

# 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 June 30, 2023



(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

ITR – Interim Financial Information – June 30,2023 – SENDAS DISTRIBUIDORA S.A.



## Index

Corporate Information / Capital Composition	2
Interim financial information	
Individual Statements	
Balance Sheet - Assets	3
Balance Sheet - Liabilities	4
Statements of Operations	5
Statements of Comprehensive Income	6
Statements of Changes in Shareholders' Equity	7
Statements of Cash Flows	8
Statements of Value Added	9
Earnings Release	10
Notes to the Interim Financial Information	24
Independent Auditor's Report on Review of Quarterly Information	46
Management Statement on the Financial Statements and Independent Auditor's Report	49

(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Interim Financial Information - 6/30/2023 - SENDAS DISTRIBUIDORA S.A.



## Corporate information / Capital composition

<b>Number of Shares (Thousands)</b>	<b>Current quarter 6/30/2023</b>
<b>Share Capital</b>	
Common	1,350,256
Preferred	0
<b>Total</b>	<b>1,350,256</b>
<b>Treasury Shares</b>	
Common	0
Preferred	0
<b>Total</b>	<b>0</b>



**Individual Financial Statements / Balance Sheet - Assets**  
**R\$ (in thousands)**

<b>Account code</b>	<b>Account description</b>	<b>Current Quarter 6/30/2023</b>	<b>Prior year 12/31/2022</b>
<b>1</b>	<b>Total Assets</b>	<b>40,102,000</b>	<b>40,618,000</b>
<b>1.01</b>	<b>Current Assets</b>	<b>13,058,000</b>	<b>14,179,000</b>
1.01.01	Cash and Cash Equivalents	4,596,000	5,842,000
<b>1.01.03</b>	<b>Accounts Receivables</b>	<b>887,000</b>	<b>622,000</b>
1.01.03.01	Trade Receivables	703,000	570,000
1.01.03.02	Other Accounts Receivable	184,000	52,000
1.01.04	Inventories	6,374,000	6,467,000
1.01.06	Recoverable Taxes	892,000	1,055,000
<b>1.01.08</b>	<b>Other Current Assets</b>	<b>309,000</b>	<b>193,000</b>
<b>1.01.08.01</b>	<b>Non-current Assets Held for Sale</b>	<b>95,000</b>	<b>95,000</b>
1.01.08.01.01	Assets Held for Sale	95,000	95,000
<b>1.01.08.03</b>	<b>Others</b>	<b>214,000</b>	<b>98,000</b>
1.01.08.03.01	Derivative Financial Instruments	45,000	27,000
1.01.08.03.03	Other Current Assets	169,000	71,000
<b>1.02</b>	<b>Non-current Assets</b>	<b>27,044,000</b>	<b>26,439,000</b>
<b>1.02.01</b>	<b>Long-Term Assets</b>	<b>1,370,000</b>	<b>1,405,000</b>
<b>1.02.01.04</b>	<b>Accounts Receivables</b>	<b>97,000</b>	<b>-</b>
1.02.01.04.02	Other Accounts Receivable	97,000	-
<b>1.02.01.07</b>	<b>Deferred Taxes</b>	<b>136,000</b>	<b>6,000</b>
<b>1.02.01.09</b>	<b>Receivable From Related Parties</b>	<b>19,000</b>	<b>252,000</b>
1.02.01.09.04	Receivable from Others Related Parties	19,000	252,000
<b>1.02.01.10</b>	<b>Other Non-current Assets</b>	<b>1,118,000</b>	<b>1,147,000</b>
1.02.01.10.04	Recoverable Taxes	819,000	927,000
1.02.01.10.05	Restricted Deposits for Legal Proceedings	48,000	56,000
1.02.01.10.06	Derivative Financial Instruments	239,000	155,000
1.02.01.10.07	Other Non-current Assets	12,000	9,000
<b>1.02.02</b>	<b>Investments</b>	<b>837,000</b>	<b>833,000</b>
<b>1.02.02.01</b>	<b>Investments in Associates</b>	<b>837,000</b>	<b>833,000</b>
1.02.02.01.03	Joint Venture Participation	837,000	833,000
<b>1.02.03</b>	<b>Property, Plant and Equipment</b>	<b>19,805,000</b>	<b>19,183,000</b>
<b>1.02.04</b>	<b>Intangible Assets</b>	<b>5,032,000</b>	<b>5,018,000</b>



**Individual Financial Statements / Balance Sheet - Liabilities**  
**R\$ (in thousands)**

<b>Account code</b>	<b>Account description</b>	<b>Current Quarter 6/30/2023</b>	<b>Prior year 12/31/2022</b>
<b>2</b>	<b>Total Liabilities</b>	<b>40,102,000</b>	<b>40,618,000</b>
<b>2.01</b>	<b>Current Liabilities</b>	<b>15,748,000</b>	<b>16,416,000</b>
<b>2.01.01</b>	<b>Payroll and Related Taxes</b>	<b>542,000</b>	<b>584,000</b>
2.01.01.01	Social Taxes	72,000	75,000
2.01.01.02	Payroll Taxes	470,000	509,000
<b>2.01.02</b>	<b>Trade Payables</b>	<b>12,764,000</b>	<b>12,999,000</b>
<b>2.01.02.01</b>	<b>National Trade Payables</b>	<b>12,764,000</b>	<b>12,999,000</b>
2.01.02.01.01	Trade Payables	9,218,000	8,538,000
2.01.02.01.02	Trade Payables - Agreements	1,549,000	2,039,000
2.01.02.01.03	Trade payables - Agreements - Acquisition of Extra Stores	1,997,000	2,422,000
<b>2.01.03</b>	<b>Taxes and Contributions Payable</b>	<b>233,000</b>	<b>265,000</b>
<b>2.01.04</b>	<b>Borrowings and Financing</b>	<b>1,243,000</b>	<b>1,260,000</b>
2.01.04.01	Borrowings and Financing	828,000	829,000
2.01.04.02	Debentures	415,000	431,000
<b>2.01.05</b>	<b>Other Liabilities</b>	<b>966,000</b>	<b>1,308,000</b>
2.01.05.01	Payables to Related Parties	-	201,000
<b>2.01.05.02</b>	<b>Others</b>	<b>966,000</b>	<b>1,107,000</b>
2.01.05.02.01	Dividends and Interest on own Capital	-	111,000
2.01.05.02.09	Deferred Revenue	214,000	328,000
2.01.05.02.12	Other Current Liabilities	193,000	233,000
2.01.05.02.17	Lease Liability	397,000	435,000
2.01.05.02.19	Other Accounts Payable	162,000	-
<b>2.02</b>	<b>Non-current Liabilities</b>	<b>20,223,000</b>	<b>20,306,000</b>
<b>2.02.01</b>	<b>Borrowings and Financing</b>	<b>11,977,000</b>	<b>11,331,000</b>
2.02.01.01	Borrowings and Financing	1,034,000	737,000
2.02.01.02	Debentures	10,943,000	10,594,000
<b>2.02.02</b>	<b>Other Liabilities</b>	<b>7,991,000</b>	<b>8,779,000</b>
<b>2.02.02.01</b>	<b>Payable to Related Parties</b>	<b>-</b>	<b>60,000</b>
2.02.02.01.04	Payables to Other Related Parties	-	60,000
<b>2.02.02.02</b>	<b>Others</b>	<b>7,991,000</b>	<b>8,719,000</b>
2.02.02.02.04	Trade payables - Agreements - Acquisition of Extra Stores	-	780,000
2.02.02.02.07	Other Non-current Liabilities	14,000	14,000
2.02.02.02.09	Lease Liability	7,923,000	7,925,000
2.02.02.02.11	Other Accounts Payable	54,000	-
<b>2.02.04</b>	<b>Provision</b>	<b>228,000</b>	<b>165,000</b>
<b>2.02.06</b>	<b>Deferred Earnings and Revenue</b>	<b>27,000</b>	<b>31,000</b>
2.02.06.02	Deferred Revenue	27,000	31,000
<b>2.03</b>	<b>Shareholders' Equity</b>	<b>4,131,000</b>	<b>3,896,000</b>
<b>2.03.01</b>	<b>Share Capital</b>	<b>1,265,000</b>	<b>1,263,000</b>
<b>2.03.02</b>	<b>Capital Reserves</b>	<b>45,000</b>	<b>36,000</b>
<b>2.03.04</b>	<b>Earnings Reserves</b>	<b>2,827,000</b>	<b>2,599,000</b>
<b>2.03.08</b>	<b>Other Comprehensive Income</b>	<b>(6,000)</b>	<b>(2,000)</b>



**Individual Financial Statements / Statements of Operations**  
**R\$ (in thousands)**

Account code	Account description	Current quarter	Year to date current year	Same quarter of previous year	Year to date prior year
		4/1/2023 to 6/30/2023	1/1/2023 to 6/30/2023	4/1/2022 to 6/30/2022	1/1/2022 to 6/30/2022
<b>3.01</b>	<b>Net Operating Revenue</b>	<b>15,984,000</b>	<b>31,080,000</b>	<b>13,291,000</b>	<b>24,734,000</b>
<b>3.02</b>	<b>Cost of Sales</b>	<b>(13,420,000)</b>	<b>(26,088,000)</b>	<b>(11,146,000)</b>	<b>(20,763,000)</b>
<b>3.03</b>	<b>Gross Profit</b>	<b>2,564,000</b>	<b>4,992,000</b>	<b>2,145,000</b>	<b>3,971,000</b>
<b>3.04</b>	<b>Operating Income / Expenses</b>	<b>(1,827,000)</b>	<b>(3,636,000)</b>	<b>(1,436,000)</b>	<b>(2,737,000)</b>
3.04.01	Selling Expenses	(1,303,000)	(2,609,000)	(1,006,000)	(1,935,000)
3.04.02	General and Administrative Expenses	(177,000)	(383,000)	(193,000)	(361,000)
<b>3.04.05</b>	<b>Other Operating Expenses</b>	<b>(359,000)</b>	<b>(668,000)</b>	<b>(247,000)</b>	<b>(459,000)</b>
3.04.05.01	Depreciation/ Amortization	(341,000)	(654,000)	(213,000)	(417,000)
3.04.05.03	Other Operating Expenses	(18,000)	(14,000)	(34,000)	(42,000)
3.04.06	Share of Profit of Associates	12,000	24,000	10,000	18,000
<b>3.05</b>	<b>Profit from Operations Before Net Financial Expenses and Taxes</b>	<b>737,000</b>	<b>1,356,000</b>	<b>709,000</b>	<b>1,234,000</b>
<b>3.06</b>	<b>Net Financial Result</b>	<b>(628,000)</b>	<b>(1,258,000)</b>	<b>(328,000)</b>	<b>(630,000)</b>
3.06.01	Financial Revenues	59,000	129,000	77,000	147,000
3.06.02	Financial Expenses	(687,000)	(1,387,000)	(405,000)	(777,000)
<b>3.07</b>	<b>Income Before Income Tax and Social Contribution</b>	<b>109,000</b>	<b>98,000</b>	<b>381,000</b>	<b>604,000</b>
<b>3.08</b>	<b>Income Tax and Social Contribution</b>	<b>47,000</b>	<b>130,000</b>	<b>(62,000)</b>	<b>(71,000)</b>
3.08.01	Current	2,000	2,000	(27,000)	(45,000)
3.08.02	Deferred	45,000	128,000	(35,000)	(26,000)
<b>3.09</b>	<b>Net Income from Continued Operations</b>	<b>156,000</b>	<b>228,000</b>	<b>319,000</b>	<b>533,000</b>
<b>3.11</b>	<b>Net Income for the period</b>	<b>156,000</b>	<b>228,000</b>	<b>319,000</b>	<b>533,000</b>
<b>3.99</b>	<b>Earnings per Share - (Reais/Share)</b>				
<b>3.99.01</b>	<b>Basic Earnings Per Share</b>				
3.99.01.01	Common	0.115355	0.168674	0.236925	0.395592
<b>3.99.02</b>	<b>Diluted Earnings Per Share</b>				
3.99.02.01	Common	0.114892	0.168146	0.235635	0.393694



**Individual Financial Statements / Statements of Comprehensive Income**  
**R\$ (in thousands)**

<b>Account code</b>	<b>Account description</b>	<b>Current quarter 4/1/2023 to 6/30/2023</b>	<b>Year to date current year 1/1/2023 to 6/30/2023</b>	<b>Same quarter of previous year 4/1/2022 to 6/30/2022</b>	<b>Year to date prior year 1/1/2022 to 6/30/2022</b>
4.01	<b>Net Income for the period</b>	<b>156,000</b>	<b>228,000</b>	<b>319,000</b>	<b>533,000</b>
4.02	<b>Other Comprehensive Income</b>	<b>(5,000)</b>	<b>(4,000)</b>	<b>1,000</b>	<b>-</b>
4.02.04	Fair Value of Receivables	(8,000)	(6,000)	1,000	(1,000)
4.02.06	Income Tax Effect	3,000	2,000	-	1,000
4.03	<b>Total Comprehensive Income for the period</b>	<b>151,000</b>	<b>224,000</b>	<b>320,000</b>	<b>533,000</b>



