

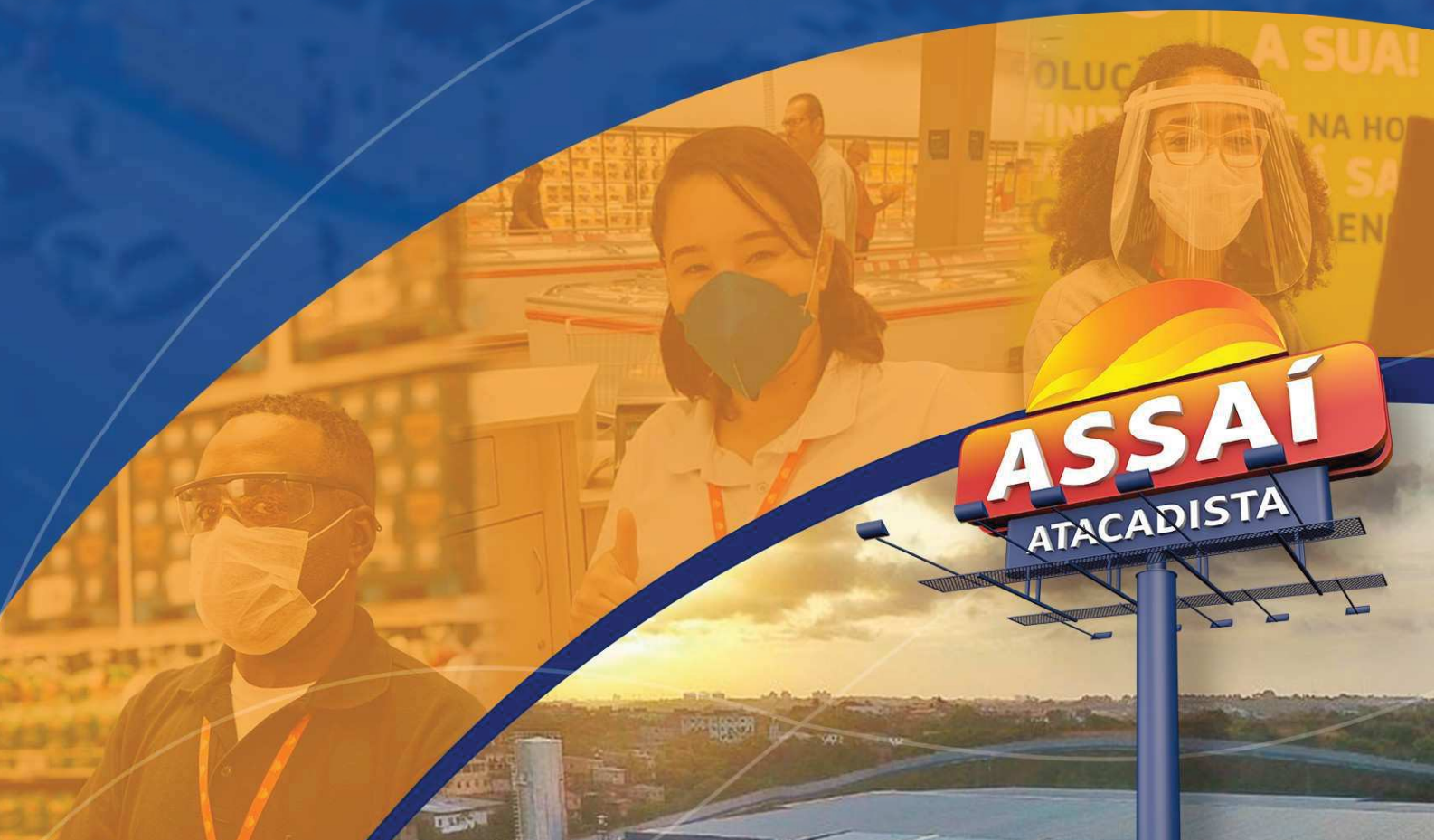


(Free Translation into English from the
Original Previously Issued in Portuguese)

Interim Financial Information

Assaí Atacadista

*Interim Financial Information for the Quarter
Ended June 30, 2021*





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Corporate information / Capital composition

Number of Shares (Thousands)	Current quarter 6/30/2021
Share Capital	
Common	268.896
Preferred	0
Total	268.896
Treasury Shares	
Common	0
Preferred	0
Total	0



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

Code	Description	Current quarter 6/30/2021	Prior period 12/31/2020
1	Total Assets	20.481.000	18.821.000
1.01	Current Assets	9.371.000	8.349.000
1.01.01	Cash and Cash Equivalents	4.511.000	3.532.000
1.01.03	Accounts Receivable	264.000	216.000
1.01.03.01	Trade Receivables	230.000	182.000
1.01.03.02	Other Receivables	34.000	34.000
1.01.04	Inventories	3.688.000	3.739.000
1.01.06	Recoverable Taxes	683.000	768.000
1.01.08	Other Current Assets	225.000	94.000
1.01.08.01	Non-current Assets Held for Sale	147.000	-
1.01.08.01.01	Assets Held for Sale	147.000	-
1.01.08.03	Other	78.000	94.000
1.01.08.03.01	Derivative Financial Instruments	-	57.000
1.01.08.03.03	Other Current Assets	78.000	37.000
1.02	Non-current Assets	11.110.000	10.472.000
1.02.01	Long-Term Assets	1.105.000	1.190.000
1.02.01.09	Receivable From Related Parties	179.000	178.000
1.02.01.10	Other Non-current Assets	926.000	1.012.000
1.02.01.10.04	Recoverable Taxes	771.000	866.000
1.02.01.10.05	Restricted Deposits for Legal	132.000	134.000
1.02.01.10.06	Derivative Financial Instruments	2.000	11.000
1.02.01.10.07	Other Non-current Assets	21.000	1.000
1.02.02	Investments	798.000	769.000
1.02.02.01	Investments in Associates	798.000	769.000
1.02.03	Property, Plant and Equipment	8.160.000	7.476.000
1.02.03.01	Property, Plant and Equipment in Use	5.456.000	5.043.000
1.02.03.02	Right of Use on Leases	2.704.000	2.433.000
1.02.04	Intangible Assets	1.047.000	1.037.000
1.02.04.01	Intangible Assets	1.047.000	1.037.000
1.02.04.01.02	Intangible Assets	1.047.000	1.037.000



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

Code	Description	Current quarter 6/30/2021	Prior period 12/31/2020
2	Total Liabilities	20.481.000	18.821.000
2.01	Current Liabilities	8.006.000	8.786.000
2.01.01	Payroll and Related Taxes	408.000	371.000
2.01.02	Trade Payables	4.505.000	5.058.000
2.01.03	Taxes and Contributions Payable	282.000	528.000
2.01.04	Borrowings and Financing	2.191.000	2.120.000
2.01.04.01	Borrowings and Financing	260.000	280.000
2.01.04.02	Debentures	1.931.000	1.840.000
2.01.05	Other Liabilities	620.000	709.000
2.01.05.01	Payables to Related Parties	104.000	41.000
2.01.05.02	Others	516.000	668.000
2.01.05.02.01	Dividends and Interest on Own Capital	-	85.000
2.01.05.02.08	Financing Related to Acquisition of Assets	51.000	34.000
2.01.05.02.09	Deferred Revenue	139.000	227.000
2.01.05.02.12	Other Current Liabilities	113.000	150.000
2.01.05.02.17	Lease Liability	213.000	172.000
2.02	Non-current Liabilities	10.558.000	8.688.000
2.02.01	Borrowings and Financing	7.344.000	5.711.000
2.02.01.01	Borrowings and Financing	984.000	952.000
2.02.01.02	Debentures	6.360.000	4.759.000
2.02.02	Other Liabilities	2.890.000	2.612.000
2.02.02.02	Others	2.890.000	2.612.000
2.02.02.02.07	Property Tax	12.000	8.000
2.02.02.02.09	Other Accounts Payable	2.878.000	2.604.000
2.02.03	Deferred Taxes	72.000	82.000
2.02.03.01	Deferred Income Tax and Social Contribution	72.000	82.000
2.02.04	Provision for Legal Proceedings	251.000	282.000
2.02.06	Deferred Revenue	1.000	1.000
2.03	Shareholders' Equity	1.917.000	1.347.000
2.03.01	Share Capital	779.000	761.000
2.03.02	Capital Reserves	11.000	4.000
2.03.04	Earnings Reserve	1.127.000	582.000



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

Code	Description	Current Quarter	Year to date current period	Previous Quarter	Year to date previous period
		4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
3.01	Net Operating Revenue	10.049.000	19.497.000	8.242.000	16.080.000
3.02	Cost Of Sales	(8.327.000)	(16.268.000)	(6.904.000)	(13.525.000)
3.03	Gross Profit	1.722.000	3.229.000	1.338.000	2.555.000
3.04	Operating Income / Expenses	(1.126.000)	(2.150.000)	(948.000)	(1.855.000)
3.04.01	Selling Expenses	(804.000)	(1.560.000)	(647.000)	(1.267.000)
3.04.02	General and Administrative Expenses	(152.000)	(289.000)	(104.000)	(198.000)
3.04.05	Other Operating Expenses	(184.000)	(330.000)	(203.000)	(380.000)
3.04.05.01	Depreciation and Amortization	(154.000)	(299.000)	(121.000)	(238.000)
3.04.05.03	Other Operating Expenses, Net	(30.000)	(31.000)	(82.000)	(142.000)
3.04.06	Share of Profit of Associates	14.000	29.000	6.000	(10.000)
3.05	Profit from Operations Before Net	596.000	1.079.000	390.000	700.000
3.06	Net Financial Expenses	(145.000)	(279.000)	(131.000)	(286.000)
3.06.01	Financing Revenues	52.000	69.000	66.000	129.000
3.06.02	Financing Expenses	(197.000)	(348.000)	(197.000)	(415.000)
3.07	Income Loss Before Income Tax and	451.000	800.000	259.000	414.000
3.08	Income Tax and Social Contribution	(146.000)	(255.000)	(84.000)	(139.000)
3.08.01	Current	(164.000)	(265.000)	(184.000)	(261.000)
3.08.02	Deferred	18.000	10.000	100.000	122.000
3.09	Net Income from Continued	305.000	545.000	175.000	275.000
3.11	Net Income for the Period	305.000	545.000	175.000	275.000
3.99	Earnings per Share - (Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	1,13758	2,02854	0,67829	1,06589
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	1,13758	2,02854	0,67829	1,06589



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

Code	Description	Current Quarter	Year to date current period	Previous Quarter	Year to date previous period
		4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
4.01	Net income for the Period	305.000	545.000	175.000	275.000
4.02	Other Comprehensive Income	-	-	1.069.000	1.553.000
4.02.02	Foreign Currency Translation	-	-	1.072.000	1.563.000
4.02.04	Fair Value of Expected Credit Loss	-	-	(1.000)	-
4.02.05	Hedge Operations	-	-	(2.000)	(6.000)
4.02.06	Income Taxes over Other Comprehensive Income	-	-	-	(2.000)
4.02.08	Other Comprehensive Income	-	-	-	(2.000)
4.03	Total comprehensive income for the Period	305.000	545.000	1.244.000	1.828.000



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

Code	Description	Yeat to date current	Year to date previous
		period	period
		1/1/2021 to 6/30/2021	1/1/2020 to 6/30/2020
6.01	Net Cash Operating Activities	496.000	1.788.000
6.01.01	Cash Provided By the Operations	1.347.000	863.000
6.01.01.01	Net Income for the Period	545.000	275.000
6.01.01.02	Deferred Income Tax and Social Contribution	(10.000)	(123.000)
6.01.01.03	Loss of Disposal of Property, Plant and Equipment	68.000	27.000
6.01.01.04	Depreciation and Amortization	324.000	252.000
6.01.01.05	Interest and Monetary Variations	401.000	295.000
6.01.01.07	Share of Profit (Loss) of Subsidiaries and Associates	(29.000)	10.000
6.01.01.08	(Reversal) Provision for Legal Proceedings	(24.000)	(3.000)
6.01.01.10	Provision for Share Purchase Options	7.000	3.000
6.01.01.11	Provision (Reversal) for Doubtful Accounts	1.000	(1.000)
6.01.01.13	Provision (Reversal) for Inventory Losses and Damages	138.000	132.000
6.01.01.16	Gain on Leasing Liabilities Write-Off	(74.000)	(4.000)
6.01.02	Changes in Assets and Liabilities	(851.000)	925.000
6.01.02.01	Accounts Receivable	(49.000)	(44.000)
6.01.02.02	Inventories	(87.000)	9.000
6.01.02.03	Recoverable Taxes	189.000	77.000
6.01.02.04	Other Assets	(67.000)	77.000
6.01.02.05	Related Parties	66.000	201.000
6.01.02.06	Restricted Deposits for Legal Proceeding	3.000	19.000
6.01.02.07	Trade Payables	(551.000)	(971.000)
6.01.02.08	Payroll and Related Taxes	37.000	47.000
6.01.02.09	Taxes and Social Contributions Payable	(8.000)	175.000
6.01.02.10	Provision for Legal Proceedings	(19.000)	(2.000)
6.01.02.11	Deferred Revenue	(97.000)	4.000
6.01.02.12	Other Payables	(30.000)	(66.000)
6.01.02.13	Income Tax and Social Contribution, Paid	(238.000)	-
6.01.02.15	Received Dividends and Interest on Own Capital	-	1.399.000
6.02	Net Cash of Investing Activities	(757.000)	(199.000)
6.02.02	Purchase of Property, Plant and Equipment	(739.000)	(571.000)
6.02.03	Purchase of Intangible Assets	(19.000)	(13.000)
6.02.04	Proceeds From Sale of Property, Plant and Equipment	1.000	385.000
6.03	Net Cash of Financing Activities	1.240.000	(1.026.000)
6.03.01	Capital Increase	18.000	-
6.03.02	Proceeds From Borrowings and Financing	1.874.000	599.000
6.03.03	Payments of Borrowings and Financing	(366.000)	(1.478.000)
6.03.05	Payments of Dividends and Interesr on Own Capital	(85.000)	-
6.03.09	Payment of Lease Liability	(201.000)	(147.000)
6.05	Increase (Decrease) in Cash and Cash Equivalents	979.000	563.000
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	3.532.000	1.876.000
6.05.02	Cash and Cash Equivalents at the End of the Period	4.511.000	2.439.000



Individual Interim Financial Information / Statements of Changes in Shareholders' Equity 1/1/2021 to 6/30/2021
R\$ (in thousands)

Code	Description	Capital stock	Capital reserve, granted options and treasury shares	Profit reserve	Retained earnings /Accumulated losses	Other comprehensive income	Shareholders' equity
5.01	Opening balance	761.000	4.000	645.000	-	-	1.410.000
5.02	Prior Period Adjustments	-	-	(63.000)	-	-	(63.000)
5.03	Adjusted Opening Balance	761.000	4.000	582.000	-	-	1.347.000
5.04	Capital Transactions with Shareholders	18.000	7.000	-	-	-	25.000
5.04.01	Capital Increase	18.000	-	-	-	-	18.000
5.04.03	Stock Options Granted	-	7.000	-	-	-	7.000
5.05	Total Comprehensive Income	-	-	-	545.000	-	545.000
5.05.01	Net Income for the Period	-	-	-	545.000	-	545.000
5.07	Closing Balance	779.000	11.000	582.000	545.000	-	1.917.000



Individual Interim Financial Information / Statements of Changes in Shareholders' Equity 1/1/2020 to 6/30/2020
R\$ (in thousands)

Code	Description	Capital stock	Capital reserve, granted options and treasury	Profit reserve	Retained earnings /Accumulated losses	Other comprehensive income	Shareholders' equity
5.01	Opening Balance	4.421.000	18.000	2.497.000	-	162.000	7.098.000
5.03	Adjusted Opening Balance	4.421.000	18.000	2.497.000	-	162.000	7.098.000
5.04	Capital Transactions with Shareholders	57.000	3.000	-	-	-	60.000
5.04.01	Capital Increases	57.000	-	-	-	-	57.000
5.04.03	Stock Options Granted	-	3.000	-	-	-	3.000
5.05	Total Comprehensive Income	-	-	-	275.000	1.553.000	1.828.000
5.05.01	Net Income for the Period	-	-	-	275.000	-	275.000
5.05.02	Other Comprehensive Income	-	-	-	-	1.553.000	1.553.000
5.05.02.07	Fair Value of Trade Receivable	-	-	-	-	(2.000)	(2.000)
5.05.02.08	Cash Flow Hedge	-	-	-	-	(6.000)	(6.000)
5.05.02.09	Income Taxes Related to Other Comprehensive Income	-	-	-	-	(2.000)	(2.000)
5.05.02.10	Exchange Differences over Conversion of Foreign	-	-	-	-	1.563.000	1.563.000
5.06	Internal Changes of Shareholders' Equity	-	-	102.000	-	-	102.000
5.06.08	Other	-	-	(6.000)	-	-	(6.000)
5.06.09	Hyperinflationary Economy Effect	-	-	108.000	-	-	108.000
5.07	Closing Balance	4.478.000	21.000	2.599.000	275.000	1.715.000	9.088.000

