

Transaction Involving Conversion of Extra Hiper Stores

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

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

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



● **+420k sqm of sales area⁽²⁾,**
+49.8% the current area⁽³⁾

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

Source: Company Information

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

MAIN TRANSACTION DRIVERS

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



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



Commercial establishments with high potential of profitability



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



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



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



IRREPLICABLE STORES IN PRIME LOCATIONS



16
States

63 Stores
in Large
Metropolitan
Areas

~62%
Stores in
Capitals

~50%
Stores in
SP

**Conversion plan for
the 71 Extra stores**

~40 stores in 2022
~30 stores in 2023



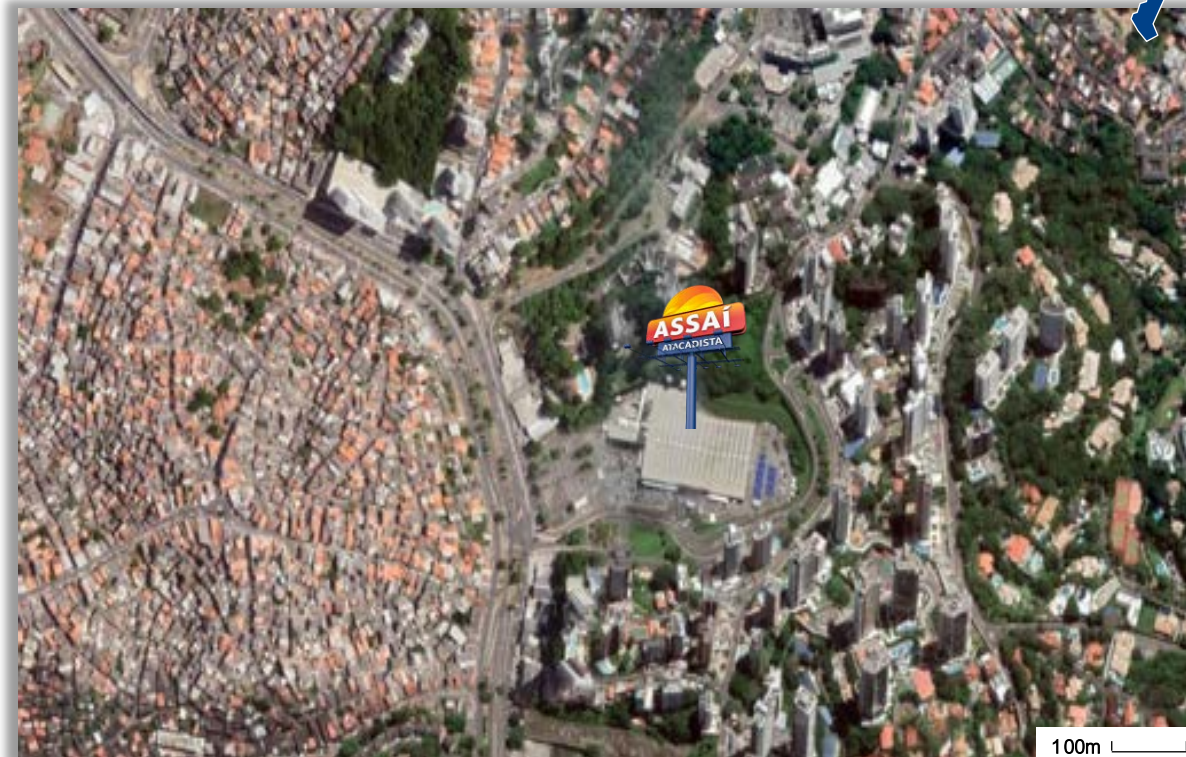
Note: (1) Extra Hi per 7M21LTM gross revenues (does not consider revenues from gas station); (2) Based on the Company's past experience in converting stores, as explained on page 6 of the presentation

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

Campinas – São Paulo State



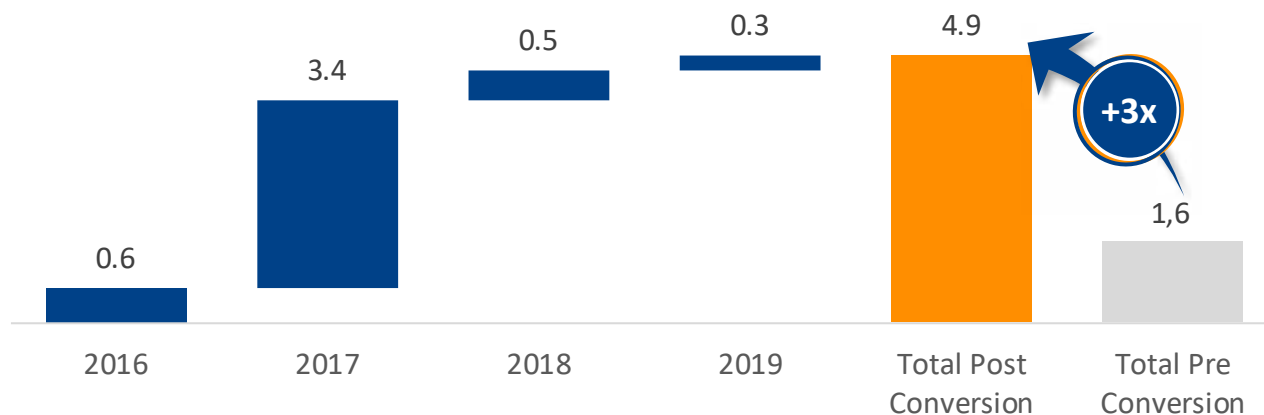
Salvador – Bahia State



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

TRACK-RECORD OF CONVERSION WITH HIGH VALUE CREATION

Gross Revenues per Converted Park⁽¹⁾ (R\$bn)



20 Converted Stores

1 SP, 1RJ

12 SP, 1 GO, 1MG, 1 RJ

1 SP, 1MG

1 SP



São Vicente, SP – Converted in 2016



Uberlândia, MG – Converted in 2017



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



Total sales potential by **6th Month**



Store Breakeven in the **1st year** of operation



Full store maturation in the **2nd year**



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

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

Transaction Highlights

Total Amount of R\$ 5.2 bn:

- **Payment of R\$4.0bn (45.7% LTM Gross Revenues)** for the 71 commercial points to be paid in installments from December/21 to January/24
- **Sale of 17 owned stores in which Assai is the tenant to a real estate fund for R\$1.2bn, with a guarantee⁽¹⁾ of direct acquisition by Assai if necessary**

Next Steps

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

Thank You

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