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

Account code	Account description	Year to date current year 1/1/2023 to 6/30/2023	Year to date prior year 1/1/2022 to 6/30/2022
<b>6.01</b>	<b>Net Cash Operating Activities</b>	<b>2,634,000</b>	<b>1,226,000</b>
<b>6.01.01</b>	<b>Cash Provided by the Operations</b>	<b>2,510,000</b>	<b>1,973,000</b>
6.01.01.01	Net Income for the period	228,000	533,000
6.01.01.02	Deferred Income Tax and Social Contribution	(128,000)	26,000
6.01.01.03	Loss of Disposal of Property, Plant and Equipment and Leasing write-off	7,000	19,000
6.01.01.04	Depreciation and Amortization	694,000	454,000
6.01.01.05	Financial Charges	1,389,000	739,000
6.01.01.07	Share of Profit of Associates	(24,000)	(18,000)
6.01.01.08	Provision for Legal Proceedings	90,000	27,000
6.01.01.10	Provision for Stock Option	9,000	9,000
6.01.01.11	Allowance for Doubtful Accounts	3,000	4,000
6.01.01.13	Provision for Allowance for Inventory Losses and Damages	242,000	180,000
<b>6.01.02</b>	<b>Variations in Assets and Liabilities</b>	<b>124,000</b>	<b>(747,000)</b>
6.01.02.01	Trade Receivables	(139,000)	(76,000)
6.01.02.02	Inventories	(149,000)	(1,411,000)
6.01.02.03	Recoverable Taxes	271,000	(248,000)
6.01.02.04	Other Assets	(108,000)	(27,000)
6.01.02.05	Related Parties	(1,000)	60,000
6.01.02.06	Restricted Deposits for Legal Proceedings	8,000	(5,000)
6.01.02.07	Trade Payables	526,000	1,001,000
6.01.02.08	Payroll and Related Taxes	(42,000)	42,000
6.01.02.09	Taxes and Social Contributions Payable	(26,000)	49,000
6.01.02.10	Payment for Legal Proceedings	(34,000)	(24,000)
6.01.02.11	Deferred Revenue	(118,000)	(81,000)
6.01.02.12	Other Liabilities	(84,000)	(27,000)
6.01.02.15	Dividends Received	20,000	-
<b>6.02</b>	<b>Net Cash of Investing Activities</b>	<b>(1,366,000)</b>	<b>(2,760,000)</b>
6.02.02	Purchase of Property, Plant and Equipment	(1,362,000)	(2,013,000)
6.02.03	Purchase of Intangible Assets	(29,000)	(605,000)
6.02.04	Proceeds from Property, Plant and Equipment	16,000	-
6.02.09	Proceeds from Sale of Assets Held for Sale	9,000	108,000
6.02.11	Purchase of Assets Held for Sale	-	(250,000)
<b>6.03</b>	<b>Net Cash of Financing Activities</b>	<b>(2,514,000)</b>	<b>2,092,000</b>
6.03.01	Capital Contribution	2,000	3,000
6.03.02	Proceeds from Borrowings and Financing	300,000	3,000,000
6.03.03	Payment of Borrowings and Financing	(104,000)	(49,000)
6.03.04	Payment of Interest on Borrowings and Financing	(502,000)	(308,000)
6.03.05	Dividends and interest on own equity, paid	(118,000)	(168,000)
6.03.09	Payment of Lease Liabilities	(169,000)	(53,000)
6.03.10	Payment of Interest on Lease Liabilities	(476,000)	(308,000)
6.03.11	Borrowing costs from borrowings and financing	(51,000)	(25,000)
6.03.12	Payment of Acquisition of Extra Stores	(1,396,000)	-
<b>6.05</b>	<b>Increase (Decrease) in Cash and Equivalents</b>	<b>(1,246,000)</b>	<b>558,000</b>
6.05.01	Cash and Cash Equivalents at the beginning of the Period	5,842,000	2,550,000
6.05.02	Cash and Cash Equivalents at the end of the Period	4,596,000	3,108,000



(FREE TRANSLATION INTO ENGLISH FROM THE ORIGINAL PREVIOUSLY ISSUED IN PORTUGUESE)

Interim Financial Information - 6/30/2023 - SENDAS DISTRIBUIDORA S.A.



**Individual Financial Statements / Statements of Changes in Shareholders' Equity 1/1/2023 to 6/30/2023**

**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	1,263,000	36,000	2,599,000	-	(2,000)	3,896,000
5.03	Adjusted Opening Balance	1,263,000	36,000	2,599,000	-	(2,000)	3,896,000
5.04	Capital Transactions with Shareholders	2,000	9,000	-	-	-	11,000
5.04.01	Capital Contribution	2,000	-	-	-	-	2,000
5.04.03	Stock Options Granted	-	9,000	-	-	-	9,000
5.05	Total Comprehensive Income	-	-	-	228,000	(4,000)	224,000
5.05.01	Net Income for the Period	-	-	-	228,000	-	228,000
5.05.02	Other Comprehensive Income	-	-	-	-	(4,000)	(4,000)
5.05.02.07	Fair Value of Receivables	-	-	-	-	(6,000)	(6,000)
5.05.02.09	Income Tax Effect	-	-	-	-	2,000	2,000
5.06	Internal Changes of Shareholders' Equity	-	-	228,000	(228,000)	-	-
5.06.05	Tax Incentive Reserve	-	-	228,000	(228,000)	-	-
5.07	Closing Balance	1,265,000	45,000	2,827,000	-	(6,000)	4,131,000

**Individual Financial Statements / Statements of Changes in Shareholders' Equity 1/1/2022 to 6/30/2022**

**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	467,000	9,000	(464,000)	-	-	12,000
5.04.01	Capital Contribution	467,000	-	(464,000)	-	-	3,000
5.04.03	Stock Options Granted	-	9,000	-	-	-	9,000
5.05	Total Comprehensive Income	-	-	-	533,000	-	533,000
5.05.01	Net Income for the Period	-	-	-	533,000	-	533,000
5.05.02.07	Fair Value of Receivables	-	-	-	-	(1,000)	(1,000)
5.05.02.09	Income Tax Effect	-	-	-	-	1,000	1,000
5.06	Internal Changes of Shareholders' Equity	-	-	363,000	(363,000)	-	-
5.06.05	Tax Incentive Reserve	-	-	363,000	(363,000)	-	-
5.07	Closing Balance	1,255,000	27,000	1,860,000	170,000	(1,000)	3,311,000



**Individual Financial Statements / Statements of Value Added**  
**R\$ (in thousands)**

Account code	Account description	Year to date current year	Year to date prior year
		1/1/2023 to 6/30/2023	1/1/2022 to 6/30/2022
<b>7.01</b>	<b>Revenues</b>	<b>34,081,000</b>	<b>27,041,000</b>
7.01.01	Sales of Goods and Services	34,055,000	27,002,000
7.01.02	Other Revenues	29,000	43,000
7.01.04	Allowance for Doubtful Accounts	(3,000)	(4,000)
<b>7.02</b>	<b>Products Acquired from Third Parties</b>	<b>(30,018,000)</b>	<b>(24,039,000)</b>
7.02.01	Cost of Sales	(28,418,000)	(22,781,000)
7.02.02	Materials, Energy, Outsourced Services and Others	(1,600,000)	(1,258,000)
<b>7.03</b>	<b>Gross Value Added</b>	<b>4,063,000</b>	<b>3,002,000</b>
<b>7.04</b>	<b>Retentions</b>	<b>(694,000)</b>	<b>(454,000)</b>
7.04.01	Depreciation, Amortization and Exhaustion	(694,000)	(454,000)
<b>7.05</b>	<b>Net Value Added Produced</b>	<b>3,369,000</b>	<b>2,548,000</b>
<b>7.06</b>	<b>Value Added Received in Transfer</b>	<b>160,000</b>	<b>172,000</b>
7.06.01	Share of Profit of Associates	24,000	18,000
7.06.02	Financial Revenues	136,000	154,000
<b>7.07</b>	<b>Total Value Added to Distribute</b>	<b>3,529,000</b>	<b>2,720,000</b>
<b>7.08</b>	<b>Value Added Distribution</b>	<b>3,529,000</b>	<b>2,720,000</b>
<b>7.08.01</b>	<b>Personnel</b>	<b>1,660,000</b>	<b>1,299,000</b>
7.08.01.01	Direct Compensation	1,148,000	857,000
7.08.01.02	Benefits	378,000	327,000
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	96,000	72,000
7.08.01.04	Others	38,000	43,000
<b>7.08.02</b>	<b>Taxes, Fees and Contribution</b>	<b>181,000</b>	<b>104,000</b>
7.08.02.01	Federal	(2,000)	69,000
7.08.02.02	State	106,000	(8,000)
7.08.02.03	Municipal	77,000	43,000
<b>7.08.03</b>	<b>External Financiers</b>	<b>1,460,000</b>	<b>784,000</b>
7.08.03.01	Interest	1,447,000	782,000
7.08.03.02	Rentals	13,000	2,000
<b>7.08.04</b>	<b>Shareholders' Remuneration</b>	<b>228,000</b>	<b>533,000</b>
7.08.04.03	Retained Earnings for the period	228,000	533,000



# EARNINGS RELEASE 2Q23

## EARNINGS CONFERENCE CALL

Thursday, July 27, 2023

11:00 a.m. (Brasília) | 10:00: a.m. (New York) | 03:00 p.m. (London)

Videoconference call in Portuguese via Zoom (simultaneous translation): [click here](#)

Information and links for accessing the call are available on our website and in our quarterly earnings materials.

São Paulo, July 26, 2023 – Assaí Atacadista announces its results for the 2<sup>nd</sup> quarter of 2023. All comments on adjusted EBITDA exclude other operating expenses and income in the periods. 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.

**RESILIENT RESULT: EBITDA MG OF 7% SHOWS SUCCESSFUL EXPANSION AND ACCELERATED CONVERSIONS MATURATION**  
**CUSTOMERS FLOW INCREASES 25%, REACHING 70 MILLION TICKETS AND RECORD MARKET SHARE WITH 3.6 p.p. GAINS**  
**LEVERAGE RATIO REDUCED TO 2.6x (-0.2x vs. 1Q23)**



**Opening of 60 stores in last 12 months, increasing sales area by 34%**

Conclusion of approximately 90% of conversion project, with opening of 57 stores to date (from 66 stores)  
 Continuity of expansion plan with over 20 stores under construction



**Conversions: Advance of sales uplift to 2.5x (vs. 2.2x in 1Q23) with EBITDA margin expansion**

Stores continue to deliver sales growth above the average of stores in operation over 12 months  
 EBITDA margin at around 6% level



**Sales advance +21% with sequential improvement in same-stores sales during the quarter**

Gross sales of R\$ 17.6 billion (+R\$3.0bi), driven by expansion (+23.2%) and same-stores sales growth of -1.7%, affected by deflation in several categories and the strong comparison base (+14.4% in 2Q22)  
 Achievement of the highest market share ever with growth of +3.6 p.p. in June



**Gross margin practically stable despite the strong expansion pace**

Rapid maturation of conversions and efficient commercial dynamics led to a margin of 16.0% (vs. 16.1% in 2Q22)



**Adjusted EBITDA of R\$ 1.1 billion, up R\$ 135 million from 2Q22**

EBITDA margin expansion from 6.3% in 1Q23 to 7.0% in the 2Q23, despite over 35% of stores in the maturation phase.  
 Excluding conversions, the EBITDA Margin remained stable in comparison to 2Q22



**Improvement in net income on 1Q23, supported by solid operational performance**

Net income of R\$ 156 million in 2Q23, affected primarily by the high interest rate scenario



**Reduction in leverage ratio to 2.62x (vs. 2.78x in 1Q23)**

Strong cash generation and improvement in working capital support high investments in expansion and led to a reduction in leverage level



**Meu Assaí App: Growth in customer base to 8.2 million clients (+17% since Apr/23)**

Record online sales via last mile operators, with accelerated growth: +58% vs. 2Q22 and 15% vs. 1Q23

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

(R\$ million)	2Q23	2Q22	Δ	1H23	1H22	Δ
Gross Revenue	17,553	14,530	20.8%	34,120	27,051	26.1%
Net Revenue	15,984	13,291	20.3%	31,080	24,734	25.7%
Gross Profit <sup>(1)</sup>	2,564	2,145	19.5%	4,992	3,971	25.7%
<b>Gross Margin <sup>(1)</sup></b>	<b>16.0%</b>	<b>16.1%</b>	<b>-0.1 p.p.</b>	<b>16.1%</b>	<b>16.1%</b>	<b>0.0 p.p.</b>
Selling, General and Administrative Expenses	(1,480)	(1,199)	23.4%	(2,992)	(2,296)	30.3%
<b>% of Net Revenue</b>	<b>-9.3%</b>	<b>-9.0%</b>	<b>-0.3 p.p.</b>	<b>-9.6%</b>	<b>-9.3%</b>	<b>-0.3 p.p.</b>
Adjusted EBITDA <sup>(2)</sup>	1,113	978	13.8%	2,064	1,730	19.3%
<b>Adjusted EBITDA Margin <sup>(2)</sup></b>	<b>7.0%</b>	<b>7.4%</b>	<b>-0.4 p.p.</b>	<b>6.6%</b>	<b>7.0%</b>	<b>-0.4 p.p.</b>
Net Income	156	319	-51.1%	228	533	-57.2%
<b>Net Margin</b>	<b>1.0%</b>	<b>2.4%</b>	<b>-1.4 p.p.</b>	<b>0.7%</b>	<b>2.2%</b>	<b>-1.5 p.p.</b>
Adjusted EBITDA Pre-IFRS 16 <sup>(2)(3)</sup>	814	736	10.6%	1,466	1,327	10.5%
<b>Adjusted EBITDA Margin Pre-IFRS 16 <sup>(2)(3)</sup></b>	<b>5.1%</b>	<b>5.5%</b>	<b>-0.4 p.p.</b>	<b>4.7%</b>	<b>5.4%</b>	<b>-0.7 p.p.</b>

(1) Includes logistics depreciation (as shown in the Income Statement on page 12);

(2) Earnings before Interest, Taxes, Depreciation, Amortization - adjusted for Other Operating Revenue (Expenses);

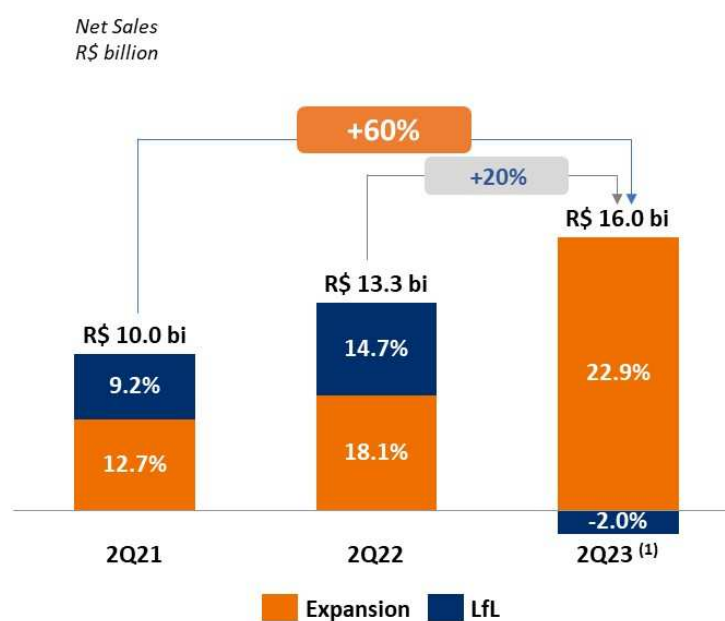
(3) For more details please check page 8.



“The highlight of the second quarter was the conclusion of around 90% of the hypermarket conversion project. Our business model and the exceptional location of the conversions are key factors in the success of these stores, which delivered growth above the Company’s average, with sales uplift 2.5x higher than the hypermarket format. Our performance is connected to the strong involvement of Our People. This year, we rose 10 points in the GPTW engagement survey, beating the industry average and consolidating Assaí as one of the 10 Best Companies to Work for in the Retail Sector. Results like these make us an industry reference, with continuous market share gains and sustainable growth. Additionally, in this quarter, the new Board of Directors took office and we consolidate our position as a True Corporation, with 100% of stock widely disseminated.”