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

Code	Description	Year to date current	Year to date previous
		period	period
		1/1/2021 to 6/30/2021	1/1/2020 to 6/30/2020
7.01	Revenues	21.229.000	17.947.000
7.01.01	Sales of Goods	21.262.000	17.625.000
7.01.02	Othre Revenues	(32.000)	323.000
7.01.04	Provision for Doubtful Accounts	(1.000)	(1.000)
7.02	Products Acquired from Third Parties	(18.705.000)	(15.561.000)
7.02.01	Cost Of Goods Sold	(17.771.000)	(14.429.000)
7.02.02	Materials, Energy, Outsourced Services and Others	(934.000)	(1.132.000)
7.03	Gross Value Added	2.524.000	2.386.000
7.04	Retentions	(324.000)	(252.000)
7.04.01	Depreciation and Amortization	(324.000)	(252.000)
7.05	Net Value Added Produced	2.200.000	2.134.000
7.06	Value Added Received in Transfer	98.000	119.000
7.06.01	Share Of Profit (Loss) Of Subsidiaries and Associates	29.000	(10.000)
7.06.02	Financial Revenues	69.000	129.000
7.07	Total Value Added to Distribute	2.298.000	2.253.000
7.08	Value Added Distribution	2.298.000	2.253.000
7.08.01	Personnel	1.019.000	888.000
7.08.01.01	Direct Compensation	680.000	557.000
7.08.01.02	Benefits	256.000	231.000
7.08.01.03	Government Severance Indemnity Fund for Employees	54.000	46.000
7.08.01.04	Others	29.000	54.000
7.08.02	Taxes, Fees and Contribution	390.000	667.000
7.08.02.01	Federal	308.000	293.000
7.08.02.02	State	59.000	346.000
7.08.02.03	Municipal	23.000	28.000
7.08.03	External Financiers	344.000	423.000
7.08.03.01	Interest	348.000	415.000
7.08.03.02	Rentals	(4.000)	8.000
7.08.04	Shareholders' Remuneration	545.000	275.000
7.08.04.03	Retained Earnings for the Period	545.000	275.000



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

Code	Description	Current quarter 06/30/2021	Prior period 12/31/2020
1	Total Assets	20.481.000	18.821.000
1.01	Current Assets	9.371.000	8.349.000
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1.01.06	Recoverable Taxes	683.000	768.000
1.01.08	Other Current Assets	225.000	94.000
1.01.08.01	Non-current Assets Held for Sale	147.000	0
1.01.08.01.01	Assets Held for Sale	147.000	0
1.01.08.03	Other	78.000	94.000
1.01.08.03.01	Derivative Financial Instruments	0	57.000
1.01.08.03.03	Other Current Assets	78.000	37.000
1.02	Non-current Assets	11.110.000	10.472.000
1.02.01	Long-Term Assets	1.105.000	1.190.000
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1.02.01.10.06	Derivative Financial Instruments	2.000	11.000
1.02.01.10.07	Other Non-current Assets	21.000	1.000
1.02.02	Investments	798.000	769.000
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Consolidated Interim Financial Information / Balance Sheet - Liabilities

R\$ (in thousands)

Code	Description	Current quarter 06/30/2021	Prior period 12/31/2020
2	Total Liabilities	20.481.000	18.821.000
2.01	Current Liabilities	8.006.000	8.786.000
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2.01.05	Other Liabilities	620.000	709.000
2.01.05.01	Payables to Related Parties	104.000	41.000
2.01.05.02	Others	516.000	668.000
2.01.05.02.01	Dividends and Interest on Own Capital	-	85.000
2.01.05.02.08	Financing Related to Acquisition of Assets	51.000	34.000
2.01.05.02.09	Deferred Revenue	139.000	227.000
2.01.05.02.12	Other Current Liabilities	113.000	150.000
2.01.05.02.17	Lease Liability	213.000	172.000
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2.02.01.01	Borrowings and Financing	984.000	952.000
2.02.01.02	Debentures	6.360.000	4.759.000
2.02.02	Other Liabilities	2.890.000	2.612.000
2.02.02.02	Others	2.890.000	2.612.000
2.02.02.02.07	Property Tax	12.000	8.000
2.02.02.02.09	Other Accounts Payable	2.878.000	2.604.000
2.02.03	Deferred Taxes	72.000	82.000
2.02.03.01	Deferred Income Tax and Social Contribution	72.000	82.000
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2.02.06	Deferred Revenue	1.000	1.000
2.03	Shareholders' Equity	1.917.000	1.347.000
2.03.01	Share Capital	779.000	761.000
2.03.02	Capital Reserves	11.000	4.000
2.03.04	Earnings Reserve	1.127.000	582.000



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

Code	Description	Current Quarter	Year to date current	Previous Quarter	Year to date previous
		4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
3.01	Net Operating Revenue	10.049.000	19.497.000	8.242.000	16.080.000
3.02	Cost Of Sales	(8.327.000)	(16.268.000)	(6.904.000)	(13.525.000)
3.03	Gross Profit	1.722.000	3.229.000	1.338.000	2.555.000
3.04	Operating Income / Expenses	(1.126.000)	(2.150.000)	(954.000)	(1.845.000)
3.04.01	Selling Expenses	(804.000)	(1.560.000)	(647.000)	(1.267.000)
3.04.02	General and Administrative Expenses	(152.000)	(289.000)	(104.000)	(198.000)
3.04.05	Other Operating Expenses	(184.000)	(330.000)	(203.000)	(380.000)
3.04.05.01	Depreciation and Amortization	(154.000)	(299.000)	(121.000)	(238.000)
3.04.05.03	Other Operating Expenses, Net	(30.000)	(31.000)	(82.000)	(142.000)
3.04.06	Share of Profit of Associates	14.000	29.000	-	-
3.05	Profit from Operations Before Net Financial Expenses	596.000	1.079.000	384.000	710.000
3.06	Net Financial Expenses	(145.000)	(279.000)	(131.000)	(286.000)
3.06.01	Financing Revenues	52.000	69.000	66.000	129.000
3.06.02	Financing Expenses	(197.000)	(348.000)	(197.000)	(415.000)
3.07	Income Loss Before Income Tax and Social Contribution	451.000	800.000	253.000	424.000
3.08	Income Tax and Social Contribution	(146.000)	(255.000)	(84.000)	(139.000)
3.08.01	Current	(164.000)	(265.000)	(184.000)	(261.000)
3.08.02	Deferred	18.000	10.000	100.000	122.000
3.09	Net Income from Continued Operations	305.000	545.000	169.000	285.000
3.10	Net Income from Discontinued Operations	-	-	58.000	64.000
3.10.01	Net Income from Discontinued Operations	-	-	58.000	64.000
3.11	Net Income for the Period	305.000	545.000	227.000	349.000
3.11.01	Attributed Controlling Company Partners	305.000	545.000	175.000	275.000
3.11.02	Attributed Partners Non-controlling	-	-	52.000	74.000
3.99	Earnings per Share - (Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	1,13758	2,02854	0,67829	1,06589
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	1,13758	2,02854	0,67829	1,06589



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

Code	Description	Current Quarter	Year to date current	Previous Quarter	Year to date previous
		4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
4.01	Net income for the Period	305.000	545.000	227.000	349.000
4.02	Other Comprehensive Income	-	-	1.431.000	2.043.000
4.02.02	Foreign Currency Translation	-	-	1.433.000	2.052.000
4.02.04	Fair Value of Trade Receivables	-	-	(1.000)	-
4.02.05	Cash Flow Hedge	-	-	(1.000)	(5.000)
4.02.06	Income Taxes over Other Comprehensive Income	-	-	-	(2.000)
4.02.08	Other Comprehensive Income	-	-	-	(2.000)
4.03	Total Comprehensive Income for the Period	305.000	545.000	1.658.000	2.392.000
4.03.01	Attributable To Controlling Shareholders	305.000	545.000	1.244.000	1.828.000
4.03.02	Attributable To Non-Controlling Shareholders	-	-	414.000	564.000



Consolidated Interim Financial Information / Satatements of Cash Flows - Indirect method
R\$ (in thousands)

Code	Description	Current period	Prior period accumulated
		accumulated	
		01/01/2021 - 06/30/2021	01/01/2020 - 06/30/2020
6.01	Net Cash Operating Activities	496.000	(888.000)
6.01.01	Cash Provided by The Operations	1.347.000	1.315.000
6.01.01.01	Net Income for The Period	545.000	349.000
6.01.01.02	Deferred Income Tax and Social Contribution	(10.000)	(185.000)
6.01.01.03	Gain (Losses) on Disposal of Property and Equipments	68.000	127.000
6.01.01.04	Depreciation and Amortization	324.000	646.000
6.01.01.05	Interest and Inflation Adjustments	401.000	415.000
6.01.01.07	Share of Profit (Loss) of Subsidiaries and Associates	(29.000)	41.000
6.01.01.08	(Reversal) Provision for Legal Proceedings	(24.000)	3.000
6.01.01.10	Provision for Share Purchase Options	7.000	3.000
6.01.01.11	Provision (Reversal) for Doubtful Accounts	1.000	-
6.01.01.13	Provision (Reversal) for Inventory Losses and Damages	138.000	(7.000)
6.01.01.14	Other Operating Expenses / Revenues	-	20.000
6.01.01.16	Gain on Leasing Liabilities Write-Off	(74.000)	(97.000)
6.01.02	Changes in Assets and Liabilities	(851.000)	(2.203.000)
6.01.02.01	Accounts Receivable	(49.000)	(32.000)
6.01.02.02	Inventories	(87.000)	28.000
6.01.02.03	Recoverable Taxes	189.000	(94.000)
6.01.02.04	Other Assets	(67.000)	89.000
6.01.02.05	Related Parties	66.000	208.000
6.01.02.06	Restricted Deposits for Legal Proceeding	3.000	17.000
6.01.02.07	Trade Payables	(551.000)	(2.593.000)
6.01.02.08	Payroll and Related Taxes	37.000	19.000
6.01.02.09	Taxes and Social Contributions Payable	(8.000)	301.000
6.01.02.10	Payments of Provision for Risk	(19.000)	(13.000)
6.01.02.11	Deferred Revenue	(97.000)	(15.000)
6.01.02.12	Other Payables	(30.000)	(118.000)
6.01.02.13	Income Tax and Social Contribution, Paid	(238.000)	-
6.02	Net Cash of Investing Activities	(757.000)	(359.000)
6.02.02	Acquisition of Property and Equipment	(739.000)	(697.000)
6.02.03	Increase in Intangible Assets	(19.000)	(40.000)
6.02.04	Sales of Property and Equipment	1.000	385.000
6.02.09	Acquisition of Investment Property	-	(7.000)
6.03	Net Cash of Financing Activities	1.240.000	384.000
6.03.01	Capital Increase	18.000	
6.03.02	Proceeds From Borrowings and Financing	1.874.000	2.659.000
6.03.03	Payments of Borrowings and Financing	(366.000)	(1.788.000)
6.03.05	Dividends and Interest on Equity, Paid	(85.000)	(124.000)
6.03.09	Payment of Lease Liability	(201.000)	(363.000)
6.04	Exchange Variation Cash and Cash Equivalents	-	455.000
6.05	Increase (Decrease) in Cash and Cash Equivalents	979.000	(408.000)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	3.532.000	5.026.000
6.05.02	Cash and Cash Equivalents at the End of the Period	4.511.000	4.618.000

**Consolidated Interim Financial Information / Statements of Changes in Shareholders' Equity 1/1/2021 to 6/30/2021****R\$ (in thousands)**

Code	Description	Capital stock	Capital reserve, granted options and treasury shares	Profit reserve	Retained earnings /Accumulated losses	Other comprehensive income	Shareholders' equity	Non-Controlling Shareholders' participation	Consolidated Shareholders' equity
5.01	Opening balance	761.000	4.000	645.000	-	-	1.410.000	-	1.410.000
5.02	Prior Period Adjustments	-	-	(63.000)	-	-	(63.000)	-	(63.000)
5.03	Adjusted Opening Balance	761.000	4.000	582.000	-	-	1.347.000	-	1.347.000
5.04	Capital Transactions with Shareholders	18.000	7.000	-	-	-	25.000	-	25.000
5.04.01	Capital Increase	18.000	-	-	-	-	18.000	-	18.000
5.04.03	Stock Options Granted	-	7.000	-	-	-	7.000	-	7.000
5.05	Total Comprehensive Income	-	-	-	545.000	-	545.000	-	545.000
5.05.01	Net Income for the Period	-	-	-	545.000	-	545.000	-	545.000
5.07	Closing Balance	779.000	11.000	582.000	545.000	-	1.917.000	-	1.917.000



Consolidated Interim Financial Information / Statements of Changes in Shareholders' Equity 1/1/2020 to 6/30/2020
R\$ (in thousands)

Code	Description	Capital stock	Capital reserve, granted options and treasury	Profit reserve	Retained earnings /Accumulated losses	Other comprehensive income	Shareholders' equity	Non-Controlling Shareholders' participation	Consolidated Shareholders' equity
5.01	Opening Balance	4.421.000	18.000	2.497.000	-	162.000	7.098.000	2.603.000	9.701.000
5.03	Adjusted Opening Balance	4.421.000	18.000	2.497.000	-	162.000	7.098.000	2.603.000	9.701.000
5.04	Capital Transactions with Shareholders	57.000	3.000	-	-	-	60.000	(68.000)	(8.000)
5.04.01	Capital Increases	57.000	-	-	-	-	57.000	-	57.000
5.04.03	Stock Options Granted	-	3.000	-	-	-	3.000	-	3.000
5.04.06	Dividends	-	-	-	-	-	-	(68.000)	(68.000)
5.05	Total Comprehensive Income	-	-	-	275.000	1.553.000	1.828.000	564.000	2.392.000
5.05.01	Net Income for the Period	-	-	-	275.000	-	275.000	74.000	349.000
5.05.02	Other Comprehensive Income	-	-	-	-	1.553.000	1.553.000	490.000	2.043.000
5.05.02.06	Other Comprehensive Income	-	-	-	-	(2.000)	(2.000)	-	(2.000)
5.05.02.08	Cash Flow Hedge	-	-	-	-	(6.000)	(6.000)	1.000	(5.000)
5.05.02.09	Income Taxes Related to Other Comprehensive Income	-	-	-	-	(2.000)	(2.000)	-	(2.000)
5.05.02.10	Exchange Differences over Conversion of Foreign Operations	-	-	-	-	1.563.000	1.563.000	489.000	2.052.000
5.06	Internal Changes of Shareholders' Equity	-	-	102.000	-	-	102.000	1.000	103.000
5.06.08	Other	-	-	(6.000)	-	-	(6.000)	(2.000)	(8.000)
5.06.09	Hyperinflationary Economy Effect	-	-	108.000	-	-	108.000	3.000	111.000
5.07	Closing Balance	4.478.000	21.000	2.599.000	275.000	1.715.000	9.088.000	3.100.000	12.188.000



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

Code	Description	Year to date current	Year to date previous
		1/1/2021 to 06/30/2021	1/1/2020 to 6/30/2020
7.01	Revenues	21.229.000	17.947.000
7.01.01	Sales of Goods	21.262.000	17.625.000
7.01.02	Othre Revenues	(32.000)	323.000
7.01.04	Provision for Doubtful Accounts	(1.000)	(1.000)
7.02	Products Acquired from Third Parties	(18.705.000)	(15.561.000)
7.02.01	Cost Of Goods Sold	(17.771.000)	(14.429.000)
7.02.02	Materials, Energy, Outsourced Services and Others	(934.000)	(1.132.000)
7.03	Gross Value Added	2.524.000	2.386.000
7.04	Retentions	(324.000)	(252.000)
7.04.01	Depreciation and Amortization	(324.000)	(252.000)
7.05	Net Value Added Produced	2.200.000	2.134.000
7.06	Value Added Received in Transfer	98.000	193.000
7.06.01	Share Of Profit (Loss) Of Subsidiaries and Associates	29.000	-
7.06.02	Financial Revenues	69.000	129.000
7.06.03	Others	-	64.000
7.07	Total Value Added to Distribute	2.298.000	2.327.000
7.08	Value Added Distribution	2.298.000	2.327.000
7.08.01	Personnel	1.019.000	888.000
7.08.01.01	Direct Compensation	680.000	557.000
7.08.01.02	Benefits	256.000	231.000
7.08.01.03	Government Severance Indemnity Fund for Employees	54.000	46.000
7.08.01.04	Others	29.000	54.000
7.08.01.04.01	Participation	54.000	54.000
7.08.02	Taxes, Fees and Contribution	390.000	667.000
7.08.02.01	Federal	308.000	293.000
7.08.02.02	State	59.000	346.000
7.08.02.03	Municipal	23.000	28.000
7.08.03	External Financiers	344.000	423.000
7.08.03.01	Interest	348.000	415.000
7.08.03.02	Rentals	(4.000)	8.000
7.08.04	Shareholders' Remuneration	545.000	349.000
7.08.04.03	Retained Earnings for the Period	545.000	275.000
7.08.04.04	Non-Controlling Participation over Retained Earnings	-	74.000

An aerial photograph of a large ASSAÍ ATACADISTA warehouse with a white corrugated metal roof and a blue facade. The building is surrounded by a vast parking lot filled with hundreds of cars. In the background, a city skyline with numerous high-rise buildings is visible under a clear blue sky.

EARNINGS RELEASE SECOND QUARTER 2021

EARNINGS RELEASE VIDEOCONFERENCE

Wednesday, July 28, 2021

11:30 a.m. (Brasília) | 10:30 a.m. (New York) | 3:30 p.m. (London)

Conference in Portuguese (with simultaneous translation)

Video conference via Zoom: [click here](#).

This quarter, the Company will hold its videoconference via Zoom. The information and links will be available on our website and financial materials.

— 2Q21 EARNINGS RELEASE



São Paulo, July 27, 2021 - Assaí Atacadista announces its results for the second quarter of 2021. The numbers presented and commented in this earnings release reflect the pure Cash & Carry business, except where indicated otherwise. All comments referring to adjusted EBITDA exclude any adjustment for other operating revenues or expenses in the periods. Moreover, the results include the effects from IFRS 16/CPC 06 (R2) – Leases, which eliminates the distinction between operating and financial leases, except where indicated otherwise.

