claimed the right to deduct ICMS taxes from the calculation basis of PIS and COFINS. On March 15, 2017, the STF recognized, in terms of general repercussion, the unconstitutionality of including ICMS in the PIS and COFINS calculation basis. In May 2021, the STF Plenary judged the Declaration Embargoes, in relation to the amount to be excluded from the PIS and COFINS calculation basis, if it should only be the ICMS paid, or if all the ICMS highlighted in the invoices, the STF issued a favorable decision to the taxpayers, concluding that all outstanding ICMS should be excluded from the PIS and COFINS calculation basis.

Since of such decision on March 15, 2017, the procedural progress has been as anticipated by our legal advisors without any change in the management's judgment. On December 31, 2021, with a favorable decision in its actions, the Company recorded its right in the amount of R$216, see note 8.2.

15.7 Restricted deposits for legal proceedings

The Company is challenging the payment of certain taxes, contributions, and labor liabilities and made judicial deposits in the corresponding amounts, as well as escrow deposits related to the provision for legal proceedings.

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

Lawsuits	3/31/2022	12/31/2021
Tax claims	66	65
Social security and labos	47	50
Civil and others	4	4
Total	117	119

(In million of Brazilian Reais, unless otherwise stated)

16 LEASE LIABILITIES

16.1 Minimum future payments and potential right of PIS and COFINS

Leasing agreements totaled R$6,020 on March 31, 2022 (R$4,051 on December 31, 2021). The minimum future payments as leases, by leases term and with the fair value of minimum lease payments, are as follows:

	3/31/2022	12/31/2021
Financial lease liabilities - minimum payments		
Less than 1 year	**285**	244
1 to 5 years	**1,427**	1,231
More than 5 years	**4,308**	2,576
Present value of financial lease agreements	**6,020**	4,051
Current	**285**	244
Non-current	**5,735**	3,807
Future financing charges	**7,789**	4,042
Gross amount of financial lease agreements	**13,809**	8,093
PIS and COFINS embedded in the present value of lease agreements	**366**	246
PIS and COFINS embedded in the gross value of lease agreements	**840**	492

Lease liabilities interest expense is stated in note 23. The incremental interest rate of the Company on the signing date of the agreement was 11.56% in the period ended March 31, 2021 (10.53% on December 31, 2021).

If the Company adopts the projection of inflation embedded in the nominal incremental rate and converting to a present value as a calculation method, the average percentage of inflation to be project for year would be approximately 7.37% (4.42% on December 31, 2021). The average term of the agreements analyzed is 17.40 years.

16.2 Lease obligation rollforward

	Amount
As of December 31, 2020	2,776
Addition - Lease	61
Lease modification	103
Interest provision	67
Principal amortization	(36)
Interest amortization	(61)
Write-off due to early termination of agreement	(48)
As of March 31, 2021	2,862

	Amount
As of December 31, 2021	4,051
Addition - Lease	**1,842**
Lease modification	**145**
Interest provision	**145**
Principal amortization	**(50)**
Interest amortization	**(113)**
As of March 31, 2022	**6,020**

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

	3/31/2022	3/31/2021
(Expenses) revenues of the period:		
Variables (1% of sales)	**(1)**	(3)
Subleases (i)	**9**	7

(i) It refers mainly to the revenue from rental contracts to be received from commercial galleries.

17 DEFERRED REVENUES

	3/31/2022	12/31/2021
Sale and Leaseback	**107**	68
Back Lights (i)	**174**	233
Checkstand (ii)	**39**	41
Gift card and others	**-**	2
Marketing	**11**	12
Total	**331**	356

(i) Rental of backlight panels.

(ii) Supplier product exhibition modules, or check stands and rental of displays.