Belmiro Gomes, CEO of Assaí

## SALES GROWTH WITH SIGNIFICANT CONTRIBUTION FROM EXPANSION



Net sales in the quarter came to R\$ 16.0 billion, increasing R\$ 2.7 billion, which represents a growth of 20.3% compared to 2Q22 and 59.7% to 2Q21. The performance is mainly explained by:

- (i) the solid contribution from the expansion project, with 60 stores opened in the last 12 months (+22.9%), with the highlight to the conversions performance;
- (ii) the efficient commercial strategy that, throughout successful commercial campaigns, resulted in record customer traffic, reaching over 70 million tickets, representing growth of 25%;
- (iii) continuous improvement in the shopping experience, with rapid adaptation of assortment and services to meet the needs of each region;
- (iv) same-store sales performance (-2.0%), which improved gradually over the quarter to turn positive in June. The period also was marked by deflation in certain categories and the strong comparison base (+14.7% in 2Q22) due to the large number of hypermarkets closed in 2022.

Additionally, even with the strong growth in the Cash & Carry segment, the Company registered significant improvements of market share in June (+3.6 p.p.), reaching its highest market share ever, supported by the success of Assaí’s commercial strategy and business model.

In 1H23, net sales totaled R\$ 31.1 billion (+25.7% vs. 1H22), reflecting the strong contribution from expansion, driven mainly by the performance of converted stores, the successful business model and the same-store sales growth of +2.3%, despite the strong comparison base (+10.8% in 1H22).

## CONTINUED EXPANSION WITH ADVANCES IN CONVERSION PROJECT

The expansion schedule remains in line with expectations, with around 30 stores to be inaugurated in 2023. In addition to the 10 conversions inaugurated in 2023, of which 8 in the 1<sup>st</sup> semester, currently, more than 20 stores are under construction.

Assaí ended 1H23 with 270 stores in operation and total sales area of 1.4 million square meters, representing expansion of +34% in the last 12 months.



In 2Q23, 5 converted stores were inaugurated in 3 states, 2 of which in the state of São Paulo, 2 in Rio de Janeiro and 1 in Minas Gerais. Considering the 2 conversions inaugurated in July, 57 converted stores were opened to date, which represents a conclusion of ~90% of the project.

The excellent locations of the converted stores in densely populated regions and highly recognized by the public, together with the strong attractiveness of this business model, already enable conversions, that are operating on average for 8 months, to achieve monthly sales above the average of stores operating for more than 12 months, which represents an uplift of 2.5x (vs. 2.2x in 1Q23), and present an improvement in EBITDA margin of around 6%.

## COMMERCIAL GALLERIES WILL CONTRIBUTE TO CONVERSIONS MATURATION

In addition to expanding the sales area, the hypermarket conversions will add, at the end of the project, more than 220,000 sqm of gross leasable area (GLA) of commercial galleries and around 1,300 tenants. The galleries will contribute to the maturation of conversions, with an increase in the customers traffic, dilution of rent and occupancy costs, such as IPTU (urban property tax).

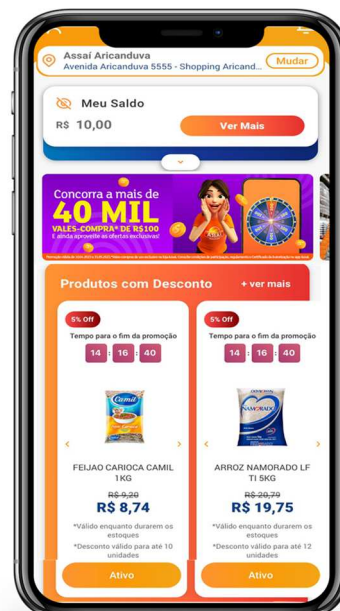
In 1H23, revenue from the galleries reached R\$ 44 million, even with 50% of the galleries available for lease.

## “MEU ASSAÍ” APP CUSTOMER BASE GROWTH

Launched in April 2023 and available nationwide, the new app “Meu Assaí” registered growth of 1.2 million users in only 2 months, reaching 8.2 million customers, which represents an increase of 17% from its launch.

The app is an important tool for broadening knowledge of consumer habits and to improve their shopping experience by uniting the physical world with the online universe. The app reinforces the Company’s Phygital strategy through its exclusive and segmented campaigns for Assaí customers, generating customer loyalty and recurring purchases.

Also, the online sales operation in partnership with last mile operators continues to present significant growth and break sales records, with growth of 58% in comparison with 2Q22 and 15% vs. 1Q23.



## RESILIENT OPERATING RESULTS

Gross income amounted to R\$ 2.6 billion, with margin virtually stable at 16.0%, with this performance mainly reflecting:

- (i) the resilient performance of the conversions, which, due to their exceptional location and proximity to higher-income consumers, present accelerated maturation and margins above the organic stores;
- (ii) the effective Company's commercial dynamics, which carried out successful promotional campaigns that supported an increase in customer traffic.

This result demonstrates the adequate level of Assaí's competitiveness combined with the investments in modernizing the stores base and improving the shopping experience.



Selling, general and administrative expenses corresponded to 9.3% of net sales in 2Q23 (vs. 9.0% in 2Q22), mainly reflecting the effect from the maturation of new stores.

Equity income from Assaí's interest of approximately 18% in the capital of FIC came to R\$ 12 million in the quarter (+20.0% vs. 2Q22). Passaí cards issued exceeded 2.4 million and accounts for over 4% of sales.

Adjusted EBITDA reached R\$ 1.1 billion in 2Q23, up R\$ 135 million on 2Q22. Adjusted EBITDA margin reached 7.0%, expanding in relation to 1Q23 (6.3%), despite 35% of stores in the maturation process and the pre-operating expenses related to the expansion project. Excluding the conversions effect, the EBITDA margin remained stable compared to 2Q22.

In the year to date, Adjusted EBITDA totaled R\$ 2.1 billion with margin of 6.6%, representing growth of +19.3% or R\$ 334 million. This result reflects the resilience of the business model and the successful performance of conversions, which presents accelerated maturation.



## HIGH INTEREST RATE AFFECTS FINANCIAL RESULT

(R\$ million)	2Q23	2Q22	Δ	1H23	1H22	Δ
Cash profitability	31	49	-36.7%	74	81	-8.6%
Cost of debt	(393)	(162)	142.6%	(770)	(338)	127.8%
Cost of Receivable Discount	(23)	(26)	-11.5%	(49)	(45)	8.9%
Other financial revenues/expenses and Net Exchange Variation	(35)	(82)	-57.3%	(103)	(121)	-14.9%
<b>Net Financial Revenue (Expenses)</b>	<b>(420)</b>	<b>(221)</b>	<b>90.0%</b>	<b>(848)</b>	<b>(423)</b>	<b>100.5%</b>
<i>% of Net Revenue</i>	-2.6%	-1.7%	-0.9 p.p.	-2.7%	-1.7%	-1.0 p.p.
Interest on lease liabilities	(208)	(107)	94.4%	(410)	(207)	98.1%
<b>Net Financial Revenue (Expenses) - Post IFRS 16</b>	<b>(628)</b>	<b>(328)</b>	<b>91.5%</b>	<b>(1,258)</b>	<b>(630)</b>	<b>99.7%</b>
<i>% of Net Revenue - Post IFRS 16</i>	-3.9%	-2.5%	-1.4 p.p.	-4.0%	-2.5%	-1.5 p.p.

At the end of 2Q23, net financial (post-IFRS16) result was R\$ 628 million, equivalent to 3.9% of net sales. Excluding the effect from interest on lease liabilities, the net financial expense reached R\$ 420 million, or 2.6% of net sales. The high interest rate scenario and the higher level of gross debt to support the Company's expansion contributed to the financial result level.

## NET INCOME INCREASED COMPARED TO 1Q23

Net income reached R\$ 156 million in the quarter and margin of 1.0%, which is 2 times higher than in 1Q23. In 1H23, net income was R\$ 228 million, with 0.7% margin. Net income in both periods continued to be directly affected by the high interest rate scenario, which significantly affected the financial result, and by the large number of stores in the maturation phase.

## INVESTMENTS RESULTS IN SALES AREA EXPANSION OF 34%

(R\$ million)	2Q23	2Q22	Δ	1H23	1H22	Δ
New stores and land acquisition	528	1,287	(759)	923	1,895	(972)
Store renovation and maintenance	98	70	28	127	103	24
Infrastructure and others	24	25	(1)	50	42	8
<b>Total Investments - Gross</b>	<b>650</b>	<b>1,382</b>	<b>-732</b>	<b>1,100</b>	<b>2,040</b>	<b>-940</b>

Investments amounted to R\$ 650 million in the quarter, explained by the opening of 5 converted stores in the period and the ongoing expansion process, with more than 20 stores under construction. In 1H23, investments totaled R\$ 1.1 billion, during which 8 converted stores were inaugurated.



## WORKING CAPITAL MANAGEMENT SUPPORTS DELEVERAGE

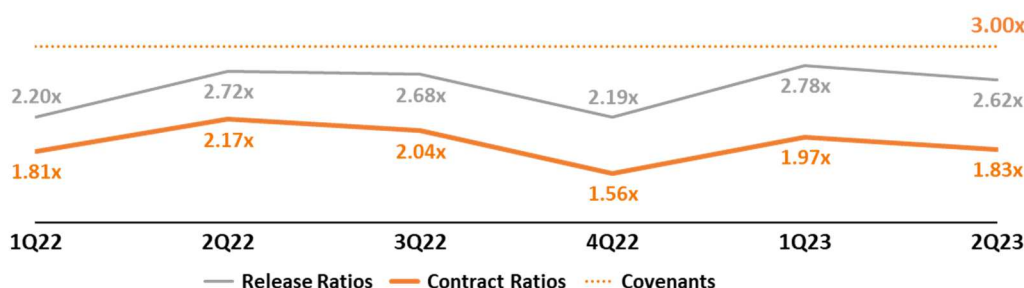
(R\$ million)	2Q23	2Q22
<b>Short Term Debt</b>	<b>(1,198)</b>	<b>(165)</b>
Loans and Financing	(828)	(30)
Debentures	(415)	(157)
Derivative Financial Instruments	45	22
<b>Long Term Debt</b>	<b>(11,738)</b>	<b>(11,039)</b>
Loans and Financing	(1,034)	(1,535)
Debentures	(10,943)	(9,644)
Derivative Financial Instruments	239	140
<b>Total Gross Debt</b>	<b>(12,936)</b>	<b>(11,204)</b>
<b>Cash and Financial Investments</b>	<b>4,596</b>	<b>3,108</b>
<b>Net Debt</b>	<b>(8,340)</b>	<b>(8,096)</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>3,004</b>	<b>2,919</b>
On Balance Credit Card Receivables	463	158
<b>Net Debt incl. Credit Cards Receivable not discounted</b>	<b>(7,877)</b>	<b>(7,938)</b>
<b>Net Debt incl. Credit Cards Receivable not discounted / Adjusted EBITDA <sup>(1)</sup></b>	<b>-2.62x</b>	<b>-2.72x</b>

<sup>(1)</sup> EBITDA LTM before IFRS 16.

The leverage ratio (net debt/Adjusted EBITDA) ended the 2Q23 at 2.62x, declining around 0.2x from 1Q23 (2.78x), despite the high investment cycle. The leverage level reflects (i) the cash generation as a result of improvements in Working Capital; (ii) payments related to the acquisition of hypermarket commercial points; (iii) the investments in expansion over the last 12 months, with 60 stores opened; and (iv) the ongoing expansion project, with over 20 stores under construction to be inaugurated in 2023.

Note that the leverage shown in the table above considers EBITDA pre-IFRS 16 (including rental expenses), which differs from the contractual definition of covenants, which considers an EBITDA based on post-IFRS 16 EBITDA (excluding rental expenses).

The following chart clearly shows that the contractual ratios are well below the limit of the covenants of 3x, especially if we consider the advances in the maturation of converted stores.



### Ratios Release:

Net Debt = Gross Debt (-) Cash and Financial Investments (-) Credit Card Receivables

EBITDA (LTM) = EBITDA Before IFRS 16

### Ratios Contracts:

Net Debt = Gross Debt (-) Cash and Financial Investments (-) Credit Card Receivables (-) Other Receivables as tickets and invoices, with a discount of 1.5%

EBITDA (LTM) = Gross Profit (-) Selling, General and Administrative Expenses (-) Depreciation and Amortization (+) Other Operating Revenue

## OPERATING CASH FLOW OF R\$ 5.4 BILLION

(R\$ million)	2Q23 <sup>(1)</sup>	2Q22 <sup>(1)</sup>	Δ
<b>EBITDA Pre-IFRS 16</b>	<b>3,004</b>	<b>2,919</b>	85
Paid Taxes	0	(136)	136
<b>Change in WK</b>	<b>2,378</b>	<b>9</b>	<b>2,369</b>
<b>Operational Cash Generation</b>	<b>5,381</b>	<b>2,792</b>	<b>2,590</b>
Capex	(2,963)	(2,879)	(85)
Commercial Points Acquisition	(996)	(1,743)	747
<b>Free Cash Generation</b>	<b>1,422</b>	<b>(1,830)</b>	<b>3,252</b>
Dividends	(72)	(213)	141
Cost of Debt	(1,594)	(1,031)	(563)
<b>Total Cash Generation</b>	<b>(244)</b>	<b>(3,074)</b>	<b>2,830</b>

<sup>(1)</sup> Accumulated LTM

Operating cash flow reached R\$ 5.4 billion in the last 12 months, an increase of R\$ 2.6 billion from 2Q22. The result mainly reflects improvements in the Company's working capital management and the operational performance consistency within a context of strong expansion.