Gross Sales

R\$11bn

- **Gross Sales came to R\$10.9 billion in 2Q21**, growing R\$1.9 billion, led by the **successful expansion** in the last 12 months, with the opening of 19 stores, **which drove the period's strong growth**;

Net Sales

+22%

- **Net Sales improved 22%**, reflecting the **robust organic expansion (+13.2%)**, which exceeded expectations, and the **solid performance of same-store sales (+9.2%)**, with market share gains, despite the restrictions on business hours and customer traffic at our stores, the pandemic's persistent impact on the activities of B2B clients and the strong comparison base last year;

Adj. EBITDA

R\$793M

+33%

- **Inauguration of 3 stores in 2Q21 and another 25 stores under construction in 14 states**, in line with the expansion plan for 2021. **Sales area increased 14%**, corresponding to **100 thousand sqm**, in the last 12 months;

- **Adjusted EBITDA was R\$793 million**, an increase of **33%**, above sales growth, with margin expanding 70 bps to 7.9%. **In the first semester, adjusted EBITDA was R\$1.4 billion**, increasing **30%**, with margin expanding 50 bps to 7.4%;

Net Income

2Q21: +62%

1H21: +81%

- **Net Income came to R\$305 million**, an increase of **62%**, with net margin gaining 70 bps to 3.0%. **In 1H21, it was R\$545 million, up 81%**, significantly outpacing the growth in both sales and adjusted EBITDA, with net margin expanding 90 bps to 2.8%;

- **Significant improvement in net debt/adjusted EBITDA ratio¹**, which ended the period at **-1.90x, down 0.8x EBITDA** from 2Q20 (-2.73x), attesting to the ongoing deleveraging process.

¹Adjusted EBITDA Pre-IFRS 16.

Net Debt/EBITDA

-1.90x

“Assaí delivered robust results in the quarter, supported by continued solid growth accompanied by profitability and cash generation, following the trend of prior periods. The 2021 expansion plan was kicked off by opening 3 stores, with another 25 stores under construction, advancing the organic expansion plan, which remains an important growth driver. In addition, important progress in ESG were made with the announcement of the target to reduce by 30% carbon emissions by 2025, which is linked to the variable compensation of Company’s management, and the adherence to the LGBTI+ Companies and Rights Forum. We remain confident in the resilience of our operations and expect, as vaccination accelerates and business activity gradually resumes, the return of food processors and users to our stores, further strengthening Assaí's operations. By growing ethically, sustainably and on a solid foundation, Assaí will continue to create value for shareholders, clients and employees. We thank all our stakeholders for accompanying us on this journey.”

Belmiro Gomes, CEO of Assaí



(R\$ million)	2Q21	2Q20	Δ	1H21	1H20	Δ
Net operating revenue	10,049	8,224	22.2%	19,497	16,033	21.6%
Depreciation (Logistic)	(13)	(8)	67.1%	(25)	(15)	69.2%
Gross Profit	1,722	1,335	29.0%	3,229	2,550	26.6%
Gross Profit Margin	17.1%	16.2%	0.9 p.p.	16.6%	15.9%	0.7 p.p.
Selling, General and Administrative Expenses	(956)	(747)	28.0%	(1,849)	(1,465)	26.2%
% of Net Revenue	-9.5%	-9.1%	-0.4 p.p.	-9.5%	-9.1%	-0.4 p.p.
Equity income	14	-	n.d.	29	-	n.d.
Other operating expenses, net	(30)	(59)	-49.2%	(31)	(119)	-73.9%
Adjusted EBITDA ⁽¹⁾⁽²⁾	793	596	33.1%	1,434	1,100	30.4%
Adjusted EBITDA Margin ⁽¹⁾⁽²⁾	7.9%	7.2%	0.7 p.p.	7.4%	6.9%	0.5 p.p.
Net Financial Result	(145)	(132)	9.8%	(279)	(288)	-3.1%
% of Net Revenue	-1.4%	-1.6%	0.2 p.p.	-1.4%	-1.8%	0.4 p.p.
Net Income - Total Controlling Shareholders	305	188	62.2%	545	301	81.1%
Net margin - Total Controlling Shareholders	3.0%	2.3%	0.7 p.p.	2.8%	1.9%	0.9 p.p.

(1) Earnings before Interest, Taxes, Depreciation, Amortization
(2) Adjusted for Other Operating Revenue (Expenses)

TAX CREDITS

On March 15, 2017, the Brazilian Supreme Court (STF) recognized the unconstitutionality of the inclusion of ICMS in the calculation base of PIS and COFINS. In May 2021, the STF ruled in favor of taxpayers, concluding that all ICMS identified must be excluded from the PIS and COFINS calculation base. Based on the decision, on June 30, 2021, the Company recognized a credit, net of provision, in the total amount of R\$62 million (R\$40 million under net revenue and R\$22 million under the financial result due to monetary adjustment), which is subject to adjustments. The individual lawsuit filed by the Company became final and unappealable on July 16, 2021.

The comments on the Company's performance in 2Q21 and 1H21 mentioned below exclude the effects from these credits, except where indicated otherwise.

(R\$ million)	2Q21	2Q20	Δ	1H21	1H20	Δ
Net operating revenue - ex fiscal credits (*)	10,009	8,224	21.7%	19,457	16,033	21.4%
Depreciation (Logistic)	(13)	(8)	67.1%	(25)	(15)	69.2%
Gross Profit - ex fiscal credits (*)	1,682	1,335	26.0%	3,189	2,550	25.1%
Gross Profit Margin - ex fiscal credits (*)	16.8%	16.2%	0.6 p.p.	16.4%	15.9%	0.5 p.p.
Selling, General and Administrative Expenses - ex fiscal credits (*)	(956)	(747)	28.0%	(1,849)	(1,465)	26.2%
% of Net Revenue - ex fiscal credits (*)	-9.6%	-9.1%	-0.5 p.p.	-9.5%	-9.1%	-0.4 p.p.
Equity income	14	-	n.d.	29	-	n.d.
Other operating expenses, net	(30)	(59)	-49.2%	(31)	(119)	-73.9%
Adjusted EBITDA ⁽¹⁾⁽²⁾ - ex fiscal credits (*)	753	596	26.4%	1,394	1,100	26.8%
Adjusted EBITDA Margin ⁽¹⁾⁽²⁾ - ex fiscal credits (*)	7.5%	7.2%	0.3 p.p.	7.2%	6.9%	0.3 p.p.
Net Financial Result - ex fiscal credits (*)	(166)	(132)	25.8%	(300)	(288)	4.2%
% of Net Revenue - ex fiscal credits (*)	-1.7%	-1.6%	-0.1 p.p.	-1.5%	-1.8%	0.3 p.p.
Net Income - Total Controlling Shareholders - ex fiscal credits (*)	264	188	40.4%	504	301	67.4%
Net margin - Total Controlling Shareholders - ex fiscal credits (*)	2.6%	2.3%	0.3 p.p.	2.6%	1.9%	0.7 p.p.

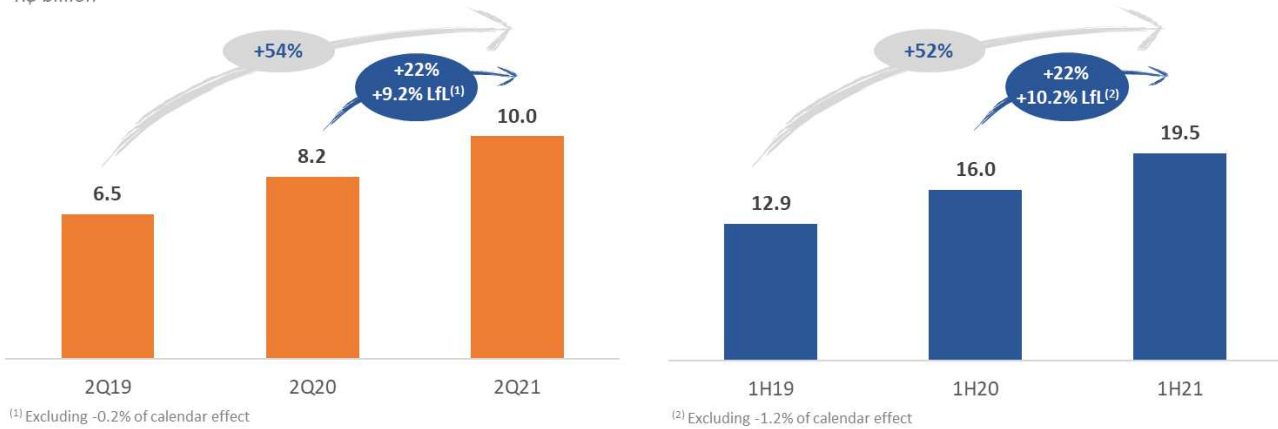
(1) Earnings before Interest, Taxes, Depreciation, Amortization

(2) Adjusted for Other Operating Revenue (Expenses)

* Excluding tax credits detailed in the "tax credits" section, page 3

SALES PERFORMANCE

Net Revenue
R\$ billion

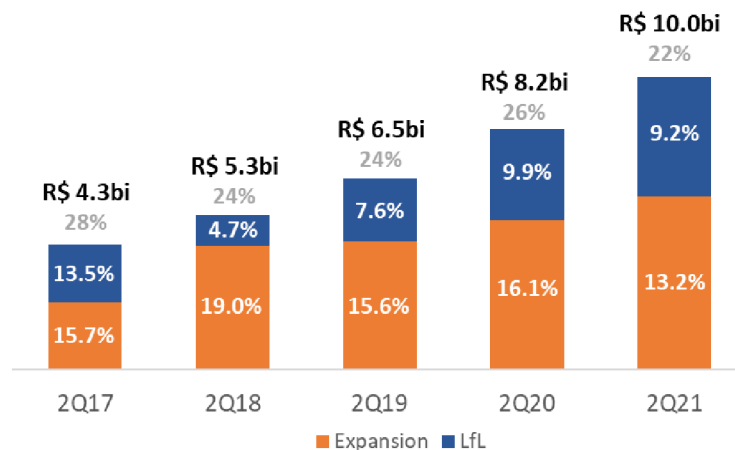


Net Sales in the quarter posted strong growth to over R\$10 billion, representing increases of 22.2% on 2Q20 and 53.9% on 2Q19. The result is mainly explained by a strong organic growth (+13.2%), supported by the accelerated maturation of the 19 stores inaugurated in the last 12 months, as well as the higher share of sales to end consumers and inflation remaining at high levels.

Another important driver was same-store sales growth (+9.2%), reflecting the resilience of Assaí's business model and its capacity to adjust to the pandemic, which imposed restrictions on customer traffic at all stores and on business hours at over 20% of stores, as well as the impacts on key publics for Assaí, such as food processors (bars and restaurants) and users (hotels, schools, churches, etc.), whose activities remain affected by severe restrictions.

In 1H21, Net Sales came to R\$19.5 billion, improving 21.6% from 1H20 and 51.6% from 1H19. Sales performance was driven by the excellent performance of stores inaugurated in the last 12 months (+12.6%) and by solid performance of same-store sales (+10.2%).

Net revenues surpassed R\$10 billion in 2Q21, reflecting the excellent performance of the organic expansion and the strong same-store sales growth.



Assaí ended the quarter with 187 stores, including 3 new stores inaugurated in the quarter, two in the country's Midwest and one in the Southeast, kicking off the organic expansion plan for 2021. Currently, 25 stores are under construction in 14 states, and 25 to 28 stores are expected to open in 2021.

Assaí surpassed the mark of 50,000 employees, and the new stores will create more than 6,000 new jobs by year-end.



Tancredo Neves Store (SP)



Cuiabá Store (MT)



Caldas Novas Store (GO)

OPERATING RESULT

(R\$ million)	2Q21	2Q20	Δ	1H21	1H20	Δ
Net operating revenue - ex fiscal credits (*)	10,009	8,224	21.7%	19,457	16,033	21.4%
Depreciation (Logistic)	(13)	(8)	67.1%	(25)	(15)	69.2%
Gross Profit - ex fiscal credits (*)	1,682	1,335	26.0%	3,189	2,550	25.1%
Gross Profit Margin - ex fiscal credits (*)	16.8%	16.2%	0.6 p.p.	16.4%	15.9%	0.5 p.p.
Selling, General and Administrative Expenses - ex fiscal credits (*)	(956)	(747)	28.0%	(1,849)	(1,465)	26.2%
% of Net Revenue - ex fiscal credits (*)	-9.6%	-9.1%	-0.5 p.p.	-9.5%	-9.1%	-0.4 p.p.
Equity income	14	-	n.d.	29	-	n.d.
Other operating expenses, net	(30)	(59)	-49.2%	(31)	(119)	-73.9%
Adjusted EBITDA ⁽¹⁾⁽²⁾ - ex fiscal credits (*)	753	596	26.4%	1,394	1,100	26.8%
Adjusted EBITDA Margin ⁽¹⁾⁽²⁾ - ex fiscal credits (*)	7.5%	7.2%	0.3 p.p.	7.2%	6.9%	0.3 p.p.

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

(2) Adjusted for Other Operating Revenue (Expenses)

* Excluding tax credits detailed in the "tax credits" section, page 3

Gross profit came to R\$1.7 billion in 2Q21, with gross margin of 16.8% (+60 bps), explained by the accelerated maturation of new stores, increased share of end consumers on sales and appropriate level of competitiveness, as a result of assertive sales campaigns in the quarter, especially the Northeast Football Cup, Easter, Mother's Day, the St. John/June Festivals and specific campaigns targeting the B2B public.

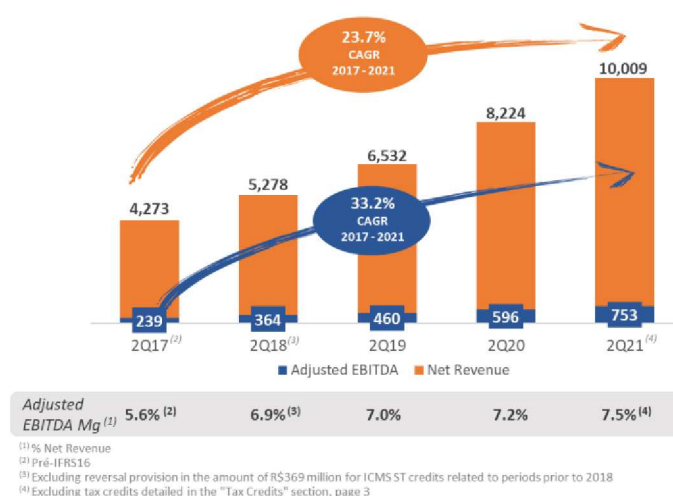
Selling, General and Administrative Expenses corresponded to 9.6% of net revenue, reflecting the inclusion of expenses with the new health protocols adopted during the pandemic, which were allocated at Other Operating Expenses line in 2Q20, as well as the expansion of the corporate backoffice team after the spin-off from GPA. For the purposes of improving comparability between periods, by allocating Covid-19 expenses in 2Q20 to the line Selling, General and Administrative Expenses, the expenses as a ratio of net sales improved by 10 bps.

Equity income reached R\$14 million in the quarter, which refers to the 18% interest held by Assaí in FIC (Financeira Itaú CBD). At end-June, the number of Passaí cards issued surpassed 1.45 million.

Other operating expenses, which came to R\$30 million, mainly refer to additional costs related to the spin-off. We do not expect significant costs in the line Other operating expenses in the coming quarters.

Adjusted EBITDA amounted to R\$753 million in the quarter, growing 26% and outpacing sales growth, with margin of 7.5%, up 30 bps. In 2Q20, Covid-related expenses were recognized in Other Operating Expenses; however, if allocated under Selling, General & Administrative Expenses to ensure comparison with 2Q21, adjusted EBITDA margin expanded by 90 bps, confirming the Company's operating efficiency and effective organic expansion.

In the first semester, adjusted EBITDA was R\$1.4 billion, increasing 27%, with margin of 7.2%, 30 bps higher than in 1H20. If we allocate the Covid-related expenses in 1H20 to Selling, General & Administrative Expenses, EBITDA margin expanded by 70 bps.



FINANCIAL RESULT

(R\$ million)	2Q21	2Q20	Δ	1H21	1H20	Δ
Cash profitability	17	17	0.0%	25	18	38.9%
Other financial revenues	2	1	100.0%	3	3	0.0%
Cost of debt	(112)	(102)	9.8%	(190)	(235)	-19.1%
Cost of Receivable Discount	(9)	(11)	-18.2%	(15)	(22)	-31.8%
Net Exchange Variation and Other financial expenses	26	17	52.9%	31	50	-38.0%
Net Financial Revenue (Expenses)	(76)	(78)	-2.6%	(146)	(186)	-21.5%
% of Net Revenue	-0.8%	-0.9%	0.1 p.p.	-0.7%	-1.2%	0.5 p.p.
Interest on lease liabilities	(69)	(53)	30.2%	(133)	(100)	33.0%
Net Financial Revenue (Expenses) - Post IFRS 16	(145)	(131)	10.7%	(279)	(286)	-2.4%
% of Net Revenue - Post IFRS 16	-1.4%	-1.6%	0.2 p.p.	-1.4%	-1.8%	0.4 p.p.

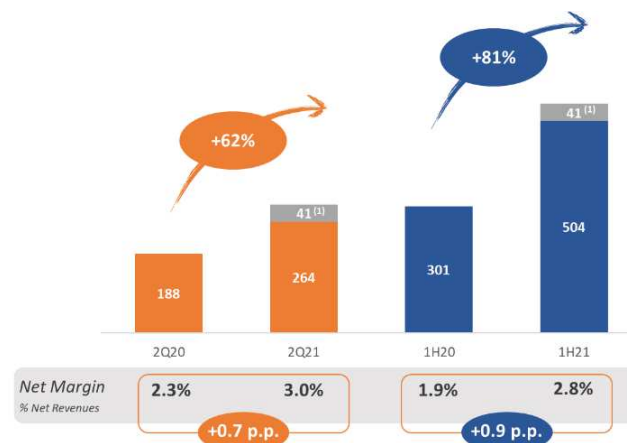
The quarterly net financial result after IFRS 16 was an expense of R\$145 million, corresponding to 1.4% of net sales. Excluding the effects from interest on lease liabilities, which amounted to R\$69 million in 2Q21, the net financial expense was R\$76 million, equivalent to 0.8% of total net revenue, an improvement of 10 bps from 2Q20. Excluding the positive effect from tax credits of R\$22 million, as described in the section "Tax Credits" (page 3), the financial expense pre-IFRS16 as a ratio of net sales remained practically in line (1.0%) with 2Q20 (0.9%), despite the positive effect from exchange variation on dividends received from Éxito in 2020.