(In million of Brazilian Reais, unless otherwise stated)

18 INCOME TAX AND SOCIAL CONTRIBUTION

18.1 Reconciliation of income tax and social contribution expense

	3/31/2022	3/31/2021
Earnings before income tax and social contribution	**223**	349
Expense of income tax and social contribution at nominal rate	**(76)**	(119)
Adjustments to reflect the effective rate		
Share of profits	**3**	5
ICMS subsidy - tax incentives (i)	**55**	-
Current year credit	**10**	-
Tax benefits	**-**	3
Other permanent differences	**(1)**	2
Effective income tax	**(9)**	(109)
Income tax and social contribution for the period		
Current	**(18)**	(100)
Deferred	**9**	(9)
Income tax and social contribution expenses	**(9)**	(109)
Effective tax	**4.0%**	31.2%

(i) The Company has tax benefits that are characterized as investment subsidies as provided for in Complementary Law n° 160/17 and Law n°. 12,973/14. For the period ended March 31, 2021, the Company excluded the IRPJ and CSLL calculation bases from the amount constituted in the tax incentive reserve, see note 19.3.

18.2 Breakdown of deferred income tax and social contribution

Key components of deferred income tax and social contribution in the balance sheet are the following:

	3/31/2022			12/31/2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Deferred income tax and social contribution						
Tax losses	**171**	**-**	**171**	167	-	167
Provision for legal proceedings	**59**	**-**	**59**	59	-	59
Exchange rate variation	**-**	**(5)**	**(5)**	-	(7)	(7)
Goodwil tax amortization	**-**	**(317)**	**(317)**	-	(317)	(317)
Fair value adjustment	**-**	**(11)**	**(11)**	1	-	1
Property, plant and equipment and intangible assets	**26**	**-**	**26**	33	-	33
Unrealized gains with tax credits	**-**	**(6)**	**(6)**	-	(28)	(28)
Cash flow hedge	**-**	**(35)**	**(35)**	-	(26)	(26)
Lease net of right of use	**155**	**-**	**155**	150	-	150
Others	**18**	**-**	**18**	13	-	13
Gross deferred income tax and social contribution assets (liabilities)	**429**	**(374)**	**55**	423	(378)	45
Compensation	**(374)**	**374**	**-**	(378)	378	-
Net deferred income tax and social contribution assets (liabilities), net	**55**	**-**	**55**	45	-	45

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

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

Years	Amount
Up to 1 year	**22**
From 1 year to 2 years	**230**
From 4 years to 5 years	**5**
More than 5 years	**172**
	429

18.3 Rollfoward of deferred income tax and social contribution

	3/31/2022	12/31/2021
At the beginning of the period	**45**	(82)
Benefits in the period	**9**	127
Tax over other comprehensive income	**1**	-
At the end of the period	**55**	45

19 SHAREHOLDERS' EQUITY

19.1 Capital stock and stock rights

The capital stock on March 31, 2022, is R$789 (R$788 on December 31, 2021), represented by 1,346,914,232 registered common shares (1,346,674,477 on December 31, 2021), all non-par and registered shares. According to the Company's bylaws, the Company's authorized capital stock may be increased up to 2 bilion common shares.

On February 21, 2022, the Board of Directors approved a capital contribution in the amount of R$1, through the issuance of 239,755 common shares.

The Company's shareholding structure is shown as follows:

	3/31/2022		12/31/2021	
	Number of shares	Participation	Number of shares	Participation
Controlling shareholders	**557,877,105**	**41.42%**	557,857,105	41.42%
Outstanding shares	**789,037,127**	**58.58%**	788,817,372	58.58%
Total	**1,346,914,232**	**100.00%**	1,346,674,477	100.00%

19.2 Distribution of dividends and interest on equity

At a meeting of the Board of Directors held on September 30, 2021, the advance payment of interest on equity in the gross amount of R$63 was approved, on which the withholding tax was deducted in the amount of R$7, corresponding to the net amount of R$56.

On March 28, 2022, the management's proposal was disclosed to the market in relation to the amounts of dividends and allocation of the Company's profits on December 31, 2021. The administration's proposal was approved on April 28, 2022, see note 27.3.

19.3 Tax incentive reserve

The tax incentive reserve by the States started to be considered subsidies for investments, deductible for the calculation of income tax and social contribution. Thus, for the period ended March 31, 2022, the Company allocated the amount of R$163 (R$709 on December 31,2021) to the tax incentive reserve.