## IFRS-16 IMPACTS

With the adoption of IFRS 16 in January 2019, some income statement accounts are affected. The table below presents the main effects:

(R\$ million)	2Q23			2Q22		
	Pre-IFRS 16	Post-IFRS 16	Δ	Pre-IFRS 16	Post-IFRS 16	Δ
Selling, General and Administrative Expenses	(1,795)	(1,480)	315	(1,423)	(1,199)	224
Adjusted EBITDA	814	1,113	299	736	978	242
<b>Adjusted EBITDA Margin</b>	<b>5.1%</b>	<b>7.0%</b>	<b>-1.9 p.p.</b>	<b>5.5%</b>	<b>7.4%</b>	<b>-1.9 p.p.</b>
Depreciation and Amortization	(231)	(341)	(110)	(143)	(213)	(70)
Net Financial Result	(422)	(628)	(206)	(221)	(328)	(107)
Income Tax and Social Contribution	38	47	9	(39)	(62)	(23)
Net Income	174	156	(18)	291	319	28
<b>Net Margin</b>	<b>1.1%</b>	<b>1.0%</b>	<b>0.1 p.p.</b>	<b>2.2%</b>	<b>2.4%</b>	<b>-0.2 p.p.</b>

(R\$ million)	1H23			1H22		
	Pre-IFRS 16	Post-IFRS 16	Δ	Pre-IFRS 16	Post-IFRS 16	Δ
Selling, General and Administrative Expenses	(3,555)	(2,992)	563	(2,668)	(2,296)	372
Adjusted EBITDA	1,466	2,064	598	1,327	1,730	403
<b>Adjusted EBITDA Margin</b>	<b>4.7%</b>	<b>6.6%</b>	<b>-1.9 p.p.</b>	<b>5.4%</b>	<b>7.0%</b>	<b>-1.6 p.p.</b>
Depreciation and Amortization	(442)	(654)	(212)	(279)	(417)	(138)
Net Financial Result	(849)	(1,258)	(409)	(424)	(630)	(206)
Income Tax and Social Contribution	117	130	13	(59)	(71)	(12)
Net Income	252	228	(24)	509	533	24
<b>Net Margin</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.1 p.p.</b>	<b>2.1%</b>	<b>2.2%</b>	<b>-0.1 p.p.</b>

## CONSTANT ESG ADVANCES

Assaí, as an inherent part of its business model, implements initiatives to foster a more responsible and inclusive society based on five strategic pillars:

1. **Combating Climate Change:** innovating and enhancing environmental management;
2. **Integrated Management and Transparency:** improving ESG practices through ethical and transparent relationships;
3. **Transforming the Value Chain:** co-building value chains committed to the environment and people;
4. **Engaging with Society:** acting as an agent of change to promote fair and inclusive opportunities; and
5. **Valuing Our People:** being a reference in fostering diversity, inclusion and sustainability through our employees.

The main highlights in 2Q23 include:

- **More than 20,000 submissions to the Assaí Academia Award 2023.** The initiative aims to recognize and financially support the businesses of small entrepreneurs in the food segment;
- **+75% in volume collected and donated through the campaign “Winter Clothes We Share”:** over 42 tons of clothing, coats and blankets will be delivered to 20 partner institutions in Brazil;
- **Reduction of 5.5% in scope 1<sup>(1)</sup> and 2<sup>(2)</sup> emissions** from the same period of 2022, in line with the Company's strategy of combating climate change and its target to reduce emissions by 38% by 2030 (base year 2015);
- **Through recycling, composting and reduction of product waste, Assaí reused 44% of the waste, reducing disposal in landfills.** Highlighting the Right Destination program, with donations of 174 tons of fresh produce;
- Commitment to create a diverse company with equal opportunities for everyone:
  - **Increased participation of women on the Board of Directors** with the election of 2 members;
  - **24.6% of Women in leadership positions (managers and above);**
  - **42.8% of leadership positions are occupied by black people.**

<sup>(1)</sup> Direct emissions from the company.

<sup>(2)</sup> Emissions from electricity consumption.

## AWARDS AND RECOGNITIONS

For the second straight year, Assaí was certified as an excellent place to work in Brazil, according to GPTW (Great Place to Work). With an increase of 10 p.p. in the score from last year, our employees indicated how satisfied they are with our practices of management, care, respect, development incentives and valuing contributions.

In addition, during the quarter, according to the Best Companies in Diversity Practices and Actions Award, the Company placed first in the “Value Chain Engagement” category and second in the “Promotion of Blacks” category. The award aims to recognize practices to combat racism and foster diversity in companies nationwide.

Assaí also won first place in the “Retail – Supermarkets, Proximity, Cash and Carry” category of the 24<sup>th</sup> edition of the Modern Consumer of Excellence in Customer Service Award and second place in the 23<sup>rd</sup> edition of the Broadcast Companies Award, which highlights the ten publicly-held companies with the best results for shareholders.

## ABOUT SENDAS DISTRIBUIDORA S.A.

Assaí is a Cash & Carry wholesaler serving small and mid-sized merchants as well as consumers in general on unit items as well as large volumes. With gross sales of around R\$ 60 billion in 2022, Assaí is Brazil's second largest retailer and one of the country's 10 best companies to work for in the segment ("Super Large" category, based on GPTW 2022). Serving all five regions of the country, Assaí has over 270 stores in 23 states (plus the Federal District) and more than 70,000 employees.

Since 2021, Assaí shares have been traded both on the São Paulo Stock Exchange (B3), under the ticker ASAI3, and on the New York Stock Exchange (NYSE), making it the only company in the industry to be listed on both. In 2022, the Company was considered Top of Mind in the "Wholesale" category in a survey carried out by the Datafolha Institute; and elected the best company in the "Retail Trade" branch by the Valor 1000 Award. In 2023, Assaí was considered the most valuable food retail brand by annual rankings promoted by Interbrand (20<sup>th</sup> overall) and by Brand Finance (13<sup>th</sup> overall).

## CONTACTS – INVESTOR RELATIONS DEPARTMENT

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**Website:** [www.ri.assai.com.br](http://www.ri.assai.com.br)

## OPERATIONAL INFORMATION

### I – Number of stores and sales area

# of Stores	2Q19	2Q20	2Q21	2Q22	3Q22	4Q22	1Q23	2Q23
Southeast	89	93	102	115	122	138	141	145
Northeast	35	44	49	61	65	74	74	74
MidWest	14	17	20	21	22	25	25	25
North	6	10	11	16	17	17	17	17
South	4	5	5	7	7	9	9	9
<b>Total</b>	<b>148</b>	<b>169</b>	<b>187</b>	<b>220</b>	<b>233</b>	<b>263</b>	<b>266</b>	<b>270</b>
<b>Sales Area (thousand sqm meters)</b>	<b>617</b>	<b>724</b>	<b>824</b>	<b>1,007</b>	<b>1,091</b>	<b>1,307</b>	<b>1,326</b>	<b>1,350</b>

*In the last 12 months, 5 stores were closed, 1 of which in 3Q22, 3 in 4Q22 and 1 in 2Q23. The number of stores operating at the end of 4Q22 includes 5 existing stores whose sales area was expanded under the conversion project.*

## FINANCIAL INFORMATION

### II - Income Statement

(R\$ million)	2Q23	2Q22	Δ%	1H23	1H22	Δ%
<b>Gross Revenue</b>	17,553	14,530	20.8%	34,120	27,051	26.1%
<b>Net Revenue</b>	15,984	13,291	20.3%	31,080	24,734	25.7%
<b>Cost of Goods Sold</b>	(13,403)	(11,124)	20.5%	(26,048)	(20,726)	25.7%
Depreciation (Logistic)	(17)	(22)	-22.7%	(40)	(37)	8.1%
<b>Gross Profit</b>	2,564	2,145	19.5%	4,992	3,971	25.7%
Selling Expenses	(1,303)	(1,006)	29.5%	(2,609)	(1,935)	34.8%
General and Administrative Expenses	(177)	(193)	-8.3%	(383)	(361)	6.1%
<b>Selling, General and Adm. Expenses</b>	(1,480)	(1,199)	23.4%	(2,992)	(2,296)	30.3%
Equity income	12	10	20.0%	24	18	33.3%
Other Operating Expenses, net	(18)	(34)	-47.1%	(14)	(42)	n.d.
Depreciation and Amortization	(341)	(213)	60.1%	(654)	(417)	56.8%
<b>Earnings Before Interest and Taxes - EBIT</b>	737	709	3.9%	1,356	1,234	9.9%
Financial Revenue	59	77	-23.4%	129	147	-12.2%
Financial Expenses	(687)	(405)	69.6%	(1,387)	(777)	78.5%
<b>Net Financial Result</b>	(628)	(328)	91.5%	(1,258)	(630)	99.7%
<b>Income Before Income Tax</b>	109	381	-71.4%	98	604	-83.8%
Income Tax and Social Contribution	47	(62)	-175.8%	130	(71)	-283.1%
<b>Net Income</b>	156	319	-51.1%	228	533	-57.2%
<b>EBITDA - (Earnings before Interest, Taxes, Depreciation, Amortization)</b>	1,095	944	16.0%	2,050	1,688	21.4%
<b>Adjusted EBITDA <sup>(1)</sup></b>	1,113	978	13.8%	2,064	1,730	19.3%

(R\$ million)	2Q23	2Q22	Δ p.p.	1H23	1H22	Δ p.p.
<b>Gross Profit</b>	16.0%	16.1%	-0.1 p.p.	16.1%	16.1%	0.0 p.p.
Selling Expenses	-8.2%	-7.6%	-0.6 p.p.	-8.4%	-7.8%	-0.6 p.p.
General and Administrative Expenses	-1.1%	-1.5%	0.3 p.p.	-1.2%	-1.5%	0.2 p.p.
<b>Selling, General and Adm. Expenses</b>	-9.3%	-9.0%	-0.2 p.p.	-9.6%	-9.3%	-0.3 p.p.
Equity Income	0.1%	0.1%	0.0 p.p.	0.1%	0.1%	0.0 p.p.
Other Operating Expenses, net	-0.1%	-0.3%	0.1 p.p.	0.0%	-0.2%	0.1 p.p.
Depreciation and Amortization	-2.1%	-1.6%	-0.5 p.p.	-2.1%	-1.7%	-0.4 p.p.
<b>EBIT</b>	4.6%	5.3%	-0.7 p.p.	4.4%	5.0%	-0.6 p.p.
<b>Net Financial Result</b>	-3.9%	-2.5%	-1.5 p.p.	-4.0%	-2.5%	-1.5 p.p.
<b>Income Before Income Tax</b>	0.7%	2.9%	-2.2 p.p.	0.3%	2.4%	-2.1 p.p.
Income Tax	0.3%	-0.5%	0.8 p.p.	0.4%	-0.3%	0.7 p.p.
<b>Net Income</b>	1.0%	2.4%	-1.4 p.p.	0.7%	2.2%	-1.4 p.p.
<b>Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA</b>	6.9%	7.1%	-0.3 p.p.	6.6%	6.8%	-0.2 p.p.
<b>Adjusted EBITDA <sup>(1)</sup></b>	7.0%	7.4%	-0.4 p.p.	6.6%	7.0%	-0.4 p.p.

<sup>(1)</sup> Adjusted for Other Operating Revenue (Expenses)

## III - Balance Sheet

<b>ASSETS</b>		
<b>(R\$ million)</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
<b>Current Assets</b>	<b>13,058</b>	<b>14,179</b>
Cash and cash equivalent	4,596	5,842
Trade receivables	703	570
Inventories	6,374	6,467
Recoverable taxes	892	1,055
Derivative financial instruments	45	27
Assets held for sale	95	95
Other accounts receivable	184	52
Other current assets	169	71
<b>Non-current assets</b>	<b>27,044</b>	<b>26,439</b>
Deferred income tax and social contribution	136	6
Recoverable taxes	819	927
Derivative financial instruments	239	155
Related parties	19	252
Restricted deposits for legal proceedings	48	56
Other accounts receivable	97	-
Other non-current assets	12	9
Investments	837	833
Property, plan and equipment	19,805	19,183
Intangible assets	5,032	5,018
<b>TOTAL ASSETS</b>	<b>40,102</b>	<b>40,618</b>
<b>LIABILITIES</b>		
<b>(R\$ million)</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
<b>Current Liabilities</b>	<b>15,748</b>	<b>16,416</b>
Trade payables, net	9,218	8,538
Trade payables - Agreements	1,549	2,039
Trade payables - Agreements - Acquisition of Extra stores	1,997	2,422
Borrowings and financing	828	829
Debentures and promissory notes	415	431
Payroll and related taxes	542	584
Lease liabilities	397	435
Related parties	-	201
Taxes payable	233	265
Deferred revenues	214	328
Dividends and Interest on own Capital	-	111
Other accounts payable	162	-
Other current liabilities	193	233
<b>Non-current liabilities</b>	<b>20,223</b>	<b>20,306</b>
Trade payables - Agreements - Acquisition of Extra stores	-	780
Borrowings and financing	1,034	737
Debentures and promissory notes	10,943	10,594
Provision for legal proceedings	228	165
Related parties	-	60
Lease liabilities	7,923	7,925
Deferred revenues	27	31
Other accounts payable	54	-
Other non-current liabilities	14	14
<b>Shareholders' Equity</b>	<b>4,131</b>	<b>3,896</b>
Capital stock	1,265	1,263
Capital reserve	45	36
Profit reserve	2,827	2,599
Other comprehensive results	(6)	(2)
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>40,102</b>	<b>40,618</b>

## IV – Cash Flow

(R\$ million)	30.06.2023	30.06.2022
<b>Net income for the period</b>	<b>228</b>	<b>533</b>
Deferred income tax and social contribution	(128)	26
Loss on disposal of property, plant and equipment and lease	7	19
Depreciation and amortization	694	454
Interests and monetary variation	1,389	739
Share of profit and loss of associate	(24)	(18)
Provision of legal proceedings	90	27
Provision of stock option	9	9
Provision for inventory losses and damages	242	180
Provision of allowance for doubtful accounts	3	4
	<b>2,510</b>	<b>1,973</b>
<b>Variation of operating assets</b>		
Trade receivables	(139)	(76)
Inventories	(149)	(1,411)
Recoverable taxes	271	(248)
Dividends received	20	-
Other assets	(108)	(27)
Related parties	(1)	60
Restricted deposits for legal proceedings	8	(5)
	<b>(98)</b>	<b>(1,707)</b>
<b>Variation of operating liabilities</b>		
Trade payables	526	1,001
Payroll and related taxes	(42)	42
Taxes and social contributions payable	(26)	49
Other accounts payable	(84)	(27)
Payment for legal proceedings	(34)	(24)
Deferred revenues	(118)	(81)
	<b>222</b>	<b>960</b>
<b>Net cash generated by operating activities</b>	<b>2,634</b>	<b>1,226</b>
<b>Cash flow from investment activities</b>		
Purchase of property, plant and equipment	(1,362)	(2,013)
Purchase of intangible assets	(29)	(605)
Acquisition of assets held for sale	-	(250)
Proceeds from the sales of property, plant and equipment	16	-
Proceeds from sale of assets held for sale	9	108
<b>Net cash used in investment activities</b>	<b>(1,366)</b>	<b>(2,760)</b>
<b>Cash flow from financing activities</b>		
Capital contribution	2	3
Funding of borrowings and financing	300	3,000
Cost of funding of borrowings and financing	(51)	(25)
Payments of borrowings and financing	(104)	(49)
Payments of interest on borrowings and financing	(502)	(308)
Dividend and Interest on own Capital Paid	(118)	(168)
Payments of lease liabilities	(169)	(53)
Payment of interest on lease liability	(476)	(308)
Payment of Acquisition of Extra Stores	(1,396)	-
<b>Net cash (used in) generated by financing activities</b>	<b>(2,514)</b>	<b>2,092</b>
Cash and cash equivalents at the beginning of the period	5,842	2,550
Cash and cash equivalents at the end of the period	4,596	3,108
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,246)</b>	<b>558</b>



## 1 CORPORATE INFORMATION

Sendas Distribuidora S.A. ("Company" or "Sendas") is a publicly held company listed in the Novo Mercado segment of B3 S.A. - Brasil, Bolsa, Balcão (B3), under ticker symbol "ASAÍ3" and on the New York Stock Exchange (NYSE), under ticker symbol "ASAÍ". The Company is primarily engaged in the retail and wholesale of food products, bazar items and other products through its chain of stores, operated under "ASSAÍ" brand, since this is the only disclosed segment. The Company's registered office is at Avenida Ayrton Senna, 6.000, Lote 2 - Anexo A, Jacarepaguá, in the State of Rio de Janeiro. As of June 30, 2023, the Company operated 270 stores and 12 distribution centers in the five regions of the country, with operations in 23 states and in the Federal District.