In 1H21, the net financial expense pre-IFRS 16 was R\$146 million, or 0.7% of net sales, down 50 bps from 1H20. Excluding the effects from tax credits, the net financial expense corresponded to 0.9% of net sales, an improvement of 30 bps, mainly due to the reduction in debt costs.

NET INCOME

Net Income came to R\$305 million in the quarter, an increase of 62.2%. Net margin stood at 3.0%, gaining 70 bps, attesting the gains in operating and financial performance and the ongoing trend of solid growth with profitability. Excluding the effect from tax credits, net income came to R\$264 million, representing growth of 40.4%, with net margin expanding 30 bps to 2.6%.

In the first half of 2021, net income improved 81.1%, or 67.4% excluding the effect from tax credits, substantially outperforming the growth rates in Net Sales and Adjusted EBITDA, to reach R\$545 million, or R\$504 million ex-tax credits. Net margin expanded 90 bps, from 1.9% in 1H20 to 2.8% in 1H21, reflecting Assaí's efficient business model, despite the highly challenging scenario posed by the pandemic. Even after excluding the effects from tax credits, net margin still registered significant improvement, expanding 70 bps.



⁽¹⁾ Excluding Tax Credits detailed in the "Tax Credits" section, page 3

NET DEBT

(R\$ million)	2021	2020
Short Term Debt	(2,191)	(368)
Loans and Financing	(260)	(296)
Debentures	(1,931)	(145)
Derivative Financial Instruments	-	73
Long Term Debt	(7,342)	(7,460)
Loans and Financing	(984)	(968)
Debentures	(6,360)	(6,503)
Derivative Financial Instruments	2	11
Total Gross Debt	(9,533)	(7,828)
Cash and Financial Investments	4,511	2,439
Net Debt	(5,022)	(5,389)
Adjusted EBITDA ⁽¹⁾	2,604	1,952
On Balance Credit Card Receivables	82	61
Net Debt incl. Credit Cards Receivable not discounted	(4,940)	(5,328)
Net Debt incl. Credit Cards Receivable not discounted / Adjusted EBITDA ⁽¹⁾	-1.90x	-2.73x

⁽¹⁾ EBITDA LTM before IFRS 16. Includes positive effect of tax credits, as described in "Tax Credits" section on page 3

The deleveraging process remains strong, with net debt including credit card receivables, declining R\$388 million, to R\$4.9 billion, and the net debt/adjusted EBITDA ratio registering significant improvement of 0.8x EBITDA, from -2.73x in 2Q20 to -1.90x in 2Q21.

In 2Q21, the Company issued the 2nd debenture issue in the amount of R\$1.6 billion, the proceeds of which will be used to settle the 2nd series of the 1st debenture issue coming due in August 2021, which will reduce debt costs and lengthen the maturity. On July 27th, the Company also approved the issue of certificates of real estate receivables (CRI¹), in the amount of R\$1.5 billion, and of promissory notes², in the aggregate amount of R\$2.5 billion. The transactions will have average maturity of over four years and address payments coming due in 2022 and 2023.

INVESTMENTS

(R\$ million)	2Q21	2Q20	Δ	1H21	1H20	Δ
New stores and land acquisition	535	200	168.1%	659	457	44.4%
Store Renovation and maintenance	52	37	40.4%	77	63	22.1%
Infrastructure and others	22	21	2.9%	38	36	4.7%
Gross Total Investments	610	258	136.0%	774	556	39.3%
Asset Sales ⁽¹⁾	(1)	(384)	-99.8%	(1)	(385)	-99.7%
Net Total Investments	609	(125)	-586.2%	773	171	351.3%

(1) Sale Leaseback Operations

Total gross capital expenditures in the quarter came to R\$610 million, reflecting the accelerated organic expansion plan, with 25 to 28 stores to be opened during the year and inaugurations concentrated in the second half of the year. 3 stores were opened in the quarter, while 25 stores are under construction in 14 states.

ESG STRATEGY: OUR COMMITMENT TO SOCIETY

The Company's sustainability strategy has 6 work fronts that encompass various commitments, targets, actions and indicators. In the quarter, the Company published its sustainability report covering actions in 2020 on its Investor Relations website (<https://ri.assai.com.br/en/financial-information/annual-reports/>).

The key social and environmental results in the quarter include:

- **Combating climate change:** Assaí announced a target to reduce by 30% the carbon emissions from its operation by 2025, with total emissions in 2015 as the baseline. The annual targets for achieving this result are linked to the variable compensation of the Company's midlevel and senior leaders, reinforcing its commitment to the environment. The Company also undertook to reduce the amount of solid waste sent to landfills and, thanks to its waste-reduction initiatives, the rate of recyclable items rose to 41% and the percentage of solid waste sent to landfills decreased by 2 p.p. compared to 2Q20.

- **Engagement with society:** As part of its ongoing support for socially vulnerable populations, food donations in the quarter amounted to 220 tons, benefiting over 23,000 families. In addition, through the Solidarity Campaign, which was resumed in May 2021, Assaí stores already have collected 240 tons of non-perishable food, personal hygiene and cleaning items, which were redistributed to partner social organizations.

¹ The conclusion of the public offer is subject to obtaining registration from Brazilian Securities and Exchange Commission (CVM) and to fully meeting the conditions precedent established in the respective documentation.

² The conclusion of the Promissory Notes offer is subject to fully complying with the conditions precedent established in the respective documentation.

- **Integrated and transparent management:** To enhance its social and environmental policies and practices, in the quarter, Assaí formalized a partnership with Instituto Ethos de Empresas e Responsabilidade Social.

- **Valuing our people:** The Company also made significant progress in diversity and inclusion:

- The number of women in leadership positions (management and above) reached 25.2%, increasing 5 p.p. from 2Q20;
- 65.0% of our employees declare themselves as black or brown, according to the Ethnic-Racial Self-Declaration Campaign;
- 42.1% of leadership positions are held by blacks;
- An Anti-Racist Manual was distributed to all employees to strengthen our commitment to combating discrimination and respecting human rights;
- Adherence to the LGBTI+ Companies and Rights Forum, undertaking a commitment to foster respect for and the rights of LGBTQIA+ persons;
- Partnership with Transempregos to support the promotion of job opportunities for transsexual people;
- Organization of the 5th Diversity Week, with daily activities on topics involving LGBTQIA+, Generations, Gender, Persons with Disabilities and Race, which engaged employees from offices, DCs and stores.

STOCK SPLIT

On August 11th, 2021, the Extraordinary Shareholders Meeting will be held to vote on the stock split at the ratio of 1 to 5 of the shares traded on the B3, which will have no effect on the current value of the capital stock or on the interests held by shareholders. As per the Management Proposal dated July 8, 2021, the stock split aims to increase trading liquidity in the market, since it makes the stock price more attractive and accessible to a wider range of investors.

The number of ADRs traded on the NYSE will not change; however, the program will be changed so that each ADR is equivalent to 5 common shares.

ABOUT SENDAS S.A.

Founded in 1974, Assaí is the only pure cash-and-carry player listed on the São Paulo Stock Exchange (B3) since March 2021, trading under the ticker ASAI3. Assaí also trades on the New York Stock Exchange (NYSE) under the ticker ASAI. Assaí currently operates in all five regions of Brazil through 187 stores in 23 states (including the Federal District), with total sales area of 824 thousand Sqm. Assaí is one of Brazil's largest employers, with over 50,000 professionals, and welcomes to its stores 30 million customers each month. Assaí is one of the 20 most valuable brands in Brazil according to the annual ranking compiled by Interbrand and ranks 19th in the country in terms of net sales.

INVESTOR RELATIONS CONTACTS

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APPENDICES

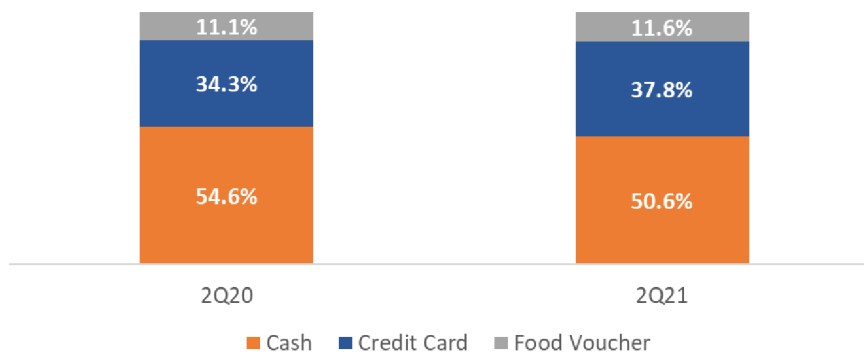
OPERATING INFORMATION

I – Store network and sales area

# of Stores	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Southeast	89	91	93	93	93	97	101	101	102
Northeast	35	37	42	43	44	46	49	49	49
MidWest	14	14	16	16	17	17	18	18	20
North	6	7	10	10	10	11	11	11	11
South	4	4	5	5	5	5	5	5	5
Total	148	153	166	167	169	176	184	184	187
Sales Area (thousand sq. meters)	617	643	713	714	724	761	809	809	824

II – Breakdown of sales

% of Gross Revenue



FINANCIAL INFORMATION

The following tables reflect the amounts presented in the quarterly financial information of Sendas Distribuidora and of the operations under the Assaí brand (Cash & Carry business), i.e., how the Company began to operate after its spin-off from GPA, in 2021. The following amounts do not exclude any adjustment or other non-recurring items.

III – Income Statement (Cash & Carry)

	Cash & Carry			Cash & Carry		
	2Q21	2Q20	Δ	1H21	1H20	Δ
R\$ - million						
Gross Revenue	10,907	9,030	20.8%	21,262	17,581	20.9%
Net operating revenue	10,049	8,224	22.2%	19,497	16,033	21.6%
Cost of Goods Sold	(8,314)	(6,881)	20.8%	(16,243)	(13,468)	20.6%
Depreciation (Logistic)	(13)	(8)	67.1%	(25)	(15)	69.2%
Gross Profit	1,722	1,335	29.0%	3,229	2,550	26.6%
Selling Expenses	(804)	(643)	25.0%	(1,560)	(1,261)	23.7%
General and Administrative Expenses	(152)	(104)	46.2%	(289)	(204)	41.7%
Selling, General and Adm. Expenses	(956)	(747)	28.0%	(1,849)	(1,465)	26.2%
Equity income	14	-	n.d.	29	-	n.d.
Other operating expenses, net	(30)	(59)	-49.2%	(31)	(119)	-73.9%
Depreciation and Amortization	(154)	(119)	29.4%	(299)	(233)	28.3%
Earnings before interest and Taxes - EBIT	596	410	45.4%	1,079	733	47.2%
Financial Revenue	52	65	-20.0%	69	126	-45.2%
Financial Expenses	(197)	(197)	0.0%	(348)	(414)	-15.9%
Net Financial Result	(145)	(132)	9.8%	(279)	(288)	-3.1%
Income Before Income Tax	451	278	62.2%	800	445	79.8%
Income Tax and Social Contribution	(146)	(90)	62.2%	(255)	(144)	77.1%
Net Income - Total Controlling Shareholders	305	188	62.2%	545	301	81.1%
Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA	763	537	42.2%	1,403	981	43.1%
Adjusted EBITDA ⁽¹⁾	793	596	33.1%	1,434	1,100	30.4%

	Cash & Carry		Cash & Carry	
	2Q21	2Q20	1H21	1H20
% of Net Revenue				
Gross Profit	17.1%	16.2%	16.6%	15.9%
Selling Expenses	-8.0%	-7.8%	-8.0%	-7.9%
General and Administrative Expenses	-1.5%	-1.3%	-1.5%	-1.3%
Selling, General and Adm. Expenses	-9.5%	-9.1%	-9.5%	-9.1%
Equity Income	0.1%	0.0%	0.1%	0.0%
Other Operating Revenue (Expenses)	-0.3%	-0.7%	-0.2%	-0.7%
Depreciation and Amortization	-1.5%	-1.4%	-1.5%	-1.5%
EBIT	5.9%	5.0%	5.5%	4.6%
Net Financial Revenue (Expenses)	-1.4%	-1.6%	-1.4%	-1.8%
Income Before Income Tax	4.5%	3.4%	4.1%	2.8%
Income Tax	-1.5%	-1.1%	-1.3%	-0.9%
Net Income - Total Controlling Shareholders	3.0%	2.3%	2.8%	1.9%
EBITDA	7.6%	6.5%	7.2%	6.1%
Adjusted EBITDA ⁽¹⁾	7.9%	7.2%	7.4%	6.9%

⁽¹⁾ Adjusted for Other Operating Revenue (Expenses)

IV – Income Statement (Sendas Distribuidora)

	Sendas Distribuidora			Sendas Distribuidora		
	2Q21	2Q20	Δ	1H21	1H20	Δ
R\$ - million						
Gross Revenue	10,907	9,065	20.3%	21,262	17,629	20.6%
Net operating revenue	10,049	8,242	21.9%	19,497	16,080	21.3%
Cost of Goods Sold	(8,314)	(6,896)	20.6%	(16,243)	(13,510)	20.2%
Depreciation (Logistic)	(13)	(8)	67.1%	(25)	(15)	69.2%
Gross Profit	1,722	1,338	28.7%	3,229	2,555	26.4%
Selling Expenses	(804)	(647)	24.3%	(1,560)	(1,267)	23.1%
General and Administrative Expenses	(152)	(104)	46.2%	(289)	(198)	46.0%
Selling, General and Adm. Expenses	(956)	(751)	27.3%	(1,849)	(1,465)	26.2%
Equity income	14	6	133.3%	29	(10)	-390.0%
Other operating expenses, net	(30)	(82)	-63.4%	(31)	(142)	-78.2%
Depreciation and Amortization	(154)	(121)	27.3%	(299)	(238)	25.6%
Earnings before interest and Taxes - EBIT	596	390	52.8%	1,079	700	54.1%
Financial Revenue	52	66	-21.2%	69	129	-46.5%
Financial Expenses	(197)	(197)	0.0%	(348)	(415)	-16.1%
Net Financial Result	(145)	(131)	10.7%	(279)	(286)	-2.4%
Income Before Income Tax	451	259	74.1%	800	414	93.2%
Income Tax and Social Contribution	(146)	(84)	73.8%	(255)	(139)	83.5%
Net Income - Total Controlling Shareholders	305	175	74.3%	545	275	98.2%
Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA	763	519	47.1%	1,403	953	47.3%
Adjusted EBITDA ⁽¹⁾	793	595	33.3%	1,405	1,105	27.2%

	Sendas Distribuidora		Sendas Distribuidora	
	2Q21	2Q20	1H21	1H20
% of Net Revenue				
Gross Profit	17.1%	16.2%	16.6%	15.9%
Selling Expenses	-8.0%	-7.9%	-8.0%	-7.9%
General and Administrative Expenses	-1.5%	-1.3%	-1.5%	-1.2%
Selling, General and Adm. Expenses	-9.5%	-9.1%	-9.5%	-9.1%
Equity Income	0.1%	0.1%	0.1%	-0.1%
Other Operating Revenue (Expenses)	-0.3%	-1.0%	-0.2%	-0.9%
Depreciation and Amortization	-1.5%	-1.5%	-1.5%	-1.5%
EBIT	5.9%	4.7%	5.5%	4.4%
Net Financial Revenue (Expenses)	-1.4%	-1.6%	-1.4%	-1.8%
Income Before Income Tax	4.5%	3.1%	4.1%	2.6%
Income Tax	-1.5%	-1.0%	-1.3%	-0.9%
Net Income - Total Controlling Shareholders	3.0%	2.1%	2.8%	1.7%
Earnings before Interest, Taxes, Depreciation, Amortization - EBITDA	7.6%	6.3%	7.2%	5.9%
Adjusted EBITDA ⁽¹⁾	7.9%	7.2%	7.2%	6.9%

⁽¹⁾ Adjusted for Other Operating Revenue (Expenses) and Equity Income

V – Balance Sheet

ASSETS (R\$ million)	Sendas Distribuidora	
	06.30.2021	06.30.2020
Current Assets	9,371	6,048
Cash and cash equivalent	4,511	2,439
Trade receivables	230	168
Inventories	3,688	2,625
Recoverable taxes	683	564
Derivative financial instruments	-	73
Assets held for sale	147	106
Other accounts receivable	34	23
Other current assets	78	50
Non-current assets	11,110	18,548
Long-term assets	11,110	18,548
Recoverable taxes	771	985
Derivative financial instruments	2	11
Related parties	179	21
Restricted deposits for legal proceedings	132	104
Other non-current assets	21	1
Investments	798	9,975
Property, plant and equipment	8,160	6,414
Intangible assets	1,047	1,037
TOTAL ASSETS	20,481	24,596

LIABILITIES (R\$ million)	Sendas Distribuidora	
	06.30.2021	06.30.2020
Current Liabilities	8,006	5,262
Trade payables, net	4,505	3,520
Borrowings and financing	260	296
Debentures and promissory notes	1,931	145
Payroll and related taxes	408	326
Lease liabilities	213	135
Related parties	104	287
Taxes payable	119	64
Income tax and social contribution payable	163	180
Deferred revenues	139	188
Other current liabilities	164	121
Non-current liabilities	10,558	10,246
Borrowings and financing	984	968
Debentures and promissory notes	6,360	6,503
Deferred income tax and social contribution	72	273
Provision for legal proceedings	251	241
Lease liabilities	2,878	2,251
Deferred revenues	1	1
Other non-current liabilities	12	9
Shareholders' Equity	1,917	9,088
Capital stock	779	4,478
Capital reserve	11	21
Profit reserve	1,127	2,874
Other comprehensive results	-	1,715
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	20,481	24,596