As provided for in article 30 of Law 12,973/14, the tax incentive reserve may be used to absorb losses, provided that the other profit reserves have already been fully absorbed, with the exception of the legal reserve, or for an increase in capital. Within the same legal provision, the tax incentive reserve and legal reserve are not part of the calculation basis for the minimum mandatory dividend, and the Company must subject it to taxation, in case of distribution.

19.4 Share-based payment

19.4.1 Recognized Options Granted

Information relating to the Company's option plan and compensation plan is summarized below:

				3/31/2022		
				Number of shares (in thousands)		
Granted series	Grant date	1st exercise date	Strike price on the grant date (in reais)	Grantees	Cancelled	Current
B8	5/31/2021	6/1/2024	0.01	**363**	**(29)**	**334**
C8	5/31/2021	6/1/2024	13.39	**363**	**(29)**	**334**
				726	**(58)**	**668**

19.4.2 Consolidated information of Company's share-based payment plans

According to the plans, the options granted in each of the series may represent maximum 2% of the total shares issued by the Company.

The table below shows the maximum percentage of dilution to which current shareholders eventually being subject to in the event that all options granted are exercised until March 31, 2022:

	3/31/2022
	(in thousands)
Number of shares	**1,346,914**
Balance of effective stock options granted	**668**
Maximum percentage of dilution	**0.05%**

The fair value of each option granted is estimated on the grant date, by using the options pricing model "Black&Scholes" taking into account the following assumptions for B8 and C8 series: (a) expectation of dividends of 1.28%; (b) expectation of volatility nearly 37.06%; (c) the weighted average interest rate without risk of 7.66% and (d) exit rate of approximately 8.00%.

The expectation of remaining average life of the series outstanding at March 31, 2022 is 26 months. The weighted average fair value of options granted at March 31, 2022 was R$17.21 and R$7.69 (B8 and C8 respectively).

	Shares	Weighted average of exercise price	Weighted average of remaining contractual term
	in thousands	**R$**	
At December 31, 2021	668	6.70	2.42
At March 31, 2022			
Outstanding at the end of the period	668	6.70	2.17
Total to be exercised at March 31, 2022	668	6.70	2.17

The amount recorded in the statement of operations for the period ended March 31, 2022 were R$1 (there is no amount for the period ended March 31, 2021).

19.4.3 Based payment plans

The table below refers to the pre spin-off GPA options plan, in which certain Company executives maintain remuneration in GPA shares up to the date of exercise of the actions indicated below.

				3/31/2022			
				Number of shares			
Series granted	Grant date	1st date of exercise	Exercise price at the grant date	Granted	Exercised	Cancelled	Current
B6	5/31/2019	5/31/2022	0.01	2,310	(660)	(180)	1,470
C6	5/31/2019	5/31/2022	53.23	1,795	(600)	(230)	965
B7	1/31/2021	5/31/2023	0.01	3,365	(550)	(130)	2,685
C7	1/31/2021	5/31/2023	38.58	2,485	(530)	(130)	1,825
				9,955	(2,340)	(670)	6,945

The movement in the number of options granted, the weighted average of the exercise price and the weighted average of the remaining term are presented in the table below:

	Shares	Weighted average of exercise price	Weighted average of remaining contractual term
	in thousands	R$	
Total to be exercised at December 31, 2021	7,060	17.46	1.06
At March 31, 2022			
Cancelled during the period	(60)	25.44	
Exercised during the period	60	71.94	
Expired during the period	(115)	35.82	
Outstanding at the end of the period	6,945	17.55	0.82
Total to be exercised at March 31, 2022	6,945	17.55	0.82

The amount recorded in the statement of operations for the period ended March 31, 2022 were R$4 (R$5 on March 31, 2021).