On November 29, 2022, the shareholder Helicco Participações Ltda ("Helicco"), subsidiary of Casino Guichard Perrachon ("Casino"), disposed all of its shareholding in the Company, totaling 140,800,000 shares. On March 21, 2023, the shareholder Wilkes Participações S.A. ("Wilkes"), Casino's subsidiary, disposed 254,000,000 shares owned by itself and Casino holds 157,582,865 common shares, representing 11.7% of the Company's capital.

On June 23, 2023, according to the Notice to the Market disclosed on the same date, Casino, through its subsidiaries Wilkes, Geant International BV ("GIBV") and Segisor S.A.S ("Segisor"), disposed 157,582,580 common shares issued by the Company, representing 11.67% of its share capital, through a block trade operation occurred on the same date ("Blocktrade"). As a result, the Casino Group now holds a stake of less than 0.01% in the share capital of Sendas, thus ceasing to be considered a related party of the Company. The balances with these companies and their subsidiaries, are being allocated to Other accounts receivable and Other accounts payable of the balance sheet in the interim financial information for the period ended June 30, 2023.

## 2 BASIS OF PREPARATION AND DISCLOSURE OF THE INTERIM FINANCIAL INFORMATION

The interim financial information has 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 has 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, where applicable. All significant information related to the interim financial information, is being disclosed and is consistent with the information used by Management in managing the Company's activities.

The interim financial information is presented in millions of Brazilian Reals (R\$), which is the Company's functional currency.

The interim financial information for the period ended June 30, 2023, were approved by the Board of Directors on July 26, 2023.

## 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, 2022, approved on February 15, 2023 and, therefore, it should be read together.

### 3.1 Standards, amendments and interpretation

In the period ended June 30, 2023, there was no new rules in force that produced effect on the interim financial information disclosed, additionally the Company did not adopt in advance the IFRS issued and not yet on current.

## 4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the interim financial information requires Management to makes judgments and estimates and adopt assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period, however, the uncertainties about these assumptions and estimates may generate results that require substantial adjustments to the carrying amount of the asset or liability in future periods.

The significant assumptions and estimates applied on the preparation of the interim financial information for the period ended June 30, 2023, were the same as those adopted in the financial statements for the year ended December 31, 2022, approved on February 15, 2023, see note 5.

## 5 CASH AND CASH EQUIVALENTS

	6/30/2023	12/31/2022
Cash and bank accounts	104	213
Cash and bank accounts - Abroad (i)	22	24
Financial investments (ii)	4,470	5,605
	<u>4,596</u>	<u>5,842</u>

(i) As of June 30, 2023, the Company had funds held abroad, of which R\$22 in US dollars (R\$24 in US dollars as of December 31, 2022).

(ii) As of June 30, 2023, the financial investments refer to the repurchase and resale agreements and Bank Deposit Certificates - CDB, with a weighted average interest rate of 96.31% of the CDI - Interbank Deposit Certificate (92.80% of the CDI as of December 31, 2022).

## 6 TRADE RECEIVABLES

	Note	6/30/2023	12/31/2022
From sales with:			
Credit card operators	6.1	319	241
Credit card operators with related parties	9.1	143	49
Sales ticket and payment slips	6.2	209	249
Trade receivables with related parties	9.1	-	24
Trade receivables with suppliers/payment slips/others		45	18
		<u>716</u>	<u>581</u>
Expected credit loss for doubtful accounts	6.3	(13)	(11)
		<u>703</u>	<u>570</u>

The breakdown of trade receivables by their gross amount by maturity period is presented below:

	Total	Due	Overdue	
			Less than 30 days	> 30 days
6/30/2023	716	710	2	4
12/31/2022	581	576	4	1

### 6.1 Credit card operators

The Company, through a cash management strategy, advances receivables from credit card operators, 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 derived from transactions through receipts: (i) tickets and meal vouchers R\$73 (R\$134 as of December 31, 2022); and (ii) payment slips R\$136 (R\$115 as of December 31, 2022).

### 6.3 Expected credit loss for doubtful accounts

	6/30/2023	6/30/2022
At the beginning of the period	(11)	(6)
Additions	(20)	(18)
Reversals	18	14
At the end of the period	<u>(13)</u>	<u>(10)</u>

## 7 INVENTORIES

	Note	6/30/2023	12/31/2022
Stores		5,624	5,914
Distribution centers		1,228	1,139
Commercial agreements	7.1	(434)	(518)
Allowance for loss on inventory obsolescence and damages	7.2	(44)	(68)
		<u>6,374</u>	<u>6,467</u>

### 7.1 Commercial agreements

As of June 30, 2023, the amount of unrealized commercial agreements, presented as a reduction of inventory balance, totaled R\$434 (R\$518 as of December 31, 2022).

### 7.2 Allowance for loss on inventory obsolescence and damages

	6/30/2023	6/30/2022
At the beginning of the period	(68)	(37)
Additions	(259)	(190)
Reversals	17	10
Write-offs	266	186
At the end of the period	<u>(44)</u>	<u>(31)</u>

## 8 RECOVERABLE TAXES

	Note	6/30/2023	12/31/2022
State VAT tax credits - ICMS	8.1	1,158	1,210
Social Integration Program and Contribution for Social Security Financing - PIS/COFINS	8.2	341	587
Social Security Contribution - INSS		91	90
Income tax and social contribution		102	74
Others		19	21
Total		<u>1,711</u>	<u>1,982</u>
Current		892	1,055
Non-current		819	927

## 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. This system entails the prepayment of ICMS of the whole commercial chain, upon goods outflow from an industrial establishment or importer or their inflow into each State. The expansion of this system to an increasingly wider range of products sold in the retail generates the prepayment of the tax and consequently a refund in certain operations.

The refund process requires evidence through tax documents and digital files of the transactions carried out that generated the right to refund for the Company. Only after its 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 their generation.

As the number of items sold in the retail subject to tax replacement has increased continuously, the tax credit to be refunded by the Company has also increased. The Company has realized these credits with authorization for immediate offset in view of its operation, by obtaining a special regime and also by means of other procedures regulated by state rules.

With respect to credits that cannot yet be immediately offset, the Company's management, according to a technical recovery study, based on the future expectation of growth and consequent offset against taxes payable from its operations, believes that its future offset is viable. The mentioned studies are prepared and periodically reviewed based on information obtained from the strategic planning previously approved by the Company's Board of Directors. For the interim financial information as of June 30, 2023, the Company's management has monitoring controls over the adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the recoverable ICMS balance, as shown in the table below:

Year	Amount
Within 1 year	477
From 1 to 2 years	311
From 2 to 3 years	97
From 3 to 4 years	91
From 4 to 5 years	55
More than 5 years	127
Total	1,158

## 8.2 PIS and COFINS credit

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

The STF decided to modulate the effects of the decision, providing for taxpayers who distributed lawsuits before March 15, 2017 or who had administrative proceedings in progress before that same date, would be have right 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, with the favorable judgment of the Supreme Court, has recognized the exclusion of ICMS from the PIS and COFINS calculation basis, based on the same assumptions above.

### • Expected realization of PIS and COFINS credits

In relation to the recoverable PIS and COFINS credits, the Company's management, based on a technical recovery study, considering future growth expectations and consequent offset against debts from its operations, projects its future realization. The mentioned studies are prepared and periodically reviewed based on information obtained from the strategic planning previously approved by the Company's Board of Directors. For the interim financial information as of June 30, 2023, the Company's management has monitoring controls over the adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the recoverable PIS and COFINS balance, as shown in the table below:

Year	Amount
Within 1 year	243
From 1 to 2 years	98
Total	341

## Sendas Distribuidora S.A.

### Notes to the interim financial information

June 30, 2023

(In million of Brazilian Reais, unless otherwise stated)



ASAÍ3  
B3 LISTED NM

ASAÍ  
NYSE LISTED

## 9 RELATED PARTIES

### 9.1 Balances and related party transactions

	Assets				Liabilities				Transactions	
	Clients		Other assets		Suppliers		Other liabilities		Revenue (expenses)	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	6/30/2022
Associates (i)										
Casino Guichard Perrachon	-	-	-	-	-	-	-	21	(20)	(26)
Euris	-	-	-	-	-	-	-	1	(1)	(1)
Grupo Pão de Açúcar ("GPA")	-	24	-	234	-	8	-	237	20	(219)
Greenyellow	-	-	-	-	-	-	-	-	-	(17)
Wilkes Participações S.A.	-	-	-	-	-	-	-	2	(6)	(4)
Subtotal	-	24	-	234	-	8	-	261	(7)	(267)
Joint venture										
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento ("FIC")	143	49	19	18	11	25	-	-	12	12
Subtotal	143	49	19	18	11	25	-	-	12	12
Total	143	73	19	252	11	33	-	261	5	(255)
Current	143	73	-	-	11	33	-	201		
Non-current	-	-	19	252	-	-	-	60		

(i) As a result of the disposing of Casino's participation in the Company, through Wilkes, as disclosed in note 1, the Associates are no longer related parties.

## 9.2 Management compensation

Expenses referring to the executive board compensation recorded in the Company's statement of operations in the periods ended June 30, 2023 and 2022 as follows (amounts expressed in thousands reais):

	Base salary		Variable compensation		Stock option plan		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Board of directors	5,452	23,995	-	-	5,250	3,326	10,702	27,321
Statutory officers	5,466	12,651	7,444	4,969	5,691	3,549	18,601	21,169
Executives excluding statutory officers	15,500	13,358	19,158	7,888	5,845	2,056	40,503	23,302
Fiscal council	267	259	-	-	-	-	267	259
	<b>26,685</b>	<b>50,263</b>	<b>26,602</b>	<b>12,857</b>	<b>16,786</b>	<b>8,931</b>	<b>70,073</b>	<b>72,051</b>

The stock option plan, fully in shares, refers to the Company's and this plan has been treated 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 investments at the end of the period are as follow:

Investment type	Company	Country	Participation in investments - %	
			Direct participation	
			6/30/2023	12/31/2022
Joint venture	Bellamar Empreendimento e Participações S.A.	Brazil	50.00	50.00

### Summary of financial information of Joint Venture

	6/30/2023	12/31/2022
Current assets	1	1
Non-current assets	527	519
Shareholders' equity	528	520
	6/30/2023	6/30/2022
Net income for the period	47	36

### Investments composition and breakdown

	Bellamar
As of December 31, 2021	789
Share of profit of associates	18
As of June 30, 2022	807
As of December 31, 2022	833
Share of profit of associates	24
Dividends received	(20)
As of June 30, 2023	837

**Sendas Distribuidora S.A.**

**Notes to the interim financial information**

**June 30, 2023**

*(In million of Brazilian Reals, unless otherwise stated)*



**ASAI3**  
B3 LISTED NM  
**ASAI**  
NYSE LISTED

**11 PROPERTY, PLANT AND EQUIPMENT**

**11.1 Property, plant and equipment breakdown**

	As of 12/31/2022	Additions (i)	Lease modification	Write-off	Depreciation	Transfers and others (ii)	As of 6/30/2023
Lands	600	17	-	-	-	(41)	576
Buildings	730	-	-	-	(9)	23	744
Improvements	6,865	845	-	(21)	(205)	5	7,489
Machinery and equipment	1,440	209	-	(12)	(136)	382	1,883
Facilities	585	61	-	(2)	(24)	(189)	431
Furniture and appliances	755	70	-	(2)	(53)	85	855
Constructions in progress	543	24	-	(1)	-	(329)	237
Others	64	15	-	-	(17)	44	106
Subtotal	11,582	1,241	-	(38)	(444)	(20)	12,321
Lease - right of use:							
Buildings	7,593	27	221	(109)	(232)	(21)	7,479
Equipment	8	-	-	-	(3)	-	5
Subtotal	7,601	27	221	(109)	(235)	(21)	7,484
Total	19,183	1,268	221	(147)	(679)	(41)	19,805

	As of 12/31/2021	Additions (i)	Lease modification	Write-off	Depreciation	Transfers and others	As of 6/30/2022
Lands	570	46	-	-	-	-	616
Buildings	656	140	-	-	(8)	5	793
Improvements	3,596	1,432	-	(14)	(133)	56	4,937
Machinery and equipment	828	211	-	(1)	(82)	45	1,001
Facilities	362	94	-	(4)	(16)	1	437
Furniture and appliances	416	60	-	(1)	(32)	60	503
Constructions in progress	235	415	-	(1)	-	(131)	518
Others	37	7	-	-	(8)	12	48
Subtotal	6,700	2,405	-	(21)	(279)	48	8,853
Lease - right of use:							
Buildings	3,604	2,914	304	(3)	(158)	(46)	6,615
Equipment	16	-	-	-	(3)	(2)	11
Subtotal	3,620	2,914	304	(3)	(161)	(48)	6,626
Total	10,320	5,319	304	(24)	(440)	-	15,479

(i) Include the borrowing capitalization in the amount of R\$170 (R\$370 as of June 30, 2022), see note 11.3.

(ii) The amount of R\$41 refers to the write-off of provisions for the acquisition of points of sale.