VI – Cash Flow

(R\$ million)	Cash & Carry		Sendas Distribuidora	
	06.30.2021	06.30.2020	06.30.2021	06.30.2020
Net income for the period	545	301	545	275
Deferred income tax and social contribution	(10)	(92)	(10)	(123)
Loss on disposal of property, plant and equipment	68	27	68	27
Depreciation and amortization	324	247	324	252
Interests and monetary variation	401	294	401	295
Share of profit and loss of associate	(29)	-	(29)	10
Reversal of legal proceedings	(24)	(3)	(24)	(3)
Share-based payments	7	3	7	3
Provision (reversal) of allowance for inventory losses and damages	138	(8)	138	132
Gain on leasing liabilities write-off	(74)	(4)	(74)	(4)
Provision (reversal) of allowance for doubtful accounts	1	-	1	(1)
	1,347	765	1,347	863
Variation of operating assets				
Trade receivables	(49)	(44)	(49)	(44)
Inventories	(87)	148	(87)	9
Recoverable taxes	189	(35)	189	77
Dividends received	-	1,357	-	1,399
Other assets	(67)	77	(67)	77
Related parties	66	240	66	201
Restricted deposits for legal proceedings	3	18	3	19
	55	1,761	55	1,738
Variation of operating liabilities				
Trade payables	(551)	(966)	(551)	(971)
Payroll and related taxes	37	47	37	47
Taxes and social contributions payable	(8)	147	(8)	175
Other accounts payable	(30)	32	(30)	(66)
Provision for legal proceedings	(19)	(2)	(19)	(2)
Deferred revenues	(97)	4	(97)	4
Income tax and social contribution paid	(238)	-	(238)	-
	(906)	(738)	(906)	(813)
Net cash generated by operating activities	496	1,788	496	1,788
Purchase of plant, property and equipment	(739)	(570)	(739)	(571)
Purchase of Intangible assets	(19)	(13)	(19)	(13)
Proceeds from the sales of property, plant and equipment	1	385	1	385
Net cash used in investment activities	(757)	(198)	(757)	(199)
Cash flow from financing activities				
Increase of capital	18	1	18	-
Proceeds from borrowings and financing	1,874	599	1,874	599
Payments of borrowings and financing	(366)	(1,477)	(366)	(1,478)
Dividend Payment	(85)	-	(85)	-
Payments of lease liabilities	(201)	(147)	(201)	(147)
Net cash generated by (used in) financing activities	1,240	(1,024)	1,240	(1,026)
Cash and cash equivalents at the beginning of the period	3,532	1,863	3,532	1,876
Cash and cash equivalents at the end of the period	4,511	2,429	4,511	2,439
Net increase in cash and cash equivalents	979	566	979	563



1 Corporate Information

Sendas Distribuidora S.A. (the "Company" or "Sendas") is mainly engaged in the retail and wholesale sale of food, bazar, and other products through its stores, represented by the banner "ASSAÍ". The Company is based in the State of Rio de Janeiro, at Avenida Ayrton Senna, 6.000, Lote 2 - Anexo A, Jacarepaguá/RJ. On June 30, 2021, the Company operated 187 stores and 13 Distribution Centers which were present in all five regions of the country, distributed in 23 states (including Federal District).

With the corporate reorganization process concluded on December 31, 2020, see note 1.2, the Company ceased to be a wholly owned subsidiary of Grupo Pão de Açúcar ("GPA") and became a direct subsidiary of Wilkes Participações S.A. ("Wilkes").

On November 27, 2019, the Company took over from Casino Guichard Perrachon ("Casino") the control of Almacenes Éxito S.A. ("Éxito"), an entity operating in Colombia, under the supermarket and hypermarket banners Éxito, Carulla, Super Inter, Surtimax, and Surtimayorista, in Argentina under the banner Libertad and in Uruguay under the banners Disco and Devoto. Additionally, Éxito operates in Colombia under the banner Viva in the mall centers. On December 31, 2020, the Company transferred Éxito's control in its entirety to GPA as part of spin-off transaction, see note 1.2 and the Éxito's operations has been presented as discontinued operations, see note 27.

1.1 Listing of Sendas in the Novo Mercado of B3 and NYSE

On February 19, 2021, the Company communicated to the market, through Material Fact, that on February 10, 2021 the request for listing and admission to the trading of the Company's shares in the Novo Mercado segment of the B3 S.A. – Brasil, Bolsa, Balcão was approved. And, on February 12, 2021 the request for listing of the Company American Depository Securities ("ADSs") representing its common shares on the New York Stock Exchange ("NYSE") was approved.

GPA's shareholders received, after the close of trading on February 26, 2021 ("Cut-off Date"), shares issued by the Company, in proportion to their respective holdings in the capital stock of GPA.

The shares and ADSs issued by the Company became to be negotiated on B3 and NYSE since March 1, 2021.

1.2 Corporate reorganization

At meetings held on December 12, 2020 and disclosed to the market on December 14, 2020, the Board of Directors of the Company and GPA approved the Transaction to separate the cash and carry business under the ASSAÍ banner from the traditional retail business of GPA.

At the Extraordinary Shareholders' Meeting held on December 31, 2020, shareholders of the Company and GPA approved the Transaction described below:

i) Spin-off of the Company: partial spin-off of Sendas with the incorporation of the spin-off assets by GPA whose the net carrying amount calculated by the independent evaluator company was R\$9,179, comprising 90.93% of the total Éxito's shares held by the Company, corresponding to 393,010,656 (three hundred ninety-three million, ten thousand, six hundred fifty-six) shares and equivalent to approximately 87.80% of the total shares issued by Éxito ("Éxito participation") and for 6 (six) gas stations held by Sendas ("Operational Assets") in the amount of R\$25; and

ii) Spin-off of GPA: partial spin-off of GPA which aims segregate the totality of shareholding participation that GPA holds, whose net carrying amount calculated by the independent evaluator company was R\$1,216, with the distribution of the shares issued by Sendas, owned by GPA, directly to GPA's shareholders, as a proportion of one share issued by the Company for each one share issued by GPA.

In the spin-off process between Sendas and GPA, an exchange of assets was performed that transferred to GPA 9.07% of the total shares held by the Company, corresponding to 39,246,012 (thirty-nine million, two hundred and forty-six thousand and twelve) shares and equivalent to approximately 8.77% of total shares issued by Éxito undertaking the receipt of the following assets owned by GPA that may be developed by the Company:

i) 50% of the shares of Bellamar Empreendimento e Participações Ltda. ("Bellamar"), a holding Company that holds an investment in 35.76% of the Financeira Itaú CBD S.A – Crédito, Financiamento e Investimento ("FIC"), in the amount of R\$769, see note 11.1, and real state in the amount of R\$146.

ii) Company's capital stock increase in the amount of R\$685 through: a) R\$500 in cash; b) R\$140 capitalization of amounts payable to GPA; c) R\$45 net book assets of stores that may be developed by the Company.

iii) R\$168 regarding to contingent liabilities and related judicial deposits and which the Company and GPA have agreed to be responsible after the spin-off. This indemnity effects were recorded in related parties, see note 10.

According to the material fact published on November 19, 2020, the Company obtained all necessary authorizations from its creditors, in order to proceed with the segregation of its cash & carry operation through referred spin-off, on the same date, the renegotiation of certain remuneration rates was also approved and the release from GPA as guarantor for the issuance of the Company's debentures and promissory notes. The total amount of the renegotiated debt was R\$6,644, representing 85% of the Company's gross debt of the Company on December 31, 2020. On the other hand of the renegotiation of the remuneration rates, the Company obtained a "waiver" related to financial covenants for the period of December 31, 2020 up to December 31, 2023 and due to this renegotiation, the amount of R\$71 was recognized in the financial result as debt cost.



1.2.1 Derecognition of Éxito subsidiary

Éxito's balance sheet as of December 31, 2020 is presented below. The Company no longer presents consolidated financial statements on December 31, 2020, since the derecognition of Company's only subsidiary has occurred.

	<u>12/31/2020</u>
ASSETS	
Current	
Cash and cash equivalents	3.687
Trade receivables	384
Other accounts receivables	220
Inventories	2.993
Recoverable taxes	570
Other current assets	130
	<u>7.984</u>
Assets held for sale	30
Total current assets	<u>8.014</u>
Non-current	
Related parties	82
Legal deposits	3
Other non-current assets	171
Investments	480
Investment properties	3.639
Property, plant and equipment	10.504
Intangible assets	4.051
Total non-current assets	<u>18.930</u>
Total assets	<u>26.944</u>
LIABILITIES	
Current	
Trade payable	6.449
Borrowings and financing	1.051
Payroll and related taxes	375
Lease liabilities	377
Related parties	77
Taxes and social contribution payable	288
Acquisition of non-controlling interest	636
Deferred revenues	200
Dividends payable	40
Other current liabilities	236
Total current liabilities	<u>9.729</u>
Non-current	
Borrowings and financing	520
Deferrend income tax and social contribution	883
Provision for legal proceedings	139
Lease liabilities	2.039
Other non-current liabilities	39
Total non-current liabilities	<u>3.620</u>
SHAREHOLDERS' EQUITY	
Total shareholders' equity	<u>13.595</u>
Total liabilities and shareholders' equity	<u>26.944</u>

1.3 Impacts of the pandemic on the Company's interim financial information

Since December 2019, a new strain of Coronavirus named as COVID-19 has spread across the world. Since then, the Company has been monitoring the spread of COVID-19 and its impacts on its operations. Several actions have been taken by the Company, among them, we appointed a crisis committee composed of senior management, which makes decisions in line with recommendations of the Brazilian Ministry of Health, local authorities, and professional associations.

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

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

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

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



- The Company reviewed its budget, adopted to estimate the calculation of the recovery of store assets and intangible assets on December 31, 2020, and no significant reductions were seen in revenues, and in other items of the income statement to evidence impairment of these assets. Due to uncertainties concerning the end of the pandemic and its macroeconomic effects, the Company analyzed the indication of impairment for certain assets and, accordingly, updated its impairment tests. There were no new elements in the semester ended June 30, 2021 that the Company's need to review the asset recovery test.

The recoverable value is determined by calculating the value in use, from cash projections deriving from financial budgets, which were reviewed and approved by senior management for the next three years, considering the assumptions updated for December 31, 2020. The discount rate applied to cash flow projections is 9.80% on December 31, 2020, and the cash flows to exceed three years are extrapolated, applying a growth rate of 4.6% on December 31, 2020. As a result of this analysis, we did not identify the need for recording a provision for impairment of these assets.

- The Company analyzed the collection of balances of trade receivables from credit card operators, clients, galleries at our stores, property rentals, and concluded that, at this point, it is not necessary to record provisions, in addition to those already recorded;
- Concerning inventories, the Company does not foresee the need to make a market price adjustment;
- Financial instruments already reflect the market assumptions in their valuation, there are no additional exposures not disclosed. The Company is not exposed to significant financing denominated in US dollars;
- At this point, the Company does not foresee additional funding; and
- Finally, the costs necessary to adapt the Company's stores to serve the public were not significant.

In summary, according to Management's estimates and the monitoring of the impacts of the pandemic, there are no effects that should be recorded in the Company's interim financial information for the period ended June 30, 2021, nor are there any effects on the continuity and / or estimates of the Company that would justify changes or recording provisions in addition to those already disclosed. The Company will continue to monitor and evaluate the impacts and, if necessary, make the necessary disclosures.

1.4 Going concern analysis

Management has assessed the Company's ability to continue operating in a foreseeable future and concluded that Company has ability to maintain its operations and systems working regularly, even in the face of the COVID-19 pandemic (see note 1.3). Therefore, Management is not aware of any material uncertainty that could indicate significant doubts about its ability to continue operating. The interim financial information has been prepared based on the assumption of business continuity.

2 Basis of preparation and disclosure of the individual and consolidated interim financial information

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

The interim financial information has been prepared on a historical cost basis except for certain financial instruments measured at their fair value. All relevant information in the financial statements is being evidenced by and corresponds to that used by Management in the administration of the Company.

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

The interim financial information for the six-month period ended June 30, 2021 were approved by the Board of Directors on July 27, 2021.

3 Significant accounting policies

The main accounting policies and practices applied by the Company to the preparation of the individual and consolidated 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, 2020, and, therefore, it should be read together.

3.1 Standards, amendments and interpretation

There were no new standards, amendments and interpretation issued that must be disclosed for the three-month period ended June 30, 2021.

4 Restatement of the interim financial information

4.1 Restatement of the corresponding amounts as result of Éxito's spin-off

The consolidated interim financial statement of operations, consolidated statement of added value for the period and the explanatory notes for the six-month period ended June 30, 2020 are being restated due to Éxito subsidiary's spin-off according to the effects of such transaction in compliance with the accounting standard CPC 31 / IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operation.

The cash flow statement includes continued and discontinued operations in line with accounting standard CPC 31 / IFRS 5.

Statement of Operations

	Consolidated		
	6/30/2020		
	Originally presented	Spin-off effects	Restated
Net operating revenue	26.411	(10.331)	16.080
Cost of sales	(21.328)	7.803	(13.525)
Gross profit	5.083	(2.528)	2.555
Operating expenses, net			
Selling expenses	(2.657)	1.390	(1.267)
General and administrative expenses	(639)	441	(198)
Depreciation and amortization	(584)	346	(238)
Share of profit (loss) of associates	(41)	41	-
Other operating expenses, net	(244)	102	(142)
	(4.165)	2.320	(1.845)
Operating profit before net financial result	918	(208)	710
Net financial result	(444)	158	(286)
Income before income taxes from continued operations	474	(50)	424
Income tax and social contribution	(125)	(14)	(139)
Net income from continued operations	349	(64)	285
Discontinued operations			
Net income from discontinued operations	-	64	64
Net income for the period	349	-	349

Statement of added value

	Consolidated		
	6/30/2020		
	Originally presented	Spin-off effects	Restated
Revenues			
Sales of goods	29.195	(11.570)	17.625
(Allowance) reversals for doubtful accounts	(10)	9	(1)
Other revenues	280	43	323
	29.465	(11.518)	17.947
Products acquired from third parties			
Costs of goods sold	(21.828)	7.399	(14.429)
Materials, energy, outsourced services and other	(2.111)	979	(1.132)
	(23.939)	8.378	(15.561)
Gross value added	5.526	(3.140)	2.386
Retention			
Depreciation and amortization	(646)	394	(252)
Net value added produced by the Company	4.880	(2.746)	2.134
Value added received in transfer			
Share of profit (loss) of subsidiaries and associates	(41)	41	-
Financial revenue	227	(98)	129
	186	(57)	129
Net income from discontinued operations	-	64	64
Total value added to distribute	5.066	(2.739)	2.327
Personnel	1.911	(1.023)	888
Direct compensation	1.459	(902)	557
Benefits	317	(86)	231
Government severance indemnity fund for employees (FGTS)	46	-	46
Others	89	(35)	54
Taxes, fees and contributions	2.127	(1.460)	667
Federal	506	(213)	293
State	1.530	(1.184)	346
Municipal	91	(63)	28
External financiers	679	(256)	423
Interest	671	(256)	415
Rental	8	-	8
Shareholders' remuneration	349	-	349
Retained earnings for the period	275	-	275
Non-controlling interest in retained earnings	74	-	74
Total added value distributed	5.066	(2.739)	2.327

4.2 Restatement – Earnings per share

On October 5, 2020, the reverse stock split of 3,269,992,034 (three billion, two hundred sixty-nine million, nine hundred ninety-two thousand and thirty-four) nominative common shares, without nominal value issued by the Company, in the proportion of 12,1854776946393 to compose 1 (one) share ("Reverse Stock Split") was approved, resulting in the Company's capital stock divided into 268,351,567 (two hundred sixty-eight million, three hundred fifty-one thousand and five hundred sixty-seven) nominative common shares, without nominal value. The reverse stock split was not reflected in the interim financial information on June 30, 2020, originally issued on October 6, 2020, which disagree with the accounting standard CPC 41 / IAS 33 – Earning per share, resulting in the following restatement:

	6/30/2020		
	Originally presented	Reverse stock split effects	Restated
Basic and diluted number:			
Basic profit allocated and not distributed	275	-	275
Allocated net income available to ordinary shareholders	275	-	275
Basic and diluted denominator (million shares)			
Weighted average number of shares	3.141	12,18548	258
Basic and diluted earnings per million shares (R\$)	0,08755	-	1,06589



4.3 Restatement of profit retention reserve and proposed dividends

In the financial statements as of December 31, 2020, published on February 22, 2021, the legal reserve was constituted in the amount of R\$217, exceeding the limit of 20% of the Company's capital stock as established by art. 193 of Law No. 6,404/1976. The table below presents the impacts of the adjustments for the proper constitution of the legal reserve and proposed dividends and the restatement of the Company's financial statement, see note 20.2 and 20.3.

Below we present the impacts on the balance sheet lines:

	12/31/2020		
	Originally presented	Adjustments	Restated
Current liabilities			
Dividends payable	22	63	85
Total current liabilities	8.723	63	8.786
Shareholders' equity			
Legal reserve	217	(65)	152
Profit retention	428	65	493
Dividends allocation	(22)	(63)	(85)
Total Shareholders' equity	1.410	(63)	1.347

5 Significant accounting judgments, estimates, and assumptions

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

The significant assumptions and estimates applied on the preparation of the individual and consolidated interim financial information for the period ended June 30, 2021, were the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2020.

6 Cash and cash equivalents

	6/30/2021	12/31/2020
Cash and bank accounts - Brazil	70	64
Cash and bank accounts - Abroad (*)	23	29
Financial investments - Brazil (**)	4.418	3.439
	4.511	3.532

(*) On June 30, 2021, the Company had funds held abroad, being R\$23 in US Dollars (R\$24 in US Dollars and R\$5 in Colombian Pesos on December 31, 2020).