20 NET OPERATING REVENUE

	3/31/2022	3/31/2021
Gross operating revenue		
Goods	12,484	10,347
Services rendered and others	37	25
	12,521	10,372
(-) Revenue deductions		
Returns and sales cancellation	(23)	(17)
Taxes	(1,055)	(907)
	(1,078)	(924)
Net operating revenue	11,443	9,448

21 EXPENSES BY NATURE

	3/31/2022	3/31/2021
Inventory costs	(9,452)	(7,813)
Personnel expenses	(721)	(567)
Outsourced services	(42)	(58)
Selling expenses	(164)	(139)
Functional expenses	(213)	(166)
Other expenses	(122)	(91)
	(10,714)	(8,834)
Cost of sales	(9,617)	(7,941)
Selling expenses	(929)	(756)
General and administrative expenses	(168)	(137)
	(10,714)	(8,834)

22 OTHER OPERATING EXPESES, NET

	3/31/2022	3/31/2021
Result with property, plant and equipment and lease	(3)	2
Provision for legal proceedings	(1)	-
Reestructuring expenses and others	(4)	(2)
Others	-	(1)
Total	(8)	(1)

23 NET FINANCIAL RESULT

	3/31/2022	3/31/2021
Financial income		
Cash and cash equivalents interest	**32**	8
Monetary correction (assets)	**35**	8
Other financial income	**3**	1
Total financial income	**70**	17
Financial expenses		
Cost of debt	**(227)**	(78)
Cost and discount of receivables	**(19)**	(6)
Monetary correction (liabilities)	**(4)**	(3)
Interest on leasing liabilities	**(100)**	(64)
Other financial expenses	**(22)**	
Total financial expenses	**(372)**	(151)
Total	**(302)**	(134)

24 Earnings per share

The Company calculates earnings per share by dividing the net income, referring to each class of share, by total outstanding common shares during the period.

On August 11, 2021, the Extraordinary General Meeting (EGM) approved the split of 269,299,859 (two hundred and sixty-nine million, two hundred and ninety-nine thousand, eight hundred and fifty-nine) common shares, whereby each share issued of the Company was split into 5 (five) shares of the same type, with no change in the value of the Company's capital stock, with the Company's capital stock divided into 1,346,499,295 (one billion, three hundred and forty-six million, four hundred and ninety-five nine thousand, two hundred and ninety-five), all registered and without par value.

The table below sets forth the net income available to holders of common shares and the weighted average number of common shares outstanding used to calculate basic and diluted earnings per share in each period:

	3/31/2022	3/31/2021		
		Originally presented	Split effect	Recasted
Basic number:				
Allocated basic earnings and not distributed	**214**	240	-	240
Net income allocated available to common shareholders	**214**	240	-	240
Basic denominator (millions of shares)				
Weighted average of the number of shares	**1,347**	268	1,072	1,340
Basic earnings per million shares (R$)	**0.158659**	0.895522		0.179104

	3/31/2022	3/31/2021		
		Originally presented	Split effect	Recasted
Diluted number:				
Allocated diluted earnings and not distributed	**214**	240	-	240
Net income allocated available to common shareholders	**214**	240	-	240
Diluted denominator (millions of shares)				
Weighted average of the number of shares	**1,347**	268	1,072	1,340
Stock options plan	**10**	-	-	-
Diluted weighted average of shares	**1,357**	268	1,072	1,340
Diluted earnings per million shares (R$)	**0.157507**	0.895522		0.179104

25 Non-cash transactions

The Company had transactions that did not represent a cash disbursement, and therefore, such transactions were note presented in the cash flow statements, as described below:

• Acquistion of property, plant and equipment not yet paid, in note 11.4.
• Acquistion of intangibles with related parties, in notes 9.1 and 12.2.
• Acquistion of assets held for sale with related parties, in note 26.1.

26 ASSETS HELD FOR SALE

	3/31/2022	12/31/2021
Sale and leaseback	**147**	147
Extra Hiper stores (i)	**1,200**	403
	1,347	550

(i) Corresponds to the 17 properties owned by GPA and which were sold to the real estate investment fund, see note 27.2.

26.1 Additions to assets held for sale for cash flow presentation purpose

	3/31/2022
Additions	**797**
Acquisition of assets - Additions	**(797)**
Acquisition of assets - Payments	**250**
Total	**250**

27 SUBSEQUENT EVENTS

27.1 Funding of the fifth issuance of debentures

On April 5, 2022, the Company raised funds through the 5th issue of debentures, in a single series, in the amount of R$250. The proceeds from this issue will be used entirely and exclusively to reimburse expenses and expenditures related to the expansion and/or maintenance of certain properties. These debentures will accrued interest at a rate of CDI + 0.75% per year, which will be paid semi-annually until maturity (on March 2025).