**Sendas Distribuidora S.A.**

**Notes to the interim financial information**

**June 30, 2023**

*(In million of Brazilian Reals, unless otherwise stated)*



**ASAI3**  
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**ASAI**  
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**11.2 Composition of Property, plant and equipment**

	6/30/2023			12/31/2022		
	Historical cost	Accumulated depreciation	Net amount	Historical cost	Accumulated depreciation	Net amount
Lands	576	-	576	600	-	600
Buildings	893	(149)	744	859	(129)	730
Improvements	8,749	(1,260)	7,489	7,933	(1,068)	6,865
Machinery and equipment	2,750	(867)	1,883	2,160	(720)	1,440
Facilities	590	(159)	431	729	(144)	585
Furniture and appliances	1,185	(330)	855	1,043	(288)	755
Constructions in progress	237	-	237	543	-	543
Others	216	(110)	106	157	(93)	64
Subtotal	<b>15,196</b>	<b>(2,875)</b>	<b>12,321</b>	<b>14,024</b>	<b>(2,442)</b>	<b>11,582</b>
Lease - right of use:						
Buildings	9,033	(1,554)	7,479	8,924	(1,331)	7,593
Equipment	56	(51)	5	57	(49)	8
Subtotal	<b>9,089</b>	<b>(1,605)</b>	<b>7,484</b>	<b>8,981</b>	<b>(1,380)</b>	<b>7,601</b>
Total	<b>24,285</b>	<b>(4,480)</b>	<b>19,805</b>	<b>23,005</b>	<b>(3,822)</b>	<b>19,183</b>



### 11.3 Capitalized borrowing costs and lease

The value of capitalized borrowing costs and lease directly attributable to the reform, construction and acquisition of property, plant and equipment and intangible assets within the scope of CPC 20 (R1)/IAS 23 - Borrowings Costs and the amount interest on lease liabilities incorporated into the value of the property, plant and equipment and/or intangible assets, for the period in which the assets are not yet in their intended use in accordance with CPC 06 (R2)/IFRS 16 - Leases, amounted to R\$170 (R\$370 as of June 30, 2022). The rate used to calculate the borrowing costs eligible for capitalization was 110.70% (111.33% at June 30, 2022) 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

	6/30/2023	6/30/2022
Additions	1,268	5,319
Leases	(27)	(2,914)
Capitalized borrowing costs	(170)	(370)
Financing of property, plant and equipment - Additions	(1,067)	(1,725)
Financing of property, plant and equipment - Payments	1,358	1,703
Total	1,362	2,013

Additions related to the purchase 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 period with the amounts presented in the statement of cash flows net of items that did not impact cash flow.

### 11.5 Others information

As of June 30, 2023, the Company recorded in the cost of sales and services the amount of R\$40 (R\$37 as of June 30, 2022), relating to the depreciation of machinery, building and facilities of distribution centers.

## 12 INTANGIBLE ASSETS

	As of 12/31/2022	Additions	Amortization	As of 6/30/2023
Goodwill	618	-	-	618
Software	76	12	(10)	78
Commercial rights	4,267	17	(4)	4,280
Trade name	39	-	-	39
Subtotal	5,000	29	(14)	5,015
Lease - right of use:				
Assets and rights	18	-	(1)	17
Subtotal	18	-	(1)	17
Total	5,018	29	(15)	5,032

	As of 12/31/2021	Additions	Amortization	As of 6/30/2022
Goodwill	618	-	-	618
Software	75	5	(9)	71
Commercial rights (i)	1,136	2,942	(4)	4,074
Trade name	39	-	-	39
Subtotal	1,868	2,947	(13)	4,802
Lease - right of use:				
Assets and rights	19	-	(1)	18
Subtotal	19	-	(1)	18
Total	1,887	2,947	(14)	4,820

(i) In the period ended June 30, 2022, in the Additions column, are presented the amounts related to the acquisition of the 41 commercial points from Extra Hiper stores, in the amount of R\$2.942.

	6/30/2023			12/31/2022		
	Historical cost	Accumulated amortization	Net amount	Historical cost	Accumulated amortization	Net amount
Goodwill	871	(253)	618	871	(253)	618
Software	163	(85)	78	151	(75)	76
Commercial rights	4,316	(36)	4,280	4,299	(32)	4,267
Trade name	39	-	39	39	-	39
	5,389	(374)	5,015	5,360	(360)	5,000
Lease - right of use:						
Assets and rights	28	(11)	17	29	(11)	18
Total	5,417	(385)	5,032	5,389	(371)	5,018

### 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 12.1 as part of financial statements as of December 31, 2022.

The Company monitored the plan used to evaluate the impairment test as of December 31, 2022, and concluded that there was no events which could indicate losses or the need of a new evaluation for the period ended June 30, 2023.



**12.2 Additions to intangible assets for cash flow presentation purpose**

	6/30/2023	6/30/2022
Additions	29	2,947
Financing of intangible assets - Additions	-	(2,942)
Financing of intangible assets - Payments	-	600
Total	29	605

**13 TRADE PAYABLES AND TRADE PAYABLES - AGREEMENTS**

	Note	6/30/2023	12/31/2022
Trade Payables			
Product suppliers		9,638	9,196
Suppliers - Acquisition of property, plant and equipment		73	140
Service providers		139	129
Service providers - related parties	9.1	11	33
Bonuses from suppliers	13.1	(643)	(960)
Total Suppliers		9,218	8,538
Trade Payables - Agreements			
Product suppliers	13.2	593	813
Suppliers - Acquisition of property, plant and equipment	13.2	956	1,226
Suppliers - Acquisition of Extra Stores	13.3	1,997	3,202
Total Suppliers - Agreements		3,546	5,241
Total			
		12,764	13,779
Current			
		12,764	12,999
Non-current			
		-	780

**13.1 Bonuses from suppliers**

These include commercial agreements and discounts obtained from suppliers. These amounts are defined in agreements and include discounts for purchase volume, joint marketing programs, freight reimbursements, and other similar programs. The receipt occurs by deducting trade notes payable to suppliers, according to conditions established in the supply agreements, so that the financial settlements occur for the net amount.

**13.2 Agreements among suppliers, the Company and banks**

The Company maintains agreements signed with financial institutions, through which, suppliers of products, capital goods and services, have the possibility of structuring operations of anticipation receivables securities related to commercial operations between the parties.

Management assessed that the economic substance of the transaction is operational, considering that the anticipation is an exclusive decision of the supplier and, for the Company, there are no changes in the original term negotiated with the supplier, nor changes in the contracted amounts. Management evaluated the potential effects of adjusting these operations to present value and concluded that the effects are immaterial for measurement and disclosure.

Additionally, there is no exposure to any financial institution individually related to these operations and these liabilities are not considered net debt and do not have restrictive covenants (financial or non-financial) related.

These balances are classified as "Trade Payables - Agreements" and payments are made to financial institutions under the same conditions as those originally agreed with the supplier. As a result, all cash flow from these operations is presented as operating in the statement of cash flows.

As of June 30, 2023, the balance payable related to these operations is R\$1,549 (R\$2,039 as of December 31, 2022).

**13.3 Suppliers - Acquisition of Extra Stores**

In September and December, 2022, the GPA realized the assignment of its receivables on the sale of Extra stores to the Company with a financial institution corresponding to the installments due between 2023 and 2024. The Company's management, as the consenting party of the operation, evaluated the contractual terms of the assignment of receivables and in accordance with CPC 26 (R1)/IAS 1 - Presentation of financial statements, concluded that there was no modification in the conditions originally contracted with the GPA, maintaining the characteristic of the terms and the payments of the installments will be made directly by the Company to the financial institution, maintaining the same due dates and interest previously agreed with GPA. Therefore, Management concluded that the characteristic of the operation was maintained as an accounts payable for the acquisition of the commercial points of the Extra Hiper stores.

As of June 30, 2023, the balance is R\$1,997 (R\$3,202 as of December 31, 2022).

## 14 FINANCIAL INSTRUMENTS

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

	Note	6/30/2023	12/31/2022
Financial assets			
Amortized cost			
Cash and cash equivalents	5	4,596	5,842
Related parties - assets	9.1	19	252
Trade receivables and other accounts receivable		450	198
Fair value through income			
Gain of financial instruments at fair value	14.6.1	284	182
Fair value through other comprehensive income			
Trade receivables with credit card companies and sales tickets		534	424
Financial liabilities			
Other financial liabilities - amortized cost			
Related parties - liabilities	9.1	-	(261)
Other accounts payable		(216)	-
Trade payables and trade payables - Agreements	13	(12,764)	(13,779)
Borrowings and financing	14.6.1	(1,519)	(1,217)
Debentures and promissory notes	14.6.1	(9,163)	(8,903)
Lease liabilities	16.1	(8,320)	(8,360)
Fair value through income			
Borrowings, financing and debentures, including derivatives	14.6.1	(2,483)	(2,435)
Loss of financial instruments at fair value	14.6.1	(55)	(36)
Net exposure		<u>(28,637)</u>	<u>(28,093)</u>

The fair value of other financial instruments detailed in the table above approximate the carrying amount based on the existing payment terms and conditions. The financial instruments measured at amortized cost, the fair values of which differ from the carrying amounts are disclosed in note 14.4.

### 14.1 Considerations on risk factors that may affect the business of the Company

#### 14.1.1 Credit Risk

##### • Cash and cash equivalents

In order to minimize the credit risk, the investment policies adopted establish in financial institutions approved by the Company's Financial Committee, considering the monetary limits and evaluations of financial institutions, which are regularly updated.

##### • Trade receivables

The credit risk related to trade receivables is minimized by the fact that a large part of installment sales are made with credit cards. These receivables may be advanced at any time, without right of recourse, with banks or credit card companies, for the purpose of providing working capital, generating the derecognition of the accounts receivable. In addition, the main acquirers used by the Company are related to first-tier financial institutions with low credit risk. Additionally, mainly for trade receivables collected in installments, the Company monitors the risk for the grating of credit and for the periodic analysis of the expected credit loss balances.

The Company also incurs counterparty risk related to derivative instruments, this risk is mitigated by the carrying out transactions, according to policies approved by governance bodies.

There are no amounts receivable that individually, account for more than 5% of the accounts receivable or revenues.

#### 14.1.2 Interest rate risk

The Company obtains borrowings and financing with major financial institutions in order to meet cash requirements for investments. Accordingly, the Company is mainly exposed to the risk of significant fluctuations in the interest rate, especially the rate related to derivative liabilities (foreign currency exposure hedge) and indexed to CDI. The balance of cash and cash equivalents, indexed to CDI, partially offsets the risk of fluctuations in the interest rates.

#### 14.1.3 Foreign currency exchange rate risk

The fluctuations in the exchange rates may increase the balances of borrowings foreign currency and for this reason the Company uses derivative financial instruments such as swaps to mitigate the foreign exchange rate risk, converting the cost of debt into domestic currency and interest rates.

#### 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 makes adjustments considering the changes in the economic conditions.

The capital structure is as follows:

	6/30/2023	12/31/2022
Borrowings, financing, debentures and promissory notes	(13,220)	(12,591)
(-) Cash and cash equivalents	4,596	5,842
(-) Derivative financial instruments	284	182
Net debt	(8,340)	(6,567)
Shareholders' equity	4,131	3,896
% Net debt over Shareholders' equity	202%	169%

#### 14.1.5 Liquidity risk management

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

The table below summarizes the aging profile of the Company's financial liabilities as of June 30, 2023.

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings and financing	1,017	1,064	-	2,081
Debenture and promissory notes	1,135	11,786	2,954	15,875
Derivative financial instruments	207	424	(733)	(102)
Lease liabilities	1,322	5,851	13,313	20,486
Trade payables	9,218	-	-	9,218
Trade Payables - Agreements	1,549	-	-	1,549
Trade payables - Agreements - Acquisition of Extra Stores	2,109	-	-	2,109
Total	16,557	19,125	15,534	51,216

The information was prepared considering the undiscounted cash flows of financial liabilities based on the earliest date the Company may be required to make the payment or be eligible to receive the payment. To the extent that interest rates are floating, the undiscounted amount is obtained based on interest rate curves for the period ended June 30, 2023. Therefore, certain balances presented do not agree with the balances represented in the balance sheets.

#### 14.2 Derivative financial instruments

	Notional value		Fair value	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Swap of hedge				
Hedge purpose (debt)	2,360	2,360	2,643	2,542
Long Position				
Fixed rate	106	106	108	109
USD + Fixed	282	282	282	282
Hedge - CRI	1,972	1,972	2,253	2,151
Short Position	(2,360)	(2,360)	(2,414)	(2,396)
Net hedge position	-	-	229	146

Realized and unrealized gains and losses on these contracts during the period ended June 30, 2023, are recorded as net financial results and the balance receivable at fair value is R\$229 (balance receivable of R\$146 as of December 31, 2022). The assets are recorded as "derivate financial instruments" and the liability as "borrowings and financing".

The effects of the hedge at fair value through income for the period ended June 30, 2023, resulted in a loss of R\$17 (loss of R\$87 as of June 30, 2022), recorded under cost of debt, see note 23.

##### 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.

The fair values are calculated based on projected future cash flow, using the future CDI curves released by B3, plus the operation spreads, and discounting them to present value using the same CDI curves by B3.

The fair values of exchange coupon swaps versus CDI rate were obtained using the exchange rates effective at the reporting date and the rates projected by the market 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

According to Management's assessment, the most probable scenario considered was, on the maturity date of each transaction, the market curves (currencies and interest) of B3.

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 of sensitivity analysis, a deterioration of 5% and 10%, respectively, in the risk variables was considered, up to one year of financial instruments.

For the probable scenario, the weighted exchange rate defined was R\$5.10 on the due date, and the weighted interest rate (CDI) was 11.69% per year.

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

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

Transactions	Note	Risk (Rate Increase)	As of 6/30/2023	Market projections		
				Scenario (I)	Scenario (II)	Scenario (III)
Borrowings and financing	14.6.1	CDI + 1.62% per year	(1,524)	(197)	(207)	(217)
Borrowings and financing (fixed rate)	14.6.1	TR + 9.80%	(47)	(4)	(5)	(5)
Borrowings and financing (foreign currency)	14.6.1	USD + 1.06% per year	(241)	(14)	(27)	(40)
Debentures and promissory notes	14.6.1	CDI + 1.44% per year	(11,490)	(1,444)	(1,516)	(1,588)
Total net effect (loss)			(13,302)	(1,659)	(1,755)	(1,850)
Cash equivalents	5	96.31% of CDI	4,470	569	598	626
Net exposure loss			(8,832)	(1,090)	(1,157)	(1,224)

### 14.4 Fair value measurement

The Company discloses the fair value of financial instruments measured at fair values and of financial instruments measured at amortized cost, the fair value of which differ from the carrying amounts, pursuant to CPC 46/IFRS 13, which address the concepts of measurement and disclosure requirements. The fair value hierarchy levels are defined below:

Level 1: fair value measurement at the balance sheet date using quoted prices (unadjusted) in active markets for identical assets or liabilities to which entity may have access at the measurement date.

Level 2: fair value measurement at the balance sheet date using other significant observable assumptions for the asset or liability, either directly or indirectly, except quoted prices included in Level 1.

Level 3: fair value measurement at the balance sheet date using non-observable data for the asset or liability.