(**) On June 30, 2021, the financial investments correspond to the repurchase and resale agreements and certificate of deposits, yielded by the weighted average of 98.90% of CDI - Interbank Deposit Certificate (96.96% of CDI on December 31, 2020) and redeemable within terms less than 90 days, as of the date of investment, without losing income.

7 Trade receivables

	Note	6/30/2021	12/31/2020
From sales with:			
Credit card companies	7.1	68	62
Credit card companies with related parties	10.1	13	17
Sales ticket and others		122	77
Trade receivables with related parties	10.1	20	10
Trade receivables with suppliers/slips		12	20
Allowance for doubtful accounts	7.2	(5)	(4)
		230	182

7.1 Credit card companies

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

7.2 Allowance for doubtful accounts

	6/30/2021	12/31/2020
At the beginning of the period	(4)	(5)
Additions	(16)	(12)
Reversals	15	13
At the end of the period	(5)	(4)

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

	Total	Due	Overdue	
			Up to 30 days	> 90 days
6/30/2021	235	231	1	3
12/31/2020	186	181	2	3



8 Inventories

	Note	6/30/2021	12/31/2020
Stores		3.321	3.416
Distribution centers	8.1	392	374
Allowance for loss on inventory obsolescence and damages	8.2	(25)	(51)
		<u>3.688</u>	<u>3.739</u>

8.1 Commercial agreements

On June 30, 2021, the amount of unrealized commercial agreements, as a reduction of inventory balance, totaled R\$474 (R\$444 on December 31, 2020).

8.2 Allowance for loss on inventory obsolescence and damages

	6/30/2021	12/31/2020
At the beginning of the period	(51)	(41)
Additions	(147)	(140)
Write-offs	9	8
Reversals	164	141
At the end of the period	<u>(25)</u>	<u>(32)</u>

9 Recoverable taxes

	Note	6/30/2021	12/31/2020
State VAT tax credits - ICMS	9.1	1.205	1.311
Social Integration Program and Contribution for Social Security Financing - PIS/COFINS	9.2	266	141
Provision for exclusion of ICMS on PIS/COFINS calculation base	9.2	(51)	-
Social Security Contribution - INSS	9.3	31	36
Income tax and social contribution		1	144
Others		2	2
Total		<u>1.454</u>	<u>1.634</u>
Current		683	768
Non-current		771	866

9.1 State VAT tax credits - ICMS

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

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

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

With respect to credits that cannot yet be immediately offset, the Company's Management, based on a technical recovery study, based on the future expectation of growth and consequent compensation with taxes payable arising from its operations, believes that its future compensation is viable. The studies mentioned are prepared and periodically reviewed based on information extracted from the strategic planning previously approved by the Company's Board of Directors. For the interim financial information as of June 30, 2021, the Company's management has monitoring controls over adherence to the annually established plan, reassessing and including new elements that contribute to the realization of the ICMS balance to be recovered, as shown in the table below:

Year	Amount
Em 1 year	453
From 1 to 2 years	248
From 2 to 3 years	260
From 3 to 4 years	139
From 4 to 5 years	32
After 5 years	73
Total	<u>1.205</u>

9.2 PIS and COFINS credits

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



The STF decided to modulate the effects of the decision, for taxpayers who distributed the lawsuits before March 15, 2017 or with administrative proceedings in progress before that same date, would be have rights to take advantage of the past period. As the decision was rendered in a process with recognized general repercussions, the understanding reached is mandatory for all judges and courts. The Company informs that it had a lawsuit filed 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.

The Brazilian Securities and Exchange Commission (CVM) had published Circular Letter No. 01/2021, among other topics, giving recommendations to publicly traded companies regarding the recognition of tax credits arising from the exclusion of ICMS from the PIS calculation basis and of COFINS, recommending that recognition only occur when there is reference, in the final decision, to the period covered in the lawsuit and the amount of ICMS to be excluded, until the decision becomes final.

On June 30, 2021, regarding available information, the Company partially recorded its right, net of provision, in the amount of R\$62 (R\$40 in net revenue and R\$22 in financial result, arising from monetary correction). Due to the volume of data, the extension of the period to be calculated and the complexity of the calculation, in addition to the rules of the Federal Revenue of Brazil to be attended to determine all the credit to be offset, that is a preliminary estimate and the total amount will be calculated, the Company estimates that the difference between the estimate amount and the amount to be calculated will not be significant. Such provision refers to the period that the Company is calculating and detailing the supporting documentation. The Company will use its best efforts in order to have the definitive recognition in the third quarter of 2021, with the final and unappealable decision, as mentioned above.

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

9.3 Incidence of social security contributions

On August 28, 2020, the STF, in general repercussion, recognized as constitutional the incidence of social security contributions (INSS) on the additional one-third of vacation payment. The Company has been monitoring the progress of these issues involving unconstitutionality in social security contributions, and together with its legal advisors, concluded that the elements to date do not impact the recoverability of the respective INSS credits recorded in the amount of R\$11 on June 30, 2021 (R\$11 on December 31, 2020).

10 Related Parties

10.1 Balances and related party transactions

	Assets				Liabilities			
	Clients		Other assets		Suppliers		Other liabilities	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Controlling shareholders								
Euris	-	-	-	-	-	-	1	-
Casino Guichard Perrachon	10	10	-	-	-	-	-	-
	10	10	-	-	-	-	1	-
Other related parties								
GPA (i)	10	-	166	168	10	-	103	41
Greenyellow	-	-	2	-	-	-	-	-
Joint venture								
Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento ("FIC")	13	17	11	10	8	11	-	-
	23	17	179	168	10	-	103	41
Total	33	27	179	168	10	-	104	41

	Parent Company		Consolidated
	Transactions		Transactions
	Revenue (expenses)	Revenue (expenses)	Revenue (expenses)
	6/30/2021	6/30/2020	6/30/2021
Controlling shareholders			
Wilkes Participações S/A	(1)	-	-
Euris	(1)	-	-
Casino Guichard Perrachon	(23)	-	-
	(25)	-	-
Other related parties			
GPA (i)	(89)	(115)	(115)
FIC	6	4	4
Compre Bem	(3)	2	2
Puntos Colombia	-	-	(54)
Tuya	-	-	11
Greenyellow	(14)	(2)	(18)
Grupo Exitó	-	-	(10)
Others	-	-	(1)
	(100)	(111)	(181)
Total	(125)	(111)	(181)

(i) Amounts refer to the spin-off and responsibility agreement which the Company assigned related to the corporate reorganization occurred on Decemebr 31, 2020. See note 1.2.

10.2 Management compensation

Expenses referring to the statutory executive board compensation recorded in the Company's statement of operations in the periods ended June 30, 2021 and 2020 as follows (amounts expressed in thousands reais):

	Base salary		Variable compensation		Stock option plan		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Executive officers	16.024	-	-	-	2.125	-	18.149	-
Board of director	14.660	9.690	7.243	3.513	1.597	2.835	23.500	16.038
Fiscal council	72	-	-	-	-	-	72	-
	<u>30.756</u>	<u>9.690</u>	<u>7.243</u>	<u>3.513</u>	<u>3.722</u>	<u>2.835</u>	<u>41.721</u>	<u>16.038</u>

The stock option plan refers to the Company's executives holding GPA shares and this plan has been treated in the Company's statement of operations, related expenses are allocated to the Company and recorded in the statement of operations against capital reserve – stock options in shareholders' equity.

11 Investments

The details of the Company's investment at the end of the period are presented below:

Investment type	Company	Country	Participation in investments	
			-%	
			Direct participation	
			6/30/2021	12/31/2020
Joint venture	Bellamar Empreendimento e Participações S.A.	Brazil	50,00	50,00

Investments composition and breakdown

	Bellamar
As of December 31, 2020	769
Share of profit and loss of associates	29
As of June 30, 2021	<u>798</u>

11.1 Acquisition of Bellamar's participation

On December 31, 2020, the Company's shareholders approved through extraordinary general meeting the exchange transaction between GPA and Sendas that comprised the acquisition of 50% of Bellamar's participation which holds 35.76% of FIC's capital stock. According to this transaction, the Company indirectly holds hereafter 17.88% of FIC's capital stock.

The transaction related to Bellamar's acquisition was assessed as a joint venture, in accordance with CPC 19 (R2) / IFRS 11 – Joint business.

Since the acquisition is a joint venture valued through the equity method, the assets identified, and the liabilities assumed are recorded within the investment line.

Corporate information

FIC has the practice off entire operations, as permitted by laws and regulamentation, to credit, financing and investments entities, the issuance and management of owned and third parties' credit cards, as well as the performance of correspondents' function in the country. FIC's operations are conducted by Itaú Unibanco Holding S.A.

In regard with corporate reorganization process involving the Company, see note 1.2, the Company prepared a study in order to evaluate the fair value of intangible assets and the indicative purchase price allocation ("PPA") related to the minority participation acquisition of 17.88% of FIC's shares, through Bellamar, by the Company on December 31, 2020.

Determination of consideration transferred through the acquisition

The Company transferred to GPA equivalent to 9.07% of Éxito's shares, corresponding to 39,246,012 (thirty-nine million, two hundred forty-six thousand and twelve) shares.

Fair value of identified assets and liabilities acquired

Management hired an independent company to determine the value of FIC's shares, evaluated in the range of R\$4.63 up to R\$4.86 per share.

In order to determine the value of shares during the spin-off process, it was adopted the amount of R\$4.74, therefore, on December 31, 2020, the market value of FIC was in the amount of R\$4,301, that represents the amount of R\$1,538 related to the fair value of Bellamar's investment on FIC.

According to the exchange transaction, the Company received 50% of Bellamar's shares by means of fair value, in amount of R\$769.

Composition of acquisition price

For the period ended June 30, 2021, the Company concluded the allocation of the acquisition value corresponding to the 17.88% participation in FIC of R\$ 769. FIC's identifiable assets and liabilities are demonstrated in the table below.

Assets acquired and liabilities assumed

The fair value of FIC's identifiable assets and liabilities on December 31, 2020 (acquisition date) are demonstrated as follows:



Assets	
Cash and cash equivalents	29
Marketable securities	22
Credit operations	6.213
Other credits	98
Other receivables	3
Other credits, non-current	265
Property, plant and equipment and intangible assets	3.127
Investments	47
	<u>9.804</u>
Liabilities	
Deposits	(790)
Interfinancial relations	(2.457)
Other liabilities	(2.256)
	<u>(5.503)</u>
Total fair value of identifiable net assets	4.301
Company's participation	17,88%
Acquisition price	769
Book shareholders's equity acquired	(211)
Fair value adjustment - intangible assets	(388)
Unallocated portion	170

11.2 Joint venture

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

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

After the method equity is applied, the Company determines if it is necessary recognize additional loss of recuperable value over investments related to the joint venture. The Company will determine, on each annual closing date of balance sheet, if exists objective evidence that means the investment on joint venture suffered loss due to the reduction of recuperable value. In case of such loss is identified, the Company calculates the value of loss due to the reduction of recuperable value as a difference between the joint venture's recuperable value and the carrying amount and recognizes the loss on its statement of operations. On December 31, 2020, the analysis was not made by the Company, since on this date, the Company recognized the initial participation, regarding explanation on note 11.1.



12 Property, plant and equipment

12.1 Property, plant and equipment breakdown

	As of December 31, 2020		Remeasurment	Write-off	Depreciation	Transfers and others (i)	As of June 30, 2021
	Additions						
Lands	481	26	-	-	-	(33)	474
Buildings	609	58	-	-	(7)	1	661
Improvements	2.598	423	-	(1)	(86)	(68)	2.866
Equipment	635	83	-	(1)	(62)	(1)	654
Facilities	269	31	-	-	(12)	1	289
Furnitures and appliances	340	28	-	(1)	(25)	6	348
Constructions in progress	78	111	-	-	-	(64)	125
Others	37	2	-	-	(7)	7	39
Subtotal	5.047	762	-	(3)	(199)	(151)	5.456
Lease - right of use:							
Buildings	2.423	206	231	(66)	(113)	4	2.685
Equipment	6	16	-	-	(3)	-	19
Subtotal	2.429	222	231	(66)	(116)	4	2.704
Total	7.476	984	231	(69)	(315)	(147)	8.160

	As of December 31, 2019		Remeasurment	Write-off	Depreciation	Transfers and others (ii)	As of June 30, 2020
	Additions						
Lands	450	38	-	(100)	-	(114)	274
Buildings	846	32	-	(168)	(6)	(163)	541
Improvements	1.849	319	-	(62)	(68)	280	2.318
Equipment	548	72	-	(2)	(51)	(8)	559
Facilities	265	14	-	(16)	(10)	(13)	240
Furnitures and appliances	290	22	-	-	(21)	10	301
Constructions in progress	37	47	-	(5)	-	(46)	33
Others	35	2	-	-	(6)	6	37
Subtotal	4.320	546	-	(353)	(162)	(48)	4.303
Lease - right of use:							
Buildings	1.700	441	99	(59)	(80)	5	2.106
Equipment	5	-	-	-	-	-	5
Subtotal	1.705	441	99	(59)	(80)	5	2.111
Total	6.025	987	99	(412)	(242)	(43)	6.414

(i) On the six-month period ended June 30, 2021, the transfer column presents the transfer between fixed assets to "assets held for sale" in amount of R\$147, see note 28.2.

(ii) On the six-month period ended June 30, 2020, the transfer column presents: (a) the capital contribution through GPA's real state in the amount of R\$57 and (b) the transfer of fixed assets to "assets held for sale" in amount of R\$106.

12.2 Composition of Property, plant and equipment

	6/30/2021			12/31/2020		
	Historical cost	Accumulated depreciation	Net amount	Historical cost	Accumulated depreciation	Net amount
Lands	474	-	474	481	-	481
Buildings	759	(98)	661	704	(95)	609
Improvements	3.555	(689)	2.866	3.203	(605)	2.598
Equipment	1.138	(484)	654	1.061	(426)	635
Facilities	385	(96)	289	354	(85)	269
Furnitures and appliances	543	(195)	348	513	(173)	340
Constructions in progress	125	-	125	78	-	78
Others	110	(71)	39	101	(64)	37
	7.089	(1.633)	5.456	6.495	(1.448)	5.047
Financial lease						
Buildings	3.540	(855)	2.685	3.205	(782)	2.423
Equipment	62	(43)	19	47	(41)	6
	3.602	(898)	2.704	3.252	(823)	2.429
Total property, plant and equipment	10.691	(2.531)	8.160	9.747	(2.271)	7.476



12.3 Capitalized borrowing costs

The capitalized borrowing costs for the six-month periods ended on June 30, 2021 were R\$7 (R\$3 on June 30, 2020). The rate used for the capitalization of borrowing costs was 155.25% (140.78% on June 30, 2020) of CDI, corresponding to the effective interest rate of loans taken by the Company.

12.4 Additions to property, plant and equipment for cash flow presentation purpose are as follows

	6/30/2021	6/30/2020
Additions	984	987
Leases	(222)	(441)
Capitalized interest	(7)	(3)
Financing of property and equipment - Additions	(711)	(478)
Financing of property and equipment - Payments	695	506
Total	739	571

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

(ii) 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.

12.5 Other information

On June 30, 2021, the Company recorded in the cost of sales and services the amount of R\$25 (R\$15 on June 30, 2020), relating to the depreciation of machinery, building and facilities of distribution centers.

13 Intangible

	12/31/2020	Additions	Amortization	6/30/2021
Goodwill	618	-	-	618
Softwares	70	7	(6)	71
Commercial rights	310	12	(3)	319
Tradename	39	-	-	39
	1.037	19	(9)	1.047

	12/31/2019	Additions	Amortization	Transfers	6/30/2020
Goodwill	618	-	-	-	618
Softwares	64	7	(8)	1	64
Commercial rights	312	6	(2)	-	316
Tradename	39	-	-	-	39
	1.033	13	(10)	1	1.037

	6/30/2021			12/31/2020		
	Historical cost	Accumulated amortization	Net amount	Historical cost	Accumulated amortization	Net amount
Goodwill	871	(253)	618	1.741	(1.123)	618
Softwares	132	(61)	71	126	(56)	70
Commercial rights	339	(20)	319	327	(17)	310
Tradename	39	-	39	39	-	39
Total intangible	1.381	(334)	1.047	2.233	(1.196)	1.037

13.1 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 16 as part of individual and consolidated financial statements as of December 31, 2020.

On December 31, 2020, the Company revised the plan used to assess impairment for Cash Generating Units (CGUs) and there is no significant deviation which could indicate losses or the need of a new evaluation for the period ended June 30, 2021. See the considerations related to the COVID-19 pandemic effects in note 1.3.

14 Trade payable, net

	Note	6/30/2021	12/31/2020
Product suppliers		4.726	5.450
Service providers		71	85
Service providers - related parties	10.1	18	11
Bonuses from suppliers	14.1	(310)	(488)
Total		4.505	5.058

14.1 Commercial agreements

Such agreements include discounts obtained from suppliers. Those amounts are defined according to contracts agreements and include discounts based on purchase volume, joint marketing actions, logistics refund and others. The receipt occurs through the offset of outstanding invoices regarding supply agreement, therefore, the financial liquidity occur by the net amount.



15 Financial instruments

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

	Note	6/30/2021	12/31/2020
Financial assets			
Amortized cost			
Related parties - assets	10	179	178
Trade receivables and other accounts receivable		113	117
Fair value through income			
Cash and cash equivalents	6	4.511	3.532
Financial instruments - fair value hedge – long position	15.7	2	68
Fair value through other comprehensive income			
Trade receivables with credit card companies and sales tickets		151	99
Financial liabilities			
Other financial liabilities - amortized cost			
Related parties - liabilities	10	(104)	(41)
Trade payables	14	(4.505)	(5.058)
Financing through acquisition of assets		(51)	(34)
Borrowings and financing	15.7	(893)	(897)
Debenture	15.7	(8.291)	(6.599)
Lease liabilities	17	(3.091)	(2.776)
Fair value through income			
Borrowings and financing, including derivatives	15.7	(318)	(335)
Financial instruments - fair value hedge – short position	15.7	(33)	-
Net exposure		(12.330)	(11.746)

The fair value of other financial instruments described on the table above approximates to the carrying amount based on the existing payments terms. Financial instruments measured at amortized cost, whose fair values differ from book value are disclosed in note 15.4.