27.2 Sale real estate GPA

On April 13, 2022, the Administrative Council for Economic Defense ("CADE") issued a favorable opinion without restrictions on the sale of the 17 properties owned by GPA to the Barzel Properties real estate investment fund.

27.3 Approval of the distribution of dividends

At the Annual General Meeting held on April 28, 2022, our shareholders voted to approve the minimum mandatory dividend in the aggregate amount of R$224, calculated in accordance with Brazilian Corporate Law and our bylaws, with respect to the fiscal year ended December 31, 2021. This amount excludes the tax incentive reserve related to the recognition of tax credits for investment subsidy in the total amount of R$709. Of the total dividend amount, R$56 was paid on October 14, 2021 as interest on shareholders' equity, and amount of R$168 corresponding to R$0.125038407679398 per common share, is expected to be paid by June 28, 2022, holders of ADSs will receive the dividend distribution to which they are entitled through the Sendas Depositary.

27.4 Capital contribution

At the EGM held on April 28, 2022, the Company approved, observing the authorized capital limit, the capital contribution in the amount R$464 through the capitalization of profit reserves, without issuance of new shares.

On May 9, 2022, the Company approved, observing the authorized capital limit, the capital contribution in the amount R$1 through the issuance of 298,919 common shares.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Sendas Distribuidora S.A.

Report on Review of Interim Financial Information for the Three-month Period Ended March 31, 2022

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

Deloitte.

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Sendas Distribuidora S.A.

Introduction

We have reviewed the accompanying interim financial information of Sendas Distribuidora S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2022, which comprises the balance sheet as at March 31, 2022 and the related statements of operations, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Board of Directors is responsible for the preparation of the interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Quarterly Information (ITR) and presented in accordance with the standards issued by the CVM.

Deloitte.

Other matters

Statement of value added

The interim financial information includes the statement of value added ("DVA") for the three-month period ended March 31, 2022, prepared under the responsibility of the Company's Board of Directors and presented as supplementary information for the purposes of international standard IAS 34. This statement has been subject to review procedures performed in conjunction with the review of the ITR to determine whether it is reconciled with the interim financial information and the accounting records, as applicable, and if its form and content are in accordance with the criteria defined in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that this statement of value added was not prepared, in all material respects, in accordance with the criteria set out in this pronouncement and consistently with the interim financial information taken as a whole.

Corresponding figures audited and reviewed by other independent auditors

The corresponding figures to the balance sheet as of December 31, 2021, presented for comparison purposes, were previously audited by other independent auditors who issued an unmodified audit opinion, dated February 21, 2022. The corresponding figures to the statements of operations, comprehensive income, changes in equity, cash flows and value added for the three-month period ended March 31, 2021, presented for comparison purposes, were reviewed by other independent auditors who issued an unmodified review conclusion, dated May 4, 2021.

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

São Paulo, May 9, 2022

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Eduardo Franco Tenório
Engagement Partner

MANAGEMENT STATEMENT

By means of this instrument, the officers below of **SENDAS DISTRIBUIDORA S.A.**, enrolled with the CNPJ/ME under No. 06.057.223/0001-71, with head offices at Avenida Ayrton Senna, No. 6.000, Lote 2, Pal 48959, Anexo A, Jacarepaguá, CEP 22775-005, in the City of Rio de Janeiro, State of Rio de Janeiro (the "Company"), state that they:

(i) have reviewed, discussed and agreed with the Independent Registered Public Accounting Firm Report over the Company's Interim Financial Information related to the three-month period ended March, 2022; and

(ii) have reviewed, discussed and agreed with the Company's Interim Financial Information related to the three-month period ended March, 2022.

Rio de Janeiro, May 9th, 2022.

Belmiro de Figueiredo Gomes
Chief Executive Officer

Daniela Sabbag Papa
Chief Financial and Administrative Officer

Gabrielle Castelo Branco Helú
Chief Investor Relations Officer