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		Level
	6/30/2023	12/31/2022	6/30/2023	12/31/2022	
Trade receivables with credit cards companies and sales tickets	534	424	534	424	2
Interest rate swaps between currencies	(55)	(36)	(55)	(36)	2
Interest rate swaps	3	2	3	2	2
Interest rate swaps - CRI	281	180	281	180	2
Borrowings, financing and debentures (fair value)	(2,483)	(2,435)	(2,483)	(2,435)	2
Borrowings, financing and debentures (amortized cost)	(10,682)	(10,120)	(10,537)	(9,974)	2
	(12,402)	(11,985)	(12,257)	(11,839)	

There were no changes between fair value measurement hierarchy levels during the period ended June 30, 2023.

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 prime financial institutions.

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

Description	Notional value	Due date	6/30/2023	12/31/2022
Debt				
USD - BRL	USD50	2023	(55)	(36)
Debt				
IPCA - BRL	R\$1,972	2028, 2029 and 2031	281	180
Interest rate swaps registered at CETIP				
Pre-fixed rate x CDI	R\$54	2027	1	1
Pre-fixed rate x CDI	R\$52	2027	2	1
Derivatives - Fair value hedge - Brazil			229	146

## 14.6 Borrowings and financing

### 14.6.1 Debt breakdown

	Weighted average	6/30/2023	12/31/2022
Current			
Debtentures and promissory notes	CDI + 1.48 per year	455	454
Borrowing costs		(40)	(23)
Total debtentures and promissory notes		415	431
Borrowings and financing			
In domestic currency			
Working capital	TR + 9.80%	12	12
Working capital	CDI + 1.15% per year	523	523
Borrowing costs		(3)	(4)
Total domestic currency		532	531
In foreign currency			
Working capital	USD + 1.06% per year	241	262
Total in foreign currency		241	262
Total of borrowings and financing		773	793
Derivative financial instruments			
Swap contracts	CDI + 0.87% per year	(45)	(27)
Swap contracts	CDI + 1.35% per year	55	36
Total derivative financial instruments		10	9
Total current		1,198	1,233
Non-current			
Debtenture and promissory notes	CDI + 1.44% per year	11,035	10,669
Borrowing costs		(92)	(75)
Total debtentures and promissory notes		10,943	10,594
Borrowings and financing			
In domestic currency			
Working capital	TR + 9.80%	35	39
Working capital	CDI + 1.86% per year	1,001	700
Borrowing costs		(2)	(2)
Total of domestic currency		1,034	737
Total of borrowings and financing		1,034	737
Derivative financial instruments			
Swap contracts	CDI + 0.87% a.a.	(239)	(155)
Total derivative financial instruments		(239)	(155)
Total non-current		11,738	11,176
Total		12,936	12,409
Current asset		45	27
Non-current asset		239	155
Current liabilities		1,243	1,260
Non-current liabilities		11,977	11,331

## 14.6.2 Roll forward of borrowings and financing

	Value
Balance as of December 31, 2021	8,001
Funding	3,000
Borrowing costs	(25)
Interest provision	677
Swap contracts	(3)
Mark-to-market	(84)
Exchange rate and monetary variation	(17)
Borrowing costs amortization	12
Interest amortization	(308)
Principal amortization	(5)
Swap amortization	(44)
Balance as of June 30, 2022	11,204
	Value
Balance as of December 31, 2022	12,409
Funding	300
Borrowing costs (i)	(51)
Interest provision	869
Swap contracts	45
Mark-to-market	(28)
Exchange rate and monetary variation	(20)
Borrowing costs amortization	18
Interest amortization	(502)
Principal amortization	(5)
Swap amortization	(99)
Balance as of June 30, 2023	12,936

(i) Include costs related to the waiver negotiation for the granting of consent to change the shareholding control in the amount of R\$49, as disclosed in Note 1, in capital market operations carried out over the period, without changing the other contractual clauses together to financial institutions.

## 14.6.3 Schedule of non-current maturities

Maturity	Value
From 1 to 2 years	5,732
From 2 to 3 years	1,266
From 3 to 4 years	1,375
From 4 to 5 years	1,345
More than 5 years	2,114
Total	11,832
Borrowing cost	(94)
Total	11,738

## 14.7 Debentures and promissory notes

	Issue amount (in thousands)	Outstanding debentures (units)	Date		Annual financial charges	Unit price (in Reais)	6/30/2023	12/31/2022
			Issue	Maturity				
First Issue of Promissory Notes - 4 <sup>th</sup> series	250	5	7/4/2019	7/4/2023	CDI + 0.72% per year	67,843,796	339	317
First Issue of Promissory Notes - 5 <sup>th</sup> series	200	4	7/4/2019	7/4/2024	CDI + 0.72% per year	67,843,796	271	254
First Issue of Promissory Notes - 6 <sup>th</sup> series	200	4	7/4/2019	7/4/2025	CDI + 0.72% per year	67,843,796	271	254
Second Issue of Debentures - 1 <sup>st</sup> series	940,000	940,000	6/1/2021	5/20/2026	CDI + 1.70% per year	1,016	955	957
Second Issue of Debentures - 2 <sup>nd</sup> series	660,000	660,000	6/1/2021	5/22/2028	CDI + 1.95% per year	1,016	671	672
Second Issue of Promissory Notes - 1 <sup>st</sup> series	1,250,000	1,250,000	8/27/2021	8/27/2024	CDI + 1.47% per year	1,258	1,573	1,467
Second Issue of Promissory Notes - 2 <sup>nd</sup> series	1,250,000	1,250,000	8/27/2021	2/27/2025	CDI + 1.53% per year	1,259	1,575	1,468
Third Issue of Debentures - 1 <sup>st</sup> series - CRI	982,526	982,526	10/15/2021	10/16/2028	IPCA + 5.15% per year	1,127	1,109	1,072
Third Issue of Debentures - 2 <sup>nd</sup> series - CRI	517,474	517,474	10/15/2021	10/15/2031	IPCA + 5.27% per year	1,128	584	565
Fourth Issue of Debentures - single series	2,000,000	2,000,000	1/7/2022	11/26/2027	CDI + 1.75% per year	1,014	2,028	2,028
First Issue of Commercial Paper Notes - single series	750,000	750,000	2/10/2022	2/9/2025	CDI + 1.70% per year	1,056	792	793
Fifth Issue of Debentures - single series - CRI	250,000	250,000	4/5/2022	3/28/2025	CDI + 0.75% per year	1,034	258	258
Sixth Issue of Debentures - 1 <sup>st</sup> series - CRI	72,962	72,962	9/28/2022	9/11/2026	CDI + 0.60% per year	1,040	76	75
Sixth Issue of Debentures - 2 <sup>nd</sup> series - CRI	55,245	55,245	9/28/2022	9/13/2027	CDI + 0.70% per year	1,040	57	57
Sixth Issue of Debentures - 3 <sup>rd</sup> series - CRI	471,793	471,793	9/28/2022	9/13/2029	IPCA + 6.70% per year	1,064	502	485
Second Issue of Commercial Paper Notes - single series	400,000	400,000	12/26/2022	12/26/2025	CDI + 0.93% per year	1,072	429	401
Borrowing cost							(132)	(98)
							11,358	11,025
Current							415	431
Non-current							10,943	10,594

The Company issues debentures to strengthen its working capital, maintain its cash strategy, lengthen its debt and investment profile. The debentures issued are non-preemptive, non-convertible into shares, do not have renegotiation clauses and do not have guarantee.



#### 14.8 Borrowings in foreign currencies

As of June 30, 2023, the Company has borrowings in foreign currency (US dollar) to strengthen its working capital, maintain its cash strategy, and lengthen its debt and investment profile.

#### 14.9 Guarantees

The Company has signed a promissory note for a borrowing agreement with Scotiabank in the amount of USD50 million, which can be executed after maturity and non-payment of the borrowing.

#### 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 pegged to the CDI (floating) interest rates. The annual average rate of the CDI at June 30, 2023 was 13.54% (12.43% at December 31, 2022).

#### 14.11 Financial covenants

In connection with the debentures and promissory notes issued and part of borrowing operations in foreign currency, the Company is required to maintain certain financial ratios. These ratios are calculated quarterly based on the Company's interim financial information prepared 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 Last Twelve Months ("LTM") ratio should be lower than or equal to 3.00.

As of June 30, 2023, the Company was fulfilled all contractual obligations and in compliant with these ratios.

### 15 PROVISION FOR LEGAL PROCEEDINGS

The provision for legal proceedings is estimated by the Company and supported by its legal counsel and was established in an amount considered sufficient to cover the considered probable losses.

	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2021	109	69	27	205
Additions	2	32	5	39
Reversals	-	(11)	(1)	(12)
Payments	-	(12)	(12)	(24)
Monetary correction	3	3	3	9
Balance as of June 30, 2022	114	81	22	217
Restricted deposits for legal proceedings	(68)	(43)	(3)	(114)
Net provision of judicial deposits	46	38	19	103

	Tax claims	Social security and labor	Civil	Total
Balance as of December 31, 2022	55	86	24	165
Additions	13	94	7	114
Reversals	-	(21)	(3)	(24)
Payments	(4)	(26)	(4)	(34)
Monetary correction	1	4	2	7
Balance as of June 30, 2023	65	137	26	228
Restricted deposits for legal proceedings	(4)	(22)	(9)	(35)
Net provision of judicial deposits	61	115	17	193

#### 15.1 Tax claims

Tax claims are subject by law to monthly monetary adjustment, which refers to an adjustment to the provision based on indexing rates adopted by each tax jurisdiction. Both interest 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 the Accident Prevention Factor (FAP); (ii) discussions with State tax authorities on ICMS tax rate calculated in electricity bills; (iii) IPI in the resale of imported products; and (iv) other matters.

The amount provisioned for these matters as of June 30, 2023, is R\$65 (R\$55 as of December 31, 2022).

#### 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. As of June 30, 2023, the Company recorded a provision of R\$137 (R\$86 as of December 31, 2022), referring to a potential risk of loss relating to labor claims. Management, with the assistance of its legal counsels, assesses these claims and records 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) that are 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. As of June 30, 2023, the amount of the provision for these lawsuits is R\$20 (R\$19 as of December 31, 2022), 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, with the assistance of its legal counsel, assesses these claims recording provisions for probable cash disbursements, according to the estimate of loss. As of June 30, 2023, the amount of provision for these lawsuits is R\$6 (R\$5 as of December 31, 2022).

The Company's total civil, regulatory and property claims as of June 30, 2023, is R\$26 (R\$24 as of December 31, 2022).

### 15.4 Contingent liabilities not accrued

The Company is a party to other litigations for which the risk of loss was classified by its legal counsel to be possible, therefore, not accrued, totaling an updated amount of R\$2,582 as of June 30, 2023 (R\$2,443 as of December 31, 2022), 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 tax amortization disallowance, disagreements regarding payments and overpayments, fines for non-compliance with ancillary obligation, among other less relevant issues. The amount involved corresponds to R\$633 as of June 30, 2023 (R\$612 as of December 31, 2022).

PIS and COFINS (federal taxes on gross revenues) – The Company has been questioned about discrepancies in payments and overpayments; fine for non-compliance with ancillary obligation, disallowance of PIS and COFINS credits, among other issues. These proceedings are pending judgment at the administrative and judicial levels. The amount involved in these tax assessments is R\$686 as of June 30, 2023 (R\$650 as of December 31, 2022).

ICMS (State VAT) – The Company received tax assessment notices from State tax authorities in connection with credits from purchases from suppliers considered unqualified by the registry of the State Revenue Service, among others matters. These tax assessments amount to R\$1,153 as of June 30, 2023 (R\$1,084 as of December 31, 2022). 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 for non-compliance with ancillary obligations, ISS – refund of advertising expenses and various fees, totaling R\$15 as of June 30, 2023 (R\$16 as of December 31, 2022). These proceedings are pending judgment at the administrative and judicial levels.

INSS (national institute of social security) – The Company was assessed for divergences in the FGTS and Social Security form (GFIP), offsets not approved, among other matters, with possible losses of R\$24 as of June 30, 2023 (R\$23 as of December 31, 2022). Proceedings have been discussed in the administrative and judicial level.

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 in 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\$48 as of June 30, 2023 (R\$44 as of December 31, 2022).

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 were duly answered. One of them has already been extinguished by the judiciary without major effects. As of June 30, 2023, there are still two lawsuits in progress and, given the subjectivity of the matter, it is still not possible to reasonably estimate the amounts involved. A significant impact on the interim financial information is not yet expected.

The Company engages external legal counsel to represent it in tax matters, whose fees are contingent on the outcome of the lawsuits. Percentages may vary according to qualitative and quantitative factors of each proceeding, as of June 30, 2023, the estimated amount, in case of success of all lawsuits, was approximately R\$23 (R\$14 as of December 31, 2022).



## 15.5 Guarantees

The Company provided bank guarantees and insurance guarantees for judicial proceedings of a civil, tax and labor nature, described below:

Lawsuits	6/30/2023	6/30/2022
Tax	981	647
Labor	80	90
Civil and others	495	379
Total	1,556	1,116

The cost of guarantees as of June 30, 2023 is approximately 0.26% per year of the amount of the lawsuits (0.31% at June 30, 2022) and is recorded as a financial expense.

## 15.6 Restricted deposits for legal proceedings

The Company is challenging the payment of certain taxes, contributions, and labor liabilities and made judicial deposits in amounts equivalent to the final court decisions, as well as judicial deposits related to the provision for legal claims.

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

Lawsuits	6/30/2023	12/31/2022
Tax	13	12
Labor	25	34
Civil and others	10	10
Total	48	56

## 16 LEASE LIABILITIES

### 16.1 Minimum future payments and potential right of PIS and COFINS

Lease contracts totaled R\$8,320 as of June 30, 2023 (R\$8,360 as of December 31, 2022). The minimum future payments, according to lease agreements, with the present value of minimum lease payments, are as follows:

	6/30/2023	12/31/2022
Lease liabilities - minimum payments		
Less than 1 year	397	435
From 1 to 5 years	1,662	1,646
More than 5 years	6,261	6,279
Present value of lease liabilities	8,320	8,360
Current	397	435
Non-current	7,923	7,925
Future financing charges	12,166	12,318
Gross amount of financial lease agreements	20,486	20,678
PIS and COFINS embedded in the present value of lease agreements	506	508
PIS and COFINS embedded in the gross value of lease agreements	1,246	1,257

Lease liabilities interest expense is stated in note 23. The Company's incremental interest rate at the agreement signing date was 12.27% in the period ended June 30, 2023 (12.20% at December 31, 2022).

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 8.76% (8.74% at December 31, 2022). The average term of the agreements analyzed is 18.05 years.