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

15.1.1 Credit Risk

• Cash and cash equivalents

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

• Trade receivables

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

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

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

15.1.2 Interest rate risk

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

15.1.3 Foreign currency exchange rate risk

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

15.1.4 Capital risk management

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

The capital structure is thus demonstrated:

	6/30/2021	12/31/2020
Borrowings, financing and debentures	(9.535)	(7.831)
(-) Cash and cash equivalents	4.511	3.532
(-) Derivative financial instruments	2	68
Net debt	(5.022)	(4.231)
Shareholders' equity	1.917	1.347
% Net debt over Shareholders' equity	262%	314%

15.1.5 Liquidity risk management

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

The table below summarizes the aging profile of the Company's financial liabilities as of June 30, 2021.

	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings and financing	1.251	429	24	1.704
Debtenture	2.287	6.035	1.760	10.082
Derivative financial instruments	(4)	(9)	(2)	(15)
Lease liabilities	497	2.163	3.175	5.835
Trade payable	4.505	-	-	4.505
Total	8.536	8.618	4.957	22.111

The table above was prepared considering the undiscounted cash flows of financial liabilities based on the earliest date the Company may be required to make a payment or be eligible to receive a payment. To the extent that interest rates are floating, the non-discounted amount is obtained based on interest rate curves for the period ended June 30, 2020. Therefore, certain balances are not consistent with the balances reported in the balance sheet.

15.2 Derivative financial instruments

	Reference value		Fair value	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Swap with hedge accounting				
Hedge purpose (debt)	388	309	318	335
Long Position				
Fixed rate	106	106	67	72
USD + Fixed	282	203	251	263
Short Position	(388)	(309)	(349)	(267)
Net hedge position	-	-	(31)	68

Realized and unrealized gains and losses on these contracts during the six-month period ended June 30, 2021, are recorded as financial income or expenses and the balance payable at fair value is R\$31 (balance receivable of R\$68 as of December 31, 2020). Assets are recorded as "financial instruments" and liabilities as "borrowings and financing".

The effects of the fair value hedge recorded in the statement of operations for the six-month periods ended June 30, 2021, resulted in a loss of R\$23, recorded under debt of cost, note 24 (gain of R\$104 as of June 30, 2020).

15.2.1 Fair values of derivative financial instruments

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

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

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

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

15.3 Sensitivity analysis of financial instruments

According to Management's assessment, the most probable scenario is what the market has been estimating through market curves (currency and interest rates) of the B3, on the maturity dates of each transaction.

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

For a probable scenario, the weighted exchange rate was R\$5.28 on the due date, and the interest rate weighted was 6.58% per year.

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

The Company disclosed the net exposure of derivative financial instruments, each of the scenarios mentioned above in the sensitivity analysis as follows:

Transactions	Risk (CDI Increase)	As of 6/30/2021	Market projections		
			Scenario (I)	Scenario (II)	Scenario (III)
Borrowings and financing	CDI + 2% per year	(1.155)	(80)	(100)	(120)
Fixed rate swap contract (Passive Tip)	CDI + 0.03% per year	(64)	(49)	(52)	(55)
Exchange swap contract (Passive Tip)	CDI + 1.35% per year	(284)	(22)	(28)	(34)
Debtentures	CDI + 1.93% per year	(8.282)	(541)	(677)	(812)
Total net effect (loss)		(9.785)	(692)	(857)	(1.021)
Cash equivalents	98.90%	4.511	248	310	372
Net exposure loss:		(5.274)	(444)	(547)	(649)



15.4 Fair values measurement

The Company discloses the fair value of financial instruments measured at fair value and of financial instruments measured at amortized cost, the fair value of which differ from the carrying amount, in accordance with CPC46 / IFRS13, which refer to the requirements of measurement and disclosure. The fair value hierarchy levels are defined below:

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

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

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

The fair values of 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
	6/30/2021	12/31/2020	6/30/2021	12/31/2020	
Trade receivables with credit cards companies and sales vouchers	151	99	151	99	2
Swaps of annual rates between currencies	(33)	57	(33)	57	2
Interest rate swaps	2	11	2	11	2
Borrowings and financing (fair value)	(318)	(335)	(351)	(335)	2
Borrowings and financing (amortized cost)	(9.184)	(7.496)	(8.397)	(6.529)	2
	(9.382)	(7.664)	(8.628)	(6.697)	

There were no changes between fair value measurement hierarchy levels during the period ended June 30, 2021.

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.

15.5 Operations with derivative financial instruments

The Company has derivative contracts with the following financial institutions: Itaú BBA and Scotiabank

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

Description	Reference value	Maturity	6/30/2021	12/31/2020
Debt				
USD - BRL	US\$ 50	2021	-	57
USD - BRL	US\$ 50	2023	(33)	-
Interest rate swaps registered at CETIP				
Pre-fixed rate x CDI	R\$ 54	2027	4	5
Pre-fixed rate x CDI	R\$ 52	2027	(2)	6
Derivatives - Fair value hedge - Brazil				
			(31)	68

15.6 Borrowings and financing

15.7 Debt composition

	Weighted average	6/30/2021	12/31/2020
Current			
Debtenture and promissory notes			
Debtenture and promissory notes	CDI + 1,73% per year	1.954	1.864
Borrowing costs		(23)	(24)
Total debtenture and promissory notes		<u>1.931</u>	<u>1.840</u>
Borrowings and financing			
In national currency			
Working capital	TR + 9,80%	10	12
Working capital	CDI + 2% per year	253	9
Borrowing costs		(5)	(5)
Total national currency		<u>258</u>	<u>16</u>
In foreign currency			
Working capital	CDI + 1,25% a per year	2	264
Total in foreign currency		<u>2</u>	<u>264</u>
Total of borrowings and financing		<u>260</u>	<u>280</u>
Derivative financial instruments			
Swap contracts	CDI + 1,35% per year	-	(57)
Total derivative financial instruments		<u>-</u>	<u>(57)</u>
Total current		<u>2.191</u>	<u>2.063</u>



	Weighted average	30/06/2021	31/12/2020
Non-current			
Debtenture and promissory notes			
Debtenture and promissory notes	CDI + 1,99% per year	6.374	4.780
Borrowing costs		(14)	(21)
Total debtenture and promissory notes		<u>6.360</u>	<u>4.759</u>
Borrowings and financing			
In national currency			
Working capital	TR + 9,80%	57	60
Working capital	CDI + 2% per year	650	901
Borrowing costs		(6)	(9)
Total of national currency		<u>701</u>	<u>952</u>
In foreign currency			
Working capital		250	-
Total of foreign currency		<u>250</u>	<u>-</u>
Total national currency		<u>951</u>	<u>952</u>
Derivative financial instruments			
Swap contracts	CDI + 0,03% per year	(2)	(11)
Swap contracts	CDI + 1,35% per year	33	-
Total derivative financial instruments		<u>31</u>	<u>(11)</u>
Total of non-current		<u>7.342</u>	<u>5.700</u>
Total		<u>9.533</u>	<u>7.763</u>
Current asset		-	57
Non-current asset		2	11
Current liabilities		2.191	2.120
Non-current liabilities		7.344	5.711

15.8 Rollforward of borrowings and financing

	Amount
Balance on December 31, 2019	8.467
Funding	599
Interest provision	222
Swap contracts	(72)
Mark-to-market	(2)
Exchange rate and monetary variation	71
Borrowing costs	21
Interest amortization	(257)
Principal amortization	(1.223)
Swap amortization	2
Balance on June 30, 2020	<u>7.828</u>
	Amount
Balance on December 31, 2020	7.763
Funding	1.874
Interest provision	195
Swap contracts	89
Mark-to-market	7
Exchange rate and monetary variation	(24)
Debt modification effect IFRS 9	(23)
Borrowing costs	18
Interest amortization	(96)
Principal amortization	(273)
Swap amortization	3
Balance on June 30, 2021	<u>9.533</u>

15.9 Schedule of non-current maturities

Maturity	Amount
From 1 to 2 years	3.091
From 2 to 3 years	3.104
From 3 to 4 years	569
From 4 to 5 years	352
After 5 years	246
Total	<u>7.362</u>
Borrowing cost	<u>(20)</u>
Total	<u>7.342</u>

...

15.10 Debenture and promissory notes

	Type	Issue amount	Outstanding debentures (units)	Date		Annual financial charges	Unit price (in Reais)	6/30/2021	12/31/2020
				Issue	Maturity				
First Issue of Promissory Notes - 2nd series	Non-preemptive right	50	1	07/04/2019	07/05/2021	CDI + 0,72% per year	52.998.286	54	53
First Issue of Promissory Notes - 3rd series	Non-preemptive right	50	1	07/04/2019	07/04/2022	CDI + 0,72% per year	52.998.286	54	53
First Issue of Promissory Notes - 4th series	Non-preemptive right	250	5	07/04/2019	07/04/2023	CDI + 0,72% per year	52.998.286	271	267
First Issue of Promissory Notes - 5th series	Non-preemptive right	200	4	07/04/2019	07/04/2024	CDI + 0,72% per year	52.998.286	217	214
First Issue of Promissory Notes - 6th series	Non-preemptive right	200	4	07/04/2019	07/04/2025	CDI + 0,72% per year	52.998.286	217	213
First Issue of Debentures - 2nd series	Non-preemptive right	2.000	200.000	09/04/2019	08/20/2021	CDI + 2,34% per year	876	1.779	1.762
First Issue of Debentures - 3rd series	Non-preemptive right	2.000	200.000	09/04/2019	08/20/2022	CDI + 2,65% per year	1.004	2.055	2.033
First Issue of Debentures - 4th series	Non-preemptive right	2.000	200.000	09/04/2019	08/20/2023	CDI + 3% per year	1.005	2.076	2.049
Second Issue of Debentures - 1st series	Non-preemptive right	940.000	940.000	06/01/2021	05/22/2026	CDI + 1,70% per year	1.005	943	-
Second Issue of Debentures - 2nd series	Non-preemptive right	600.000	600.000	06/01/2021	05/22/2028	CDI + 1,95% per year	1.005	662	-
Borrowing cost								(37)	(45)
								8.291	6.599
Current								1.931	1.840
Non-current								6.360	4.759

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

15.11 Guarantees

The company signed promissory notes for certain borrowings agreements.

15.12 Swap contracts

The Company uses swap operations for 100% of its borrowings denominated in US dollars and fixed interest rates, exchanging these liabilities for Real linked to CDI (floating) interest rates. The annual weighted average rate on June 30, 2021 was 2.64% of CDI (2.76% on December 31, 2020).

15.13 Financial covenants

In connection with the debentures and promissory notes issued and part of loan operations denominated in foreign currencies, the Company is required to maintain certain financial ratios. These ratios are calculated quarterly based on the Company's consolidated financial statements drawn up in accordance with the accounting practices adopted in Brazil, as follows: (i) consolidated net debt / equity less than or equal to 5.0 not exceeding equity; and (ii) consolidated net debt/EBITDA ratio should be lower than or equal to 3.25.

Also, the instrument of the 1st issuance of the Company's debentures provides for a restrictive covenant that determines limits for distribution of dividends above the legal minimum and higher indebtedness for the acquisition of other entities.

On June 30, 2021, the Company was compliant with those ratios. In addition, the Company has been complying with all restrictive covenants, and, over the last three years ended on December 31, 2020, no event occurred that would require the Company to accelerate the payment of its debts.

16 Provision for legal proceedings

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

	Social security and labor			
	Tax claims		Civil	Total
Balance as of December 31, 2020	169	64	49	282
Additions	48	24	3	75
Reversal	(82)	(10)	(7)	(99)
Payments	-	(9)	(10)	(19)
Monetary correction	4	3	5	12
Balance as of June 30, 2021	139	72	40	251
	Social security and labor			
	Tax claims		Civil	Total
Balance as of December 31, 2019	143	61	36	240
Additions	-	5	3	8
Reversal	(1)	(4)	(6)	(11)
Payments	-	(1)	(1)	(2)
Monetary correction	1	4	1	6
Balance as of June 30, 2020	143	65	33	241

16.1 Tax claims

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



The main tax claims provisioned are as follows:

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

The provisioned amount on June 30, 2021, for these matters is R\$139 (R\$169 on December 31, 2020).

16.2 Social security and labor

The Company is a party to various labor proceedings, especially due to dismissals in the regular course of business. On June 30, 2021, the Company recorded a provision of R\$72 (R\$64 on December 31, 2020), referring to a potential risk of loss relating to labor claims. Management, with the assistance of its legal counsels, assesses these claims and recording provisions for losses when reasonably estimated, considering previous experiences in relation to amounts claimed.

16.3 Civil

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

Among these proceedings, we highlight the following:

The Company is party to various lawsuits requesting the renewal of rental agreements and the review of the current rent paid. The Company records a provision for the difference between the amount originally paid by stores and the amounts claimed by the adverse party in the lawsuit when internal and external legal counsels consider the probability of changing the lease amount paid by the entity. On June 30, 2021, the provision for these lawsuits amounted to R\$9 (R\$23 on December 31, 2020), for which there are no judicial deposits for legal proceedings.

The Company is party to certain lawsuits relating to the fines applied by inspection bodies of direct and indirect administration of the federal government, states, and municipalities, including consumer defense bodies (PROCONs, INMETRO, and local governments). The Company, assisted by its legal counsel, assesses these claims recording provisions for probable cash disbursements, according to the probability of loss. On June 30, 2021, the provision for these lawsuits is R\$5 (R\$5 on December 31, 2020).

The Company's total civil and regulatory claims on June 30, 2021, is R\$40 (R\$49 on December 31, 2020).

16.4 Possible contingent liabilities

The Company is party to other litigations for which the probability of loss was deemed by its legal counsel to be possible, but not probable, therefore, not accrued, totaling an updated amount of R\$2,313 on June 30, 2021 (R\$2,408 on December 31, 2020). Accordingly, no provisions were recorded in connection with these proceedings, which are mainly related to:

IRPJ (corporate income tax), IRRF (withholding income tax), CSLL (social contribution on net income) – The Company received several tax assessment notices relating to tax offsetting proceedings, goodwill disallowance, disagreements regarding payments and overpayments, fines due to non-compliance with ancillary obligation, among other less relevant issues. The amount involved corresponds to R\$469 on June 30, 2021 (R\$466 on December 31, 2020).

COFINS, PIS (federal taxes on gross revenues) – The Company has been questioned about discrepancies in payments and overpayments; fine due to non-compliance with ancillary obligation, disallowance of COFINS and PIS credits, among other issues. These proceedings are pending judgment at the administrative and judicial levels. The amount involved in these tax assessments is R\$629 as of June 30, 2021 (R\$632 on December 31, 2020).

ICMS (State VAT) – The Company received tax assessment notices from State tax authorities in connection with credits from purchases from suppliers' acquisitions considered unqualified by the registry of the State Revenue Service, among others matters. These tax assessments amount to R\$1,124 on June 30, 2021 (R\$1,235 on December 31, 2020). These proceedings are pending final judgment at the administrative and judicial levels.

ISS (services tax), IPTU (urban property tax), Fees and other – The Company has received tax assessments relating to discrepancies in payments of IPTU, fines due to non-compliance with ancillary obligations, ISS – refund of advertising expenses and various fees, totaling R\$12 on June 30, 2021 (R\$13 on December 31, 2020). These proceedings are pending judgment at the administrative and judicial levels.

INSS (national institute of social security) – The Company was assessed due to the levy of payroll charges over benefits granted to its employees, among other issues, with possible losses of R\$22 on June 30, 2021 (R\$21 on December 31, 2020). Proceedings have been discussed in the administrative and judicial levels.

Other litigation– These proceedings refer to real estate lawsuits in which the Company claims the renewal of lease agreements and rents according to market prices. These lawsuits involve proceedings litigated in civil court, and special civil court, as well as administrative proceedings filed by inspection bodies, such as the consumer defense body (PROCONs), the National Institute of Metrology, Standardization and Industrial Quality– INMETRO, the National Agency of Sanitary Surveillance - ANVISA, among others, totaling R\$43 on June 30, 2021 (R\$24 on December 31, 2020).



The Company engages external legal counsel to represent it in the tax assessments, whose fees are contingent on the final outcome of the lawsuits. Percentages may vary according to qualitative and quantitative factors of each proceeding, on June 30, 2021, the estimated amount, in case of success of all lawsuits, was approximately R\$14 (R\$17 on December 31, 2020).

16.5 Guarantees

The Company granted guarantees to judicial process related a civil, tax and labor nature, described below:

Lawsuits	Letter of guarantees
Tax claims	456
Social security and labos	105
Civil and others	53
Total	614

The guarantees cost is approximately 0.37% per year of the value of the lawsuits and it is registered as expense in the course of time.

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

Since the adoption of the non-cumulative regime to calculate PIS and COFINS, the Company has claimed the right to deduct ICMS taxes from the calculation basis of PIS and COFINS. On March 15, 2017, the Federal Supreme Court (STF) recognized, in terms of general repercussion, the unconstitutionality of including ICMS in the PIS and COFINS calculation basis.

In May 2021, the STF Plenary judged the Declaration Embargoes, in relation to the amount to be excluded from the PIS and COFINS calculation basis, if it should only be the ICMS paid, or if all the ICMS highlighted in the invoices, the STF issued a favorable decision to the taxpayers, concluding that all outstanding ICMS should be excluded from the PIS and COFINS calculation basis.

Since of such decision on March 15, 2017, the procedural progress has been as anticipated by our legal advisors without any change in the management's judgment. On July 16, 2021, the Company obtained a favorable decision in its individual legal proceeding, with the decision the Company will revisit the rationale adopted in the reliable measurement, in order to ensure that the calculations are in accordance with the final decision. See note 9.2.