### 16.2 Lease liability roll forward

	Amount
As of December 31, 2021	4,051
Addition - Lease	2,914
Lease modification	304
Interest provision	338
Principal amortization	(53)
Interest amortization	(308)
Write-off due to early termination of agreement	(4)
As of June 30, 2022	7,242
	Amount
As of December 31, 2022	8,360
Addition - Lease	27
Lease modification	221
Interest provision	477
Principal amortization	(169)
Interest amortization	(476)
Write-off due to early termination of agreement	(120)
As of June 30, 2023	8,320

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

	6/30/2023	6/30/2022
(Expenses) revenues of the period:		
Variables (1% to 2% of sales)	(10)	(2)
Subleases (i)	44	22

(i) Refers mainly to the revenue from lease agreements receivable from commercial galleries.

## 16.4 Additional information

In accordance with OFÍCIO-CIRCULAR/CVM/SNC/SEP/Nº02/2019 the Company adopted as an accounting policy the requirements of CPC 06 (R2)/IFRS16 - Leases, in the measurement and remeasurement of its right of use, using the discounted cash flow model, without considering inflation.

To safeguard the faithful representation of information to meet the requirements of CPC 06 (R2)/IFRS16 - Leases, and the guidelines of the CVM technical areas, the balances of assets and liabilities without inflation, effectively accounted for (real flow x real rate) are provided, and the estimate of inflated balances in the comparison periods (nominal flow x nominal rate).

Other assumptions, such as the maturity schedule of the liabilities and the interest rates used in the calculation, are disclosed in other items of this same explanatory note, as well as the inflation indexes are observable in the market, so that the nominal flows can be prepared by the users of interim financial information.

	6/30/2023	12/31/2022
Real flow		
Right of use assets	7,500	7,619
Lease Liabilities	20,486	20,678
Embedded interest	(12,166)	(12,318)
	<u>8,320</u>	<u>8,360</u>
Inflated flow		
Right of use assets	11,426	11,955
Lease Liabilities	32,145	33,354
Embedded interest	(17,712)	(18,500)
	<u>14,433</u>	<u>14,854</u>

## 17 DEFERRED REVENUES

	6/30/2023	12/31/2022
Sale and Leaseback	-	3
Rental of spaces in stores (i)	149	259
Checkstand (ii)	46	45
Commercial agreement - payroll (iii)	35	39
Marketing and others	11	13
Total	<u>241</u>	<u>359</u>
Current	214	328
Non-current	27	31

(i) Rental of backlight panels.

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

(iii) Commercial agreement with a financial institution for exclusivity in payroll processing.

## 18 INCOME TAX AND SOCIAL CONTRIBUTION

### 18.1 Reconciliation of income tax and social contribution expense

	6/30/2023	6/30/2022
Income before income tax and social contribution	98	604
Expense of income tax and social contribution, for nominal rate (34%)	(33)	(205)
Adjustments to reflect the effective rate		
Tax fines	(1)	(1)
Share of profits	8	6
ICMS subsidy - tax incentives (i)	151	116
Monetary correction credits	6	14
Tax benefits	-	1
Other permanent differences	(1)	(2)
Effective income tax	<u>130</u>	<u>(71)</u>
Income tax and social contribution for the period		
Current	2	(45)
Deferred	128	(26)
Benefits (expense) tax and social contribution	<u>130</u>	<u>(71)</u>
Effective rate	-132.7%	11.8%

(i) The Company has tax benefits that are characterized as investment subsidies as provided for in Complementary Law nº160/17 and Law nº12,973/14. In the period ended June 30, 2023, the Company excluded the IRPJ and CSLL calculation bases from the amount constituted in the tax incentive reserve, see note 19.4.

## 18.2 Breakdown of deferred income tax and social contribution

The main components of deferred income tax and social contribution in the balance sheets are the following:

	6/30/2023			12/31/2022		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Deferred income tax and social contribution						
Tax losses	363	-	363	213	-	213
Provision for legal proceedings	69	-	69	44	-	44
Exchange rate variation	-	(54)	(54)	-	(28)	(28)
Goodwill tax amortization	-	(317)	(317)	-	(317)	(317)
Fair value adjustment	-	(39)	(39)	-	(29)	(29)
Property, plant and equipment and intangible assets	28	-	28	30	-	30
Loss not realized with tax credits	-	(27)	(27)	-	(6)	(6)
Provision for restructuring	12	-	12	12	-	12
Provision of inventory	18	-	18	26	-	26
Borrowing costs	-	(47)	(47)	-	(35)	(35)
Lease net of right of use	114	-	114	101	-	101
Others	16	-	16	-	(5)	(5)
Gross deferred income tax and social contribution assets (liabilities)	620	(484)	136	426	(420)	6
Compensation	(484)	484	-	(420)	420	-
Net deferred income tax and social contribution assets (liabilities), net	136	-	136	6	-	6

Management has assessed the future realization of deferred tax assets, considering the projections of future taxable income, in the context of the main variables of its businesses. This assessment was based on information from the strategic planning report approved by the Company's Board of Directors.

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

Years	Amounts
Up to 1 year	51
From 1 year to 2 years	69
From 2 years to 3 years	368
More than 5 years	132
	<u>620</u>

## 18.3 Roll forward of deferred income tax and social contribution

	6/30/2023	12/31/2022
At the beginning of the period	6	45
Benefits (expenses) in the period	128	(40)
Income tax effect	2	1
At the end of the period	<u>136</u>	<u>6</u>

## 19 SHAREHOLDERS' EQUITY

### 19.1 Capital stock and stock rights

The capital stock, fully subscribed and paid-up as of June 30, 2023, is R\$1,265 (R\$1,263 as of December 31, 2022), represented by 1,350,256,496 common shares (1,349,165,394 as of December 31, 2022), all registered and without par value. According to the Company's bylaws, the Company's authorized capital may be increased up to 2 billion common shares.

On February 15, 2023, the Board of Directors approved a capital contribution in the amount of R\$1, through the issuance of 59,870 common shares.

On March 28, 2023, the Board of Directors approved a capital contribution in the amount of R\$1, through the issuance of 1,031,232 common shares.

### 19.2 Distribution of dividends and interest on own capital

At a meeting of the Board of Directors held on December 23, 2022, the advance payment of interest on own capital in the gross amount of R\$50 was approved, on which the withholding tax was deducted in the amount of R\$7, corresponding to the net amount of R\$43. The effective payment occurred on February 17, 2023.

At the Annual General Meeting ("AGM") held on April 27, 2023, our shareholders voted to approve the minimum mandatory dividend in the amount of R\$68, calculated in accordance with Brazilian Corporate Law. The total dividends amount corresponding to R\$0.0500185431139003 per common share, it was paid in June, 2023. Holders of ADSs will receive the dividend distribution to which they are entitled through the Sendas Depository.

### 19.3 Expansion Reserve

At the AGM held on April 27, 2023 the constitution of the expansion reserve in the amount of R\$325 was approved, against the profit reserve of the year 2022.

### 19.4 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 June 30, 2023, the Company allocated the amount of R\$443 (R\$363 as of June 30, 2022) to the tax incentive reserve, of which R\$228 refers to tax incentives generated in 2023 and R\$215 to be recognized when the Company demonstrate income in subsequent periods.

As provided in article 30 of Law 12,973/14, the tax incentive reserve may be used to absorb losses, or for an increase in capital. Within the same legal provision, the tax incentive reserve is not part of the calculation basis for the minimum mandatory dividend, and the Company must subject it to taxation, in case of distribution.

## 19.5 Share-based payment

### 19.5.1 Recognized Options Granted

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

Granted series	Grant date	1st exercise date	Strike price on the grant date (in reais)	6/30/2023			
				Number of shares (in thousands)			
				Grantees	Exercised	Cancelled	Current
B8	5/31/2021	6/1/2024	0.01	363	(20)	(32)	311
C8	5/31/2021	6/1/2024	13.39	363	(20)	(32)	311
B9	5/31/2022	6/1/2025	0.01	2,163	(309)	-	1,854
C9	5/31/2022	6/1/2025	12.53	1,924	(70)	-	1,854
B10 (i)	5/31/2023	6/1/2026	0.01	1,390	-	-	1,390
C10 (i)	5/31/2023	6/1/2026	11.82	1,390	-	-	1,390
				<u>7,593</u>	<u>(419)</u>	<u>(64)</u>	<u>7,110</u>

(i) Shares granted to executives excluding statutory officers.

### 19.5.2 Consolidated information of Company's share-based payment plans

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

The table below shows the maximum percentage of dilution to which current shareholders could eventually be subject to in the event that all options granted are exercised until June 30, 2023 of all options granted:

	6/30/2023 (in thousands)
Number of shares	1,350,256
Balance of effective stock options granted	7,110
Maximum percentage of dilution	<u>0.53%</u>

The fair value of each option granted is estimated on the grant date using the Black-Scholes option pricing model, considering the following assumptions:

Granted series	Weighted average of fair value option's granted	Dividends expectation	Approximate volatility expectation	Risk-free weighted average interest rate	Exit rate	Remaining average life expectancy
B8	17.21	1.28%	37.06%	7.66%	8.00%	11 months
C8	7.69					
B9	15.27	1.20%	37.29%	12.18%	8.00%	23 months
C9	7.35					
B10	10.33	1.31%	35.32%	10.87%	8.00%	35 months
C10	3.28					

	Shares	Weighted average of exercise price	Weighted average of remaining contractual term
	in thousands	R\$	
As of December 31, 2022	4,651	6.01	2.28
As of June 30, 2023			
Granted during the period	2,780	5.92	
Cancelled during the period	(6)	5.97	
Exercised during the period	(315)	5.97	
Outstanding at the end of the period	7,110	5.97	2.23
Total to be exercised June 30, 2023	7,110	5.97	2.23

The amount recorded in the statement of operations for the period June 30, 2023 were R\$15 (R\$3 as of June 30, 2022).

## 20 NET OPERATING REVENUE

	6/30/2023	6/30/2022
Gross operating revenue		
Goods	34,003	26,971
Services rendered and others	117	80
	<u>34,120</u>	<u>27,051</u>
(-) Revenue deductions		
Returns and sales cancellation	(65)	(49)
Taxes	(2,975)	(2,268)
	<u>(3,040)</u>	<u>(2,317)</u>
Net operating revenue	<u>31,080</u>	<u>24,734</u>

**21 EXPENSES BY NATURE**

	6/30/2023	6/30/2022
Inventory cost	(25,610)	(20,421)
Personnel expenses	(1,971)	(1,498)
Outsourced services	(166)	(100)
Selling expenses	(487)	(368)
Functional expenses	(588)	(428)
Other expenses	(258)	(244)
	<u>(29,080)</u>	<u>(23,059)</u>
Cost of sales	(26,088)	(20,763)
Selling expenses	(2,609)	(1,935)
General and administrative expenses	(383)	(361)
	<u>(29,080)</u>	<u>(23,059)</u>

**22 OTHER OPERATING EXPENSES, NET**

	6/30/2023	6/30/2022
Result with property, plant and equipment and lease	(7)	(19)
Provision for legal proceedings	(1)	(2)
Restructuring expenses and others	(6)	(21)
Total	<u>(14)</u>	<u>(42)</u>

**23 NET FINANCIAL RESULT**

	6/30/2023	6/30/2022
Financial revenues		
Cash and cash equivalents interest	74	81
Monetary correction assets	48	61
Other financial revenues	7	5
Total financial revenues	<u>129</u>	<u>147</u>
Financial expenses		
Cost of debt	(770)	(338)
Cost and discount of receivables	(49)	(45)
Monetary correction liabilities	(148)	(183)
Interest on leasing liabilities	(410)	(207)
Other financial expenses	(10)	(4)
Total financial expenses	<u>(1,387)</u>	<u>(777)</u>
Total	<u>(1,258)</u>	<u>(630)</u>

**24 EARNINGS PER SHARE**

The Company calculates earnings per share by dividing the net income for the period, relating to each class of shares, by the total number of common shares outstanding in the period.

The table below presents the determination of the net income for the period available to holders of common shares outstanding to calculate the basic earnings and diluted earnings per share in each period presented:

	6/30/2023	6/30/2022
Basic number:		
Allocated basic earnings and not distributed	228	533
Net income allocated available to common shareholders	<u>228</u>	<u>533</u>
Basic denominator (millions of shares)		
Weighted average of the number of shares	1,350	1,347
Basic earnings per million shares (R\$)	<u>0.168674</u>	<u>0.395592</u>
Diluted number:		
Allocated diluted earnings and not distributed	228	533
Net income allocated available to common shareholders	<u>228</u>	<u>533</u>
Diluted denominator (millions of shares)		
Weighted average of the number of shares	1,350	1,347
Weighted average of stock options plan	4	6
Diluted weighted average of shares	<u>1,354</u>	<u>1,353</u>
Diluted earnings per million shares (R\$)	<u>0.168146</u>	<u>0.393694</u>

**25 NON-CASH TRANSACTIONS**

The Company had transactions that did not represent cash disbursements, and, therefore, these were not presented in the Statement of Cash Flows, as follows:

- Write-off of provisions for the acquisition of points of sale against trade payables, in note 11.1.
- Acquisition of property, plant and equipment not yet paid, in note 11.4.

**26 ASSETS HELD FOR SALE**

	6/30/2023	12/31/2022
Extra Hiper stores (i)	95	95
	95	95

(i) As of June 30, 2023, corresponds to 1 property owned by GPA, which the disposal process was concluded to the fund Barzel Properties on July 11, 2023.

**27 SUBSEQUENT EVENTS****27.1 Funding of the seventh issuance of debentures**

On July 21, 2023, the Company raised funds through the seventh issuance of debentures, in three series, in the amount of R\$1,071, with settlement occurring on July 25, 2023. The funds obtained from this issuance will be fully and exclusively used to reimburse expenses and expenses related to the expansion and/or maintenance of certain properties. These debentures will bear interest at the rate of CDI + 1.00% p.a. in the first series, CDI + 1.31% p.a. in the second series, and CDI + 1.15% p.a. in the third series, which will be paid semi-annually until maturity in July, 2028.

(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- and Six-month Periods  
Ended June 30, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.



(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 June 30, 2023, which comprises the balance sheet as at June 30, 2023 and the related statements of operations and of comprehensive income for the three- and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management 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.

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## Other matters

### *Statement of value added*

The aforementioned interim financial information includes the statement of value added (DVA) for the six-month period ended June 30, 2023, prepared under the responsibility of the Company's Management and disclosed 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 reach a conclusion on 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 such technical pronouncement and consistently with the interim financial information taken as a whole.

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

São Paulo, July 26, 2023

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 six-month period ended June 30<sup>th</sup>, 2023; and
- (ii) have reviewed, discussed and agreed with the Company’s Interim Financial Information related to the six-month period ended June 30<sup>th</sup>, 2023.

Rio de Janeiro, July 26<sup>th</sup>, 2023.

**Belmiro de Figueiredo Gomes**  
Chief Executive Officer

**Daniela Sabbag Papa**  
Chief Financial Officer

**Gabrielle Castelo Branco Helú**  
Chief Investor Relations Officer