16.7 Restricted deposits for legal proceedings

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

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

Lawsuits	6/30/2021	12/31/2020
Tax claims	65	64
Social security and labor	64	67
Civil and others	3	3
Total	132	134

17 Leases

17.1 Minimum future payments and potential right of PIS and COFINS

Leasing agreements totaled R\$ 3,091 on June 30, 2021 (R\$ 2,776 on December 31, 2020). The minimum future payments as leases, by leases term and with the fair value of minimum lease payments, are as follows:

	6/30/2021	12/31/2020
Financial lease liabilities - minimum payments		
Less than 1 year	213	172
1 to 5 years	1.009	866
More than 5 years	1.869	1.738
Present value of financial lease agreements	3.091	2.776
Future financing charges	2.744	2.478
Gross amount of financial lease agreements	5.835	5.254
PIS and COFINS embedded in the present value of lease agreements	188	169
PIS and COFINS embedded in the gross value of lease agreements	355	319

Lease liabilities interest expense is stated in note 24. The incremental interest rate of the Company on the signing date of the agreement was 10.12% in the period ended June 30, 2021 (9.72% on December 31, 2020).

If the Company had adopted the projection of inflation imbedded 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 will be 3.47% approximately. The average term of the agreements analyzed is 15.5 years.

17.2 Lease obligation rollforward

	Amount
As of Decemeber 31, 2019	1.885
Funding - Lease	441
Remeasurement	99
Interest provision	104
Amortization	(147)
Write-off due to early termination of agreement	(4)
Aquisition of partnership	8
As of June 30, 2020	2.386
Current	135
Non-current	2.251
	Amount
As of Decemeber 31, 2020	2.776
Funding - Lease	222



Remeasurement	231
Interest provision	137
Amortization	(201)
Write-off due to early termination of agreement	(74)
As of June 30, 2021	<u>3.091</u>
Current	213
Non-current	2.878

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

	Parent Company	Parent Company and Consolidated
	6/30/2021	12/31/2020
(Expenses) revenues of the period:		
Variables (1% of sales)	(4)	(8)
Subleases (*)	13	8

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

18 Deferred revenues

	6/30/2021	12/31/2020
Back Lights	93	186
Checkstand	21	29
Gift card	1	2
Marketing	21	11
Others	4	-
Total	<u>140</u>	<u>228</u>
Current	139	227
Non-current	1	1

The Company received in advance amounts referring to the rental of backlight panels, supplier product exhibition modules, or check stands, rental of displays, and front-fee anticipation with credit card operators.

19 Income tax and social contribution

19.1 Reconciliation of income tax and social contribution expense

	Parent Company		Consolidated
	6/30/2021	6/30/2020	6/30/2020
Earnings before income tax and social contribution	800	414	424
Expense of income tax and social contribution at nominal rate	(272)	(141)	(144)
Adjustments to reflect the effective rate			Restated
Tax fines	(1)	-	-
Share of profits	10	(3)	-
Tax benefits	8	10	10
Other permanent differences	-	(5)	(5)
Effective income tax	<u>(255)</u>	<u>(139)</u>	<u>(139)</u>
Income tax and social contribution for the period			
Current	(265)	(261)	(261)
Deferred	10	122	122
Income tax and social contribution expenses	<u>(255)</u>	<u>(139)</u>	<u>(139)</u>
Effective tax	31,9%	33,6%	32,8%

19.2 Breakdown of deferred income tax and social contribution

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

	6/30/2021			12/31/2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Deferred income tax and social contribution						
Provision for legal proceedings	67	-	67	81	-	81
Exchange rate variation	1	-	1	26	-	26
Goodwill tax amortization	-	(318)	(318)	-	(315)	(315)
Mark-to-market adjustment	-	-	-	-	(2)	(2)
Property, plant and equipment and intangibles and investment properties	27	-	27	37	-	37
Unrealized gains with tax credits	-	(21)	(21)	-	(60)	(60)
Cash flow hedge	-	(17)	(17)	-	(20)	(20)
Lease net of right of use	140	-	140	131	-	131
Modification debt effects - IFRS 9	16	-	16	24	-	24
Others	33	-	33	16	-	16
Gross deferred income tax and social contribution assets (liabilities)	<u>284</u>	<u>(356)</u>	<u>(72)</u>	<u>315</u>	<u>(397)</u>	<u>(82)</u>
Compensation	(284)	284	-	(315)	315	-
Net deferred income tax and social contribution assets (liabilities), net	-	(72)	(72)	-	(82)	(82)

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



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

Years	Amount
Up to 1 year	56
From 1 year to 2 years	73
From 2 years to 3 years	1
More than 5 years	154
	<u>284</u>

19.3 Rollforward of deferred income tax and social contribution

	6/30/2021	12/31/2020
At the beginning of the period	(82)	(395)
Benefits in the period	10	268
Corporate reorganization	-	45
At the end of the period	<u>(72)</u>	<u>(82)</u>

20 Shareholders' equity

20.1 Capital stock and stock rights

The Company's capital stock on June 30, 2021 is R\$ 779 (R\$ 761 on December 31, 2020), represented by 269 million registered common shares, (268 million on December 31, 2020), all non-par and registered shares. According to the Company's bylaws, the Company's authorized capital stock may be increased up to 400 million common shares.

On June 1, 2021 the Management Board approved a capital increase of R\$18, corresponding to the issuance of 544 thousands common shares.

20.2 Distribution of dividends and interest on equity

The Extraordinary Shareholders' Meeting held on September 29, 2020 approved the interim payment of interest on equity, in the gross amount of R\$ 310, over which the withholding income tax was deducted in the amount of R\$ 46, corresponding to the net amount of R\$ 264.

Management proposed dividends to be distributed, considering the anticipation of interest on equity to its shareholders, calculated as follows:

	12/31/2020
	Restated
Net income for the year ended on December 31, 2020	1.398
% Legal reserve	5%
Legal reserve for the year	<u>5</u>
Base for dividends	<u>1.393</u>
Interest on equity payment – net	264
Minimum mandatory dividends - 25%	<u>349</u>
Dividends proposed payable	<u>85</u>

On March 26, 2021, the amount of dividends and profits company's destination related to year ended December 31, 2020 proposed by the Management were disclosed to the market. Such management's proposal was approved on April 28, 2021 and the amount of dividends will be adjusted to reflect the minimum percentage required by law.

At the general shareholders' meeting held on April 28, 2021, the shareholders voted to approve the minimum mandatory dividend in the aggregate amount of R\$349, calculated in accordance with Brazilian Corporate Law and the Company's bylaws, with respect to the fiscal year ended December 31, 2020. This amount corresponds to R\$1.29846211682919 per common share. Of the total amount, R\$264 was paid on November 27, 2020 as interest on shareholders' equity, and R\$85 will be payable as follows: (i) on June 7, 2021, to holders of common shares based on the shareholding composition of April 28, 2021; and (ii) on June 14, 2021, to holders of ADSs as of April 30, 2021. The residual amount payable corresponds to R\$0.31654126223623 per common share.

20.3 Legal reserve

Legal reserve: this is recorded by appropriating 5% of the net income of each fiscal year, observing the 20% limit of capital. On June 30, 2021, the amount is R\$152 (R\$152 on December 31, 2020).

The destination differs from the financial statements, since the destination of 5% of net income to the legal reserve would result on the exceeding of 20% of capital stock.

21 Net operating revenue

	Parent Company	Parent Company and Consolidated
	6/30/2021	6/30/2020
		Restated
Gross operating revenue		
Goods	21.246	17.615
Services rendered and others	52	44
	<u>21.298</u>	<u>17.659</u>
(-) Revenue deductions		
Returns and sales cancellation	(36)	(30)
Taxes	(1.765)	(1.549)
	<u>(1.801)</u>	<u>(1.579)</u>
Net operating revenue	<u>19.497</u>	<u>16.080</u>



22 Expenses by nature

	Parent Company	Parent Company and Consolidated
	6/30/2021	6/30/2020
		Restated
Inventory costs	(16.001)	(13.300)
Personnel expenses	(1.189)	(972)
Outsourced services	(116)	(113)
Selling expenses	(283)	(213)
Functional expenses	(328)	(283)
Other expenses	(200)	(109)
	<u>(18.117)</u>	<u>(14.990)</u>
Cost of sales	(16.268)	(13.525)
Selling expenses	(1.560)	(1.267)
General and administrative expenses	(289)	(198)
	<u>(18.117)</u>	<u>(14.990)</u>

23 Other operating expenses, net

	Parent Company	Parent Company and Consolidated
	6/30/2021	6/30/2020
		Restated
Result with property and equipment	6	(23)
Reversal (provision) for legal proceedings	5	(2)
Restructuring expenses	(42)	(51)
Covid-19 spending on prevention	-	(66)
Total	<u>(31)</u>	<u>(142)</u>

24 Net financial result

	Parent Company	Parent Company and Consolidated
	6/30/2021	6/30/2020
		Restated
Financial expenses		
Cost of debt	(190)	(235)
Cost and discount of receivables	(15)	(22)
Monetary correction (liabilities)	(9)	(7)
Interest on leasing liabilities	(133)	(100)
Other financial expenses	(1)	(51)
Total financial expenses	<u>(348)</u>	<u>(415)</u>
Financial revenues		
Cash and cash equivalents profitability	25	18
Monetary correction (assets)	41	108
Other financial revenues	3	3
Total financial revenues	<u>69</u>	<u>129</u>
Total	<u>(279)</u>	<u>(286)</u>

25 Earnings per share

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

At the extraordinary general shareholders' meeting held on October 5, 2020, Company' shareholders voted to approve the reverse stock split of 3,269,992,034 (three billion, two hundred and sixty-nine million, nine hundred and ninety-two thousand and thirty-four) common shares, with no par value issued by Company, in the proportion of 12.1854776946393 to 1 (one) (the "Reverse Stock Split"). Immediately following the Reverse Stock Split, capital stock of Company was represented by 268,351,567 (two hundred and sixty-eight million, three hundred and fifty-one thousand, five hundred and sixty-seven) common shares, with no par value.

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

	6/30/2021	6/30/2020
Basic and diluted number:		Restated
Allocated basic earnings and not distributed from continued operation	545	275
Net income allocated available to common shareholders	545	275
Basic and diluted denominator (millions of shares)		
Weighted average of the number of shares	268	258
Basic and diluted earnings per million shares (R\$) from continued operation	2,02854	1,06589

26 Non-cash transactions

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

- Purchase of property, plant and equipment not yet paid, in note 12.4



27 Discontinued operation

At the Extraordinary Shareholders' meeting held on December 31, 2020, shareholders of the Company and GPA approved the corporate restructuring proposal which consisted of the full spin-off of Éxito to GPA. Éxito is a Colombian company operating in Colombia under the banners of Éxito, Carulla, Super Inter, Surtimax, and Surtimayorista supermarkets and hypermarkets, in Argentina, under the Libertad banner, and in Uruguay under Disco and Devoto banners. Also, Éxito operates shopping malls in Colombia under the banner Viva.

On June 30, 2020, Éxito's results were classified as a discontinued operation as follows:

	<u>6/30/2020</u>
Statement of operations	10.331
Cost of sales	(7.803)
Gross profit	<u>2.528</u>
Operating expenses	
Selling expenses	(1.390)
General and administrative expenses	(441)
Depreciation and amortization	(346)
Share of loss of associates	(41)
Other operating expenses, net	(102)
	<u>(2.320)</u>
Operating profit before net financial result	<u>208</u>
Net financial result	(158)
Income before income taxes	<u>50</u>
Income tax and social contribution	14
Net income for the period	<u>64</u>

Comprehensive income results as presented below:

	<u>6/30/2020</u>
Net income for the period	64
Items that may be subsequently reclassified to statement of operations	
Exchange rate variation of foreign Investments	(4)
Other comprehensive income	1
Comprehensive income for the period	<u>61</u>

Net cash flow incurred are:

	<u>6/30/2020</u>
Operating activities	(1.278)
Investment activities	(159)
Financing activities	11
Exchange rate variation on cash and cash equivalents	455
Net cash used	<u>(971)</u>

Earnings per share:

	<u>6/30/2020</u>
Basic and diluted	0,1429

Operation segment:

	<u>6/30/2020</u>
Net sales	10.331
Gross profit	2.528
Depreciation and amortization	(346)
Share of loss of associates	(41)
Operating profit	208
Net financial result	(158)
Income before income taxes	50
Income taxes and social contribution	14
Net income for the period	64
	<u>12/31/2020</u>
Current assets	8.014
Non-current assets	18.930
Current liabilities	9.729
Non-current liabilities	3.620
Equity capital/ minority	13.595

The Éxito Group's operations were treated as a separate segment on June 30, 2020 and as result of the discontinuity of its operation in the financial statements as of December 31, 2020, the Company operates now as a single segment, as described in note 1.2.



28 Subsequent events

28.1 Split of common shares

On July 8, 2021, the Company issued the extraordinary general meeting announcement to be held on August 11, 2021, in order to approval of the proposal of split of common shares issued by the Company, whereby each share issued by the Company will be split into 5 (five) shares of the same type, without changing the amount of the Company's current capital stock.

28.2 Commitment of purchase and sale of real state

On July 19, 2021, the Company entered into the "Private Instrument of Commitment of Real Estate Investment, Commitment of Purchase and Sale of Real Estate and Incorporation of in Rem Right of Surface, Under Suspensive Conditions and Other Covenants" with an investment fund administered by BRL Trust Distribuidora de Títulos e Valores Mobiliários SA and managed by TRX Gestora de Recursos Ltda. The purpose of the Instrument is the sale, development and lease of 5 properties of the Company located in the States of São Paulo, Rio de Janeiro and Rondônia.

The transaction covers the sale of 1 property already built and other 4 lands, over which shall be carried out construction and real estate development project. The total sale amount of the Properties to be received by the Company is R\$ 364, the sale amount and cost amount of the construction of the properties will be base for defining the final amount of the properties' monthly rents. On June 30, 2021, the assets transferred to "assets held for sale" was in amount of R\$147.

The performance of the acquisition of the properties is conditioned to the fulfilment of certain suspensive conditions provided in the Instrument until October 14, 2021.

28.3 Approval of obtention of financial resources

On July 27, 2021, were approved the acquisition of real estate receivables certificates (CRI), in the amount of R\$1,500 and of promissory notes, in the total amount of R\$2,500. Such transactions will have an average maturity of more than 4 years and have due dates from 2022 and 2023.

The conclusion of the public offering is subject to full compliance with the conditions precedent set out in the documentation relating to the respective funding.

28.4 Capital stock increase

On July 27, 2021, the Company approved, in accordance with Article 6 of the Bylaws and the limit of authorized capital, the increase of capital stock in the amount of R\$ 8 by menos of the issuance of 404,186 (four hundred four thousand, one hundred eighty-six) common shares. With this, the Company's capital stock increased from R\$ 779 to R\$ 787, fully subscribed and paid for, divided into 269,299,859 common shares with no par value.

A free translation from Portuguese into English of Independent Auditor’s Report on Review of Quarterly Information (ITR) prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil, and in accordance with NBC TG 21 – Interim Financial Statements and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

REPORT ON REVIEW OF QUARTERLY INFORMATION (ITR)

To the Shareholders, Board of Directors and Officers of
Sendas Distribuidora S.A.
São Paulo – SP

Introduction

We have reviewed the accompanying interim financial information, contained in the Quarterly Information Form (ITR) of Companhia Sendas Distribuidora S.A. (the “Company”) for the quarter ended June 30, 2021, which comprises the statement of financial position as at June 30, 2021, and the related statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the interim financial information in accordance with NBC TG 21 – Interim Financial Statements and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this financial information in accordance with the rules 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 Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review on 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 International 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 financial information referred to above is not fairly prepared, in all material aspects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of quarterly information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of matter

Restatement of interim financial information

As mentioned in Note 4.1, due to the spin-off of subsidiary Almacenes Éxito S.A., the amounts corresponding to the statements of profit or loss for the three and six-month period ended June 30, 2020, presented for comparison purposes, are adjusted and restated in compliance with Accounting Pronouncement CPC 31 / IFRS 5 – Noncurrent assets held for sale and discontinued operations. Our conclusion is not modified in respect of this matter.

As mentioned in Note 4.2, due to the impacts of the share split approved in the Special General Meeting held on October 5, 2020, the calculation of basic and diluted earnings per share was adjusted retrospectively for the three and six-month period ended June 30, 2020, as required by NBC TG 41 Earnings per share (IAS 33). On October 6, 2020, we issued a report on review without modifications on the Company's interim financial information, which is restated hereunder. Our conclusion is not modified in respect of this matter.

As mentioned in Note 4.3, as a result of the balancing between legal and income reserves, as well as the impact of dividend allocation and on dividends payable, in compliance with the limits established by article 193 of Law No. 6404/1976, the financial statements for the year ended December 31, 2020 are adjusted and restated as provided for in NBC TG 23, or CPC 23 (Accounting Practices, Changes in Estimates and Correction of Errors). Our conclusion is not modified in respect of this matter.

Other matters

Statements of value added

The quarterly information referred to above include the statements of value added (SVA) for the six-month period ended June 30, 2021, prepared under Company management responsibility and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures performed in conjunction with the review of quarterly information, in order to conclude whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 Statements of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not fairly prepared, in all material respects, in accordance with the criteria defined in this standard and in relation to the overall interim financial information.



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São Paulo, July 27, 2021.

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Stela de Aguiar Cerqueira
Accountant – CRC-1SP258643/O-4

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:

- (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, 2021; and
- (ii) have reviewed, discussed and agreed with the Company’s Interim Financial Information related to the six-month period ended June 30, 2021.

Rio de Janeiro, July 27th, 2021.

Belmiro de Figueiredo Gomes
Chief Executive Officer

Daniela Sabbag Papa
Chief Administrative and Financial Officer

Gabrielle Helú
Investor Relations Officer